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

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2025

OR

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

For transition period from_____ to_____

Commission File Number: **001-36089**

RingCentral, Inc.

(Exact name of Registrant as specified in its charter)

Delaware	**94-3322844**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

20 Davis Drive
Belmont, California 94002
(Address of principal executive offices)

(650) 472-4100
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock par value $0.0001	**RNG**	**New York Stock Exchange**

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

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

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

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

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

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

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

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

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

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

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

The aggregate market value of voting stock held by non-affiliates of the Registrant on June 30, 2025, based on the closing price of $28.35 for shares of the Registrant's common stock as reported by the New York Stock Exchange, was approximately $2.3 billion. Shares of common stock held by each executive officer, director, and their affiliated holders have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of February 20, 2026, there were 74,268,033 shares of Class A Common Stock and 9,804,538 shares of Class B Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Information required in response to Part III of Form 10-K (Items 10, 11, 12, 13 and 14) is hereby incorporated by reference from portions of the Registrant's 10-K/A in lieu of our Proxy Statement for the Annual Meeting of Stockholders to be held in 2026. Such 10-K/A will be filed by the Registrant with the Securities and Exchange Commission no later than 120 days after the end of the Registrant's fiscal year ended December 31, 2025.

TABLE OF CONTENTS

PART I

Item 1.	Business	4
Item 1A.	Risk Factors	13
Item 1B.	Unresolved Staff Comments	43
Item 1C.	Cybersecurity	44
Item 2.	Properties	45
Item 3.	Legal Proceedings	45
Item 4.	Mine Safety Disclosures	45

PART II

Item 5.	Market for Registrant's Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities	46
Item 6.	[Reserved]	48
Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operations	49
Item 7A.	Quantitative and Qualitative Disclosures About Market Risk	62
Item 8.	Consolidated Financial Statements and Supplementary Data	64
Item 9.	Change in and Disagreements with Accountants on Accounting and Financial Disclosure	101
Item 9A.	Controls and Procedures	101
Item 9B.	Other Information	102
Item 9C.	Disclosure Regarding Foreign Jurisdictions That Prevent Inspections	102

PART III

Item 10.	Directors, Executive Officers, and Corporate Governance	103
Item 11.	Executive Compensation	103
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	103
Item 13.	Certain Relationships and Related Transactions and Director Independence	103
Item 14.	Principal Accountant Fees and Services	103

PART IV

Item 15.	Exhibits	104
Item 16.	Form 10-K Summary	107

PART I.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements that are based on our management's beliefs and assumptions and on information currently available to our management. The forward-looking statements are contained principally in, but not limited to, the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations". Forward-looking statements include all statements that are not historical facts and can be identified by terms such as "anticipates", "believes", "could", "seeks", "estimates", "expects", "intends", "may", "plans", "potential", "predicts", "projects", "should", "will", "would" or similar expressions and the negatives of those terms. Forward-looking statements include, but are not limited to, statements about:

- our progress against short-term and long-term goals;
- our future financial performance;
- our anticipated growth, growth strategies and our ability to effectively manage that growth and effect these strategies;
- our success in our target markets and key verticals;
- anticipated trends, developments and challenges in our business and in the markets in which we operate, as well as general macroeconomic conditions and geopolitical conflicts;
- our ability to scale to our desired goals, particularly the implementation of new processes and systems and onboarding new workers;
- the impact of competition in our industry and innovation by our competitors;
- our ability to anticipate and adapt to future changes in our industry;
- our ability to predict subscriptions revenues, formulate accurate financial projections, manage debt expense, and make strategic business decisions based on our analysis of market trends;
- our ability to anticipate market needs and develop new and enhanced products and solutions and subscriptions to meet those needs, and our ability to successfully monetize them;
- our ability to successfully incorporate artificial intelligence (AI) and machine learning powered features into our solutions;
- our ability to successfully develop and commercialize our new products, particularly our AI portfolio;
- maintaining and expanding our customer base;
- maintaining, expanding and responding to changes in our relationships with other companies;
- maintaining and expanding our distribution channels, including our network of sales agents and resellers, our partners, and global service providers;
- our ability to sell, market, and support our solutions and services, domestically and internationally, and continue to sell and expand our business with enterprise customers and within our key vertical markets;
- our ability to realize increased purchasing leverage and economies of scale as we expand;
- the impact of seasonality on our business;
- the impact of any failure of our solutions or solution innovations, including our innovations relating to AI;
- our dependency on third-party vendors of hardware, software and services that we offer and sell to our customers and our ability to effectively offer customers an alternate solution;
- the potential effect on our business of litigation to which we may become a party;
- our liquidity and working capital requirements;
- the impact of changes in the regulatory environment including with respect to AI;
- our ability to protect our intellectual property and rely on open source licenses;
- our expectations regarding the growth and reliability of public cloud and internet infrastructure;
- the timing of acquisitions of, or making and exiting investments in, other entities, businesses or technologies;

- our ability to successfully and timely execute on, integrate, and realize the benefits of any acquisition, investment, strategic partnership, or other strategic transaction we may make or undertake;
- our capital expenditure projections;
- our capital allocation plans, including expected allocations of cash and timing for any share repurchases, dividend payments, debt repayments, and other investments;
- our Credit Agreement, including both the Term Loan and the Revolving Credit Facility (each as defined below);
- our ability to comply with the operational and financial covenants in our debt agreements;
- the estimates and estimate methodologies used in preparing our consolidated financial statements;
- the political environment and stability in the regions in which we or our subcontractors operate;
- the impact of economic downturns on us and our customers;
- our ability to protect our systems and our customer information from fraud, social engineering breaches, and cyber-attack;
- our ability to prevent the use of fraudulent payment methods for our solutions;
- our ability to retain key employees and to attract qualified personnel;
- our ability to successfully implement or otherwise achieve our anticipated cost reductions; and
- the impact of foreign currencies on our non-U.S. business as we expand our business internationally.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be significantly different from any future results, performance or achievements expressed or implied by the forward-looking statements. We discuss these risks in greater detail in the section entitled "Risk Factors" and elsewhere in this Annual Report on Form 10-K. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Also, forward-looking statements represent our management's beliefs and assumptions only as of the date in this Annual Report on Form 10-K. You should read this Annual Report on Form 10-K completely and with the understanding that our actual future results may be significantly different from what we expect.

Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ significantly from those anticipated in these forward-looking statements, even if new information becomes available in the future.

ITEM 1. BUSINESS

Overview

Over the past 26 years, RingCentral has transformed business communications, leading the shift from on-premises legacy communications to the cloud. Today, the company has an AI-powered, multi-product portfolio including Unified Communications as a Service ("UCaaS"), Contact Center as a Service ("CCaaS"), RingCentral AI solutions, Video and Events. RingCentral's core tenets include: a) Trust: We provide a carrier-grade, cloud based communications platform that businesses can trust with reliability, security, and privacy; b) Innovation: We plan to invest approximately $250 million in research and development in 2026 to execute through focused and strategic innovation, setting the bar in the industry for many market firsts; c) Partnerships: We have a diverse set of strategic partners, global service providers, channel partners, and third-party developers. RingCentral is designed for intelligent, connected, and effortless businesses communications, making employee and customer experiences more productive and efficient.

AI is core to RingCentral's platform strategy and product roadmap to which we continue to allocate a significant portion of our research and development spend. We believe AI can transform business interactions by automating routine tasks, augmenting human agents, and delivering real-time intelligence during interactions. Our platform is at the forefront of business-to-consumer interactions, where voice and text remain the predominant methods for consumers to engage with providers. This provides the foundation for our agentic voice AI strategy.

We are developing agentic voice AI capabilities that can take action on behalf of businesses, orchestrate workflows, and handle customer interactions autonomously or with human supervision. These agentic capabilities are voice-first, while supporting other modes of conversation. We believe these capabilities will fundamentally change how organizations scale customer engagement and internal operations.

RingCentral prioritizes data privacy, security, and governance. We design AI features to comply with enterprise security and regulatory requirements.

Our multi-product portfolio includes:

- ***RingEX.*** RingEX is our AI-powered Unified Communications as a Service (UCaaS) platform available in 45 countries with phone number availability in 100 countries, enabling seamless collaboration across voice, messaging, and video:
  - Cloud phone system with IVR, advanced call queues, call management, and deep telephony integrations, where we historically have strived for 99.999% availability.
  - Business messaging, including enhanced SMS, MMS, and team chat for streamlined communication.
  - Cloud fax solutions for secure, integrated document receiving and transmission on mobile or desktop.
  - AI-enhanced video meetings, featuring meeting summaries, and smart collaboration tools, with conference room solutions and interoperability, integrating with third-party meetings.
  - Comprehensive business analytics and cloud migration tools.
  - APIs and integrations, allowing businesses to customize workflows and connect with existing applications.
- ***RingCentral Contact Center.*** RingCentral Contact Center is a collaborative contact center solution that delivers AI-powered omni-channel and workforce engagement solutions integrated with RingEX. RingCentral Contact Center brings together the powerful integration of Contact Center as a Service (CCaaS) which leverages technology from NICE Ltd., along with RingEX, enabling an easy collaboration while delivering seamless omnichannel experiences across more than 30 digital and voice channels.
- ***RingCX*** is our native next-generation CCaaS solution, delivering an AI-powered customer engagement solution with deep CRM integrations and a broad ecosystem of integrated partner solutions, including the following capabilities:
  - Omnichannel support across voice, chat, email, and messaging for a seamless customer experience.
  - Real time and historical analytics for supervisors.
  - Outbound engagement, including predictive dialing, automated campaigns, and proactive customer outreach to drive conversions and engagement.
  - Bring-Your-Own IVA (Intelligent Virtual Assistant) for custom AI-powered self-service AI agents tailored to business needs.
  - Deep CRM integrations, including Salesforce, Zendesk, ServiceNow, HubSpot, Microsoft Dynamics, and others, ensuring customer interactions are context-aware and data-driven.
  - Seamless integration with RingEX, enabling a fully connected UCaaS and CCaaS powered by RingCentral global network.
- ***RingCentral Customer Engagement Bundle.*** This product provides a comprehensive solution that includes phone, messaging, and SMS for businesses. It also includes advanced call queues to manage wait times and offer call backs. Insights and analytics provide supervisors with visibility to identify and manage issues before they escalate.

- ***RingCentral Artificial Intelligence Solutions.*** RingCentral provides a suite of AI-powered products that address every phase of the communication lifecycle — before, during, and after an interaction. This portfolio includes the following:
  - ***AI Solutions for RingEX.***
    - ***AI Receptionist (AIR):*** Before the conversation, AIR automates and intelligently handles inbound communication. AIR is a voice AI agent that answers calls, understands customer intent, handles questions, captures leads with CRM integration and hands off conversations seamlessly with detailed summaries.
    - ***AI Virtual Assistant (AVA):*** During the conversation, AVA assists work productivity in real-time by providing call and meeting summaries, capturing key points, open questions and action items with the ability to compose and translate across multiple languages. It adapts to the user's context surfacing dynamic prompts and relevant actions that evolve with each task.
    - ***AI Conversation Expert (ACE):*** After the conversation, ACE analyzes every interaction for insights that improve coaching, quality and performance. The Insights module gives leaders real-time visibility into customer sentiment, revenue trends, and team performance, helping them understand the "why" behind performance metrics and take data-driven action faster.
  - ***AI Solutions for RingCX.***
    - ***AVA Agent Assist:*** Real-time AI guidance for agents during live customer interactions to improve performance and resolution rates.
    - ***AVA Supervisor Assist:*** Real-time AI insights and recommendations for supervisors to optimize contact center operations.
    - ***AI Quality Management:*** Automated conversation evaluation platform to identify compliance risks, coaching opportunities, and performance insights.
- ***RingCentral for Microsoft Teams.*** RingCentral seamlessly embeds into Microsoft Teams, providing reliable, global enterprise-grade phone, SMS, fax, and customer experience solutions — without requiring a Teams Phone license.
- ***RingCentral Events.*** Virtual and hybrid events platform for multi-session conferences, branded experiences, registration, and attendee networking using AI-powered engagement tools:
  - Multi-session event hosting, from small gatherings to large-scale conferences.
  - AI-driven attendee engagement, including automated networking and personalized recommendations to foster community.
  - Deep integrations with CRM and marketing automation.

Our cloud-based offerings, including RingEX, RingCentral Contact Center and RingCX are primarily subscription based and made available at different rates varying by the specific functionalities, services, and number of users. Our AI-led products are also being offered on a usage-based pricing model. Our subscription plans have monthly, annual, or multi-year contractual terms. We believe that this flexibility in contract duration is important to meet the different needs of our customers. For the years ended December 31, 2025 and 2024, subscriptions revenues accounted for over 90% of our total revenues. Other revenues are comprised of product revenues from the sale of pre-configured phones and professional services. We do not develop or manufacture physical phones and only offer them as a convenience to our customers. We rely on third-party providers to develop and manufacture these devices and fulfillment partners to successfully serve our customers.

We use our direct inside sales force and indirect sales channels to market our product and our subscription offerings. Our indirect sales channels who sell our solutions consist of:

- Regional and global network of resellers and distributors;
- Global service providers and strategic partners who market and sell our RingEX, RingCX or other solutions, including co-branded solutions.

Our principal executive offices are located in Belmont, California. Our principal address is 20 Davis Drive, Belmont, California 94002, and our primary website address is www.ringcentral.com. Information contained on, or that can be accessed through, our website, does not constitute part of this Annual Report on Form 10-K and inclusion of our website address in this Annual Report on Form 10-K is an inactive textual reference only.

"RingCentral" and other of our trademarks appearing in this report are our property. This report also contains trade names and trademarks of other companies. We do not intend our use or display of other companies' trade names or trademarks to imply an endorsement or sponsorship of us by such companies, or any relationship with any of these companies.

Our Customers

We have a diverse and growing customer base across a wide range of industries, including healthcare, financial and professional services, retail, state and local government, education, legal services, real estate, technology, insurance, construction and hospitality, among others. We seek to establish and maintain long-term relationships with our customers. We do not have significant customer concentration and no individual customer accounted for more than 10% of total revenue for the years ended December 31, 2025, 2024, and 2023.

We sell our solutions to enterprise customers, and small and medium-sized businesses. We define a "customer" as a party that purchases or subscribes to our products and services directly or through our indirect sales channel, which includes resellers and distributors, strategic partners and global service providers. We continue to look to expand our offerings in new geographies and believe that there are additional growth opportunities in international markets.

Marketing, Sales and Support

We use a variety of marketing, sales, and support activities to generate and cultivate ongoing customer demand for our subscriptions, acquire new customers, and engage with our existing customers. We sell globally through both direct and indirect channels, which includes resellers and distributors, strategic partners and global service providers. We provide onboarding implementation services to help our customers set up and configure their newly purchased communications system, as well as ongoing self-service, phone support, online chat support, and training.

- ***Marketing.*** Our marketing efforts include search engine marketing, search engine optimization, affiliates, list buys, shared leads, content leads, appointment setting, radio advertising, online display advertising, sports sponsorships, billboard advertising, tradeshows and events, and other forms of demand generation.
- ***Direct Sales.*** We primarily sell our solutions and subscriptions through direct inbound and outbound sales efforts. We have direct sales representatives located in the U.S. and internationally.
- ***Indirect Sales.*** Our indirect sales channel consists of global and regional networks of resellers and distributors, strategic partners and global and regional service providers. Our indirect sales channels help broaden the adoption of our solutions and enable us to leverage the channel to sell our services as well as access their customer bases.
- ***Customer Support and Services.*** While our intuitive and easy-to-use user interface serves to reduce our customers' need for support and services, we provide online chat and phone customer support, as well as post-sale implementation support, as an option to help customers configure and use our solution.

Segment Reporting

We operate as a single reportable segment. A discussion of the results of our operations is included in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations", and in Part II, Item 8, "Consolidated Financial Statements and Supplementary Data" of this Annual Report on Form 10-K, under Consolidated Financial Statements, which are incorporated herein by reference.

Research and Development

We believe that continued investment in research and development is critical to expanding our leadership position within the cloud-based business communications, collaboration, and contact center solutions market and is a key element of our culture. We devote the majority of our research and development resources to software development with growing investments in our agentic voice AI platform. Our engineering team has relevant industry experience in various disciplines related to our platform, such as voice, video, events, text, team messaging and collaboration, mobile application development, IP networking and infrastructure, contact center, digital customer engagement, user experience, security, robust multi-tenant cloud-based system architecture and advanced AI capabilities.

Our software development methodology allows us to deliver new and enhanced products and capabilities on a regular basis based on feedback from our customers and prospects and our review of the broader business communications market. We continuously develop new products and functionalities while maintaining and enhancing our existing solutions. We typically have multiple releases per year, where we constantly improve our solutions and introduce new product capabilities.

Technology and Operations

Our platforms are hosted both in private and public clouds. Our private clouds are built on a highly scalable and flexible infrastructure comprised of commercially available hardware and software components. Our public clouds are built on a scalable platform that allows us to leverage shared components and services, enabling us to rapidly develop new features and functionalities on our existing platform without re-architecting the infrastructure to achieve geographical redundancy and high availability. We believe that both hardware and software components of our platform can be replaced, upgraded or added with minimal or no interruption in service. The system is designed to be redundant. We also utilize Amazon's and Google's public cloud services, and for the foreseeable future, we expect to increase our utilization of such services.

Our private cloud is served from multiple data centers and third-party co-location facilities located in several cities in the United States and throughout the world. Our data centers are designed to host mission-critical computer and communications systems with redundant, fault-tolerant subsystems, and compartmentalized security zones. We maintain a security program designed to ensure the security and integrity of customer data, protect against security threats or data breaches, and prevent unauthorized access to our customers' data. We limit access to on-demand servers and networks at our production and remote backup facilities.

Intellectual Property

We rely on a combination of patent, copyright, and trade secret laws in the U.S. and other jurisdictions, as well as license agreements and other contractual protections, to protect our proprietary technology. We also rely on a number of registered and unregistered trademarks to protect our brand. In addition, we seek to protect our intellectual property rights by implementing a policy that requires our employees and independent contractors involved in the development of intellectual property on our behalf to enter into agreements acknowledging that all works or other intellectual property generated or conceived by them on our behalf are our property, and assigning to us any rights, including intellectual property rights, that they may claim or otherwise have in those works or property, to the extent allowable under applicable law.

Our worldwide intellectual property portfolio includes 537 issued patents, which expire between 2026 and 2044, and 124 patent applications, pending examination in the U.S. and in foreign jurisdictions, all of which are related to U.S. applications. In general, our patents and patent applications apply to certain aspects of our SaaS and mobile applications and underlying communications infrastructure. We are also a party to various license agreements with third parties that typically grant us the right to use certain third-party technology in conjunction with our solutions and subscriptions. We have in the past, and may in the future, license our patents to third parties. In the future, we may "prune" our patent portfolio by not continuing to renew some of our patents in some jurisdictions or may decide to divest some of our patents.

Competition

The market for business communications and collaboration solutions is very large, rapidly evolving, complex, fragmented and defined by changing technology, and customer needs. We expect competition to continue to increase in the future. We believe that the principal competitive factors in our market include:

- product features and capabilities;
- system reliability, availability, and performance;
- speed and ease of activation, setup, and configuration;
- ownership and control of the underlying technology;
- open platform;
- generative and agentic AI;
- incumbency;
- integration with mobile devices;
- brand awareness and recognition;
- simplicity of the pricing model; and
- total cost of ownership.

We face competition from a broad range of providers of business communications and collaboration solutions. Some of these competitors include:

- traditional on-premise, hardware business communications providers such as Alcatel-Lucent Enterprise, Avaya LLC, Cisco Systems, Inc., Mitel Networks Corporation, NEC Corporation, and Siemens Enterprise Networks, LLC, any of which may now or in the future also host their solutions through the cloud;
- software providers such as Microsoft Corporation, Zoom Communications, Inc. and Cisco Systems, Inc. that generally license and/or host their software solutions, and their resellers including major global service providers and cable companies;
- established business communications providers that resell on-premise hardware, software, and hosted solutions, such as Comcast, TMU, Orange, and others, all of whom currently have significantly greater resources than us and now or in the future also may develop and/or host their own or other solutions through the cloud;
- other cloud companies such as 8x8, Inc., Amazon.com, Inc., DialPad, Inc., GoTo, Microsoft Corporation, Nextiva, Inc., Twilio Inc., Vonage Holdings Corp. (acquired by Ericsson), Alianza, Inc., and Zoom Communications, Inc.;
- video meeting and collaboration service providers such as Amazon.com, Inc., Apple Inc., Alphabet Inc. (Google G-Suite and Meet), Meta Platforms, Inc., Microsoft Teams, Slack Technologies, Inc. (acquired by Salesforce.com, Inc.), and Zoom Communications, Inc.;
- other technology companies such as Alphabet Inc. (Google Voice), Meta Platforms, Inc., Oracle Corporation, and Salesforce.com, Inc., any of which might launch its own cloud-based business communication services or acquire other cloud-based business communications companies in the future;
- providers of communications platform as a service solutions and messaging software platforms with APIs such as Twilio Inc., Vonage Holdings Corp. (acquired by Ericsson), and Slack Technologies, Inc. (acquired by Salesforce.com, Inc.), on which customers can build diverse solutions by integrating cloud communications into business applications;
- contact center and customer relationship management providers such as Amazon.com, Inc., Alvaria, Inc., Avaya LLC, Five9, Inc., NICE Ltd. (including LiveVox Holdings, Inc.), Genesys Telecommunications Laboratories, Inc., Serenova, LLC (acquired by Enghouse Systems Ltd.), Talkdesk, Inc., Vonage Holdings Corp. (acquired by Ericsson), Salesforce.com, Inc., Twilio Inc., and Zoom Communications, Inc.;
- digital engagement vendors such as eGain Corporation, LivePerson, Inc., among others named above that may offer similar features; and
- other AI based companies that may offer similar products and services that we offer in our own AI portfolio.

Employees and Human Capital

We believe that our culture and our workforce are critically important to our success. Our human capital resources objectives include identifying, recruiting, retaining, incentivizing and integrating our existing and new employees, advisors and consultants. We continuously invest in our global workforce by seeking to create a diverse, inclusive, and safe work environment where our employees can learn, innovate, and deliver their best. We are committed to being inclusive to enable our workforce and customers to succeed.

We invest in developing our talent and creating a superior employee experience. We believe that a highly engaged workforce will continue to drive RingCentral's competitive advantage as an innovative company and will also keep RingCentral as an employer of choice. We believe that our approach to talent development and innovation enables our team members to grow in their current positions and build new skills. We provide learning courses across a broad range of categories such as leadership, inclusion and diversity, and technical and compliance, among others. We have periodic employee surveys that allow employees to voice their perceptions of the company and their work experience.

We face competition for highly skilled and technical workforce with experience in our industry and locations where we maintain offices. We strive to provide competitive pay, benefits, and services to attract and retain our employees. Our equity and cash incentive plans are designed to attract, retain and reward employees, in order to increase stockholder value and to enable the success of our company by motivating such individuals to perform to the best of their abilities and share in the value creation process. We also provide access to a variety of flexible health and wellness programs to our employees.

As of December 31, 2025, we had 7,378 personnel comprised of full-time employees and those engaged by third-party outsourcing firms. As of December 31, 2025, approximately 74% of our personnel were located outside of the United States in approximately 36 countries. Our geographic diversification enhances our ability to retain and attract highly skilled talent, have an employee base across the globe to be closer to our customers, as well as manage our headcount costs.

In certain countries in which we operate, we are subject to, and comply with, local labor law requirements, which may automatically make our employees subject to industry-wide collective bargaining agreements. For instance, some of our European employees are covered by collective bargaining agreements. We believe that our employee relations are good, and we have never experienced any work stoppages.

Regulatory

As a provider of communication services over the Internet, we are subject to regulation in the U.S. by the Federal Communications Commission ("FCC"). Some of these regulatory obligations include contributing to the Federal Universal Service Fund, Telecommunications Relay Service Fund, and federal programs related to phone number administration; providing access to E-911 services; protecting customer information; complying with caller ID authentication and anti-robocall measures; and porting phone numbers upon a valid customer request. We are also subject to state regulations, including requirements to pay state and local 911 fees and contribute to state universal service funds in those states that assess interconnected Voice over Internet Protocol ("VoIP") services. In addition, our wholly-owned subsidiary, RCLEC, is certificated as a competitive local exchange carrier in two states, and registered as an IP-enabled Service Provider in an additional eleven states. This subsidiary is subject to the same FCC regulations applicable to telecommunications companies, as well as regulation by the public utility commissions in states where the subsidiary provides services. Specific regulations vary on a state-by-state basis, but generally include the requirement for our subsidiary to register or seek certification to provide its services, to file and update tariffs setting forth the terms, conditions and prices for our intrastate services and to comply with various reporting, record-keeping, surcharge collection, and consumer protection requirements.

As we have expanded internationally, we have become subject to laws and regulations in the countries in which we offer our subscriptions. Regulatory treatment of communications services over the Internet outside the U.S. varies from country to country, and may be more onerous than imposed on our subscriptions in the U.S. In the United Kingdom, for example, our subscriptions are regulated by Ofcom, which, among other things, requires electronic communications services providers such as our company to provide all users access to both 112 (EU-mandated) and 999 (U.K.-mandated) emergency service numbers at no charge. Similarly, in Canada, our subscriptions are regulated by the CRTC, which, among other things, imposes requirements like those in the U.S. related to the provision of E-911 services, in all areas of Canada where the wireline incumbent carrier offers such 911 services. Countries across Europe have now implemented the EU Electronic Communications Code, clarifying and updating obligations on PSTN-connected voice service providers as well as imposing new requirements on number-independent services such as videoconferencing and team messaging. Some countries, such as France, have begun prohibiting the sub-assignment of phone numbers to resellers, requiring each provider to obtain numbers directly from the local regulator. EU member states are also working to implement the Network and Information Security Directive 2 (NIS2), which establishes specific security requirements for covered industries such as communications, imposing strict legal obligation with heavy financial consequences for failures to comply. Our regulatory obligations in foreign jurisdictions could have a material adverse effect on the use of our subscriptions in international locations.

In the course of providing our services, we collect, store, and process many types of data, including personal data. Moreover, our customers can use our subscriptions to store contact and other personal or identifying information, and to process, transmit, receive, store, and retrieve a variety of communications and messages, including information about their own customers and other contacts. Customers are able, and may be authorized under certain circumstances, to use our subscriptions to transmit, receive, and/or store personal information.

There are a number of federal, state, local, and foreign laws and regulations, such as the European Union's General Data Protection Regulation ("GDPR"), the California Consumer Privacy Act ("CCPA"), the California Privacy Rights Act ("CPRA"), which extended the CCPA, and numerous other state privacy laws imposing obligations and restrictions similar to the CCPA as well as contractual obligations and industry standards, that provide for certain obligations and restrictions with respect to data privacy and security, and the collection, storage, retention, protection, use, processing, transmission, sharing, disclosure, and protection of personal information and other customer data. We expect that with the expansion of our Global RingEX solution and sales of our services into new countries, we will become subject to additional data privacy regulations in other countries throughout the world. The scope of these obligations and restrictions is changing, subject to differing interpretations, and may be inconsistent among countries or conflict with other rules, and their status remains uncertain.

As Internet commerce and communication technologies continue to evolve, thereby increasing online service providers' and network users' capacity to collect, store, retain, protect, use, process, and transmit large volumes of personal information, increasingly restrictive regulation by federal, state, or foreign agencies becomes more likely.

Regulations that do not directly apply to our business, but which do apply to our customers and partners, can also impact our business. As we expand our business, addressing customer and partner requirements in new jurisdictions and new verticals often requires investment on our part to address regulations that apply to our customers. Globally, these regulations continue to be introduced and to change over time. Such regulations can impact our ability to offer services to various customer markets, and our cost to deliver our services.

See the section entitled "Risk Factors" for more information.

Available Information

We make available our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended, free of charge on our website (ir.ringcentral.com), as soon as reasonably practicable after they are electronically filed with or furnished to the Securities and Exchange Commission, or the "SEC". In addition, the SEC maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at www.sec.gov.

We announce material information to the public about our company, our solutions and services and other matters through a variety of means, including our website (www.ringcentral.com), the investor relations section of our website (ir.ringcentral.com), press releases, filings with the SEC, and public conference calls, in order to achieve broad, non-exclusionary distribution of information to the public. We encourage investors and others to review the information we make public in these locations, as such information could be deemed to be material information. Please note that this list may be updated from time to time.

ITEM 1A. RISK FACTORS

This Report contains forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those projected. These risks and uncertainties include, but are not limited to, the risk factors set forth below. The risks and uncertainties described in this Report are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently believe are immaterial may also affect our business. See the section entitled "Special Note Regarding Forward-Looking Statements" of this Report for a discussion of the forward-looking statements that are qualified by these risk factors. If any of these known or unknown risks or uncertainties actually occurs, our business, financial condition and results of operations could be materially and adversely affected.

Summary Risk Factors

An investment in our Class A Common Stock involves a high degree of risk, and the following is a summary of key risk factors when considering an investment. This is only a summary. You should read this summary together with the more detailed description of each risk factor contained in the subheadings further below and other risks.

- We have in the past incurred significant losses and negative cash flows prior to achieving profitability, and we may not be able to maintain profitability in the future.
- Our quarterly and annual results of operations have fluctuated in the past and may continue to do so in the future. As a result, we may fail to meet or to exceed the expectations of research analysts or investors, which could cause our stock price to fluctuate.
- If we are unable to develop, license, or acquire new services or applications on a timely and cost-effective basis, our business, financial condition, and results of operations may be materially and adversely affected.
- If we are unable to attract new customers to our subscriptions or upsell to those customers on a cost-effective basis, our business will be materially and adversely affected.
- We rely and may in the future rely significantly on our channel partners and global service providers to market and sell our subscriptions; our failure to effectively develop, manage, and maintain our indirect sales channels could materially and adversely affect our revenues.
- Increased customer turnover, or costs we incur to retain, grow, and upsell our customers, could materially and adversely affect our financial performance.
- Economic and political conditions may harm our industry, business and results of operations.
- We face intense competition in our markets and may lack sufficient financial or other resources to compete successfully.
- We face significant risks in our efforts to sell and market to medium-sized and larger businesses for sales of our subscriptions and, if we do not manage these efforts effectively, our business and results of operations could be materially and adversely affected.
- If we fail to continue to develop our brand or our reputation is harmed, our business may suffer.
- We depend largely on the continued services of our senior management and other highly-skilled employees, and if we are unable to hire, retain, manage and motivate our employees, we may not be able to grow effectively and our business, results of operations and financial condition could be adversely affected.
- We may expand through acquisitions of and investments in other companies, each of which may divert our management's attention, result in additional dilution to our stockholders, increase expenses, disrupt our operations, and harm our results of operations.
- Interruptions or delays in service whether caused by our third-party data center hosting facilities, other third-party providers, internal process failures, human errors, internal bugs or otherwise could impair the delivery of our subscriptions, require us to issue credits or pay penalties and harm our business.
- A security incident, such as a cyber-attack, information security breach, or denial of service event could delay or interrupt service to our customers, harm our reputation or business, impact our subscriptions, and subject us to significant liability.
- The AI technology and features we develop and/or incorporate into our solutions include new and evolving technologies that may present both legal and business risks.

- We rely on third-party vendors and competitors to deliver contact center, SMS, and other services to customers, and changes in these relationships could have a material adverse effect on our business, results of operations and financial condition.
- Our subscriptions are subject to regulation, and future legislative or regulatory actions could adversely affect our business and expose us to liability in the U.S. and internationally.
- We may require additional capital or need to restructure our existing debt to pursue our business objectives and to respond to business opportunities, challenges or unforeseen circumstances. If capital is not available to us, our business, results of operations, and financial condition may be adversely affected.
- Servicing our debt, including the Notes and Credit Agreement, may require a significant amount of cash, and we may not have sufficient cash flow from our business or the ability to raise the funds necessary to settle conversions of the 2026 Convertible Notes in cash, repurchases of the Notes as required following a fundamental change or change of control, as applicable, or to repay all of our indebtedness at maturity.
- Our Credit Agreement imposes operating and financial restrictions on us.
- For as long as the dual class structure of our common stock as contained in our charter documents is in effect, voting control will be concentrated with a limited number of stockholders that held our stock prior to our initial public offering, including primarily our founders and their affiliates, and will limit other stockholders' ability to influence corporate matters.
- Our Series A Convertible Preferred Stock has certain rights that are preferential to the rights of our common stock, which could adversely affect our liquidity and financial condition.

Risks Related to Our Business and Our Industry

We have in the past incurred significant losses and negative cash flows prior to achieving profitability, and we may not be able to maintain profitability in the future.

We have incurred substantial net losses since our inception prior to achieving profitability in accordance with U.S. GAAP. We may not maintain profitability in future periods or, if we are profitable, we may not fully achieve our profitability targets. We have historically spent and expect to continue to spend considerable amounts of time and money to develop new business communications solutions and enhanced versions of our existing business communications solutions to position us for future growth. Additionally, we have incurred substantial losses and expended significant resources upfront to market, promote and sell our solutions and expect to continue to do so in the future. We also expect to continue to invest for future growth, including for advertising, customer acquisition, technology infrastructure, storage capacity, services development, regulatory compliance, and international expansion. In addition, as a public company, we incur significant accounting, legal, and other expenses.

In order to achieve and maintain net income in the future, we will need to do one or more of the following: increase our revenues, manage our cost structure, and/or avoid significant liabilities. Revenue growth has slowed and in the future, revenues may decline, or we may incur significant losses for a number of possible reasons, including general macroeconomic conditions, increasing competition (including competitive pricing pressures), a decrease in customer demand or the growth of the markets in which we compete, in particular the UCaaS, CCaaS and software-as-a-service ("SaaS") markets, shifts in our product mix, or if we fail for any reason to continue to capitalize on growth opportunities, including those related to our AI-based initiatives. Additionally, we may encounter unforeseen operating expenses, difficulties, complications, delays, service delivery, and quality problems and other unknown factors that may result in losses in future periods or prevent us from maintaining profitability in the future. If these losses exceed our expectations or our revenue growth expectations are not met in future periods, our financial performance will be harmed and our stock price could be volatile or decline.

Our quarterly and annual results of operations have fluctuated in the past and may continue to do so in the future. As a result, we may fail to meet or to exceed the expectations of research analysts or investors, which could cause our stock price to fluctuate.

Our quarterly and annual results of operations have varied historically from period to period, and we expect that they will continue to fluctuate due to a variety of factors, many of which are outside of our control, including:

- our ability to expand and retain existing customers, resellers, partners, and global service providers ("GSPs"), and expand our existing customers' user base, and attract new customers;

- our ability to realize the benefits of our existing strategic partnerships, GSP relationships, and other strategic and GSP relationships that we may enter into in the future;
- our ability to introduce and effectively market and sell new solutions, including AI-based products, as well as solutions that we develop or license, and solutions we purchase for resale from third parties;
- the actions of our competitors, including pricing changes or the introduction of new solutions;
- the impact of developments or speculation about the future of AI on the software and SaaS industries and market conditions generally;
- our ability to effectively manage our growth, maintain net income profitability, and generate and grow our U.S. GAAP operating cash flow and non-GAAP free cash flow;
- our ability to successfully penetrate the market for larger businesses and key verticals;
- our ability to upsell our customers to our existing and new products and services;
- our ability to limit and manage down sell and churn;
- our dependency on third-party vendors and competitors of AI, hardware, software and services that we resell to our customers, in particular, NICE Ltd. (“NICE”), and our ability to effectively offer customers an alternate solution;
- the mix of monthly, annual and multi-year subscriptions at any given time;
- the timing, cost, and effectiveness of our advertising and marketing efforts;
- the timing, operating cost, and capital expenditures related to the operation, maintenance and expansion of our business;
- our ability to execute our operating plans successfully while reducing costs and optimizing operating margin;
- our ability to accurately forecast revenues and appropriately plan our expenses;
- our ability to successfully and timely execute on, integrate, and realize the benefits of any acquisition, investment, strategic partnership, or other strategic transaction we may make or undertake;
- service outages or actual or perceived information security breaches or incidents caused by us or the third parties upon which we rely and any related impact on our reputation;
- our ability to realize our deferred tax assets;
- costs associated with defending and resolving intellectual property infringement and other claims;
- changes in tax laws, regulations, or accounting rules;
- our ability to effectively manage and repay our existing and any future debt;
- our ability to repurchase shares of Class A Common Stock and otherwise manage dilution;
- the retention of our senior management and other key employees, their ability to execute on our business plan and the loss of services of senior management or other key employees, whether in the past or in the future;
- the impact of foreign currencies on our business as we continue to expand our business internationally; and
- the impact of worldwide economic, political, industry, and market conditions, including any potential worsening or expansion of any existing or future conflicts and wars, the imposition of tariffs and other non-tariff trade barriers, and U.S.-China relations.

Any one of the factors above, or the cumulative effect of some or all of the factors referred to above, may result in significant fluctuations in our quarterly and annual results of operations. This variability and unpredictability could result in our failure to meet our publicly announced guidance or the expectations of securities analysts or investors for any period, which could cause our stock price to decline. In addition, a significant percentage of our operating expenses is fixed in nature and is based on forecasted revenues trends. Accordingly, in the event of revenue shortfalls, we may not be able to mitigate the negative impact on net income (loss) and margins in the short term. If we fail to meet or exceed the expectations of research analysts or investors, the market price of our shares could fall substantially, and we could face costly lawsuits, including securities class-action suits.

If we are unable to develop, license, or acquire new services or applications on a timely and cost-effective basis, our business, financial condition, and results of operations may be materially and adversely affected.

The cloud-based business communications industry is characterized by rapid development of and changes in customer requirements, frequent introductions of new and enhanced services, and continuing and rapid technological advancement. We cannot predict the effect of technological changes or the introduction of new, disruptive technologies on our business, and the market for cloud-based business communications may develop in a manner different than we expect, and our solutions could fail to achieve market acceptance. Our continued growth depends on continued use of voice, video communications, messaging and contact center solutions by businesses, as compared to email and other data-based methods. In addition, to compete successfully, we must anticipate and adapt to technological changes and evolving industry standards, and continue to design, develop, manufacture, and sell new and enhanced services that provide increasingly higher levels of performance and reliability. Currently, we derive a majority of our revenues from subscriptions to RingEX, and we expect this will continue for the foreseeable future. However, our future success may also depend on our ability to introduce and sell new services, features, and functionality, such as RingCX, AI Receptionist, AI Virtual Assistant, AI Conversation Expert, RingWEM, and RingCentral Events that enhance or are in addition to the subscriptions we currently offer, as well as to improve usability and support and increase customer satisfaction. For example, we and our peers and competitors continue to invest significantly in AI (including machine learning and large language models). There are significant risks involved in deploying AI and there can be no assurance that using AI in our platforms and products will enhance or be beneficial to our business. We have and will continue to develop and incorporate AI solutions and features into our platforms and products, and these solutions and features may become more important to our operations, future growth or competitiveness over time. We may rely on AI solutions and features to help drive future growth and efficiency in our business, but there can be no assurance that we will realize the desired or anticipated benefits from AI in a timely or cost-effective manner. We cannot guarantee that our investments or assumptions will be accurate around AI or any other customer demand. Our failure to develop solutions that satisfy customer preferences in a timely and cost-effective manner may harm our ability to compete effectively, renew our subscriptions with existing customers, increase our subscription revenues from our existing customers, and create or increase demand for our subscriptions and may materially and adversely impact our results of operations.

The introduction of new services by competitors, including those that incorporate AI and machine learning, or the development of entirely new technologies to replace existing offerings could make our solutions outdated, obsolete or adversely affect our business and results of operations. This is particularly acute as AI and automation continues to transform our industry and we face the increasing risk that certain of our products and services may become redundant, obsolete, or less relevant. Announcements of future releases and new services and technologies by our competitors or us could cause customers to defer purchases of our existing subscriptions, which also could have a material adverse effect on our business, financial condition or results of operations. We may experience difficulties with software development, operations, design, or marketing that could delay or prevent our development, introduction, or implementation of new or enhanced services and applications. We have in the past experienced delays in the planned release dates of new features and upgrades and have discovered defects in new services and applications after their introduction. We cannot assure you that new features or upgrades will be released according to schedule, or that, when released, they will not contain defects or bugs. Either of these situations could result in adverse publicity, loss of revenues, delay in market acceptance, or claims by customers brought against us, all of which could harm our reputation, business, results of operations, and financial condition. Moreover, the development of new or enhanced services or applications will require substantial investment, and we must continue to invest a significant amount of resources in our research and development efforts to develop these services and applications to remain competitive. The rapid evolution of AI may also require us to allocate additional resources to help implement AI to minimize unintended or harmful impacts, and may also require us to make additional investments in the development of models or other systems, which may be costly. We do not know whether these investments will be successful. If customers do not widely adopt any new or enhanced services and applications, we may not be able to realize a return on our investment. If we are unable to develop, license, or acquire new or enhanced services and applications on a timely and cost-effective basis, or if such new or enhanced services and applications do not achieve market acceptance, our business, financial condition, and results of operations may be materially and adversely affected.

If we are unable to attract new customers to our subscriptions or upsell to those customers on a cost-effective basis, our business will be materially and adversely affected.

In order to grow our business, we must continue to attract new customers, retain existing customers, and expand the number of users in, and services provided to, our existing customer base on a cost-effective basis. Significant increases in the pricing of one or more of our advertising channels would increase our advertising costs or may cause us to choose less expensive and perhaps less effective channels to promote our services. As we add to or change the mix of our advertising and marketing strategies, we may need to expand into channels with significantly higher costs than our current programs, which could materially and adversely affect our results of operations. In addition, a global slowdown of economic activity may disrupt

our sales channels and our ability to attract new customers, which may require us to adjust our advertising and marketing programs or make further investments in these programs. We will incur advertising and marketing expenses in advance of when we anticipate recognizing any revenues generated by such expenses, and we may fail to otherwise experience an increase in revenues or brand awareness as a result of such expenditures. We have made in the past, and may make in the future, significant expenditures and investments in new advertising campaigns, and we cannot assure you that any such investments will lead to the cost-effective acquisition of additional customers or retention of existing customers. If we are unable to maintain effective advertising programs, our ability to attract new customers could be materially and adversely affected, our advertising and marketing expenses could increase substantially, and our results of operations may suffer.

Some of our potential customers learn about us through leading search engines. While we employ search engine optimization and search engine marketing strategies, our ability to maintain and increase the number of visitors directed to our website is not entirely within our control. If search engine companies modify their search algorithms in a manner that reduces the prominence of our listing, or if our competitors' search engine optimization efforts are more successful than ours, or if search engine companies restrict or prohibit us from using their services, fewer potential customers may click through to our website. In addition, the cost of purchased listings has increased in the past and may increase in the future. A decrease in website traffic or an increase in search costs could materially and adversely affect our customer acquisition efforts and our results of operations.

We rely and may in the future rely significantly on our channel partners and global service providers to market and sell our subscriptions; our failure to effectively develop, manage, and maintain our indirect sales channels could materially and adversely affect our revenues.

Our future success depends, in part on our continued ability to establish and maintain a network of channel relationships and strategic partnerships, including GSPs. A substantial portion of our revenues is derived from our network of sales agents, brokers, and resellers, which we refer to collectively as channel partners. Governmental regulations and contractual restrictions with telecom carriers may also restrict the ability of our channel partners to resell our products and services in some countries. We generally do not have long-term contracts with these channel partners, and the loss of or reduction in sales through these third parties could materially reduce our revenues. Our competitors may in some cases be effective in causing our current or potential channel partners to favor their services or prevent or reduce sales of our subscriptions.

We have also entered into certain agreements with our strategic partners and GSPs to sell and market certain of our solutions. However, there can be no guarantee that our strategic partners, GSPs and/or any of their respective channel partners will be successful in marketing or selling our solutions or that they will not cease marketing or selling our solutions in the future. Further, certain strategic partners have failed in the past, and may fail in the future, to meet their minimum contractual seat and/or revenue commitments, including recoupment of advance payments. We have in the past, and may in the future, renegotiate the terms of our GSP relationships and strategic partnership agreements, including converting strategic partners from exclusive to non-exclusive partners.

In addition, we are in the process of adjusting our channel partner go-to-market strategy, to better enable a resale/wholesale model, which requires significant changes to our systems and processes. These system and process changes could result in longer time to implement our strategy which could have an impact on our revenue.

If we fail to maintain relationships with our channel partners, GSPs and strategic partners or fail to develop new and expanded relationships in existing or new markets, or if our networks of indirect channel relationships are not successful in their sales efforts, sales of our subscriptions may decrease and our operating results would suffer. In addition, we may not be successful in managing, training, and providing appropriate incentives to our existing resellers and other channel partners, GSPs and strategic partners, and they may not be able to commit adequate resources in order to successfully sell our solutions.

Increased customer turnover, or costs we incur to retain, grow, and upsell our customers, could materially and adversely affect our financial performance.

Although we have entered into long-term subscription contracts with larger customers, those customers with month to month contracts with us may terminate their subscriptions at any time without penalty or early termination charges and customers under contract may not renew. We cannot accurately predict the rate of customer terminations or average monthly subscription cancellations or failures to renew, which we refer to as turnover. Our customers with non-month-to-month subscription agreements have no obligation to renew their subscriptions for our service after the expiration of their initial subscription period, which is typically between one and three years, and a substantial portion of our large contracts are up for renewal every year. In the event that these customers do renew their subscriptions, they may choose to renew for fewer users,

shorter contract lengths, or for a less expensive subscription plan or edition. We cannot predict the renewal rates or types for customers that have entered into subscription contracts with us.

Customer turnover, as well as reductions in the number of users or pricing tier(s) for which a customer subscribes, each could have a significant impact on our results of operations, as does the cost we incur in our efforts to retain our customers and encourage them to renew and upgrade their subscriptions and increase their number of users. Our turnover rate could increase in the future if customers are not satisfied with our services, including third-party services and products that we integrate or sell as separate items to our customers, the value proposition of our services, the pricing of our services relative to similar services of our competitors, the customer support we provide, or our ability to otherwise meet their needs and expectations. Turnover and reductions in the number of users for whom a customer subscribes may also increase due to factors beyond our control, including the failure or unwillingness of customers to pay their monthly subscription fees due to financial constraints. In addition, the impact of global economic conditions, including concerns about heightened inflation, fluctuating interest rates, the imposition of tariffs and other non-tariff trade barriers, and any economic downturn, could cause financial hardship for our customers, decrease technology spending, materially and negatively impact our customers' willingness to enter into or renew subscriptions with us, cause our customers to seek a decrease in the number of users or solutions for which they subscribe, or impact our ability to collect, in a timely manner, monies due from the customer. For example, to address customer hardships, we may work with customers to provide greater flexibility to manage challenges they are facing in their own businesses, but we cannot be assured that they will not reduce their number of users or terminate their subscriptions altogether. Due to turnover and reductions in the number of users for whom a customer subscribes, we must acquire new customers, or acquire new users within our existing customer base, on an ongoing basis simply to maintain our existing level of customers and revenues. If a significant number of customers terminate, reduce, or fail to renew their subscriptions, or do not pay their subscription fees, we may be required to incur significantly higher marketing and/or sales expenditures than we currently anticipate in order to compensate for this higher turnover by increasing the number of new customers or upselling existing customers, and such additional marketing and/or sales expenditures could harm our business and results of operations.

Our future success also depends in part on our ability to execute upon our multi-product strategy to sell additional subscriptions for additional and/or new functionalities to our current customers. Any increase in the costs necessary to upgrade, expand and retain existing customers could materially and adversely affect our financial performance. If our efforts to convince customers to add users and, in the future, to purchase additional functionalities are not successful, our business may suffer. In addition, such increased costs could cause us to increase our subscription rates, which could increase our turnover rate.

Economic and political conditions may harm our industry, business and results of operations.

The success of our activities is affected by general economic and political conditions, including, among others, inflation rate fluctuations, interest rates, supply chain constraints, consumer confidence, volatile equity capital markets, tax rates, economic uncertainty, political instability, changes in laws, foreign currency exchange rates, and trade barriers and sanctions. Such economic volatility could adversely affect our business, financial condition, results of operations and cash flows, and future market disruptions could negatively impact us. A significant portion of our revenues comes from small and medium-sized businesses, which have been, and may continue to be, adversely affected by the macroeconomic conditions and uncertainties to a greater extent than larger enterprises with greater financial resources. Unfavorable economic conditions could increase our operating costs and, because our typical contracts with customers lock in our price for a few years and/or may have elasticity clauses, our profitability could be negatively affected. For example, uncertainty as to the impact of the imposition of tariffs on certain countries by the current U.S. administration, as well as any potential retaliatory measures by impacted trade partners, could adversely impact trade relations, result in higher costs and thereby decrease the purchasing power of our customers, which could put increased pressure on supply chains and create general market instability. Geopolitical destabilization could impact global currency exchange rates, supply chains, trade and movement of resources, the price of commodities such as energy, as well as demand for our products and services, which may adversely affect the technology spending of our customers and potential customers. Geopolitical conflicts, including the effects of the ongoing conflicts in the Middle East, any potential worsening or expansion of these conflicts and wars, and U.S.-China relations, are heightening these risks.

The policies pursued by the current U.S. administration could lead to changes in economic conditions or economic uncertainties in the United States and globally. Any such changes or uncertainties, including in international trade relations, legislation and regulations (including those related to taxation and importation), or economic and monetary policies, could result in heightened diplomatic tensions or political and civil unrest, among other potential impacts, and have a material adverse effect on the global economy as a whole and/or our business, or may require us to significantly modify one or more of our current business practices.

Some of our international agreements provide for payment denominated in local currencies, and the majority of our local costs are denominated in local currencies. Fluctuations in the value of the U.S. dollar versus foreign currencies has in the past, and may in the future, impact our operating results when translated into U.S. dollars. Thus, our results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in the Euro, British Pound Sterling, Bulgarian Lev, Chinese Yuan, Indian Rupee, Canadian Dollar, Australian Dollar, and Singapore Dollar, and may be adversely affected in the future due to changes in foreign currency exchange rates. Certain changes in exchange rates have and may in the future negatively affect our revenues, expenses, and other operating results as expressed in U.S. dollars.

We face intense competition in our markets and may lack sufficient financial or other resources to compete successfully.

The cloud-based business communications and collaboration solutions industry is highly competitive. We face intense competition from other providers of UCaaS, CCaaS, Communications Platform as a Service ("CPaaS"), messaging, video, fax, virtual events, AI (including quality management, sales assistant and other AI driven functionalities), virtual assistant, work-force management/optimization and other communication products and services. Our competitors include traditional on-premises, hardware business communications providers, cloud, hybrid and hosted communications providers, GSPs and each of their channel partners, resellers, distributors and agents who offer proprietary or other third-party cloud business communications products and services. As a result, several of the companies with whom we have commercial relationships, such as our GSPs, OEM resellers, and channel partners, also offer, market and sell competing products and services.

Our competitors include but are not limited to: 8x8, Inc., Dialpad, Inc., LogMeIn, Inc., Microsoft Corporation, Nextiva, Inc., Twilio Inc., Ericsson, Zoom, Amazon.com, Inc., AT&T Inc., BT Group plc, TELUS Corporation, Vodafone Group Plc, Deutsche Telekom, Avaya LLC, Mitel Networks Corporation, Cisco Systems, Inc., Alphabet Inc., Meta Platforms, Inc., Oracle Corporation, Salesforce Inc., Five9, Inc., NICE (including LiveVox Holdings, Inc.), Genesys Telecommunications Laboratories, Inc., Talkdesk, Inc., Verint Systems Inc., Calabrio, Inc., yellow.ai, ON24, Inc., Cvent Holding Corp., Gong.io Inc., Alianza, Inc., and Outreach Corporation.

Many of our current and potential competitors have longer operating histories, significantly greater resources and/or name recognition, more diversified offerings, greater international presence, and larger customer bases than we have. As a result, these competitors may have greater credibility with our existing and potential customers. In addition, certain of our competitors have partnered with, or been acquired by, and may in the future partner with or acquire, other competitors to offer services, leveraging their collective competitive positions, which makes it more difficult to compete with them and could significantly and adversely affect our results of operations. Demand for our platform is also sensitive to price. Many factors, including our marketing, user acquisition and technology costs, and our current and future competitors' pricing and marketing strategies, can significantly affect our pricing strategies. Our competitors may be able to adopt more aggressive pricing policies and promotions and devote greater resources to the development, promotion and sale of their services than we can to ours. Some of our competitors have in the past and may choose in the future to sacrifice revenues and/or profitability to gain market share by offering their services at lower prices or for free, or offering alternative pricing models, such as "freemium" pricing or free "service credits." Our competitors may also offer bundled service arrangements that provide more complete service offerings with other functionality that we do not offer (such as broadband), thereby making them more attractive to potential customers despite the technical merits or advantages of our platform. In addition, the introduction of new products and services by competitors or the development of entirely new technologies to replace existing offerings, such as AI-powered communication and collaboration tools, could make our platform obsolete or adversely affect our business, results of operations, and financial condition. Competition could result in a decrease to our prices, increase customer acquisition costs, slow our growth, increase our customer turnover, reduce our sales, or decrease our market share, any or all of which could materially and adversely affect our revenues and growth.

We face significant risks in our efforts to sell and market to medium-sized and larger businesses for sales of our subscriptions and, if we do not manage these efforts effectively, our business and results of operations could be materially and adversely affected.

As we continue to sell and market to medium-sized and larger businesses, we expect to incur higher costs and longer sales cycles and we may be less effective at predicting if and when we will complete these sales. In these markets, the decision to purchase our subscriptions generally requires the approval of more technical personnel and management levels within a potential customer's organization, and therefore, these types of sales require us to invest more time educating these potential customers about the benefits of our subscriptions. In addition, larger customers may demand more features, integration services, customization, more complex contract negotiations, and may require highly skilled sales and support personnel. Our investment in marketing our subscriptions to these potential customers may not be successful, which could significantly and adversely affect our results of operations and our overall ability to grow our customer base. Furthermore, many medium-sized and larger

businesses that we sell and market to may already purchase business communications solutions from our larger competitors or, due to economic conditions or otherwise, reduce their technology spending or reduce the number of new employees for whom they purchase our solutions or reduce the number of existing employees using our solution (i.e., down-sell). As a result of these factors, these medium and large sales opportunities may require us to devote greater research and development resources and sales support to individual customers, and invest in hiring and retaining highly skilled personnel, resulting in increased costs and could likely lengthen our typical sales cycle, which could strain our sales and support resources. Moreover, these larger transactions may require us to delay recognizing the associated revenues we derive from these customers until any technical or implementation requirements have been met.

If we fail to continue to develop our brand or our reputation is harmed, our business may suffer.

We believe that continuing to strengthen our current brand will be critical to achieving widespread acceptance of our subscriptions and will require continued focus on active marketing efforts. The demand for and cost of online and traditional advertising has been increasing and may continue to increase. Accordingly, we may need to increase our investment in, and devote greater resources to, advertising, marketing, and other efforts to create and maintain brand loyalty among users. Brand promotion activities may not yield increased revenues, and even if they do, any increased revenues may not offset the expenses incurred in building our brand. In addition, if we do not handle customer complaints effectively, our brand and reputation may suffer, we may lose our customers' confidence, and they may choose to terminate, reduce or not to renew their subscriptions. Many of our customers also participate in social media and online blogs about Internet-based software solutions, including our subscriptions, and our success depends in part on our ability to minimize negative and generate positive customer feedback through such online channels where existing and potential customers seek and share information. Any unfavorable publicity or perception of our platform, including from our AI products and features, could also adversely affect our reputation and our ability to attract and retain customers. Our reputation and business may be harmed by news or social media coverage, including but not limited to coverage that presents, or relies on, inaccurate, misleading, incomplete, or otherwise damaging information. If we fail to sufficiently invest in, promote and maintain our brand, our business could be materially and adversely affected.

We depend largely on the continued services of our senior management and other highly-skilled employees, and if we are unable to hire, retain, manage and motivate our employees, we may not be able to grow effectively and our business, results of operations and financial condition could be adversely affected.

Our future performance depends on the continued services and contributions of our senior management and other key employees to execute on our business plan, and to identify and pursue opportunities and services innovations. The loss of services of senior management or other key employees, whether in the past or in the future, could significantly delay or prevent the achievement of our business, financial, developmental and strategic objectives. In particular, we depend to a considerable degree on the vision, skills, experience, and effort of our co-founder, Chairman and Chief Executive Officer, Vladimir Shmunis, who has provided our strategic direction for over 25 years and has built and maintained what we believe is an attractive workplace culture. Any future changes resulting from the hiring or departure of executives could disrupt our business and could impact our ability to preserve our culture, which could negatively affect our ability to recruit and retain personnel. Our executive officers and other senior management personnel work for us on an "at-will" basis and any of them may therefore terminate employment with us at any time with limited or no advance notice. The replacement of any current or future senior management personnel could involve significant time and costs, and any such loss could significantly delay or prevent the achievement of our business objectives.

Our future success also depends on our ability to continue to attract and retain highly skilled personnel. Despite many recent layoffs in the technology industry and at the company, we believe that there is, and will continue to be, intense competition for highly skilled technical and other personnel with experience in our industry in the San Francisco Bay Area, where our headquarters is located, in Denver, Colorado, where we have an office and where a significant portion of our U.S. sales, customer support and our network operations are located, and in other locations where we have employees. In addition, recent and any future changes to U.S. immigration policies, particularly to H-1B and other visa programs, and restrictions on travel could restrain the flow of technical and professional talent into the U.S. and may inhibit our ability to hire qualified personnel. Similar risks exist with respect to immigration regulations in other countries where we operate, may operate in the future or have employees or contractors. We must provide competitive compensation packages and a high-quality work environment to hire, retain, and motivate employees. If we are unable to retain and motivate our existing employees and attract qualified personnel to fill key positions, we may be unable to manage our business effectively, including the development, marketing, and sale of existing and new subscriptions, which could have a material adverse effect on our business, financial condition, and results of operations. To the extent we hire personnel from competitors, we may be subject to allegations that they have been improperly solicited or divulged proprietary or other confidential information. Volatility in, or lack of performance of, our stock price may also affect our ability to attract and retain key personnel.

We may expand through acquisitions of and investments in other companies, each of which may divert our management's attention, result in additional dilution to our stockholders, increase expenses, disrupt our operations, and harm our results of operations.

Our business strategy has and may, from time to time, include acquiring or investing in new or complementary services, technologies or businesses, strategic investments and partnerships, or other strategic transactions. We cannot assure you that we will successfully identify suitable acquisition candidates or transaction counterparties, securely or effectively integrate or manage disparate technologies, lines of business, personnel and corporate cultures, realize our business strategy or the expected return on our investment, including recoupment or write-down of our investments in the partnership, or manage a geographically dispersed company. Any such acquisition, investment, strategic partnership, or other strategic transaction could materially and adversely affect our results of operations. The process of negotiating, effecting, and realizing the benefits from acquisitions, investments, strategic partnerships, and strategic transactions is complex, expensive and time-consuming, and may cause an interruption of, or loss of momentum in, development and sales activities and operations of both companies, and we may incur substantial cost and expense, as well as divert the attention of management. Our inability to successfully acquire and, thereafter, operate and integrate newly acquired businesses or newly formed strategic partnerships appropriately, effectively, and in a timely manner could impair our ability to take advantage of future growth opportunities and other advances in technology, as well as our revenues and gross margins.

Acquisitions, investments, strategic partnerships, and other strategic transactions involve additional significant risks and uncertainties, including:

- unanticipated costs;
- difficulties in maintaining and effectively servicing the customers acquired in the transaction;
- the potential loss of key employees of any acquired businesses;
- the potential adverse effect on our cash position to the extent that we use cash for some or all of the transaction consideration;
- the potential significant increase of our interest expense, leverage, and debt service requirements if we incur additional debt to pay for an acquisition, investment, strategic partnership, or other strategic transaction;
- the potential issuance of securities that would dilute our stockholders' percentage ownership;
- the potential to incur large and immediate write-offs and restructuring and other related expenses;
- the assumption of contingent or other liabilities;
- the potential liability or expenses associated with new types of data stored, existing security obligations or liabilities, unknown weaknesses in our solutions, insufficient security measures in place, and compromise of our networks via access to our systems from assets not previously under our control;
- the inability to maintain uniform standards, controls, policies, and procedures;
- the inability to set up the necessary processes and systems to efficiently operate our partnerships and GSP relationships; and
- general technology, people and go-to-market integration risks.

Our inability to manage any of these risks successfully could harm our operations and our overall business.

Interruptions or delays in service whether caused by our third-party data center hosting facilities, other third-party providers, internal process failures, human errors, internal bugs or otherwise could impair the delivery of our subscriptions, require us to issue credits or pay penalties and harm our business.

We currently serve our North American customers from geographically disparate data center hosting facilities in North America, where we lease space from Equinix, Inc., and other providers, and we serve our European customers from third-party data center hosting facilities in Europe. We also use third-party co-location facilities located in various international regions to serve our customers in these regions. Certain of our solutions are hosted by third-party data center facilities including Amazon Web Services, Inc. and Google Cloud Platform. Damage to, or failure of, these facilities, the communications network providers with whom we or they contract, or with the systems by which our communications providers allocate capacity among their customers, including us, or software errors, have in the past and could in the future result in interruptions in our services. Additionally, in connection with the addition of new data centers or expansion or consolidation of our existing data center facilities, we may move or transfer our data and our customers' data to other data centers. Despite precautions that we take during this process, any unsuccessful data transfers may impair or cause disruptions in the delivery of our subscriptions. We

also resell third-party products and services, in particular, solutions from NICE and, any interruptions of their service may impact our customers. In addition, our services may have or be prone to errors, defects, or bugs that could result in unanticipated interruptions of service. For example, in January 2025, we experienced an interruption in service due to an internal system error that impacted our customers for a limited number of hours, and we may in the future experience interruptions that impact our customers. Interruptions in our subscriptions have in the past and may in the future reduce our revenues, require us to issue credits or pay penalties, subject us to claims and litigation, cause customers to terminate their subscriptions and adversely affect our renewal rates and our ability to attract new and retain existing customers. Our ability to attract and retain customers depends on our ability to provide customers with a highly reliable subscription and even minor interruptions in our subscriptions could harm our brand and reputation and have a material adverse effect on our business.

As part of our current disaster recovery arrangements, our North American, European, and Asia Pacific infrastructure and our North American, European, and Asia Pacific customers' data is currently replicated in near real-time at data center facilities in the U.S., Europe, and Asia Pacific, respectively. We do not control the operation of these facilities or of our other data center facilities, and they are vulnerable to damage or interruption from natural disasters, floods, fires, public health crises, power loss, telecommunications failures, and similar events. They may also be subject to human error, break-ins, sabotage, acts of vandalism, cybersecurity incidents, including ransomware or denial-of-service attacks, an act of terrorism and similar misconduct. Even with the disaster recovery arrangements in place, our subscriptions could be interrupted.

We may also be required to transfer our servers to new data center facilities in the event that we are unable to renew our leases on acceptable terms, if at all, or the owners of the facilities decide to close their facilities, and we may incur significant costs and possible subscription interruption in connection with doing so. In addition, any financial difficulties, such as bankruptcy or foreclosure, faced by our third-party data center operators, or any of the service providers with which we or they contract may have negative effects on our business, the nature and extent of which are difficult to predict. Additionally, if our data centers are unable to keep up with our increasing needs for capacity, our ability to grow our business could be materially and adversely impacted.

A security incident, such as a cyber-attack, information security breach, or denial of service event, could delay or interrupt service to our customers, harm our reputation or business, impact our subscriptions, and subject us to significant liability.

Our operations depend on our ability to protect our production and corporate information technology services from interruption or damage from various threats, including cyber-attacks, denial-of-service events and other system and network disruptions, social engineering, unauthorized entry, insider threats, rogue employees or contractors, computer malware, human error, or other means of causing security breaches or incidents. Although we require our employees to undertake privacy and cybersecurity training, we have from time to time been subject to communications fraud, social engineering tactics, cyber-attacks by malicious actors, and denial of service and other disruptive events, and we may be subject to similar attacks in the future, particularly as the frequency and sophistication of cyber-attacks increases. We cannot assure you that our backup systems, regular data backups, security controls, personnel training, and other procedures currently in place, or that may be in place in the future, will prevent significant damage, system failure, service outages, data incidents, data loss, unauthorized access, loss of use, interruption, or increased charges from our technology vendors.

The amount of data we store for our customers and users increases as our business grows. We host services, which includes hosting customer data, in co-located data centers and in multiple public cloud services. Our solutions allow users to store files, tasks, calendar events, messages and other data on our services indefinitely or as may be directed by our customers, at least until termination of the agreement. We also maintain sensitive data related to our technology and business, and that of our employees, strategic partners, GSPs, channel partners, and customers, including intellectual property, proprietary business information and personal information (also called personal data) on our own systems and in multiple vendors' cloud services. As a result of maintaining larger volumes of data and user files and/or as a result of our continued movement up market, or movement into new customer markets and acquisition of larger and more recognized customers, we may become more of a target for hackers, nation states, and other malicious actors.

In addition, we use third-party vendors who, in some cases, have access to our data and our employees', partners', and customers' data. We employ layered security measures and have a means of working with third parties who report vulnerabilities to us. Despite the implementation of security measures by us or our vendors, our computing devices, infrastructure, or networks, or our vendors' computing devices, infrastructure, or networks have in the past, and may in the future, be vulnerable to hackers, computer viruses, worms, ransomware, other malware, human error, theft, or misuse, phishing, denial-of-service attacks, or similar disruptive problems that are caused by or through a security weakness or vulnerability in our or our vendors' infrastructure, network, or business practices or our or our vendors' customers, employees, business partners, consultants, or other Internet users who attempt to obtain unauthorized access to our or our vendors' corporate or personal systems, networks, or devices. Security weaknesses or vulnerabilities in our, our vendors', or our customers'

infrastructure, networks, or business practices could lead to increased costs, liability claims, including contractual liability claims relating to security obligations in agreements with our partners and our customers, fines, claims, investigations and other proceedings, reduced revenue, or harm to our reputation or competitive position. In addition, even if vulnerabilities are not exploited or targeted, we could incur increased costs and capital expenditures in any efforts we undertake to strengthen our security controls or remediate security vulnerabilities.

We have implemented remote working protocols and offer work-issued devices to substantially all employees, whether working in an office or remotely. Actions of employees while working remotely may have significant effects on the security of our infrastructure, networks, and the information we process, such as by increasing the risk of compromise to systems or data arising from employees' combined personal and private use of devices, accessing our networks or information using wireless networks that we do not control, or the ability to transmit or store information outside of our network. Our employees' or third parties' intentional, unintentional, or inadvertent actions may increase our vulnerability to or expose us to security threats, such as ransomware or other malware and phishing attacks, and we may remain responsible for or otherwise face liability in connection with unauthorized access to, loss, unavailability alteration, destruction, acquisition, disclosure or other processing of information we or our vendors, business partners, or consultants process or otherwise maintain. Additionally, political and geopolitical uncertainty and actions, such as the conflicts in the Middle East, may create heightened risks to us and our vendors, business partners, and consultants of cyber-attacks from nation-state actors or their affiliated entities, including attacks that could materially disrupt our systems and operations, supply chain, and ability to produce, sell and distribute our services. Also, cyber-attacks, including on the supply chain (including our software supply chain), continue to increase in frequency and magnitude, and we cannot provide assurances that our preventative efforts, or those of our suppliers, have been or will be successful.

We rely on encryption and authentication technology to provide secure transmission of and access to confidential information, including customer credit card numbers, debit card numbers, direct debit information, customer communications, and files uploaded by our customers. Advances in computer capabilities, new cryptographic discoveries, software or hardware bugs or vulnerabilities, social engineering activities, the introduction of ransomware or other malicious code, or other developments may result in a compromise or breach of the technology we use to protect our data and our customer data, or of the data itself. We also have incorporated AI-powered features into our solutions and may continue to incorporate additional AI features and technologies into our solutions in the future. Our use of AI features and technologies may create additional cybersecurity risks or increase cybersecurity risks, including risks of security breaches and incidents. Further, AI technologies may be used in connection with certain cybersecurity attacks, resulting in heightened risks of security breaches and incidents.

Additionally, third parties have in the past successfully induced, and may attempt in the future to induce using social engineering or other methods, employees, consultants, or customers into disclosing sensitive information, such as usernames, provisioning data, customer proprietary network information ("CPNI") or other information in order to gain access to our customers' user accounts or data, or to our systems or data. CPNI includes information such as the phone numbers called by a customer, the frequency, duration, and timing of such calls, and any services purchased by the consumer, such as call waiting, call forwarding, and caller ID, in addition to other information that may appear on a customer's bill. Third parties may also attempt to induce employees, consultants, or customers into disclosing information regarding our and our customers' intellectual property, personal data and other confidential information. The techniques used to obtain unauthorized access, to perform hacking, phishing and social engineering, or to sabotage systems change and evolve frequently and may not be recognized until launched against a target, may be new and previously unknown or little-known, or may not be detected or understood until well after such actions are conducted. We may be unable to anticipate these techniques and may be unsuccessful in implementing appropriate preventative measures, and any security breach or other incident may be difficult to detect and may take longer than expected to remediate or otherwise address. Any system failure or disruption or security breach or incident that causes interruptions or data loss in our operations or in the computer systems of our customers or leads to the misappropriation, loss, unavailability, or unauthorized use, disclosure, or other processing of our or our customers' confidential or personal information could result in significant liability to us, loss of our intellectual property, cause our subscriptions to be perceived as not being secure, cause considerable harm to us and our reputation (including requiring notification to customers, regulators, or the media), and deter current and potential customers from using our subscriptions. Any of these events could have a material adverse effect on our business, results of operations, and financial condition.

It is critical to our business that our sensitive information and that of our employees, strategic partners, GSPs, channel partners and customers remains secure and that our customers perceive that this information is secure. Information security incidents have in the past, and may in the future, result in unauthorized access to, loss or unavailability of, or unauthorized disclosure or other processing of such information. Any actual or perceived cybersecurity breach or incident could expose us to litigation, indemnity obligations, government notification and investigations or other proceedings, contractual liability, and other possible liabilities, and could result in negative publicity, which could harm our reputation and reduce our customers' confidence in the effectiveness of our solutions, which could materially and adversely affect our business and operating results.

A security breach or incident could also expose us to increased costs, including remediation costs, disruption of operations, or increased cybersecurity protection costs, that may have a material adverse effect on our business. In addition, an actual or perceived security breach or incident, whether by us, or a third-party vendor or agent, of or impacting our customers' systems can also result in exposure of credentials, unauthorized access to accounts, exposure of their information and data (including CPNI), and fraudulent calls on their accounts, which can have impacts to us similar to those described above. Any actual or perceived security breach or incident of or impacting our partners' or vendors' systems can result in similar impacts.

Additionally, due to the nature of our solutions, we are unable to maintain complete control over data security or the implementation of measures that reduce the risk of a data security incident. For example, our customers may accidentally disclose their passwords or store them on a mobile device that is lost or stolen, creating the perception that our systems are not secure against third-party access. Additionally, our third-party contractors in the Philippines, U.S., Georgia, and elsewhere may have access to customer data. While our agreements with our third-party contractors restrict their use or disclosure of any customer data, if these or other third-party vendors violate applicable laws or our policies, this may put our customers' information at risk and could have a material and adverse effect on our business.

Laws, regulations, and enforcement activities relating to security and privacy continue to evolve. For example, in 2023, the SEC adopted cybersecurity risk management and disclosure rules, which require the disclosure of information pertaining to cybersecurity incidents and cybersecurity risk management, strategy, and governance. Additionally, the EU has implemented new and revised laws and regulations relating to cybersecurity. For example, the Digital Operational Resiliency Act went into effect on January 17, 2025. It aims to establish a universal framework for managing and mitigating information and communication technology risk that will apply to financial-sector entities and their third-party cloud service providers.

We have incurred and expect to continue to incur significant expenses in our efforts to prevent and address security incidents. Determining whether a security breach or incident is notifiable or reportable may not be straightforward and may be costly and could lead to negative publicity, loss of customer or partner confidence in the effectiveness of our security measures, diversion of management's attention, governmental investigations, and the expenditure of significant capital and other resources to respond to or alleviate problems caused by the actual or perceived security breach or incident. We may find it necessary for various reasons, such as a need to support changes to applicable laws or to support our expansion of sales into new geographic areas or into new industry markets, to change or enhance our cybersecurity measures, which may make it more expensive to operate in certain jurisdictions and may increase the risk of our non-compliance with evolving laws and regulations.

While we maintain cybersecurity insurance, our insurance may be insufficient to cover all liabilities incurred by privacy or security incidents. We also cannot be certain that our insurance coverage will be sufficient for data handling or data security liabilities actually incurred, that insurance will continue to be available to us on economically reasonable terms, or at all, or that an insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material adverse effect on our business, including our financial condition, operating results, and reputation.

The AI technology and features we develop and/or incorporate into our solutions include new and evolving technologies that may present both legal and business risks.

We have incorporated a number of AI-powered features into our solutions. We use internally developed and third-party developed machine learning and AI technologies and we are making further investments in expanding our AI capabilities. AI technologies are complex and rapidly evolving, and we face significant competition from other companies as well as an evolving legal and regulatory landscape. The successful integration of new and emerging AI technologies, such as generative AI, automated speech recognition, text-to-speech and natural language processing into our platforms and solutions will require additional investment, and the development of new approaches and processes, which will be costly and increase our expenses.

Further, the incorporation of AI-powered features into our solutions will subject us to new or enhanced governmental or regulatory scrutiny, data privacy and information security laws, litigation, including class-action suits, confidentiality or security risks, ethical concerns, or other complications that could harm our business, reputation, financial condition or results of operations. Certain privacy laws extend rights to consumers (such as the right to delete certain personal data) and regulate automated decision making, which may add compliance requirements or challenges to our use of AI technologies. These obligations have in the past and may in the future make it harder for us to conduct our business using AI, lead to regulatory fines or penalties, subject us to litigation, require us to change our business practices, or prevent or limit our use of AI technologies. For example, the FTC has required some companies to turn over (or disgorge) valuable insights or trainings generated through the use of AI technologies where they allege the company has violated privacy and consumer protection laws. If we cannot use AI technologies or that use is restricted, our business may be less efficient, or we may be at a competitive

disadvantage. Additionally, intellectual property ownership and license rights, including copyright, surrounding AI technologies are new, evolving, and have not been fully addressed by federal or state laws or by U.S. courts, and the manner in which we and our third-party developers configure and use AI technologies may expose us to claims of copyright infringement or other intellectual property misappropriation. In addition, the cost to comply with such laws or regulations could be significant and would increase our operating expenses, which could harm our business, reputation, financial condition and results of operations.

Relatedly, large language models, or LLMs, can generate written content that contains bias, factual errors, misrepresentations, offensive language, or inappropriate statements. While we attempt to use LLMs in a way that mitigates these risks, there is no guarantee that we will be successful and these risks could harm our business, reputation, financial condition and results of operations.

In addition, the use of AI involves significant technical complexity and requires specialized expertise, and competition for specialized personnel in the AI industry is intense. Any disruption or failure in our or our third-party developers' AI systems or infrastructure could result in delays or errors in our operations, which could harm our business, reputation, financial condition and results of operations.

The use of AI technologies in our business may not produce the desired benefits, and may result in increased liability, reputational harm, or other adverse consequences.

We have deployed, and continue to develop and incorporate, AI solutions and features into our business, and these solutions and features may become more important to our operations or to our future growth over time. We expect to rely on AI solutions and features to help drive future growth and efficiency in our business, but there can be no assurance that we will realize some or all of the desired or anticipated benefits from AI in a timely or cost-effective manner. In addition, our workforce is exposed to and uses AI technologies for certain tasks related to our business. We have guidelines and policies specifically directed at the use of AI tools in the workplace. Nevertheless, the use of these AI tools, whether authorized or unauthorized, by our workforce, poses potential risks relating to the protection of data, including cybersecurity risk, exposure of our proprietary confidential information to unauthorized recipients, and the misuse of our or third-party intellectual property. Use of AI technology by our workforce, even if consistent with our guidelines, may result in allegations or claims against us related to violation of third-party intellectual property or other rights, unauthorized access to or use of proprietary information, and failure to comply with open source software requirements. In addition, our employees use AI tools for various design and engineering tasks such as writing code and building content, and these tools may produce inaccurate responses that could lead to errors in our decision-making, solution development or other business activities, which could have a negative impact on our business, operating results and financial condition. Our ability to mitigate these risks will depend on our provision of effective training, monitoring and enforcement of appropriate policies, guidelines and procedures, and compliance by our workforce.

We rely on third-party competitors to deliver contact center, SMS, and other services to customers, and changes in these relationships could have a material adverse effect on our business, results of operations and financial condition.

We currently use and/or provide third-party technology and integrations from NICE, Bandwidth.com, Inc., Microsoft Corporation and other companies to provide some of our solutions to our customers, including contact center and SMS solutions. We use, or in the future, may use and rely on technologies of other third-parties to deliver features and functionalities. We cannot assure you that we will be able to renew our agreements with any of these third-party providers and any of these service providers could elect or attempt to stop providing us with access to their services. In addition, these third-party providers may terminate or breach their contracts with us, or allow these contracts to expire. If any of these service providers cease to provide us with their services, fails to provide these services to us on a cost-effective basis or at reasonable levels of quality and security, ceases operations, or otherwise terminates or discontinues these services, it could have a material adverse effect on our business and results of operations. Our inability to continue to offer these third-party solutions to our customers and/or our inability to effectively offer or migrate these customers to our own alternative or other third-party alternative solutions may have a material adverse effect on our business, results of operations and financial condition.

Our international operations and customer base may expose us to significant risks.

We have significant operations directly or through third parties in many countries outside of the U.S. and Canada, including, the U.K., China, the Philippines, Germany, Georgia, Bulgaria, Spain, Australia, India, and France. We also sell our solutions to customers in several countries in Europe, as well as in the Asia Pacific region, and we may continue to grow our international presence in the future. The future success of our business will depend, in part, on our ability to expand our operations and customer base worldwide, as well as our ability to acquire and maintain international customers in a cost effective manner. Operating in international markets requires significant resources and management attention and will subject us to regulatory, economic, and political risks that are different from those in the U.S. Due to our relatively limited experience

with international operations and developing and managing sales and distribution channels in international markets, our international expansion efforts may not be successful. In addition, we will face risks in doing business internationally that could materially and adversely affect our business, including:

- our ability to comply with differing and evolving technical and environmental standards, telecommunications regulations, and certification requirements outside the U.S.;
- difficulties and costs associated with staffing and managing foreign operations, including managing compliance with foreign labor laws and regulations;
- new and different sources of competition;
- our ability to effectively price our subscriptions in competitive international markets;
- potentially greater difficulty collecting accounts receivable and longer payment cycles;
- the need to adapt and localize our subscriptions and product offerings for specific countries and local regulators;
- the need to offer customer care, product information, websites, and other marketing collateral in various native languages;
- the need to contract and bill in various native languages, currencies, and under a variety of different legal systems;
- reliance on third parties over which we have limited control, including those that market and resell our subscriptions in international markets;
- availability of reliable broadband connectivity and wide area networks in targeted areas for expansion;
- lower levels of adoption of credit or debit card usage for Internet related purchases by foreign customers and compliance with various foreign regulations related to credit or debit card processing and data protection requirements;
- export controls and economic sanctions, foreign trade restrictions, travel restrictions, and changes in diplomatic and trade relationships, including tariffs and other non-tariff barriers, such as quotas and local content rules;
- our ability to comply with different and evolving laws, rules, and regulations, including the European General Data Protection Regulation (the "GDPR"), and other data privacy and data protection laws, and regulations;
- compliance with various anti-bribery and anti-corruption laws such as the Foreign Corrupt Practices Act and U.K. Bribery Act of 2010;
- more limited protection for intellectual property rights in some countries;
- adverse tax consequences;
- fluctuations in currency exchange rates;
- exchange control regulations, which might restrict or prohibit our conversion of other currencies into U.S. dollars;
- restrictions on the transfer of funds;
- deterioration of political relations between the U.S. and other countries where we have personnel who support our business, particularly the European Union, China, India, Bulgaria, Spain, and the Philippines; and
- political or social unrest, economic instability, conflict or war in such countries.

Our failure to manage any of these risks successfully could harm our future international operations and our overall business.

If we are unable to effectively process local number and toll-free number portability provisioning, and/or our customers are unable to register with TCR in a timely manner, our growth may be negatively affected.

We support local number and toll-free number portability, which allows our customers to transfer to us and thereby retain their existing phone numbers when subscribing to our services. Transferring numbers is a manual process that can take up to 15 business days or longer to complete. A new customer of our subscriptions must maintain both our subscription and the customer's existing phone service during the number transferring process. Any delay that we experience in transferring these numbers typically results from the fact that we depend on third-party GSPs to transfer these numbers, a process that we do not

control, and these third-party GSPs may refuse or substantially delay the transfer of these numbers to us. Local number portability is considered an important feature by many potential customers, and if we fail to reduce any related delays, we may experience increased difficulty in acquiring new customers. Moreover, the FCC requires Internet voice communications providers to comply with specified number porting timeframes when customers leave our subscription for the services of another provider. Several international jurisdictions have imposed similar number portability requirements on subscription providers like us. If we or our third-party GSPs are unable to process number portability requests within the requisite timeframes, we could be subject to fines and penalties. Additionally, in the U.S., both customers and GSPs may seek relief from the relevant state public utility commission, the FCC, or in state or federal court for violation of local number portability requirements.

U.S. mobile carriers are now requiring businesses using SMS on over-the-top providers, including all CPaaS and UCaaS providers, such as us, to register with The Campaign Registry ("TCR"), to ensure text messages are compliant with wireless carrier guidelines, as well as to reduce spam. These new rules affect our customers, and we have built integrations with TCR to facilitate registrations for our customers. TCR registration and related vetting can be cumbersome and costly and may cause customer churn, especially for SMB customers that have more limited person-to-person SMS needs. Additionally, SMS aggregators and wireless carriers sometimes block legitimate SMS traffic without prior notice, which may negatively impact our customers. Bandwidth.com, Inc., our SMS aggregator, currently blocks any and all SMS sent by phone numbers that have not been registered with TCR and associated with an approved messaging campaign. Despite our ongoing efforts to minimize the impact on our customers, our potential inability to provide SMS to affected customers may have a material adverse effect on our business, results of operations and financial condition.

Our business could suffer if we cannot obtain or retain direct inward dialing numbers or are prohibited from obtaining local or toll-free numbers or if we are limited to distributing local or toll-free numbers to only certain customers.

Our future success depends on our ability to procure large quantities of local and toll-free direct inward dialing numbers ("DIDs") in the U.S. and foreign countries in desirable locations at a reasonable cost and without restrictions. Our ability to procure and distribute DIDs depends on factors outside of our control, such as applicable regulations, the practices of the communications GSPs that provide DIDs, the cost of these DIDs, and the level of demand for new DIDs. For instance, France implemented new rules requiring service providers to obtain DIDs directly from regulatory authorities. Further, due to their limited availability, there are certain popular area code prefixes that we generally cannot obtain. Our inability to acquire DIDs for our operations would make our subscriptions less attractive to potential customers in the affected local geographic areas. In addition, future growth in our customer base, together with growth in the customer bases of other providers of cloud-based business communications, has increased, which increases our dependence on needing sufficiently large quantities of DIDs.

If we experience excessive fraudulent activity or cannot meet evolving credit card association merchant standards, we could incur substantial costs and lose the right to accept credit cards for payment, which could cause our customer base, new sales, and revenues to decline significantly.

Most of our customers authorize us to bill their credit card accounts directly for service fees that we charge. If customers pay for our subscriptions with stolen credit cards, we could incur substantial third-party vendor costs for which we may not be reimbursed. Further, our customers provide us with credit card billing information online or over the phone, and we do not review the physical credit cards used in these transactions, which increases our risk of exposure to fraudulent activity. We also incur charges, which are referred to in the industry as chargebacks, from the credit card companies from claims that a customer did not authorize the specific credit card transaction to purchase our subscription. If the number of chargebacks becomes excessive, we could be assessed substantial fines or be charged higher transaction fees, and we could lose the right to accept credit cards for payment. In addition, credit card issuers may change merchant and/or service provider standards, including data protection standards, required to utilize their services from time to time. We have established and implemented measures intended to comply with the Payment Card Industry Data Security Standard ("PCI DSS"). If we fail to maintain compliance with such standards or fail to meet new standards, the credit card associations could fine us or terminate their agreements with us, and we would be unable to accept credit cards as payment for our subscriptions. If we fail to maintain compliance with current service provider standards, such as the PCI DSS, or fail to meet new standards, customers may choose not to use our services. If such a failure to comply with relevant standards occurs, we may also face legal liability if we are found to not comply with applicable laws that incorporate, by reference or by adoption of substantially similar provisions, merchant or service provider standards, including the PCI DSS. Our subscriptions may also be subject to fraudulent usage, including but not limited to revenue share fraud, domestic traffic pumping, subscription fraud, premium text message scams, and other fraudulent schemes. This usage can result in, among other things, substantial bills from our vendors, for which we would be responsible, for terminating fraudulent call traffic. In addition, third parties may have attempted in the past, and may attempt in the future, to induce employees, sub-contractors, or consultants into disclosing customer credentials and other

account information using social engineering and other methods, which can result in unauthorized access to customer accounts and customer data, unauthorized use of customers' services, charges to customers for fraudulent usage and costs that we must pay to GSPs. Although we have implemented multiple fraud prevention, detection controls and personnel trainings, we cannot assure you that these controls will be adequate to protect against fraud. Substantial losses due to fraud or our inability to accept credit card payments could cause our paid customer base to significantly decrease, which would have a material adverse effect on our results of operations, financial condition, and ability to grow our business.

Failures in Internet infrastructure or interference with broadband access could cause current or potential users to believe that our systems are unreliable, possibly leading our customers to switch to our competitors or to avoid using our subscriptions.

Unlike traditional communications services, our subscriptions depend on our customers' high-speed broadband access to the Internet. Increasing numbers of users and increasing bandwidth requirements may degrade the performance of our services and applications due to capacity constraints and other Internet infrastructure limitations. As our customer base grows and their usage of our services increases, we will likely be required to make additional investments in network capacity to maintain adequate data transmission speeds, the availability of which may be limited, or the cost of which may be on terms unacceptable to us. If adequate capacity is not available to us as our customers' usage increases, our network may be unable to achieve or maintain sufficiently high reliability or performance. In addition, if Internet access service providers have outages or deteriorations in their quality of service, our customers will not have access to our subscriptions or may experience a decrease in the quality of our services. Frequent or persistent interruptions could cause current or potential users to believe that our systems or services are unreliable, leading them to switch to our competitors or to avoid our subscriptions, and could permanently harm our reputation and brands.

In addition, users who access our subscriptions and applications through mobile devices, such as smartphones and tablets, must have a high-speed connection, such as Wi-Fi®, 4G, 5G, or LTE, to use our services and applications. Currently, this access is provided by companies that have significant and increasing market power in the broadband and Internet access marketplace, including incumbent phone companies, cable companies, and wireless companies. Some of these providers offer solutions and subscriptions that directly compete with our own offerings, which can potentially give them a competitive advantage. Also, these providers could take measures that degrade, disrupt or increase the cost of user access to third-party services, including our offerings, by restricting or prohibiting the use of their infrastructure to support or facilitate third-party services or by charging increased fees to third parties or the users of third-party services, any of which would make our subscriptions less attractive to users, and reduce our revenues.

Interruptions in our services caused by undetected errors, failures, or bugs in our services and/or human error could harm our reputation, result in significant costs to us, and impair our ability to sell our subscriptions.

Our services may have errors or defects that customers identify after they begin using them that could result in unanticipated interruptions of service. Internet-based services frequently contain undetected errors and bugs when first introduced or when new versions or enhancements are released. While the substantial majority of our customers are small and medium-sized businesses, the use of our services in complicated, large-scale network environments may increase our exposure to undetected errors, failures, or bugs in our services. Further, human error in maintaining our system could also lead to unanticipated service interruptions. Although we test our services to detect and correct errors and defects before their general release, we have, from time to time, experienced significant interruptions in our services as a result of such technical and/or human errors or defects and may experience future interruptions of service if we fail to detect and correct these errors and defects. For example, in January 2025, we experienced an interruption in service due to an internal system error that impacted our customers for a limited number of hours, and we may in the future experience interruptions that impact our customers. The costs incurred in correcting such defects or errors may be substantial and could harm our results of operations. In addition, we rely on hardware purchased or leased and software licensed from third parties to offer our services.

Any defects in, or unavailability of, our or third-party software or hardware that cause interruptions of our services could, among other things:

- cause a reduction in revenues or a delay in market acceptance of our services;
- require us to pay penalties or issue credits or refunds to our customers, channel partners, strategic partners, or GSPs, or expose us to claims for damages;
- cause us to lose existing customers and make it more difficult to attract new customers;
- divert our development resources or require us to make extensive changes to our software, which would increase our expenses and slow innovation;

- increase our technical support costs;
- harm our reputation and brand; and
- result in litigation and regulatory action against the company.

Potential problems with our information systems could interfere with our business and operations.

We rely on our information systems and those of third parties for processing customer orders, distribution of our subscriptions, billing our customers, processing credit card transactions, customer relationship management, supporting financial planning and analysis, accounting functions and financial statement preparation, and otherwise running our business. Information systems may experience interruptions, including interruptions of related services from third-party providers, which may be beyond our control. Such business interruptions could cause us to fail to meet customer requirements. All information systems, both internal and external, are potentially vulnerable to damage or interruption from a variety of sources, including without limitation, computer viruses, security breaches and incidents, energy blackouts, natural disasters, terrorism, war, telecommunication failures, employee or other theft, and third-party provider failures. In addition, since telecommunications billing is inherently complex and requires highly sophisticated information systems to administer, our internally developed billing system may experience errors or we may improperly operate the system, which could result in the system incorrectly calculating the fees owed by our customers for our subscriptions or related taxes and administrative fees. Any such errors in our customer billing could harm our reputation and cause us to violate truth in billing laws and regulations. Our current internally developed billing system requires us to process an increasing number of invoices manually, which could result in billing errors. Any errors or disruption in our information systems and those of the third parties upon which we rely could have a significant impact on our business. In addition, we may implement further and enhanced information systems in the future to meet the demands resulting from our growth and to provide additional capabilities and functionality. The implementation of new systems and enhancements is frequently disruptive to the underlying business of an enterprise, and can be time-consuming and expensive, increase management responsibilities, and divert management attention.

Growth may place significant demands on our management and our infrastructure.

We continue to experience growth in our business. This growth has placed and may continue to place significant demands on our management, organizational structure, and our operational and financial infrastructure, particularly as we try to become more profitable and financially and operationally efficient. As our operations continue to scale and become more complex, we may need to increase our sales and marketing efforts and may add additional sales and marketing personnel in various regions worldwide and improve and upgrade our systems and infrastructure to attract, service, and retain an increasing number of customers. For example, we expect the volume of simultaneous calls and video conferences to increase significantly as our customer base grows. Our network hardware and software may not be able to accommodate this additional simultaneous call volume. The expansion of our systems and infrastructure could require us to commit substantial financial, operational, and technical resources in advance of an increase in the volume of business, with no assurance that the volume of business will increase. Any such additional capital investments will increase our cost base.

Continued growth could also strain our ability to maintain reliable service levels for our customers, resellers, partners, and GSPs, develop and improve our operational, financial and management controls, enhance our billing and reporting systems and procedures, and recruit, train and retain highly skilled personnel. In addition, our existing systems, processes, and controls may not prevent or detect all errors, omissions, or fraud. We may also experience difficulties in managing improvements to our systems, processes, and controls or in connection with third-party software licensed to help us with such improvements. Any future growth, particularly further international expansion and our transition to a multi-product company, could add complexity to our organization, require effective communication and coordination throughout our organization, and result in additional costs. To manage any future growth effectively, we must continue to improve and expand our information technology and financial, operating, security and administrative systems and controls, and our business continuity and disaster recovery plans and processes. Additionally, our productivity and the quality of our solutions and services may be adversely affected if we do not integrate and train our new employees quickly and effectively. If we fail to achieve the necessary level of efficiency in our organization as we grow, our business, results of operations and financial condition could be materially and adversely affected.

Support for smartphones and tablets is an integral part of our solutions. If we are unable to develop robust mobile applications that operate on the mobile platforms that our customers use, our business and results of operations could be materially and adversely affected.

Our solutions allow our customers to use and manage our cloud-based business communications solution on smart devices. As new smart devices and operating systems are released, we may encounter difficulties supporting these devices and services. We also need to devote significant resources to the creation, support, and maintenance of our mobile applications. In

addition, if we experience difficulties in the future integrating our mobile applications into smart devices or if problems arise with our relationships with providers of mobile operating systems, such as those of Apple Inc. or Alphabet Inc., our future growth and our results of operations could suffer.

Third-party application stores may also impose new requirements, including, for example, updates to their terms of access or policies on how we or our channel partners must collect, use and share data. Compliance with any such requirements could be costly or burdensome, and could prevent us from timely updating our current solutions or uploading new solutions. If we fail to comply with these requirements, we could lose access to, or be required to remove our mobile applications from, third-party application stores.

The occurrence of a catastrophic disaster could damage our facilities or the facilities of our contractors, which could cause us to curtail our operations.

Our corporate headquarters and other offices and many of our data centers, co-location and research and development facilities, and third-party customer service call centers are located in the U.S. (including in the state of California), Spain, Georgia, Bulgaria, and several countries in Asia, including China, the Philippines, India, and Australia. Many of these locations are near known earthquake fault zones, which are vulnerable to damage from earthquakes and tsunamis, or are in areas subject to hurricanes and typhoons. We and our contractors are also vulnerable to other types of disasters, such as power loss, fire, floods, pandemics, cyber-attack, war (including ongoing geopolitical tensions related to the ongoing conflicts in the Middle East), political unrest, and terrorist attacks and similar events that are beyond our control. If any disasters or geopolitical conflicts were to occur or worsen, our ability to operate our business could be seriously impaired, and we may endure system interruptions, reputational harm, loss of intellectual property, delays in our subscriptions development, lengthy interruptions in our services, breaches of data security, and loss of critical data, all of which could harm our future results of operations. In addition, we do not carry earthquake insurance and we may not have adequate insurance to cover our losses resulting from other disasters or other similar significant business interruptions. Any significant losses that are not recoverable under our insurance policies could seriously impair our business and financial condition.

Risks Related to Our Reliance on Third Parties

We rely on third parties, including third parties in countries outside the U.S., for a significant portion of our software development and design, quality assurance, operations, and customer support.

We currently depend on various third parties for some of our software development efforts, quality assurance, operations, and customer support services, including third parties in countries outside the U.S. Specifically, we have outsourced a significant portion of our software development and design, quality assurance, and operations activities to third-party contractors that have employees and consultants principally in Tbilisi, Georgia.

In addition, we outsource a significant portion of our customer support, inside sales, network operation control functions, and general and administrative activities to third-party contractors located in Manila, the Philippines. For example, we offer customer support from third-party contractors located in the Philippines through both our online account management website and our toll-free customer support number in multiple languages. The ability to support our customers may be disrupted by natural disasters, inclement weather conditions, civil and political unrest, strikes, and other adverse events in the Philippines.

Furthermore, as we continue to expand our operations internationally, we may need to make further significant expenditures and investments in our customer service and support to adequately address the complex needs of international customers, such as support in additional foreign languages. We also use third parties to deliver onsite professional services to our customers in deploying our solutions. If these vendors do not deliver timely and high-quality services to our customers, our reputation could be damaged, and we could lose customers. In addition, third-party professional services vendors may not be available when needed, which would adversely impact our ability to deliver on our customer commitments. Our dependence on third-party contractors, including those in countries outside the U.S., creates a number of risks, in particular, the risk that we may not maintain service quality, control, or effective management with respect to these business operations.

We also rely on purchased or leased hardware and software licensed from third parties, in particular, NICE in order to offer our subscriptions, and in some cases, we integrate third-party licensed software components into our platform. Any errors or defects in third-party hardware or software could result in errors or a failure of our subscriptions which could harm our business.

We anticipate that we will continue to depend on our third-party relationships in order to grow our business for the foreseeable future. If we are unsuccessful in maintaining existing and, if needed, establishing new relationships with third parties, our ability to efficiently operate existing services or develop new services and provide adequate customer support could be impaired, and, as a result, our competitive position or our results of operations could suffer.

To deliver our subscriptions, we rely on third parties for our network connectivity and for certain of the features in our subscriptions.

We currently use the infrastructure of third-party network service providers, including Sinch AB, Lumen Technologies, Inc. and Bandwidth.com, Inc. in North America and several others internationally, to deliver our subscriptions over their networks. Our third-party network service providers provide access to their Internet protocol ("IP") networks and public switched telephone networks, and provide call termination and origination services, including 911 emergency calling in the U.S. and equivalent services internationally, and local number portability for our customers. We expect that we will continue to rely heavily on third-party network service providers to provide these subscriptions for the foreseeable future.

If any of these network service providers stop providing us with access to their infrastructure, fail to provide these services to us on a cost-effective basis or at reasonable levels of quality and security, cease operations, or otherwise terminate these services, the delay caused by qualifying and switching to another third-party network service provider, if one is available, could have a material adverse effect on our business and results of operations.

Finally, if problems occur with any of these third-party network service providers, it may cause outages, errors or poor call quality in our subscriptions, and we could encounter difficulty identifying the source of the problem. The occurrence of outages, errors or poor call quality in our subscriptions, whether caused by our systems or a third-party network or service provider, may result in the loss of our existing customers, delay or loss of market acceptance of our subscriptions, termination of our relationships and agreements with our channel partners, strategic partners, or GSPs, or liability for failure to meet service level agreements which may require us to issue service credits or pay damages, and may seriously harm our business and results of operations.

We rely on third-party software that may be difficult to replace or which could cause errors or failures of our subscriptions.

We rely on software licensed from certain third parties in order to offer our solutions. In some cases, we integrate third-party licensed software components into our platform. This software may not continue to be available at reasonable prices or on commercially reasonable terms, or at all. Any loss of the right to use any of this software could significantly increase our expenses and otherwise result in delays in the provisioning of our solutions until equivalent technology is either developed by us, or, if available, is identified, obtained, and integrated. Any errors or defects in third-party software could result in errors or a failure of our solutions, which could harm our business.

We rely on third parties to fulfill various aspects of our E-911 service. If these third parties do not provide our customers with reliable, high-quality service, our reputation will be harmed, and we may lose customers.

We contract with third parties to provide emergency services calls in the U.S., Canada, the U.K., and other jurisdictions in which we provide access to emergency services dialing, including assistance in routing emergency calls and terminating emergency services calls. Our domestic providers operate a national call center that is available 24 hours a day, seven days a week, to receive certain emergency calls and maintain PSAP databases for the purpose of deploying and operating E-911 services. We rely on providers for similar functions in other jurisdictions in which we provide access to emergency services dialing. On mobile devices, we rely on the underlying cellular or wireless carrier to provide emergency services dialing. Interruptions in service from our vendors could cause failures in our customers' access to E-911/999/112 services and expose us to liability and damage our reputation.

If these third parties do not provide reliable, high-quality service, or the service is not provided in compliance with regulatory requirements, our reputation and our business will be harmed. In addition, industry consolidation among providers of services to us may impact our ability to obtain these services or increase our costs for these services.

We currently depend on a limited number of phone device suppliers and fulfillment agents to configure and deliver the phones that we sell.

We rely on a limited number of suppliers to provide phones that we offer for sale to our customers that use our services, and we rely on a limited number of fulfillment agents to configure and deliver the phones that we sell to our customers. Accordingly, we could be adversely affected if such third parties fail to maintain competitive phones or

configuration services or fail to continue to make them available on attractive terms, or at all. Further, our vendor-supplied phones have lead times of up to several months for delivery to our fulfillment agents and are built to forecasts that may be imprecise. We may, from time to time, have either excess or insufficient product inventory.

If our fulfillment agents are unable to deliver phones of acceptable quality, or if there is a reduction or interruption in their ability to deliver the phones in a timely manner including due to the end of life of any particular unit, our ability to bring services to market, the reliability of our services and our relationships with customers or our overall reputation in the marketplace could suffer, which could cause us to lose revenue. We expect that it could take several months to effectively transition to new third-party manufacturers or fulfillment agents.

In addition, hard phones must interoperate with our back-end servers and systems, which contain complex specifications and utilize multiple protocol standards and software applications. If any of our suppliers changes the operation of their phones or implements new or updated firmware releases for their phones, we will be required to undertake development and testing efforts to ensure that the new phones interoperate with our system. If our vendor-supplied phones do not interoperate effectively with our system, our customers' ability to use our subscriptions could be delayed or orders for our subscriptions could be canceled, which would harm our business, financial condition, and results of operations.

Risks Related to Regulatory Matters

Our subscriptions are subject to regulation, and future legislative or regulatory actions could adversely affect our business and expose us to liability in the U.S. and internationally.

Federal Regulation

Our voice products are regulated by the Federal Communications Commission ("FCC") as interconnected VoIP services, and we provide other communications services, such as videoconferencing and fax, that may also be subject to FCC regulation. As a communications service provider, we are subject to existing or potential FCC regulations relating to privacy and data protection, disability access, porting of numbers, cooperation with law enforcement, emergency dialing, wiretapping, outage reporting, call authentication, anti-fraud measures, robocalling and robotexting and junk faxes, Federal Universal Service Fund ("USF") contributions, and other requirements and regulations. The FCC reclassification of our interconnected VoIP services as Telecommunications Services could result in additional federal and state regulatory obligations. If we do not comply with FCC rules and regulations, we could be subject to enforcement actions, fines, loss of authorizations, and possibly restrictions on our ability to provide our services. Any enforcement action by the FCC, which may be a public process, could result in significant fines, hurt our reputation in the industry, and/or have a material adverse impact on our revenues. In some cases, actions by our customers, vendors or agents could result in liability for us under federal and/or state laws or regulations, either through enforcement by regulatory agencies, state attorneys general, or through private actions. Some of our practices have been and may in the future be challenged under electronic communications privacy laws, such as when we process customer information in connection with providing our services, including AI-powered services, and subject us to litigation (including class-action suits).

State Regulation

State regulation of our interconnected VoIP services is generally preempted by the FCC. Our interconnected VoIP services are considered to be nomadic, because they can be used from any broadband connection. However, a number of states, including California, require us to register as a VoIP provider, contribute to state USF, assess and remit state and local telecom fees, and pay other surcharges and annual fees that fund various state programs. Where permitted, we may pass these fees and surcharges onto our customers, which may result in our subscriptions becoming more expensive or require us to absorb these costs. Additionally, we may be subject to state laws and regulations relating to privacy and data protection, disability access, emergency dialing, wiretapping, outage reporting, and other requirements and regulations. Failure to comply with any current or future state regulations that apply to our business could result in substantial fines and penalties and could harm our business.

International Regulation

We provide communications services in over forty countries. We are subject to foreign laws and regulations relating to communications, digital services, call authentication, wiretapping, metering and billing, consumer protection, data protection, security, AI, emergency calling, anti-fraud measures, and other requirements. Any foreign regulations could impose substantial compliance costs on us, restrict our ability to compete, and impact our ability to provide service in certain markets. Some

jurisdictions restrict the resale of certain communications services, which may impact our go-to-market strategy and affect our revenues. Failure to comply with any current or future foreign laws or regulations that apply to our business, could result in substantial fines and penalties, cause us to have to restructure our product offerings, exit certain markets, or raise the price of our products, and could harm our business.

We process, store, and use personal information and other data, which subjects us and our customers to a variety of evolving international statutes, governmental regulation, industry standards and self-regulatory schemes, contractual obligations, and other legal obligations related to privacy and data protection, which may increase our costs, decrease adoption and use of our solutions and subscriptions, and expose us to liability.

In the course of providing our services, we collect, store, transmit, and disclose (collectively, "process") many types of personal data, including sensitive personal data. Our processing of personal data is subject to a myriad of obligations and restrictions flowing from laws, regulations, industry standards, and contracts.

Data protection laws in the U.S. and abroad give consumers and businesses rights to control the processing of personal data, including the right to opt-out of the sale, sharing, or certain uses of their data and to which countries their data may be transferred. In the U.S., we could be subject to enforcement actions if the FTC or state attorneys general have reason to believe we have engaged in unfair or deceptive privacy or data security practices. Sector specific laws applicable to personal health data, including HIPAA, personal data processed on behalf of financial institutions, data about minors, and personal data processed in the course of providing communications services impose compliance costs and create regulatory risks. Omnibus privacy laws applicable abroad and in an increasing number of U.S. states may apply to our processing in those jurisdictions. In addition, many data protection laws outside the United States prohibit or impose burdens on the transfer of personal data to countries, including the U.S., that have been deemed not to provide adequate privacy protections. Our obligations under these laws and regulations may be unclear, compliance can be costly, and penalties for non-compliance can be substantial. Furthermore, if third parties we work with, such as vendors or developers, make misrepresentations, violate applicable laws and regulations or our policies, such misrepresentations and violations have in the past and may in the future also put our users' data at risk and could in turn have an adverse effect on our business. Increasingly, jurisdictions in which we do business are regulating digital services and emerging technologies such as AI in ways that go beyond traditional privacy and data protection legislation. The impact of this regulatory activity on the overall industry, business models and our operations are uncertain and could result in changed or new operational and administrative costs that could have an adverse effect on our business, financial condition, and results of operations.

If we experience or suspect a data security incident, we may incur significant costs associated with investigation, mitigation, remediation, and customer notifications. We may be unable to maintain complete control over data security, e.g., our customers may accidentally disclose their passwords. Additionally, if our third-party contractors experience a data security incident, or violate applicable laws or our policies, such incidents or violations may also put our customers' information at risk, create the perception that our systems are not secure, and in turn have a material and adverse effect on our business.

Regulation of personal information is evolving, and new laws could further impact how we handle personal information and/or could require us to incur additional compliance costs, either or both of which could have an adverse impact on our operations. The scope and status of these obligations and restrictions is uncertain, changing, subject to differing interpretations, and may be inconsistent from jurisdiction to jurisdiction. As implementation and enforcement of these existing and new laws and regulations progress, we could experience additional costs associated with increased compliance burdens and contractual obligations, be required to localize certain personal data, and/or be at risk for increased regulatory fines or damages. There are a number of legislative proposals in the United States, at both the federal and state level, and in the European Union and more globally, that could impose new obligations in areas such as data processing and other related legislation. We cannot yet determine the impact that such future laws, regulations, and standards may have on our business but may require us to adjust contract terms and technical measures to comply. These changes may impact the duration of customer relationships and result in additional compliance and operational costs, which may affect our business. Failure by us, our vendors, or our agents to comply with obligations and restrictions related to data privacy, data protection, and security in any jurisdiction in which we operate has in the past and may in the future subject us to lawsuits, including class-action suits, and could subject us to regulatory investigations, substantial fines, sanctions, civil and criminal penalties, damages (including statutory damages), consent decrees, injunctions, adverse publicity, reputational damage, and other losses. For example, plaintiffs have become increasingly more active in bringing privacy-related and AI claims and class-action suits against companies, including us. Some of these claims or actions allow for the recovery of statutory damages on a per violation basis, and, if viable, carry the potential for very large statutory damages, depending on the volume of data and the number of violations. Further, our actual compliance, our customers' perception of our compliance, costs of compliance with such regulations, and obligations and customer concerns regarding their own compliance obligations (whether factual or in error) may limit the use and adoption of

our subscriptions and reduce overall demand. Even the perception of privacy-related concerns, whether or not valid, may inhibit market adoption of our subscriptions in certain industries.

Risks Related to Intellectual Property

Accusations of infringement of third-party intellectual property rights could materially and adversely affect our business.

There has been substantial litigation in the areas in which we operate regarding intellectual property rights. We have in the past received, and may in the future receive, notices of claims of infringement, misappropriation or misuse of other parties' proprietary rights. Accusations and lawsuits like these, whether against us or our customers, resellers, GSPs, strategic partners, or others, may require significant time and expense to defend, may negatively affect customer relationships, may divert management's attention away from other aspects of our operations and, upon resolution, may have a material adverse effect on our business, results of operations, financial condition, and cash flows. We have agreed and will continue to agree to indemnify others for expenses and liability resulting from claimed intellectual property infringement by our solutions. In the past, we have settled infringement and misappropriation litigation brought against us; however, we cannot assure you that we will be able to settle any future claims or, if we are able to settle any such claims, that the settlement will be on terms favorable to us. Our broad range of technology may increase the likelihood that third parties will claim that we or those we indemnify, infringe third-party intellectual property rights. If we, or any of our solutions, were found to be infringing on the intellectual property rights of any third-party, we could be subject to liability for such infringement, which could be material. We could also be prohibited from using or selling certain subscriptions, prohibited from using certain processes, required to pay license fees for the technology, or required to redesign certain subscriptions, each of which could have a material adverse effect on our business and results of operations.

Certain technology necessary for us to provide our subscriptions may be protected by the intellectual property rights of others either now or in the future and we would have to negotiate a license for the use of that technology. We may not be able to negotiate such a license at a price that is acceptable to us or at all.

Our inability to obtain licenses to third-party technology may:

- result in the loss of a substantial number of existing customers or prohibit the acquisition of new customers;
- cause us to pay license fees for intellectual property we are deemed to have infringed;
- cause us to incur costs and devote valuable technical resources to redesigning our subscriptions;
- cause our cost of revenues to increase;
- cause us to manage or defend legal disputes, including litigation which may result in incremental cost, liabilities, reputational damage and distraction to our management team;
- cause us to accelerate expenditures to preserve existing revenues;
- cause existing or new vendors to require pre-payments or letters of credit;
- materially and adversely affect our brand in the marketplace and cause a substantial loss of goodwill;
- cause us to change our business methods or subscriptions;
- cause us to remove, cease to offer, and/or modify certain features and functions from our products;
- require us to cease certain business operations or offering certain subscriptions or features; and
- lead to our bankruptcy or liquidation.

Our limited ability to protect our intellectual property rights could materially and adversely affect our business.

We rely, in part, on patent, trademark, copyright, and trade secret law to protect our intellectual property in the U.S. and abroad. We typically enter into confidentiality agreements with our employees, consultants, third-party contractors, customers, and vendors in an effort to control access to, use of, and distribution of our technology, software, documentation, and other information. These agreements may not effectively prevent unauthorized use or disclosure of confidential information and may not provide an adequate remedy in the event of such unauthorized use or disclosure, and it may be possible for a third-party to legally reverse engineer, copy, or otherwise obtain and use our technology without authorization. In addition, improper disclosure of trade secret information by our current or former employees, consultants, third-party contractors, customers, or

vendors to the public or others who could make use of the trade secret information would likely preclude that information from being protected as a trade secret.

We also rely, in part, on patent law to protect our intellectual property in the U.S. and internationally. As of December 31, 2025, our intellectual property portfolio included 537 issued patents, including patents acquired from strategic partnership transactions, which expire between 2026 and 2044. As of December 31, 2025, we also had 97 patent applications pending examination in the U.S. and 27 patent applications pending examination in foreign jurisdictions, all of which are related to U.S. applications. We cannot predict whether such pending patent applications will result in issued patents or whether any issued patents will effectively protect our intellectual property. Even if a pending patent application results in an issued patent, the patent may be invalidated or may be circumvented by others. Further, we have in the past and may in the future license some of our patents to third parties and/or "prune" our patent portfolio by not continuing to renew some of our patents in some jurisdictions or may decide to divest some of our patents.

The unlicensed use of our brand, including through the registration of domain names, by third parties could harm our reputation, cause confusion among our customers and impair our ability to market our solutions and subscriptions. We have registered numerous trademarks and service marks and have applied for registration of additional trademarks and service marks and have acquired a large number of domain names in and outside the U.S. to establish and protect our brand names as part of our intellectual property strategy. If our applications receive objections or are successfully opposed by third parties, it will be difficult for us to prevent third parties from using our brand without our permission. Moreover, successful opposition to our applications might encourage third parties to make additional oppositions or commence trademark infringement proceedings against us, which could be costly and time consuming to defend against. If we are not successful in protecting our trademarks, our trademark rights may be diluted and subject to challenge or invalidation, which could materially and adversely affect our brand.

Despite our efforts to implement our intellectual property strategy, we may not be able to protect or enforce our proprietary rights in the U.S. or internationally (where effective intellectual property protection may be unavailable or limited). Also, our competitors may independently develop technologies that are similar or superior to our technology, duplicate our technology in a manner that does not infringe our intellectual property rights or design around any of our patents. Furthermore, detecting and policing unauthorized use of our intellectual property is difficult and resource-intensive. Moreover, litigation may be necessary in the future to enforce our intellectual property rights, to determine the validity and scope of the proprietary rights of others, or to defend against claims of infringement or invalidity. Such litigation, whether successful or not, could result in substantial costs and diversion of management time and resources and could have a material adverse effect on our business, financial condition, and results of operations.

Our use of open source technology could impose limitations on our ability to commercialize our subscriptions.

We use open source software in our platform on which we deliver our services. While we use tools designed to help us monitor and comply with the licenses of third-party open source software and protect our valuable proprietary source code, we may inadvertently use third-party open source software. There is a risk that the owners of the copyrights in such software may claim that such licenses impose unanticipated conditions or restrictions on our ability to provide our services. If such owners prevail in such claim, we could be required to make the source code for our proprietary software (which contains our valuable trade secrets) generally available to third parties, including competitors, at no cost, to seek licenses from third parties in order to continue offering our subscriptions, to re-engineer our technology, or to discontinue offering our subscriptions in the event re-engineering cannot be accomplished on a timely basis or at all, any of which could cause us to discontinue offering our products, harm our reputation, result in customer losses or claims, increase our costs, or otherwise materially and adversely affect our business and results of operations.

Risks Related to Our Indebtedness

We may require additional capital or need to restructure our existing debt to pursue our business objectives and to respond to business opportunities, challenges or unforeseen circumstances. If capital is not available to us, our business, results of operations, and financial condition may be adversely affected.

We intend to continue to make expenditures and investments to support the growth of our business and may require additional capital to pursue our business objectives and respond to business opportunities, challenges, or unforeseen circumstances. Accordingly, we may need to engage in equity or debt financing activities to secure additional funds or restructure our existing debt. However, additional funds may not be available or we may not be able to restructure our existing debt when we need to on terms that are acceptable to us, or at all. Volatility in equity capital markets may materially and

adversely affect our ability to fund our business through public or private sales of equity securities or debt restructuring. Fluctuating interest rates and/or instability in the banking and finance industries may reduce our access to debt capital. Our current debt agreements do contain and any future debt financing that we secure in the future may include restrictive covenants, which may make it more difficult for us to obtain additional capital and to pursue business opportunities. In addition, the restrictive covenants in the Credit Agreement, Senior Notes Indenture and any additional credit facilities or debt agreements we may secure in the future may restrict us from being able to conduct our operations in a manner appropriate for our business and may restrict our growth, which could have an adverse effect on our business, financial condition, or results of operations.

We cannot assure you that we will be able to comply with any such restrictive covenants. In the event that we are unable to comply with these covenants in the future, we would seek an amendment or waiver of the covenants. We cannot assure you that any such waiver or amendment would be granted. In such event, we may be required to repay any or all of our existing borrowings, and we cannot assure you that we will be able to borrow under our existing credit agreements, or obtain alternative funding arrangements on commercially reasonable terms, or at all.

In addition, volatility in the credit markets may have an adverse effect on our ability to obtain debt financing. The conversion of our outstanding convertible notes and any future issuances of other equity or any future issuances of equity or convertible debt securities could result in significant dilution to our existing stockholders, and any new equity or convertible debt securities we issue could have rights, preferences, and privileges superior to those of holders of our Class A Common Stock. If we are unable to obtain adequate financing or financing on terms satisfactory to us, when we require it, our ability to continue to pursue our business objectives and to respond to business opportunities, challenges, or unforeseen circumstances could be significantly limited, and our business, results of operations, financial condition and prospects could be materially and adversely affected.

Servicing our debt, including the Notes and the Credit Agreement, may require a significant amount of cash, and we may not have sufficient cash flow from our business or the ability to raise the funds necessary to settle conversions of the 2026 Convertible Notes in cash, repurchases of the Notes as required following a fundamental change or change of control, as applicable, or to repay all of our indebtedness at maturity.

As of December 31, 2025, we had $609.1 million principal amount of our 0% convertible senior notes due 2026 (the "2026 Convertible Notes") outstanding and $350.0 million principal amount of our 8.5% senior notes due 2030 (the "2030 Senior Notes" and, together with the 2026 Convertible Notes, the "Notes") outstanding. As of December 31, 2025, we had no amounts outstanding under our Revolving Credit Facility and $302.3 million principal outstanding under our Term Loan. Subject to certain conditions, we may borrow additional amounts under the Credit Agreement, as amended, including up to $305.0 million under our existing Revolving Credit Facility available for draw until September 11, 2030, and up to $650.0 million of Term Loan commitments (the "Term Loan Commitments"). The Term Loan Commitments remain available for draw until March 15, 2026, thereafter, Term Loan Commitments available to draw shall be reduced to $325.0 million through June 30, 2026, thereafter, Term Loan Commitments available to draw shall be reduced to $162.5 million through September 30, 2026. The $305.0 million Revolving Credit Facility commitments remain available for draw until September 11, 2030, at which time it will terminate, and all outstanding revolving loans under the facility will be due and payable.

The 2026 Convertible Notes contain a conversion feature that allows holders to convert their 2026 Convertible Notes into shares of our Class A Common Stock as set forth in the indenture governing our 2026 Convertible Notes (the "2026 Convertible Notes Indenture"). In the event the conditional conversion feature of the 2026 Convertible Notes is triggered, holders of the 2026 Convertible Notes will be entitled under the 2026 Convertible Notes Indenture to convert such 2026 Convertible Notes at any time during specified periods at their option. If one or more holders elect to convert their 2026 Convertible Notes, we would be required to settle a portion or all of our conversion obligation in cash, which could adversely affect our liquidity.

In addition, holders of the Notes will have the right to require us to repurchase all or a portion of such Notes upon the occurrence of a fundamental change or change of control, as applicable, before the applicable maturity date at a repurchase price as set forth in the indenture governing the 2030 Senior Notes (the "Senior Notes Indenture") or the 2026 Convertible Notes Indenture, as applicable, plus any accrued and unpaid interest or special interest thereon, if any, as set forth in the applicable Notes Indenture. In addition, upon conversion of the 2026 Convertible Notes, we will be required to make cash payments in respect of such 2026 Convertible Notes being converted, as set forth in the 2026 Convertible Notes Indenture. Moreover, we will be required to repay the Notes of the applicable series in cash at their respective maturity unless earlier converted, redeemed or repurchased, as applicable. However, even though we entered into the Credit Agreement, we cannot assure you that we will have enough available cash on hand or be able to obtain financing at the time we are required to make repurchases of such Notes surrendered therefor or pay cash with respect to (i) such 2026 Convertible Notes being converted or (ii) such series of Notes at their respective maturity.

Our ability to make required cash payments in connection with conversions of the 2026 Convertible Notes, repurchases of the Notes as required following a fundamental change or change of control, as applicable, to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness, including the Notes and any amounts borrowed under the Credit Agreement, depends on our future performance, which is subject to economic, financial, competitive, and other factors beyond our control. Our business may not generate cash flow from operations in the future sufficient to service our debt and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt, or obtaining additional debt financing or equity capital on terms that may be onerous or highly dilutive. Our ability to refinance any future indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations. Additionally, if expectations around our ability to effectively manage and repay our debt obligations are not met in future periods, our financial performance will be harmed and our stock price could be volatile or decline. The Credit Agreement and the Senior Notes Indenture also contain, and any of our future debt agreements may also contain, restrictive covenants that may prohibit us from adopting some or any of these alternatives. For example, the Senior Notes Indenture contains restrictive covenants that may limit our ability, and the ability of our subsidiary guarantors, to, among other things, create liens on certain assets to secure debt, grant a subsidiary guarantee of certain debt without also providing a guarantee of the 2030 Senior Notes, and consolidate or merge with or into, or sell or otherwise dispose of all or substantially all of our assets to, another person, and the Credit Agreement contains negative covenants that restrict our and our subsidiaries' ability to incur indebtedness, create liens, make investments, dispose of assets and make certain restricted payments. Our failure to comply with these covenants could result in an event of default under our indebtedness which, if not cured or waived, could result in the acceleration of our debt and termination of the commitments under the Credit Agreement.

In addition, our indebtedness, combined with our other financial obligations and contractual commitments, could have other important consequences. For example, it could:

- require a portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available to fund acquisitions, for working capital and capital expenditures, and for other general corporate purposes;
- make us more vulnerable to adverse changes in general U.S. and worldwide economic, industry, and competitive conditions and adverse changes in government regulations;
- limit our flexibility in planning for, or reacting to, changes in our business and industry;
- place us at a disadvantage compared to our competitors who have less debt;
- limit our ability to obtain additional financing to fund acquisitions, for working capital and capital expenditures, and for other general corporate purposes;
- make an acquisition of our company less attractive or more difficult; and
- limit our ability to repurchase capital stock or manage shareholder dilution.

Any of these factors could harm our business, results of operations, and financial condition. In addition, if we incur additional indebtedness, the risks related to our business and our ability to service or repay our indebtedness would increase.

Our Credit Agreement imposes operating and financial restrictions on us.

On September 11, 2025, we entered into an Amended and Restated Credit Agreement among us, the lenders from time to time party thereto and Bank of America, N.A., as administrative agent and as collateral agent (as amended, amended and restated or otherwise modified from time to time, the "Credit Agreement"). The amendment to the Credit Agreement increased the delayed draw Term Loan commitment to $650.0 million and increased the Revolving Credit Facility to $305.0 million. As of December 31, 2025, we had $302.3 million principal outstanding under our Term Loan and no amounts outstanding under our Revolving Credit Facility.

The Term Loan Commitments remain available for draw until March 15, 2026, thereafter, Term Loan Commitments available to draw shall be reduced to $325.0 million through June 30, 2026, thereafter, Term Loan Commitments available to draw shall be reduced to $162.5 million through September 30, 2026. Additionally, the $305.0 million Revolving Credit Facility commitments remain available for draw until September 11, 2030, at which time it will terminate, and all outstanding revolving loans under the facility will be due and payable. Any drawdown under the Credit Agreement is subject to compliance with the restrictive covenants contained in the Senior Notes Indenture.

Our Credit Agreement contains covenants that limit our ability and the ability of certain of our subsidiaries to:

- incur and guarantee additional debt;
- incur liens;
- make acquisitions and other investments;
- dispose of assets;
- pay dividends and make other distributions in respect of, or redeem or repurchase, capital stock;
- prepay, redeem or repurchase certain subordinated debt;
- enter into transactions with affiliates;
- with respect to such subsidiaries, enter into agreements restricting their ability to pay dividends or make other distributions; and
- consolidate, merge or sell all or substantially all of our or such subsidiaries' assets.

Further, the Credit Agreement contains financial covenants that require compliance with a maximum total net leverage ratio and minimum interest coverage ratio, in each case tested at the end of each fiscal quarter. These covenants may adversely affect our ability to finance our operations, meet or otherwise address our capital needs, pursue business opportunities or react to market conditions, or otherwise restrict our activities or business plans. In addition, our obligations to repay principal and interest on our indebtedness could make us vulnerable to economic or market downturns.

A breach of any of these covenants could result in an event of default under the Credit Agreement. As of December 31, 2025, we were in compliance with all covenants under the Credit Agreement; however, if an event of default occurs, the lenders may elect to terminate their commitments and accelerate our obligations under the Credit Agreement. Any such acceleration could result in an event of default under the Notes. We might not be able to repay our debt or borrow sufficient funds to refinance it on terms that are acceptable to us or at all. Refer to Note 6 – *Long-Term Debt* in the accompanying notes to the Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K for additional information.

Risks Related to Our Class A Common Stock and Our Charter Provisions

The market price of our Class A Common Stock is likely to be volatile and could decline.

The stock market in general, and the market for SaaS and other technology-related stocks in particular, has been highly volatile. As a result, the market price and trading volume for our Class A Common Stock has been and may continue to be highly volatile, and investors in our Class A Common Stock may experience a decrease in the value of their shares, including decreases unrelated to our operating performance or prospects. Factors that could cause the market price of our Class A Common Stock to fluctuate significantly include:

- our operating and financial performance and prospects and the performance of other similar companies including our strategic partners and GSPs;
- our quarterly or annual earnings or those of other companies in our industry;
- general investor sentiment, negative or positive, of the software/communications and cloud sectors;
- developments or speculation about the future of AI and/or its impacts on the software and SaaS industries;
- conditions that impact demand for our subscriptions;
- the public's reaction to our press releases, financial guidance, and other public announcements, and filings with the SEC;
- changes in earnings estimates or recommendations by securities or research analysts who track our Class A Common Stock;
- actual or perceived security breaches, or other privacy or cybersecurity incidents;
- market and industry perception of our success, or lack thereof, in pursuing our growth strategy;
- strategic actions by us or our competitors, such as acquisitions or restructurings;
- changes in government and other regulations;

- arrival and departure of key personnel;
- sales of common stock by us, our investors, or members of our management team;
- repurchases of Class A Common Stock by the Company; and
- changes in general market, economic, and political conditions in the U.S. and global economies or financial markets.

Any of these factors may result in large and sudden changes in the trading volume and market price of our Class A Common Stock and may prevent investors from being able to sell their shares at or above the price they paid for their shares of our Class A Common Stock. Following periods of volatility in the market price of a company's securities, stockholders often file securities class-action lawsuits against such company. Our involvement in a class-action lawsuit could divert our senior management's attention and, if adversely determined, could have a material and adverse effect on our business, reputation, financial condition, and results of operations.

For as long as the dual class structure of our common stock as contained in our charter documents is in effect, voting control will be concentrated with a limited number of stockholders that held our stock prior to our initial public offering, including primarily our founders and their affiliates, and limiting other stockholders' ability to influence corporate matters.

Our Class B Common Stock, par value $0.0001 per share ("Class B Common Stock"), has 10 votes per share, and our Class A Common Stock has one vote per share (Class B Common Stock together with our Class A Common Stock, our "common stock"). Additionally, our Series A Convertible Preferred Stock has voting power measured on an as-converted to Class A Common Stock basis. As of December 31, 2025, stockholders who hold shares of Class B Common Stock, including our founders and certain executive officers, and their affiliates, together hold approximately 56% of the voting power of our outstanding capital stock, and our founders, including our Chairman and Chief Executive Officer, together hold a majority of such voting power. As a result, for as long as the dual class structure remains in place, a small number of stockholders who acquired their shares prior to the completion of our initial public offering will continue to have significant influence over the management and affairs of our company and over the outcome of many matters submitted to our stockholders for approval, including the election of directors and significant corporate transactions, such as a merger, consolidation or sale of substantially all of our assets.

In addition, because of the ten-to-one voting ratio between our Class B Common Stock and Class A Common Stock, the holders of Class B Common Stock collectively will continue to control many matters submitted to our stockholders for approval even if their stock holdings represent less than 50% of the outstanding shares of our capital stock. This concentrated control will limit your ability to influence corporate matters for the foreseeable future, and, as a result, the market price of our Class A Common Stock could be adversely affected.

Future transfers by holders of Class B Common Stock will generally result in those shares converting to Class A Common Stock, which may have the effect, over time, of increasing the relative voting power of those holders of Class B Common Stock who retain their shares in the long term. If, for example, Mr. Shmunis retains a significant portion of his holdings of Class B Common Stock for an extended period of time, he could, in the future, control a majority of the combined voting power of our capital stock. As a board member, Mr. Shmunis owes fiduciary duties to our stockholders and must act in good faith in a manner he reasonably believes to be in the best interests of our stockholders. As a stockholder, Mr. Shmunis is generally entitled to vote his shares in his own interests, which may not always be in the interests of our stockholders generally.

The holders of Series A Convertible Preferred Stock are generally entitled to vote with the holders of our Class A Common Stock, which reduces the relative voting power of holders of our Class A Common Stock, and the holders of Series A Convertible Preferred Stock have certain separate consent rights.

The holders of our Series A Convertible Preferred Stock are generally entitled to vote with the holders of our Class A Common Stock on an as-converted basis, which reduces the relative voting power of the holders of our Class A Common Stock. However, the approval of the holders of at least a majority of the outstanding shares of Series A Convertible Preferred Stock (voting together as a separate class) is required in order for us to take certain actions, including certain actions that, among other things, would have an adverse effect, in any material respect, on the rights, preferences, privileges or voting power of the Series A Convertible Preferred Stock or the holders thereof. As a result, the holders of Series A Convertible Preferred Stock may in the future have the ability to influence the outcome of certain matters affecting our governance and capitalization.

Our Series A Convertible Preferred Stock has certain rights that are preferential to the rights of our common stock, which could adversely affect our liquidity and financial condition.

The holders of our Series A Convertible Preferred Stock have the right to receive dividends and distributions of assets on any liquidation, dissolution or winding up of our business before any payment may be made to holders of our common stock. In addition, upon the occurrence of certain change of control events, all shares of Series A Convertible Preferred Stock will automatically be redeemed by us for a price equal to $1,000 per share. These dividend and redemption obligations could impact our liquidity and reduce the amount of cash flows available for working capital, capital expenditures, growth opportunities, acquisitions, and other general corporate purposes. Our obligations to the holders of our Series A Convertible Preferred Stock could also limit our ability to obtain additional financing, which could have an adverse effect on our financial condition. The preferential rights could also result in divergent interests between the holders of our Series A Convertible Preferred Stock and holders of our common stock.

We cannot guarantee that share repurchases or dividend payments will enhance long-term stockholder value. Share repurchases and dividend payments could also increase volatility of the trading price of our stock and will diminish our cash reserves.

Our board of directors has authorized share repurchase and dividend programs. We plan to fund share repurchases and dividends from our future cash flow generation, as well as from additional potential sources of cash. Under our share repurchase program, share repurchases may be made at our discretion from time to time in open market transactions, privately negotiated transactions, or other means. This program does not obligate us to repurchase any specific dollar amount or to acquire any specific number of shares of our Class A Common Stock. During the twelve months ended December 31, 2025, we repurchased approximately $333.4 million of our Class A Common Stock under this program. In addition, on February 19, 2026, our board of directors declared our first cash dividend. The timing and number of any future share repurchases under this program, and the specific timing and amount of any dividend payments, if any, will be determined by our management and will depend on a variety of factors, including our results of operations, financial condition, liquidity. capital requirements, stock price, trading volume, and general business and market conditions. Our board of directors will review these programs periodically and may authorize adjustments of their terms, if appropriate. As a result, there can be no guarantee around the timing or volume of any share repurchases or dividend payments. The share repurchase program and dividend payments could affect the price of our Class A Common Stock, increase volatility and diminish our cash reserves. The share repurchase program or dividend payments may be suspended or terminated at any time and, even if fully implemented, may not enhance long-term stockholder value. Refer to Part II, Item 5 of this Annual Report on Form 10-K for additional information.

There can be no assurance that we will continue to declare cash dividends.

We announced the initiation of our first cash dividend program. The payment of any cash dividend in the future will depend on, among other factors, our results of operations, financial condition, liquidity, capital requirements, market conditions, applicable laws and agreements, and our Board continuing to determine that the declaration of dividends are in the best interests of our stockholders. The declaration and payment of any dividend may be discontinued or reduced at any time, and there can be no assurance that we will declare cash dividends in the future in any particular amounts, or at all.

Anti-takeover provisions in our certificate of incorporation and bylaws and under Delaware corporate law could make an acquisition of us more difficult, limit attempts by our stockholders to replace or remove our current management and limit the market price of our Class A Common Stock.

Provisions in our certificate of incorporation and bylaws may have the effect of delaying or preventing a change of control or changes in our management. Our certificate of incorporation and bylaws include provisions that:

- authorize our board of directors to issue, without further action by the stockholders (subject to certain consent rights of the holders of Series A Convertible Preferred Stock), up to 100,000,000 shares of undesignated preferred stock, 200,000 shares of which are currently designated as Series A Convertible Preferred Stock;
- require that, once our outstanding shares of Class B Common Stock represent less than a majority of the combined voting power of our common stock, any action to be taken by our stockholders be effected at a duly called annual or special meeting and not by written consent; specify that special meetings of our stockholders can be called only by our board of directors, the Chairman of our board of directors, or our Chief Executive Officer;
- establish an advance notice procedure for stockholder proposals to be brought before any meeting of stockholders, including proposed nominations of persons for election to our board of directors;

- prohibit cumulative voting in the election of directors;
- provide that vacancies or other unfilled seats on our board of directors may be filled only by a majority of directors then in office, even though less than a quorum;
- state that the approval of the holders of a supermajority of the voting power of our outstanding shares of capital stock is required to amend certain provisions of our bylaws and our certificate of incorporation; and
- reflect two classes of common stock, as discussed above.

These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which generally prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any "interested" stockholder for a period of three years following the date on which the stockholder became an "interested" stockholder without obtaining specified approvals.

If research analysts do not publish research or reports about our business, or if they issue unfavorable commentary or downgrade our Class A Common Stock, our stock price and trading volume may decline.

The trading market for our Class A Common Stock will depend in part on the research and reports that research analysts publish about us and our business. If we do not maintain adequate research coverage or if one or more analysts who covers us downgrades our stock or publishes inaccurate or unfavorable research about our business, the price of our Class A Common Stock may decline. If one or more of the research analysts ceases coverage of our company or fails to publish reports on us regularly, demand for our Class A Common Stock may decrease, which could cause our stock price or trading volume to decline.

Risks Related to Taxation and Accounting Matters

Changes in our effective tax rates, or adverse outcomes resulting from examination of our income or other tax returns, could adversely affect our results of operations and financial condition.

Our future effective tax rates could be subject to volatility or adversely affected by a number of factors, including:

- changes in the valuation of our deferred tax assets and liabilities;
- expiration of, or lapses in, the research and development tax credit laws;
- expiration or non-utilization of net operating loss carryforwards;
- tax effects of share-based compensation;
- expansion into new jurisdictions;
- potential challenges to and costs related to implementation and ongoing operation of our intercompany arrangements;
- changes in tax laws and regulations and accounting principles, or interpretations or applications thereof; and
- certain non-deductible expenses as a result of acquisitions.

Any changes in our effective tax rate could adversely affect our results of operations.

Changes in U.S. and foreign tax laws could have a material adverse effect on our business, cash flow, results of operations or financial conditions.

We are subject to tax laws, regulations, and policies of the U.S. federal, state, and local governments and of comparable taxing authorities in foreign jurisdictions. Changes in tax laws, including recently enacted U.S. federal tax legislation commonly referred to as the One Big Beautiful Bill Act (the "OBBB Act"), as well as other factors, could cause us to experience fluctuations in our tax obligations and effective tax rates and otherwise adversely affect our tax positions and/or our tax liabilities. In addition, certain jurisdictions, such as the United Kingdom and France, have enacted a digital services tax on revenues derived from digital activities in those jurisdictions, and other jurisdictions have enacted or are considering enacting similar laws in the future.

The Organisation for Economic Cooperation and Development has proposed a two-pillar solution to address tax challenges arising from the digitalization of the economy, including a global minimum tax rate of 15% for certain large multinational companies ("Pillar Two"). Pillar Two has been implemented into the domestic laws of certain jurisdictions, including the European Union (the "EU") Member States, and is being considered for implementation by other countries. On June 28, 2025, the OECD announced a side-by-side elective safe harbor that exempts U.S. multinational enterprises from certain provisions of Pillar Two for fiscal years beginning on or after January 1, 2026. These or any further developments or changes in U.S. federal or state, or international tax laws or tax rulings could adversely affect our effective tax rate and our operating results.

We may be subject to liabilities on past sales for taxes, surcharges, and fees and our operating results may be harmed if we are required to collect such amounts in jurisdictions where we have not historically done so.

We believe we collect state and local sales taxes and use, excise, utility user, and ad valorem taxes, fees, or surcharges in all relevant jurisdictions in which we generate sales, based on our understanding of the applicable laws in those jurisdictions. Such taxes, fees and surcharge laws and rates vary greatly by jurisdiction, and the application of such taxes to e-commerce businesses, such as ours, is complex and continuing to develop. There is uncertainty as to what constitutes sufficient "in state presence" for a state to levy taxes, fees, and surcharges for sales made over the Internet, and after the U.S. Supreme Court's ruling in *South Dakota v. Wayfair*, U.S. states may require an online retailer with no in-state property or personnel to collect and remit sales tax on sales to the state's residents, which may permit wider enforcement of sales tax collection requirements. Therefore, the application of existing or future laws relating to indirect taxes to our business, or the audit of our business and operations with respect to such taxes or challenges of our positions by taxing authorities, could result in increased tax liabilities for us or our customers, which could materially and adversely affect our results of operations and our relationships with our customers. Further, we have in the past and may in the future be audited by federal, state, and local tax authorities, which could lead to liabilities for past unpaid taxes, fines, and penalties.

We may be unable to use some or all of our net operating loss and research credit carryforwards, which could materially and adversely affect our reported financial condition and results of operations.

As of December 31, 2025, we had federal net operating loss carryforwards ("NOLs") of $1.3 billion and state NOLs of $1.0 billion. We also have federal research tax credit carryforwards that will begin to expire in 2028. Realization of these NOLs and research tax credit carryforwards depends on future income, and there is a risk that our existing carryforwards could expire unused and be unavailable to offset future income tax liabilities, which could materially and adversely affect our reported financial condition and results of operations.

In addition to the potential carryforward limitations described above, under Sections 382 and 383 of the Internal Revenue Code of 1986 (the "Code"), as amended, our ability to utilize NOLs or other tax attributes, such as research tax credits, in any taxable year may be limited if we experience an "ownership change." An "ownership change" generally occurs if one or more stockholders or groups of stockholders, who each own at least 5% of our stock, increase their collective ownership by more than 50 percentage points over their lowest ownership percentage within a rolling three-year period. Similar rules may apply under state tax laws. In addition, California legislation limits the use of NOLs and tax credits for taxable years beginning on or after January 1, 2024, and before January 1, 2027, which may adversely affect our company if we earn taxable income in the impacted tax years.

No material deferred tax assets have been recognized on our Consolidated Balance Sheets related to these NOLs, as they are fully offset by a valuation allowance. If we have previously had, or have in the future, one or more Section 382 "ownership changes," or if we do not generate sufficient taxable income, we may not be able to utilize a material portion of our NOLs. If we are limited in our ability to use our NOLs in future years in which we have taxable income, we will pay more taxes than if we were able to fully utilize our NOLs. This could materially and adversely affect our reported financial condition and results of operations.

If our internal control over financial reporting is not effective, it may adversely affect investor confidence in our company.

Pursuant to Section 404 of the Sarbanes-Oxley Act, our independent registered public accounting firm, KPMG LLP, is required to and has issued an attestation report as of December 31, 2025. While management concluded internal control over financial reporting was at a reasonable assurance level as of December 31, 2025, there can be no assurance that material weaknesses will not be identified in the future. A "material weakness" is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. During the evaluation and testing process, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to assert that our

internal controls are effective. As a result, we may need to undertake various actions, such as implementing new internal controls and procedures and hiring accounting or internal audit staff. Our remediation efforts may not enable us to avoid a material weakness in the future.

If our independent registered public accounting firm is unable to express an opinion on the effectiveness of our internal controls, we could lose investor confidence in the accuracy and completeness of our financial reports, which could cause the price of our Class A Common Stock to decline, and we may be subject to investigation or sanctions by the SEC.

The nature of our business requires the application of complex revenue and expense recognition rules and the current legislative and regulatory environment affecting generally accepted accounting principles is uncertain. Significant changes in current principles could affect our financial statements going forward and changes in financial accounting standards or practices may cause adverse, unexpected financial reporting fluctuations and harm our operating results.

The accounting rules and regulations that we must comply with are complex and subject to interpretation by the Financial Accounting Standards Board (the "FASB"), the SEC and various bodies formed to promulgate and interpret appropriate accounting principles. Recent actions and public comments from the FASB and the SEC have focused on the integrity of financial reporting and internal controls. In addition, many companies' accounting policies are being subject to heightened scrutiny by regulators and the public. Further, the accounting rules and regulations are continually changing in ways that could materially impact our financial statements.

We cannot predict the impact of future changes to accounting principles or our accounting policies on our financial statements going forward, which could have a significant effect on our reported financial results and could affect the reporting of transactions completed before the announcement of the change. While we are not aware of any specific event or circumstance that would require a material update to our estimates, judgments or assumptions, this may change in the future. In addition, if we were to change our critical accounting estimates, including those related to the recognition of subscription revenue and other revenue sources, our operating results could be significantly affected.

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

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. The significant estimates made by management affect revenues, the allowance for doubtful accounts, valuation of long-term investments, deferred and prepaid sales commission costs, goodwill, useful lives of intangible assets, share-based compensation, capitalization of internally developed software, return reserves, provision for income taxes, uncertain tax positions, loss contingencies, sales tax liabilities, and accrued liabilities. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as described in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations." The results of these estimates form the basis for making judgments about the recognition and measurement of certain assets and liabilities and revenue and expenses that is not readily apparent from other sources. Our accounting policies that involve judgment include those related to revenues the allowance for doubtful accounts, valuation of long-term investments, deferred and prepaid sales commission costs, goodwill, useful lives of intangible assets, share-based compensation, capitalization of internally developed software, return reserves, provision for income taxes, uncertain tax positions, change in the fair value of contingent consideration, loss contingencies, sales tax liabilities, and accrued liabilities. If our assumptions change or if actual circumstances differ from those in our assumptions, our results of operations could be adversely affected, which could cause our results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the market price of our Class A common stock.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy

We have an enterprise-wide information security program designed to protect, identify, detect, respond to and manage reasonably foreseeable cybersecurity risks and threats. Furthermore, to protect our information systems and data from cybersecurity threats, we use various security tools that help prevent, identify, investigate, resolve and recover from identified vulnerabilities and security incidents in a timely manner. These include, but are not limited to, internal reporting, monitoring and detection tools, and a bug bounty program to allow security researchers to assist us in identifying vulnerabilities in our products before they are exploited by malicious threat actors. We also maintain a third-party risk management program to identify, prioritize, assess, mitigate and remediate third-party risks; however, we rely on the third parties we use to implement security programs commensurate with their risks, and we cannot ensure in all circumstances that their efforts will be successful.

We recognize the critical importance of maintaining the safety and security of our systems and data and have a holistic process for overseeing and managing cybersecurity and related risks. Cybersecurity risk management is supported by management and overseen by our board of directors.

The Chief Information Security Officer ("CISO") is responsible for management of cybersecurity risk and the protection and defense of our networks, systems and data. The CISO manages a team of cybersecurity professionals with broad experience and expertise, including in cybersecurity threat assessments and detection, mitigation technologies, cybersecurity training, incident response, cyber forensics, insider threats and regulatory compliance. This program was led by a CISO who departed in December 2025. To ensure continuity, our SVP of Global Operations and Security, a veteran with over 25 years of specialized experience, has assumed the CISO responsibilities in an interim capacity. Supported by a dedicated team of experts in threat detection, incident response, and regulatory compliance, the interim CISO provides the strategic and tactical guidance necessary to maintain a robust security posture while we actively recruit a permanent CISO.

Our board of directors oversees our enterprise risk management activities in general, and receives regular updates on the company's risk management process and the risk trends related to cybersecurity. The audit committee specifically assists the board of directors in its oversight of risks related to cybersecurity. To help ensure effective oversight, the audit committee receives regular reports on information security and cybersecurity from senior management.

We have an established process and playbook led by senior members of management governing our assessment, containment, mitigation, response and internal and external disclosures upon the occurrence of a cybersecurity incident. Depending on the nature and severity of an incident, this process provides for escalating notification to our CEO and the board of directors (including our lead independent director and the audit committee chair).

Our approach to cybersecurity risk management includes the following key elements:

- *Multi-Layered Defense and Continuous Monitoring* - We work to protect our computing environments and products from cybersecurity threats through multi-layered defenses and apply lessons learned from our defense and monitoring efforts to help prevent future attacks. We utilize data analytics to detect anomalies and search for cyber threats. Our Cybersecurity Operations Center provides comprehensive cyber threat detection and response capabilities and maintains a 24 hour, seven day per week monitoring system which complements the technology, processes, and threat detection techniques we use to monitor, manage, and mitigate cybersecurity threats. From time to time, we engage third-party consultants or other advisors to assist in assessing, identifying and/or managing cybersecurity threats. We also periodically use our internal audit function to conduct additional reviews and assessments.

- *Insider Threats* - We maintain an insider threat program designed to identify, assess, and address potential risks from within our company. Our program evaluates potential risks consistent with industry practices, customer requirements and applicable law, including privacy and other considerations.

- *Information Sharing and Collaboration* - We work with government and local law enforcement, customers, industry and/or supplier partners to gather and develop best practices and share information to address cyber threats. These relationships enable the rapid sharing of threat and vulnerability mitigation information.

- *Third-Party Risk Assessments* - We conduct information security assessments before sharing or allowing the hosting of sensitive data in computing environments managed by third parties, and our standard terms and conditions contain contractual provisions requiring certain security protections.

- *Training and Awareness* - We provide on at least an annual basis awareness training to our employees to help identify, avoid and mitigate cybersecurity threats. Our employees with network access participate quarterly in required training, including spear phishing, social engineering and other awareness training. We also periodically host tabletop exercises with management and other employees to practice rapid cyber incident response.

- *Supplier Engagement* - We require our suppliers to comply with our standard information security terms and conditions, in addition to any requirements from our customers, as a condition of doing business with us, and require them to complete information security questionnaires to review and assess any potential cyber-related risks depending on the nature of the services being provided.

Although the "Risk Factors" section includes further detail about the material cybersecurity risks we face, we believe that risks from prior cybersecurity threats, including as a result of any previous cybersecurity incidents, have not materially affected our business to date.

We continue to invest in the cybersecurity and resiliency of our networks and to enhance our internal controls and processes, which are designed to help protect our systems and infrastructure, and the information they contain. For more information regarding the risks we face from cybersecurity threats, please see "Risk Factors."

ITEM 2. PROPERTIES

Our corporate headquarters is located in Belmont, California, and consists of approximately 84,148 square feet of office space under a lease that expires in July 2031.

We also lease office space in Denver, Colorado; London, England; Paris, France; Valencia, Spain; Sofia, Bulgaria; Bangalore, India; Xiamen and Hangzhou, China; and other small offices worldwide. In addition, we lease space from third-party datacenter hosting facilities under co-location agreements that support our cloud infrastructure, the most significant locations being Ashburn, Virginia; San Jose and Santa Clara, California; Chicago, Illinois; Amsterdam, the Netherlands; Zurich, Switzerland; Frankfurt, Germany; Bangalore and Mumbai, India; and other small locations worldwide. We believe that we will be able to obtain additional space at other locations at commercially reasonable terms to support our continuing expansion.

ITEM 3. LEGAL PROCEEDINGS

Information with respect to this item may be found in Note 10 – *Commitments and Contingencies* in the accompanying notes to the consolidated financial statements included in Part II, Item 8, "Consolidated Financial Statements and Supplementary Data" of this Annual Report on Form 10-K, under "Legal Matters" which is incorporated herein by reference.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information for Common Stock

Our Class A Common Stock has been listed on the New York Stock Exchange under the symbol "RNG" since September 27, 2013.

Our Class B Common Stock is not listed or traded on any stock exchange.

Dividend Policy

We announced the initiation of our first quarterly cash dividend program. Under the program, our Board of Directors approved a cash dividend of $0.075 per share to be paid on March 16, 2026, to stockholders of record as of March 9, 2026, on each of the Company's Class A common stock, Class B common stock, and Series A Convertible Preferred Stock (on an as-converted basis).

The declaration, payment, and amount of any future dividends will be at the discretion of our Board of Directors and will depend on, among other factors, our results of operations, financial condition, liquidity, capital requirements, and other factors deemed relevant by our Board.

Refer to Note 11, *Stockholders' Deficit and Convertible Preferred Stock* in the accompanying notes to the Consolidated Financial Statements included in Part II, Item 8, "Consolidated Financial Statements and Supplementary Data" in this Annual Report on Form 10-K for additional information.

Stockholders

As of February 20, 2026, there were 14 stockholders of record of our Class A Common Stock and Class B Common Stock. Because most of our shares of Class A Common Stock are held by brokers and other institutions on behalf of stockholders, we are unable to estimate the total number of beneficial stockholders represented by these record holders.

Sales of Unregistered Equity Securities and Use of Proceeds

We did not sell any equity securities which were not registered under the Securities Act during the fiscal year ended December 31, 2025 that were not otherwise disclosed in our Quarterly Reports on Form 10-Q or our Current Reports on Form 8-K.

Securities Authorized for Issuance under Equity Compensation Plans

Information regarding the securities authorized for issuance under our equity compensation plans can be found under Item 12 in this Annual Report on Form 10-K.

Issuer Purchases of Equity Securities

The following table summarizes the share repurchase activity of our Class A Common Stock for the three months ended December 31, 2025 (in thousands, except per-share amounts):

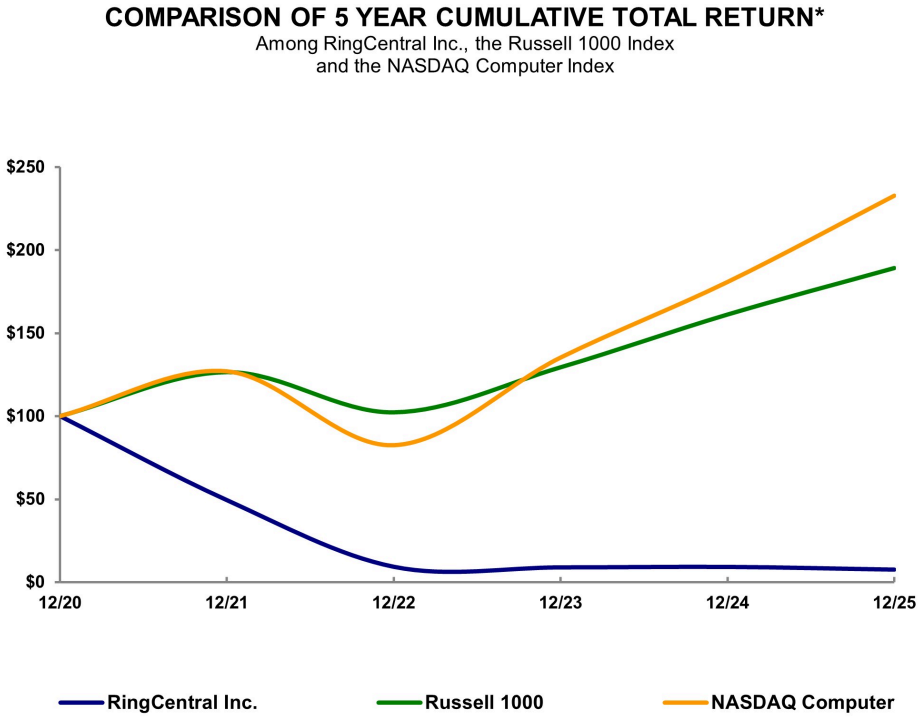
Period	Total number of shares purchased [1]	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs [1]	Approximate dollar value of shares that may yet be purchased under the program [1]
Balance as of September 30, 2025				$ 384,075
October 1, 2025 to October 31, 2025	2,361,600	$ 28.31	2,361,600	317,212
November 1, 2025 to November 30, 2025	2,242,761	$ 27.24	2,242,761	256,125
December 1, 2025 to December 31, 2025	253,282	$ 29.07	253,282	248,762
Balance as of December 31, 2025	4,857,643		4,857,643	$ 248,762

(1) Subsequent to December 31, 2025, our Board of Directors further increased the remaining share repurchase authorization to $500.0 million, subject to certain limitations and inclusive of repurchases since December 31, 2025. The share repurchase authorization does not expire. Refer to Note 11, *Stockholders' Deficit and Convertible Preferred Stock* in the accompanying notes to the consolidated financial statements included in Part II, Item 8, "Consolidated Financial Statements and Supplementary Data" of this Annual Report on Form 10-K for additional information.

Stock Performance Graph

The following shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or incorporated by reference into any of our other filings under the Exchange Act or the Securities Act of 1933, as amended, except to the extent we specifically incorporate it by reference into such filing.

The graph below matches RingCentral Inc.'s cumulative 5-year total shareholder return on common stock with the cumulative total returns of the Russell 1000 index and the NASDAQ Computer index. The graph tracks the performance of a $100 investment in our common stock and in each index (with the reinvestment of all dividends) from December 31, 2020 to December 31, 2025. The stock price performance on the following graph is not intended to forecast or be indicative of future stock price performance of our Class A Common Stock.



The stock price performance included in this graph is not necessarily indicative of future stock price performance.

ITEM 6. [Reserved]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the consolidated financial statements and notes thereto included elsewhere in this Annual Report on Form 10-K. As discussed in the section entitled "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 significantly 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 below and elsewhere in this report, particularly in the section entitled "Risk Factors" included under Part I, Item1A.

This section of this Form 10-K generally discusses fiscal 2025 and fiscal 2024 items and year-to-year comparisons between fiscal 2025 and fiscal 2024. Discussion regarding our financial condition and results of operations for fiscal 2024 as compared to fiscal 2023 is included in Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on February 26, 2025.

Overview

Over the past 26 years, RingCentral has transformed business communications, leading the shift from on-premises legacy communications to the cloud. Today, the company has an AI-powered, multi-product portfolio including Unified Communications as a Service ("UCaaS"), Contact Center as a Service ("CCaaS"), RingCentral AI solutions, Video and Events. RingCentral's core tenets include: a) Trust: We provide a carrier-grade, cloud based communications platform that businesses can trust with reliability, security, and privacy; b) Innovation: We plan to invest approximately $250 million in research and development in 2026 to execute through focused and strategic innovation, setting the bar in the industry for many market firsts; c) Partnerships: We have a diverse set of strategic partners, global service providers, channel partners, and third-party developers. RingCentral is designed for intelligent, connected, and effortless businesses communications, making employee and customer experiences more productive and efficient.

Our cloud-based offerings, including RingEX, RingCentral Contact Center and RingCX are primarily subscription based and made available at different rates varying by the specific functionalities, services, and number of users. Our AI-led products are also being offered on a usage-based pricing model. Our subscription plans have monthly, annual, or multi-year contractual terms. We believe that this flexibility in contract duration is important to meet the different needs of our customers. For the years ended December 31, 2025 and 2024, subscriptions revenues accounted for over 90% of our total revenues. Other revenues are comprised of product revenues from the sale of pre-configured phones and professional services. We do not develop or manufacture physical phones and only offer them as a convenience to our customers. We rely on third-party providers to develop and manufacture these devices and fulfillment partners to successfully serve our customers.

As of December 31, 2025, we had customers from a range of industries, including healthcare, financial and professional services, retail, state and local government, education, legal services, real estate, technology, insurance, construction and hospitality, among others. For the years ended December 31, 2025, 2024 and 2023, the vast majority of our total revenues were generated in the U.S. and Canada.

The growth of our business and our future success depend on many factors, including our ability to add new customers, retain and expand within our existing customer base, continue to innovate and successfully monetize our AI-led product portfolio, increase sales and revenues from our existing and new products, and execute efficiently on our go-to-market strategy.

We have been actively implementing various measures to enhance operational efficiencies, expand margins and free cash flows while optimizing our working capital requirements. These measures include disciplined headcount management, expanded use of offshore and outsourced service providers, vendor consolidation, optimization of our go-to-market motions, and increased internal deployment of our AI tools to drive productivity. A key component of our margin expansion strategy is the reduction of stock-based compensation (SBC) as a percentage of revenue. SBC decreased from approximately 14% of total revenue in prior year to approximately 11% of total revenue in 2025.

Macroeconomic Conditions and Other Factors

Our business is subject to risks and exposures caused by the macroeconomic environment. Macroeconomic factors include persistent inflation, elevated interest rates, change in government administrations, supply chain disruptions, the imposition of tariffs and other non-tariff trade barriers, decreased economic output, geopolitical conflict and fluctuations in currency exchange rates, all of which can cause uncertainty. The overall macroeconomic environment may affect buying behavior from our customers, potentially reducing demand for our products and adversely impacting our results. We have in the past and may in the future experience lower upsell and increased downsell within our existing base as customers may slow hiring and rationalize their employee counts or lowering average revenue per user. We continuously monitor the impact of these circumstances on our business and financial results, as well as the overall global economy and geopolitical landscape. The implications of macroeconomic conditions on our business, results of operations, and overall financial position remains uncertain.

Key Business Metrics

In addition to United States generally accepted accounting principles ("U.S. GAAP") and financial measures such as total revenues, gross margin, and cash flows from operations, we review a number of key business metrics to evaluate growth trends, measure our performance, and make strategic decisions. We discuss revenues and gross margin under "Results of Operations", and cash flow from operations and free cash flows under "Liquidity and Capital Resources." Other key business metrics are discussed below.

Annualized Exit Monthly Recurring Subscriptions

We believe that our Annualized Exit Monthly Recurring Subscriptions ("ARR") is a leading indicator of our anticipated subscriptions revenues. We believe that trends in revenue are important to understanding the overall health of our business, and we use these trends in order to formulate financial projections and make strategic business decisions. Our ARR equals our Monthly Recurring Subscriptions multiplied by 12. Our Monthly Recurring Subscriptions equals the monthly value of all customer recurring charges at the end of a given month. For example, our Monthly Recurring Subscriptions at December 31, 2025 was $222.7 million. As such, our ARR at December 31, 2025 was $2.67 billion compared to $2.49 billion at December 31, 2024.

Net Monthly Subscription Dollar Retention Rate

We believe that our Net Monthly Subscription Dollar Retention Rate provides insight into our ability to retain and grow subscriptions revenue, as well as our customers' potential long-term value to us. We believe that our ability to retain our customers and expand their use of our solutions over time is a leading indicator of the stability of our revenue base and we use these trends in order to formulate financial projections and make strategic business decisions. We define our Net Monthly Subscription Dollar Retention Rate as (i) one plus (ii) the quotient of Dollar Net Change divided by Average Monthly Recurring Subscriptions.

We define Dollar Net Change as the quotient of (i) the difference of our Monthly Recurring Subscriptions at the end of a period minus our Monthly Recurring Subscriptions at the beginning of a period minus our Monthly Recurring Subscriptions at the end of the period from new customers we added during the period, all divided by (ii) the number of months in the period. We define our Average Monthly Recurring Subscriptions as the average of the Monthly Recurring Subscriptions at the beginning and end of the measurement period.

For example, if our Monthly Recurring Subscriptions were $118 at the end of a quarterly period and $100 at the beginning of the period, and $20 at the end of the period from new customers we added during the period, then the Dollar Net Change would be equal to ($0.67), or the amount equal to the difference of $118 minus $100 minus $20, all divided by three months. Our Average Monthly Recurring Subscriptions would equal $109, or the sum of $100 plus $118, divided by two. Our Net Monthly Subscription Dollar Retention Rate would then equal 99.4%, or approximately 99%, or one plus the quotient of the Dollar Net Change divided by the Average Monthly Recurring Subscriptions.

Our key business metrics for the five quarterly periods ended December 31, 2025 were as follows (dollars in billions, except percentages):

	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024
Net Monthly Subscription Dollar Retention Rate	>99%	>99%	>99%	>99%	>99%
Annualized Exit Monthly Recurring Subscriptions	$ 2.67	$ 2.63	$ 2.59	$ 2.53	$ 2.49

Components of Results of Operations

Revenues

Our revenues for the years presented generally consists of subscriptions and other revenues. Our subscriptions revenue primarily includes recurring fixed plan subscription fees, usage-based fees, one-time fees, recurring license and other fees, derived from sales through our direct and indirect sales channels, including resellers and distributors, strategic partners and global service providers. We provide subscription services to our customers pursuant to contractual arrangements that range in duration typically from one month to five years. Our subscription services are based on the functionalities and services selected by a customer and may automatically renew for additional periods at the end of the initial subscription term. We believe that this flexibility in contract duration is important to meet the different needs of our customers.

We generally bill our subscription fees in advance. We recognize subscription revenue over the term of the agreement. Amounts billed in excess of revenue recognized for the period are reported as deferred revenue on our Consolidated Balance Sheets.

We also generate revenues through sales of our subscriptions and products by resellers, strategic partners, and global service providers. When we control the performance of the contractual obligations, we record the revenues on a gross basis and amounts retained by our resellers are recorded as sales and marketing expense. Our assumption of such control is evidenced when, among other things, we are primarily responsible for the delivery of the service or products, have inventory risk, and have discretion in establishing pricing of the arrangement.

Other revenues includes product revenues from the sale of pre-configured phones, and professional services. Product revenue is recognized when the product has been delivered to the customer. Professional services revenue is recognized as and when services are delivered.

Cost of Revenues and Gross Margin

Our cost of subscriptions revenue primarily consists of fees paid to third-party telecommunications providers, network operations, costs to build out and maintain data centers, including co-location fees for the right to place our servers in data centers owned by third parties, depreciation of servers and equipment, along with related utilities and maintenance costs, amortization of acquired technology related intangible assets, integrated third-party services, personnel costs associated with customer support of the functionality of our platform and data center operations, including share-based compensation expenses, and allocated costs of facilities and information technology.

We define subscriptions gross margins as subscriptions revenues minus the cost of subscriptions revenue expressed as a percentage of subscriptions revenues.

Cost of other revenues is comprised primarily of the cost associated with the purchase of phones, personnel costs for employees and contractors, including share-based compensation expenses, cost of third parties used for professional services, and allocated costs of facilities and information technology.

We define other gross margins as other revenues minus the cost of other revenue expressed as a percentage of other revenues.

Operating Expenses

We classify our operating expenses as research and development, sales and marketing and general and administrative expenses.

Our research and development efforts are focused on developing new and expanded features for our solutions, integrations with distributors and other software platforms, and improvements to our backend architecture. Research and development expenses consist primarily of personnel costs for employees and contractors, including share-based compensation expenses, and allocated costs of facilities and information technology, software tools and product certification. We expense research and development costs as incurred, except for certain internal-use software development costs that we capitalize. We believe that investment in our products is important for our future growth, and our research and development expenses may fluctuate as a percentage of our total revenues from period to period depending on the timing of these expenses.

Sales and marketing expenses are the largest component of our operating expenses and consist primarily of personnel costs for employees and contractors directly associated with our sales and marketing activities including share-based compensation expenses, internet advertising fees, television, radio and billboard advertising, public relations, commissions paid to employees, resellers and other third parties, amortization of capitalized sales commissions, trade shows, credit card fees, marketing and promotional activities, amortization of acquired customer relationship intangibles, and allocated costs of facilities and information technology. We expect to incur incremental sales and marketing expenses to support our growth while driving cost efficiencies by further optimizing our go-to-market strategies.

General and administrative expenses consist primarily of personnel costs, including share-based compensation expenses, for employees and contractors engaged in infrastructure and administrative activities to support the day-to-day operations of our business. Other significant components of general and administrative expenses include professional service fees, allocated costs of facilities and information technology, cost of compliance with certain government-imposed taxes, the costs of legal matters, business acquisition costs, changes in the fair-value of contingent consideration and loss contingencies. We expect the general and administrative expenses to reflect the impact of our operational efficiency measures as we realign our hiring strategies and rationalize our discretionary spending.

Asset write-down charges consist of write-offs related to our assets, including deferred and prepaid sales commission and acquired intangibles balances, whenever events or changes in circumstances have occurred that could indicate the carrying amount of such assets may not be recoverable.

Other (Expense) Income, Net

Interest expenses consist primarily of interest costs on our debt arrangements, as well as amortization of the debt discount and issuance costs in connection with our long-term debt.

Other (expense) income consists primarily of the following:

- unrealized gains and losses from fair value adjustments on our long-term investments;
- gains and losses on extinguishment of debt relating to the partial repurchase of our convertible notes;
- gains and losses arising from agreements with strategic partners;
- the realized impact on foreign exchange resulting from the settlement of our foreign currency assets and liabilities as well as unrealized impact on foreign exchange resulting from remeasurement of transactions and monetary assets and liabilities denominated in non-functional currencies; and
- interest income from our investments.

Results of Operations

The following tables set forth selected consolidated statements of operations data and such data as a percentage of total revenues. The historical results presented below are not necessarily indicative of the results that may be expected for any future period (in thousands):

	Year ended December 31,		
	2025	2024	2023
Revenues			
Subscriptions	$ 2,426,879	$ 2,297,192	$ 2,100,329
Other	88,263	103,203	102,100
Total revenues	2,515,142	2,400,395	2,202,429
Cost of revenues			
Subscriptions	616,190	593,294	557,050
Other	107,043	112,213	107,241
Total cost of revenues	723,233	705,507	664,291
Gross profit	1,791,909	1,694,888	1,538,138
Operating expenses			
Research and development	316,993	329,323	335,851
Sales and marketing	1,095,947	1,096,448	1,068,050
General and administrative	258,418	266,447	333,048
Total operating expenses	1,671,358	1,692,218	1,736,949
Income (loss) from operations	120,551	2,670	(198,811)
Other (expense) income, net			
Interest expense	(60,279)	(64,995)	(35,997)
Other (expense) income	(4,035)	15,100	77,963
Other (expense) income, net	(64,314)	(49,895)	41,966
Income (loss) before income taxes	56,237	(47,225)	(156,845)
Provision for income taxes	12,846	11,063	8,395
Net income (loss)	$ 43,391	$ (58,288)	$ (165,240)

Percentage of Total Revenues*

	Year ended December 31,		
	2025	2024	2023
Revenues			
Subscriptions	96 %	96 %	95 %
Other	4	4	5
Total revenues	100	100	100
Cost of revenues			
Subscriptions	24	25	25
Other	4	5	5
Total cost of revenues	29	29	30
Gross profit	71	71	70
Operating expenses			
Research and development	13	14	15
Sales and marketing	44	46	48
General and administrative	10	11	15
Total operating expenses	66	70	79
Income (loss) from operations	5	—	(9)
Other (expense) income, net			
Interest expense	(2)	(3)	(2)
Other (expense) income	—	1	4
Other (expense) income, net	(3)	(2)	2
Income (loss) before income taxes	2	(2)	(7)
Provision for income taxes	1	—	—
Net income (loss)	2%	(2%)	(8%)

* Percentages may not add up due to rounding.

Comparison of Fiscal Years Ended December 31, 2025, 2024, and 2023:

Revenues

(in thousands, except percentages)	Year ended December 31,				Year ended December 31,			
	2025	2024	$ Change	% Change	2024	2023	$ Change	% Change
Revenues								
Subscriptions	$ 2,426,879	$ 2,297,192	$ 129,687	6 %	$ 2,297,192	$ 2,100,329	$ 196,863	9 %
Other	88,263	103,203	(14,940)	(14)%	103,203	102,100	1,103	1 %
Total revenues	$ 2,515,142	$ 2,400,395	$ 114,747	5 %	$ 2,400,395	$ 2,202,429	$ 197,966	9 %
Percentage of total revenues								
Subscriptions	96 %	96 %			96 %	95 %		
Other	4	4			4	5		
Total	100 %	100 %			100 %	100 %		

Subscriptions revenues. Subscriptions revenues increased by $129.7 million, or 6%, during fiscal year 2025 as compared to fiscal year 2024. Subscription revenues increased primarily due to acquisition of new customers and upsell of our products, including new AI-led products.

In 2025, ARR from our new products, including AI-led product portfolio was approximately $100 million. Our AI products are priced on a usage basis or as add-on subscriptions, and their contribution to total ARR and revenue growth may increase over time as adoption broadens and customers deepen their engagement with the platform.

Other revenues. Other revenues decreased by $14.9 million, or (14)%, during fiscal year 2025 as compared to fiscal year 2024. The decrease in other revenues is primarily driven by lower device sales, reflecting reduced demand for pre-configured desk phones as customers increasingly adopt mobile-based applications and lower professional services resulting from increased adoption of our newer AI-led products, including RingCX that are simpler to deploy.

Although we expect to continue to add new customers for our products, including new product sales, and increase the usage of our products for existing customers, we will monitor the macroeconomic factors that could impact customer buying behavior and demand, including contract duration, timing of customer purchases, pricing changes, churn, upsell and down-sell, renewals, payment terms, and credit card declines, all of which could cause variability in our revenue.

Cost of Revenues and Gross Margin

	Year ended December 31,				Year ended December 31,			
(in thousands, except percentages)	2025	2024	$ Change	% Change	2024	2023	$ Change	% Change
Cost of revenues								
Subscriptions	$ 616,190	$ 593,294	$ 22,896	4 %	$ 593,294	$ 557,050	$ 36,244	7 %
Other	107,043	112,213	(5,170)	(5)%	112,213	107,241	4,972	5 %
Total cost of revenues	$ 723,233	$ 705,507	$ 17,726	3 %	$ 705,507	$ 664,291	$ 41,216	6 %
Percentage of total revenues								
Subscriptions	24 %	25 %			25 %	25 %		
Other	4 %	5 %			5 %	5 %		
Gross margins								
Subscriptions	75 %	74 %			74 %	73 %		
Other	(21)%	(9)%			(9)%	(5)%		
Total gross margin %	71 %	71 %			71 %	70 %		

Subscription cost of revenues and gross margin. Cost of subscriptions revenues increased by $22.9 million, or 4%, during fiscal year 2025 as compared to fiscal year 2024. The increase was primarily driven by a $16.5 million increase in third-party costs to support our solution offerings, a $12.1 million increase in infrastructure support costs, a $4.2 million increase in headcount-related costs, and a $2.6 million increase in professional fees. These increases were partially offset by an $8.9 million reduction in share-based compensation expense due to disciplined new grant activity, and a $4.7 million decrease in amortization of intangible assets.

Our subscription gross margin remained relatively consistent during fiscal year 2025 as compared to fiscal year 2024.

Other cost of revenues and gross margin. Cost of other revenues decreased by $5.2 million, or (5)%, during fiscal year 2025 as compared to fiscal year 2024, primarily due to reduction in personnel costs. Other revenue gross margin decreased mainly due to lower pricing of our product sales and professional services.

Research and Development

	Year ended December 31,				Year ended December 31,			
(in thousands, except percentages)	2025	2024	$ Change	% Change	2024	2023	$ Change	% Change
Research and development	$ 316,993	$ 329,323	$ (12,330)	(4)%	$ 329,323	$ 335,851	$ (6,528)	(2)%
Percentage of total revenues	13 %	14 %			14 %	15 %		

Research and development expenses decreased by $12.3 million, or (4)%, during fiscal year 2025 as compared to fiscal year 2024. The decrease was primarily driven by a $15.3 million reduction in share-based compensation expense due to disciplined new grant activity, partially offset by a $2.6 million increase in headcount-related costs.

We believe that investment in our products, including new AI-led products, is important for our future growth, and our research and development expenses may fluctuate as a percentage of our total revenues from period to period depending on the timing of these expenses.

Sales and Marketing

(in thousands, except percentages)	Year ended December 31, 2025	2024	$ Change	% Change	Year ended December 31, 2024	2023	$ Change	% Change
Sales and marketing	$ 1,095,947	$ 1,096,448	$ (501)	— %	$ 1,096,448	$ 1,068,050	$ 28,398	3 %
Percentage of total revenues	44 %	46 %			46 %	48 %		

Sales and marketing expenses remained relatively flat during fiscal year 2025 as compared to fiscal year 2024. Sales and marketing expenses decreased by $22.7 million due to reduction in personnel and contractor costs, largely driven by headcount reductions, $20.7 million in share-based compensation due to disciplined new grant activity, and a $3.3 million decrease in professional fees. These decreases were primarily offset by a $34.2 million increase from third-party commissions driven by year over year business growth, and $11.4 million from asset write-down charges pursuant to an amended partner arrangement.

We expect to incur incremental sales and marketing expenses to support our growth while driving operational efficiencies.

General and Administrative

(in thousands, except percentages)	Year ended December 31, 2025	2024	$ Change	% Change	Year ended December 31, 2024	2023	$ Change	% Change
General and administrative	$ 258,418	$ 266,447	$ (8,029)	(3)%	$ 266,447	$ 333,048	$ (66,601)	(20)%
Percentage of total revenues	10 %	11 %			11 %	15 %		

General and administrative expenses decreased by $8.0 million, or (3)%, during fiscal year 2025 as compared to fiscal year 2024. This decrease was primarily driven by a $21.6 million reduction in share-based compensation resulting from disciplined new grant activity, and a $5.2 million reduction in headcount-related costs. These decreases were partially offset by $14.7 million increase in business fee, taxes and provision for doubtful accounts.

We expect the general and administrative expenses to reflect the impact of our operational efficiency measures as we continue to realign our hiring strategies and rationalize our discretionary spending.

Other (Expense) Income, Net

(in thousands, except percentages)	Year ended December 31, 2025	2024	$ Change	% Change	Year ended December 31, 2024	2023	$ Change	% Change
Interest expense	$ (60,279)	$ (64,995)	$ 4,716	(7)%	$ (64,995)	$ (35,997)	$ (28,998)	81%
Other (expense) income	(4,035)	15,100	(19,135)	nm	15,100	77,963	(62,863)	(81)
Other (expense) income, net	$ (64,314)	$ (49,895)	$ (14,419)	29%	$ (49,895)	$ 41,966	$ (91,861)	nm

*nm - not meaningful

Interest expense. Interest expense decreased by $4.7 million, or (7)%, during fiscal year 2025 as compared to fiscal year 2024, primarily driven by lower outstanding debt due to $117.8 million aggregate principal repayments of our Term Loan and 2030 Senior Notes.

Other (expense) income. Other (expense) income decreased by $19.1 million during fiscal year 2025 as compared to fiscal year 2024. This decrease was primarily driven by a $7.7 million gain recognized in the prior-year period related to an amended agreement with a strategic partner, a $5.3 million reduction in interest income from our investments due to lower balances in money market funds, and the recognition of a $4.7 million loss on early extinguishment of debt recognized in connection with the partial repurchase of our 2030 Senior Notes.

Other (expense) income, net, can fluctuate in the future due to changes in interest rates on our money market funds, interest expense on our Credit Agreement, and fluctuations in currency exchange rates in the current macroeconomic environment.

Liquidity and Capital Resources

Liquidity is a measure of our ability to generate sufficient cash flows to meet the short-term and long-term cash requirements of our business operations, and debt obligations as they become due.

We finance our operations primarily through sales to our customers, which could be billed either monthly or annually one year in advance. For customers with annual or multi-year contracts and those who opt for annual invoicing, we generally invoice only one annual period in advance and revenue is deferred for such advanced billings. As of December 31, 2025 and 2024, we had cash and cash equivalents of $132.6 million and $242.8 million, respectively. These amounts include restricted cash of $8.4 million and $7.4 million, respectively, held as a bank deposit for issuance of a foreign bank guarantee. As of December 31, 2025, we have access to additional liquidity of $650.0 million available under our delayed draw-down Term Loan and $305.0 million available under our Revolving Credit Facility.

For the year ended December 31, 2025, net cash provided by operating activities was $617.4 million. During the year ended December 31, 2025, we generated $530.2 million of free cash flows, a non-GAAP financial measure defined as net cash provided by operating activities less capital expenditures (see below for a reconciliation to GAAP). Our capital allocation strategy includes reducing debt, returning capital to shareholders through share repurchases and dividends, and strategic acquisitions. In 2025, we repurchased 11.8 million common shares for $334.4 million, repaid $279.1 million of long-term debt, and used $20.8 million of cash for business combinations, including the acquisition of CommunityWFM.

During the year ended December 31, 2025, we reduced our outstanding debt by repaying $279.1 million of principal, including $161.3 million on our 2025 Convertible Notes upon maturity, $67.8 million on our Term Loan, and $50.0 million on our 2030 Senior Notes. Refer to Note 6, *Long-Term Debt*, in the accompanying notes to the Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K for additional information regarding our Credit Agreement, the 2030 Senior Notes, and the 2026 Convertible Notes. We were in compliance with all debt covenants as of December 31, 2025.

A near-term capital allocation priority is the repayment of our $609 million in convertible notes due in March 2026. We plan to utilize our available credit facilities, including $650 million of incremental capacity under our Term Loan to fund the repayment of these notes. The 2026 Convertible Notes carry a coupon rate of 0% and therefore currently generate no cash interest expense. As a result, the repayment of the 2026 Convertible Notes will increase our cash interest expense beginning in 2026 as borrowings under our Term Loan bear interest at a floating rate based on SOFR plus an applicable margin.

Under our share repurchase programs, share repurchases may be made at our discretion from time to time in open market transactions, privately negotiated transactions, or other means. The programs do not obligate us to repurchase any specific dollar amount or to acquire any specific number of shares of our Class A Common Stock. The timing and number of any shares repurchased under the programs will depend on a variety of factors, including stock price, trading volume, and general business and market conditions. During the twelve months ended December 31, 2025, we repurchased and settled approximately 11.8 million shares of our Class A Common Stock, by paying an aggregate amount of approximately $334.4 million under the plans previously authorized by our board of directors. As of December 31, 2025, approximately $248.8 million remained authorized and available under our share repurchase programs for future share repurchases. The authorization under this program does not expire. Subsequent to December 31, 2025, our Board of Directors increased our remaining share repurchase authorization to $500.0 million, subject to certain limitations and inclusive of repurchases since December 31, 2025. The share repurchase authorization does not expire. Refer to Note 11, *Stockholders' Deficit and Convertible Preferred Stock* in the accompanying notes to the Consolidated Financial Statements included in Part II, Item 8, "Consolidated Financial Statements and Supplementary Data" in this Annual Report on Form 10-K for additional information.

The following table sets the current outstanding debt principal and the future payments as of December 31, 2025 (in thousands):

	2026 Convertible Notes	Term Loan	2030 Senior Notes	Total
2026	$ 609,065	$ 15,500	$ —	$ 624,565
2027	—	15,500	—	15,500
2028	—	15,500	—	15,500
2029	—	15,500	—	15,500
2030 onwards	—	240,250	350,000	590,250
Total principal amount	$ 609,065	$ 302,250	$ 350,000	$ 1,261,315

In February 2026, our Board of Directors initiated our first-ever quarterly cash dividend of $0.075 per share of our outstanding capital stock, which shall be paid on March 16, 2026 to stockholders of record as of the close of business on March 9, 2026. We intend to pay a cash dividend on a quarterly basis going forward, subject to market conditions and approval by our Board.

We believe that cash flows from our operations, existing liquidity sources including capital resources and ability to raise cash through additional financing will satisfy our future cash requirements and obligations for at least the next 12 months. Our future capital requirements will depend on many factors, including revenue growth and costs incurred to support customer growth, acquisitions and expansions, operating expenses, and capital equipment required to support our headcount and in support of our co-location data center facilities, our interest payments for both our Term Loan and 2030 Senior Notes, and the repayment of our 2026 Convertible Notes. Our capital expenditures in future periods are expected to grow in line with our business. We continually evaluate our capital needs and may decide to raise additional capital to fund the growth of our business for general corporate purposes through public or private equity offerings or through additional debt financing. The timing and amount of any such financing requirements will depend on a number of factors, including the maturity dates of our existing debt. We may from time to time seek to refinance certain of our outstanding debt through issuances of new notes or convertible debt, term loans, exchange transactions or debt repurchases. Such issuances, exchanges or repurchases, if any, will depend on prevailing market conditions, our ability to negotiate acceptable terms, our liquidity position and other factors. We may also from time to time seek to early repay or repurchase our debt through cash purchases and/or exchanges for equity or debt, in open-market purchases, privately negotiated transactions or otherwise. Such early repayments or repurchases, if any, will be upon such terms and at such prices as we may determine, and will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. Refer to risk factors in Part I, Item 1A in this Annual Report on Form 10-K for additional information.

Cash Flows

The table below provides selected cash flow information for the periods indicated (in thousands):

	Year ended December 31,		
	2025	2024	2023
Net cash provided by operating activities	$ 617,427	$ 483,276	$ 399,662
Net cash used in investing activities	(107,968)	(109,359)	(90,449)
Net cash used in financing activities	(623,420)	(351,081)	(358,018)
Effect of exchange rate changes	3,714	(2,220)	1,016
Net (decrease) increase in cash and cash equivalents	$ (110,247)	$ 20,616	$ (47,789)

Net Cash Provided By Operating Activities

Cash provided by operating activities is driven by the timing of customer collections, as well as the amount and timing of disbursements to our vendors, the amount of cash we invest in personnel, sales, marketing, innovation and infrastructure costs to support the anticipated growth of our business, payments under strategic arrangements, and interest costs.

Net cash provided by operating activities was $617.4 million for the year ended December 31, 2025. The cash flow from operating activities was driven by timing of cash receipts from customers and global service providers, offset by cash payments for personnel-related costs and payments to vendors along with interest payments on our debt obligations.

Net cash provided by operating activities for the year ended December 31, 2025, increased by $134.2 million as compared to the year ended December 31, 2024. This improvement reflects working capital impacts resulting from the timing of payments and collections and a $117.9 million increase in income from operations, driven by higher subscription revenues and lower operating expenses.

Net Cash Used In Investing Activities

Our primary investing activities consist of our capital expenditures and expenditures for internal-use software, business acquisitions, and cash paid for intellectual property assets.

Net cash used in investing activities was $108.0 million for the year ended December 31, 2025. This was primarily driven by $87.2 million in capital expenditures, including personnel-related costs associated with the development of internal-use software, and $20.8 million in cash paid for business combinations.

Net cash used in investing activities for the year ended December 31, 2025, decreased by $1.4 million as compared to the year ended December 31, 2024. The change was primarily attributed to a $5.5 million decrease in cash used for business combinations and $2.5 million reduction in cash used for the purchase of intangible assets, partially offset by a $6.7 million increase in cash used for capital expenditures, which includes personnel-related costs associated with the development of internal-use software.

Net Cash Used In Financing Activities

Our primary financing activities include utilizing cash to repurchase Class A Common Stock under our share repurchase programs, servicing and repaying debt, paying contingent consideration, proceeds from issuance under our stock plans, paying taxes related to these plans, and meeting our existing financing commitments.

Net cash used in financing activities was $623.4 million for the year ended December 31, 2025. This was primarily driven by the cash settlement of $161.3 million upon the maturity of our 2025 Convertible Notes, $67.8 million of principal repayments on our Term Loan, and a $53.9 million cash payment to repurchase $50.0 million of principal on our 2030 Senior Notes. Additional cash outflows included $334.4 million used to repurchase and retire approximately 11.8 million shares of our Class A Common Stock under our share repurchase program, and $12.6 million for taxes associated with net share settlement of equity awards under our stock plans. These outflows were partially offset by $14.7 million in proceeds from issuance of stock in connection with our stock plans.

Net cash used in financing activities for the year ended December 31, 2025, increased by $272.3 million as compared to the year ended December 31, 2024. The increase was primarily driven by a $161.3 million cash outflow related to the settlement of our 2025 Convertible Notes upon maturity, a $53.9 million cash payment to repurchase $50.0 million of principal on our 2030 Senior Notes, and a $47.8 million increase in principal repayments on our Term Loan.

Non-GAAP Free Cash Flow

To supplement our statements of cash flows presented on a U.S. GAAP basis, we use a non-GAAP measure of cash flows to analyze cash flow generated from our operations. We define free cash flow, a non-GAAP financial measure, as U.S. GAAP net cash provided by (used in) operating activities adjusted for capitalized expenditures that include purchases of property and equipment and capitalized internal-use software. We believe information regarding free cash flow provides useful information to management and investors in understanding the strength of liquidity and available cash. A limitation of the use of free cash flow is that it does not represent the total increase or decrease in our cash balance for the period. Free cash flow should not be considered in isolation or as an alternative to cash flows from operations, and should be considered alongside our other U.S. GAAP-based financial liquidity performance measures, such as net cash provided by operating activities and our other U.S. GAAP financial results.

The following table presents a reconciliation of free cash flow to net cash provided by operating activities, the most directly comparable GAAP measure, for each of the periods presented (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Net cash provided by operating activities	$ 617,427	$ 483,276	$ 399,662
Capitalized expenditures	(87,214)	(80,528)	(75,740)
Non-GAAP free cash flow	$ 530,213	$ 402,748	$ 323,922

Remaining Performance Obligations

We have generally signed new customer contracts with typical subscription terms ranging from one month to five years. At any point in the contract term, there can be amounts allocated to services that we have not yet contractually performed, which constitute our remaining performance obligations. Until we meet our performance obligations, we do not recognize them as revenues in our consolidated financial statements. Our remaining performance obligations exclude contracts with an original expected length of less than one year. Contract revenue as of December 31, 2025 that has not yet been recognized was approximately $2.6 billion.

Deferred Revenue

Deferred revenue primarily consists of the unearned portion of monthly or annual invoiced fees for our subscriptions, which we recognize as revenue in accordance with our revenue recognition policy. For customers with multi-year contracts, we generally invoice for monthly or only one annual subscription period in advance. As a result, our deferred revenue balance does not capture the full value of multi-year contracts and may not be a complete indicator of future subscription revenues on a standalone basis, therefore, we do not utilize deferred revenue as a key management metric internally.

Contractual Obligations

The following summarizes our contractual obligations as of December 31, 2025 (in thousands):

	Payments due by period				
	Up to 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total
Operating lease obligations [1]	$ 22,737	$ 14,230	$ 831	$ —	$ 37,798
Supplier financing arrangements [2]	633	463	—	—	1,096
Principal payments on long-term debt [3]	624,565	31,000	605,750	—	1,261,315
Contractual interest payments on long-term debt [3]	47,704	92,400	82,815	—	222,919
Purchase obligations [4]	63,111	69,966	5,157	—	138,234
Total	$ 758,750	$ 208,059	$ 694,553	$ —	$ 1,661,362

(1) Represents obligations under non-cancellable lease agreements for our corporate and worldwide offices, and co-location data centers. For more information regarding our lease obligations, refer to Note 9 - *Leases* included in Part II, Item 8, in this Annual Report on Form 10-K for additional information.

(2) Amounts include established financing arrangements with certain third-party financial institutions and participating suppliers.

(3) Represents our principal and contractual interest payments on our long-term debt. For more information regarding our long-term debt, refer to Note 6 - *Long-Term Debt* included in Part II, Item 8, in this Annual Report on Form 10-K for additional information.

(4) Purchase obligations are primarily related to third-party managed hosting services and represent our non-cancellable open purchase orders and contractual obligations for which we have not received the goods or services as of December 31, 2025.

Indemnification Obligations

Certain of our agreements with sales agents, resellers and customers include provisions for indemnification against liabilities if our products infringe a third-party's intellectual property rights. To date, we have not incurred any material costs as a result of such indemnification provisions and have not accrued any liabilities related to such obligations in the consolidated financial statements as of December 31, 2025.

Contingencies

We are and may be in the future subject to certain legal proceedings and from time to time may be involved in a variety of claims, lawsuits, investigations, and proceedings relating to contractual disputes, intellectual property rights, employment matters, regulatory compliance matters, and other matters relating to various claims that arise in the normal course of business. We record a provision for a liability when we believe that it is both probable that a liability has been incurred, and the amount can be reasonably estimated. Significant judgment is required to determine both probability and the estimated amount of loss. Such legal proceedings are inherently unpredictable and subject to significant uncertainties, some of which are beyond our control. Should any of these estimates and assumptions change or prove to be incorrect, it could have a significant impact on our results of operations, financial position, and cash flows.

Refer to Note 10 – *Commitments and Contingencies* of the notes to the consolidated financial statements included in Part II, Item 8, "Consolidated Financial Statements and Supplementary Data" in this Annual Report on Form 10-K for additional information.

Critical Accounting Policies and Estimates

We prepare our consolidated financial statements in accordance with U.S. GAAP. In many cases, the accounting treatment of a particular transaction is specifically dictated by U.S. GAAP and does not require management's judgment in its application. In other cases, management's judgment is required in selecting among available alternative accounting standards that provide for different accounting treatment for similar transactions. The preparation of consolidated financial statements also requires us to make estimates and assumptions that affect the amounts we report as assets, liabilities, revenues, costs, and expenses, and affect the related disclosures. We base our estimates on historical experience and other assumptions that we believe are reasonable under the circumstances. In many instances, we could reasonably use different accounting estimates, and in some instances changes in the accounting estimates are reasonably likely to occur from period to period. Accordingly, our actual results could differ significantly from the estimates made by our management. To the extent that there are differences between our estimates and actual results, our future financial statement presentation, financial condition, results of operations, and cash flows will be affected. A summary of our significant accounting policies is included in Note 1 of the notes to the consolidated financial statements included in Part II, Item 8, "*Consolidated Financial Statements and Supplementary Data*" in this Annual Report on Form 10-K, which is incorporated herein by reference. We believe that the accounting policies discussed below are critical to understanding our historical and future performance, as these policies relate to the more significant areas involving management's judgments and estimates.

Revenue Recognition

We primarily derive our revenues from subscriptions, sale of products, and professional services. Subscriptions revenue is generally recognized over the period of the subscription contract. Subscription contracts generally allow the customers to terminate their services at any time during the first 30 to 60 days of the subscription period and are charged for the term of usage. Upon cancellation during the termination period, customers receive a pro-rata refund for any amounts paid. After the end of the termination period, the contract is non-cancellable and the customer is obligated to pay for the remaining term of the contract. For sale of products, revenue is recognized when control is transferred. For professional services, revenue is recognized as and when services are rendered.

Recent Accounting Pronouncements

For a summary of recent accounting pronouncements and the anticipated effects on our consolidated financial statements, see Note 1 to the consolidated financial statements included in Part II, Item 8, "*Consolidated Financial Statements and Supplementary Data*" in this Annual Report on Form 10-K, which is incorporated herein by reference.

ITEM 7A. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risk in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of fluctuations in foreign currency exchange rates and interest rates. We do not hold or issue financial instruments for trading purposes.

Foreign Currency Risk

The majority of our sales and contracts are denominated in U.S. dollars, and therefore our net revenue is not currently subject to significant foreign currency risk. As part of our international operations, we charge customers in British Pounds, European Union ("EU") Euro, Canadian Dollars and Australian Dollars, among others. Fluctuations in foreign currency exchange rates and volatility in the market due to global economic conditions could cause variability in our subscriptions revenues, total revenues, annualized exit monthly recurring subscriptions revenues and operating results. Our operating expenses are generally denominated in the currencies of the countries in which our operations are located, which are primarily in the U.S., and to a lesser extent in Canada, Europe, and Asia-Pacific. The functional currency of our foreign subsidiaries is generally the local currency. Our consolidated results of operations and cash flows are, therefore, subject to fluctuations due to changes in foreign currency exchange rates. To date, we have not entered into any hedging arrangements with respect to foreign currency risk. During fiscal year 2025, a hypothetical 10% change in foreign currency exchange rates applicable to our business would not have had a material impact on our consolidated financial statements. As our international operations continue to expand, risks associated with fluctuating foreign currency rates may increase. We will continue to reassess our approach to managing these risks.

Interest Rate Risk

As of December 31, 2025, we had cash and cash equivalents of $132.6 million. We invest our cash and cash equivalents in short-term money market funds. The carrying amount of our cash equivalents reasonably approximates fair values. Due to the short-term nature of our money-market funds, we believe that exposure to changes in interest rates will not have a material impact on the fair value of our cash equivalents. Interest income may further fluctuate in the future due to interest rate volatility in the current macroeconomic environment. During fiscal year 2025, a hypothetical 10% increase or decrease in overall interest rates would not have had a material impact on our interest income.

As of December 31, 2025, we had $609.1 million outstanding from our 2026 Convertible Notes. We carry the 2026 Convertible Notes at face value less unamortized discount on our balance sheet, and we present the fair value for required disclosure purposes only. The 2026 Convertible Notes have a zero percent fixed annual interest rate and, therefore, we have no economic exposure to changes in interest rates. The fair value of the 2026 Convertible Notes is exposed to interest rate risk. Generally, the fair value of our fixed interest rate 2026 Convertible Notes will increase as interest rates decline and decrease as interest rates increase. In addition, the fair values of the 2026 Convertible Notes are affected by our stock price. The fair value of the 2026 Convertible Notes will generally increase as our Class A common stock price increases and will generally decrease as our Class A common stock price decrease in value.

As of December 31, 2025, we had no amounts outstanding under our Revolving Credit Facility and $302.3 million principal outstanding under our Term Loan under our Credit Agreement. Borrowings under our Credit Agreement bear interest under a floating rate mechanism, which exposes us to interest-rate risk. To address this risk, we entered into a five-year floating-to-fixed interest rate swap agreement with the objective of reducing exposure to the fluctuating interest rates associated with our variable rate borrowing program by paying a fixed interest rate of 3.79%, plus a margin of 2% to 3%. The interest rate swap agreement became effective on June 30, 2023, and terminates on February 14, 2028, consistent with the original duration of the maturity of the Term Loan. From time to time, we may elect to dedesignate certain cash flow hedging relationships as a result of changes in the repricing terms or partial repayments of our outstanding long-term debt. As of December 31, 2025, our interest rate swap agreement is designated as cash flow hedge and highly effective in offsetting changes in our future expected cash flows due to the fluctuation of our variable rate debt.

As of December 31, 2025, we had $350.0 million outstanding under our 2030 Senior Notes. The 2030 Senior Notes have fixed annual interest rates, and therefore we do not have economic interest rate exposure on these debt obligations. However, the fair values of our 2030 Senior Notes are exposed to interest rate risk. Generally, the fair value of the 2030 Senior Notes will increase as interest rates fall and decrease as interest rates rise.

Inflation Risk

We do not believe that inflation has had a material effect on our business, results of operations, or financial condition. Nonetheless, if our costs in connection with the operation of our business were 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 have a material adverse effect on our business, financial condition and results of operations.

ITEM 8. CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

RINGCENTRAL, INC.
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	Page
Report of Independent Registered Public Accounting Firm (PCAOB ID 185)	65
Consolidated Balance Sheets	67
Consolidated Statements of Operations	68
Consolidated Statements of Comprehensive Income (Loss)	69
Consolidated Statements of Stockholders' Deficit	70
Consolidated Statements of Cash Flows	71
Notes to Consolidated Financial Statements	72

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors

RingCentral, Inc.:

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of RingCentral, Inc. and subsidiaries (the Company) as of December 31, 2025 and 2024, the related consolidated statements of operations, comprehensive income (loss), stockholders' deficit, and cash flows for each of the years in the three-year period ended December 31, 2025, and the related notes (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025 based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Controls Over Financial Reporting. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

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

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

Critical Audit Matter

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

Information technology systems used in subscriptions revenue

As discussed in Note 1 to the consolidated financial statements, and disclosed in the consolidated statements of operations, the Company recorded $2,515.1 million of total revenues for the year ended December 31, 2025, of which $2,426.9 million related to subscriptions. There are high volumes of subscription transactions processed across multiple information technology (IT) systems.

We identified the evaluation of the sufficiency of audit evidence over subscriptions revenue as a critical audit matter. This matter required especially subjective auditor judgment because of the number of IT applications involved in the subscriptions revenue recognition process. This matter also included determining the nature and extent of audit evidence obtained over subscriptions revenue, and the need to involve IT professionals to assist with the performance of certain procedures.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's subscriptions revenue process, including associated IT controls. We applied auditor judgment to determine the nature and extent of procedures to be performed over subscriptions revenue, including the determination of the IT applications subject to testing. We assessed the recorded subscriptions revenue by selecting transactions and comparing the amounts recognized for consistency with underlying documentation, including contracts with customers. We also involved IT professionals with specialized skills and knowledge, who assisted in testing certain IT applications that are used by the Company in its subscriptions revenue recognition process. We evaluated the sufficiency of audit evidence obtained by assessing the results of procedures performed, including the appropriateness of such evidence.

/s/ KPMG LLP

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

Santa Clara, California
February 26, 2026

RINGCENTRAL, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except par value per share)

	December 31, 2025	December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	$ 132,564	$ 242,811
Accounts receivable, net	384,100	386,252
Deferred and prepaid sales commission costs	167,304	182,615
Prepaid expenses and other current assets	81,190	59,444
Total current assets	765,158	871,122
Property and equipment, net	186,570	180,650
Operating lease right-of-use assets	30,855	46,463
Deferred and prepaid sales commission costs, non-current	252,504	325,198
Goodwill	97,792	82,986
Acquired intangibles, net	135,410	258,526
Other assets	13,166	14,928
Total assets	$ 1,481,455	$ 1,779,873
Liabilities, Temporary Equity, and Stockholders' Deficit		
Current liabilities		
Accounts payable	$ 27,677	$ 21,866
Accrued liabilities	297,633	283,799
Current portion of long-term debt, net	624,216	181,252
Deferred revenue	269,122	261,882
Total current liabilities	1,218,648	748,799
Long-term debt, net	629,580	1,347,881
Operating lease liabilities	14,372	29,733
Other long-term liabilities	7,525	4,930
Total liabilities	1,870,125	2,131,343
Commitments and contingencies (Note 10)		
Series A convertible preferred stock, $0.0001 par value; 200 shares authorized at December 31, 2025 and 2024; 200 shares issued and outstanding at December 31, 2025 and 2024	199,449	199,449
Stockholders' deficit		
Class A common stock, $0.0001 par value; 1,000,000 shares authorized at December 31, 2025 and 2024; 75,394 and 80,913 shares issued and outstanding at December 31, 2025 and 2024	8	8
Class B common stock, $0.0001 par value; 250,000 shares authorized at December 31, 2025 and 2024; 9,805 and 9,805 shares issued and outstanding at December 31, 2025 and 2024	1	1
Additional paid-in capital	1,123,447	1,215,377
Accumulated other comprehensive income (loss)	2,458	(8,881)
Accumulated deficit	(1,714,033)	(1,757,424)
Total stockholders' deficit	(588,119)	(550,919)
Total liabilities, temporary equity and stockholders' deficit	$ 1,481,455	$ 1,779,873

See accompanying notes to consolidated financial statements

RINGCENTRAL, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)

	Year Ended December 31,		
	2025	2024	2023
Revenues			
Subscriptions	$ 2,426,879	$ 2,297,192	$ 2,100,329
Other	88,263	103,203	102,100
Total revenues	2,515,142	2,400,395	2,202,429
Cost of revenues			
Subscriptions	616,190	593,294	557,050
Other	107,043	112,213	107,241
Total cost of revenues	723,233	705,507	664,291
Gross profit	1,791,909	1,694,888	1,538,138
Operating expenses			
Research and development	316,993	329,323	335,851
Sales and marketing	1,095,947	1,096,448	1,068,050
General and administrative	258,418	266,447	333,048
Total operating expenses	1,671,358	1,692,218	1,736,949
Income (loss) from operations	120,551	2,670	(198,811)
Other (expense) income, net			
Interest expense	(60,279)	(64,995)	(35,997)
Other (expense) income	(4,035)	15,100	77,963
Other (expense) income, net	(64,314)	(49,895)	41,966
Income (loss) before income taxes	56,237	(47,225)	(156,845)
Provision for income taxes	12,846	11,063	8,395
Net income (loss)	$ 43,391	$ (58,288)	$ (165,240)
Net income (loss) per common share			
Basic	$ 0.48	$ (0.63)	$ (1.74)
Diluted	$ 0.48	$ (0.63)	$ (1.74)
Weighted-average number of shares used in computing net income (loss) per share			
Basic	89,481	92,110	94,912
Diluted	91,214	92,110	94,912

See accompanying notes to consolidated financial statements

RINGCENTRAL, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands)

	Year ended December 31,		
	2025	2024	2023
Net income (loss)	$ 43,391	$ (58,288)	$ (165,240)
Other comprehensive income (loss)			
Foreign currency translation adjustments	16,603	(5,537)	3,070
Unrealized (loss) gain on derivative instruments	(5,264)	4,879	(2,512)
Total other comprehensive income (loss)	11,339	(658)	558
Comprehensive income (loss)	$ 54,730	$ (58,946)	$ (164,682)

See accompanying notes to consolidated financial statements

RINGCENTRAL, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
(in thousands)

	Common stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount				
Balance as of December 31, 2022	95,385	$ 10	$ 1,059,880	$ (8,781)	$ (1,533,896)	$ (482,787)
Issuance of common stock in connection with Equity Incentive and Employee Stock Purchase plans, net of tax withholdings, and other commercial arrangements	6,337	—	7,625	—	—	7,625
Issuance of common stock in connection with strategic partnership arrangement	1,693	—	55,015	—	—	55,015
Repurchases of common stock	(9,948)	(1)	(316,321)	—	—	(316,322)
Share-based compensation	—	—	398,582	—	—	398,582
Other comprehensive income	—	—	—	558	—	558
Net loss	—	—	—	—	(165,240)	(165,240)
Balance as of December 31, 2023	93,467	9	1,204,781	(8,223)	(1,699,136)	(502,569)
Issuance of common stock in connection with Equity Incentive and Employee Stock Purchase plans, net of tax withholdings	6,714	1	10,728	—	—	10,729
Issuance of common stock in connection with strategic partnership arrangement	255	—	7,972	—	—	7,972
Repurchases of common stock	(9,718)	(1)	(317,963)	—	—	(317,964)
Share-based compensation	—	—	309,859	—	—	309,859
Other comprehensive loss	—	—	—	(658)	—	(658)
Net loss	—	—	—	—	(58,288)	(58,288)
Balance as of December 31, 2024	90,718	9	1,215,377	(8,881)	(1,757,424)	(550,919)
Issuance of common stock in connection with Equity Incentive and Employee Stock Purchase plans, net of tax withholdings	6,279	—	2,155	—	—	2,155
Repurchases of common stock	(11,798)	—	(335,185)	—	—	(335,185)
Share-based compensation	—	—	241,100	—	—	241,100
Other comprehensive income	—	—	—	11,339	—	11,339
Net income	—	—	—	—	43,391	43,391
Balance as of December 31, 2025	85,199	$ 9	$ 1,123,447	$ 2,458	$ (1,714,033)	$ (588,119)

See accompanying notes to consolidated financial statements

RINGCENTRAL, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year ended December 31,		
	2025	**2024**	**2023**
Cash flows from operating activities			
Net income (loss)	$ 43,391	$ (58,288)	$ (165,240)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	222,603	222,609	233,940
Share-based compensation	269,658	339,059	426,679
Unrealized loss on investments	—	—	1,506
Asset write-down and other charges	11,440	—	—
Amortization of deferred and prepaid sales commission costs	163,550	162,552	138,134
Amortization of debt discount and issuance costs	4,627	4,272	4,566
Loss (gain) on early extinguishment of debt	4,988	—	(53,400)
Reduction of operating lease right-of-use assets	24,800	20,723	20,469
Provision for bad debt	17,470	8,667	6,852
Other	1,729	(8,428)	1,486
Changes in assets and liabilities:			
Accounts receivable	(13,815)	(30,481)	(57,819)
Deferred and prepaid sales commission costs	(111,563)	(130,730)	(156,734)
Prepaid expenses and other assets	(18,963)	19,811	14,492
Accounts payable	4,100	(29,793)	(21,213)
Accrued and other liabilities	10,462	(37,433)	9,101
Deferred revenue	6,746	19,592	17,681
Operating lease liabilities	(23,796)	(18,856)	(20,838)
Net cash provided by operating activities	617,427	483,276	399,662
Cash flows from investing activities			
Purchases of property and equipment	(30,104)	(24,994)	(23,513)
Capitalized internal-use software	(57,110)	(55,534)	(52,227)
Cash paid for business combination, net of cash acquired	(20,754)	(26,291)	(14,709)
Purchases of intangible assets and long-term investments	—	(2,540)	—
Net cash used in investing activities	(107,968)	(109,359)	(90,449)
Cash flows from financing activities			
Proceeds from issuance of stock in connection with stock plans	14,718	16,693	16,687
Payments for taxes related to net share settlement of equity awards	(12,563)	(5,965)	(9,062)
Payments for repurchase of common stock, including excise tax	(334,446)	(322,356)	(311,088)
Proceeds from issuance of long-term debt, net of issuance costs	—	—	785,749
Payments for the settlement of convertible notes	(161,326)	—	(820,960)
Repayments of principal on term loan	(67,750)	(20,000)	(10,000)
Repurchases of principal on senior notes	(53,903)	—	—
Payments for fees on long-term debt	(7,517)	(4,851)	—
Repayment of financing obligations	(633)	(4,257)	(5,777)
Payment for contingent consideration	—	(10,345)	(3,567)
Net cash used in financing activities	(623,420)	(351,081)	(358,018)
Effect of exchange rate changes	3,714	(2,220)	1,016
Net (decrease) increase in cash, cash equivalents, and restricted cash	(110,247)	20,616	(47,789)
Cash, cash equivalents, and restricted cash			
Beginning of year	242,811	222,195	269,984
End of year	$ 132,564	$ 242,811	$ 222,195
Supplemental disclosure of cash flow data:			
Cash paid for interest, net of interest rate swap	$ 54,021	$ 59,045	$ 16,629
Cash paid for income taxes, net of refunds	$ 12,435	$ 17,752	$ 10,940
Non-cash investing and financing activities			
Common stock issued in connection with strategic partnership arrangement	$ —	$ 7,972	$ 55,014
Acquisition related measurement period adjustment	$ —	$ 9,147	$ —
Indemnity holdback consideration	$ 3,000	$ —	$ —
Contingent consideration	$ 2,000	$ —	$ 7,461
Equipment and capitalized internal-use software purchased and unpaid at period end	$ 3,221	$ 3,091	$ 3,953
Acquisition of intangibles	$ —	$ —	$ 3,629

See accompanying notes to consolidated financial statements

RINGCENTRAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Description of Business and Summary of Significant Accounting Policies

Description of Business

RingCentral, Inc. (the "Company") is an agentic voice AI–powered cloud business communication services provider, delivering an integrated platform for business phone, SMS, contact center, workforce engagement management, video collaboration, and messaging. The Company was incorporated in California in 1999 and was reincorporated in Delaware on September 26, 2013.

Principles of Consolidation

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") and include the consolidated accounts of the Company and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. The significant estimates made by management affect revenues, the allowance for doubtful accounts, deferred and prepaid sales commission costs, goodwill, useful lives of intangible assets, share-based compensation, capitalization of internally developed software, return reserves, derivative instruments, provision for income taxes, uncertain tax positions, change in the fair value of contingent consideration, loss contingencies, sales tax liabilities and accrued liabilities. Management periodically evaluates these estimates and will make adjustments prospectively based upon the results of such periodic evaluations. Actual results may differ from these estimates.

Foreign Currency

The functional currency of the Company's foreign subsidiaries is generally the local currency. Adjustments resulting from translating foreign functional currency financial statements into U.S. dollars are recorded as part of a separate component of stockholders' equity and reported in the Consolidated Statements of Comprehensive Loss. Foreign currency transaction gains and losses are included in net loss for the period. All assets and liabilities denominated in a foreign currency are translated into U.S. dollars at the exchange rate on the balance sheet date. Revenues and expenses are translated at the average exchange rate during the period. Equity transactions are translated using historical exchange rates.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents are stated at fair value.

Allowance for Doubtful Accounts

For the years ended December 31, 2025 and 2024, a portion of revenues were realized from credit card transactions while the remaining revenues generated accounts receivable. The Company determines provisions based on historical loss patterns, the number of days that billings are past due, and an evaluation of the potential risk of loss associated with delinquent accounts.

Below is a summary of the changes in allowance for doubtful accounts for the years ended December 31, 2025, 2024 and 2023 (in thousands):

	Balance at beginning of year	Provision, net of recoveries	Write-offs	Balance at end of year
Year ended December 31, 2025				
Allowance for doubtful accounts	$ 15,131	$ 17,470	$ 14,510	$ 18,091
Year ended December 31, 2024				
Allowance for doubtful accounts	$ 12,472	$ 8,667	$ 6,008	$ 15,131
Year ended December 31, 2023				
Allowance for doubtful accounts	$ 9,581	$ 6,852	$ 3,961	$ 12,472

Derivative Instruments and Hedging

The Company measures its derivative financial instruments at fair value and recognizes them as assets and liabilities in the Consolidated Balance Sheets. The Company records changes in the fair value of derivative financial instruments designated as cash flow hedges in other comprehensive income (loss). When a hedged transaction affects earnings, the Company subsequently reclassifies the net derivative gain or loss within earnings into the same line as the hedged item on the Consolidated Statements of Operations to offset the changes in the hedged transaction.

The cash flow effects related to derivative financial instruments designated as cash flow hedges are included within operating activities on the Consolidated Statements of Cash Flows.

Internal-Use Software Development Costs

The Company capitalizes qualifying internal-use software development costs that are incurred during the application development stage, provided that management with the relevant authority authorizes and commits to the funding of the project, it is probable the project will be completed, and the software will be used to perform the function intended. Costs related to preliminary project activities and post implementation activities are expensed as incurred. Capitalized internal-use software development costs are included in property and equipment and are amortized on a straight-line basis over their estimated useful lives.

For the years ended December 31, 2025 and 2024, the Company capitalized $62.8 million and $59.3 million, net of impairment, of internal-use software development costs, respectively. The carrying value of internal-use software development costs was $138.2 million and $135.2 million as of December 31, 2025 and 2024, respectively.

Property and Equipment, net

Property and equipment, net is stated at cost, less accumulated depreciation and amortization. Depreciation and amortization are calculated on a straight-line basis over the estimated useful lives of those assets as follows:

Computer hardware and software	3 to 5 years
Internal-use software development costs	3 to 5 years
Furniture and fixtures	3 to 5 years
Leasehold improvements	Shorter of the estimated lease term or useful life

The Company evaluates the recoverability of property and equipment and intangible assets for possible impairment whenever events or circumstances indicate that the carrying amount of such assets or asset groups may not be recoverable. Recoverability of these assets or asset groups is measured by comparing the carrying amounts of such assets or asset groups to the future undiscounted cash flows that such assets or asset groups are expected to generate. If this evaluation indicates that the carrying amount of the assets or asset groups is not recoverable, the carrying amount of such assets or asset groups is reduced to its estimated fair value.

Maintenance and repairs are charged to expense as incurred.

Business Combinations

The Company uses its best estimates and assumptions to assign fair value to the tangible and intangible assets acquired and liabilities assumed as of the acquisition date. The excess of the fair value of purchase consideration over the fair values of the tangible and intangible assets acquired and liabilities assumed is recorded as goodwill. If applicable, we estimate the fair value of contingent consideration payments in determining the purchase price. These estimates are inherently uncertain and subject to refinement. During the measurement period, which may be up to one year from the acquisition date, the Company may record adjustments to the fair value of these tangible and intangible assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the fair value of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to the Company's consolidated statements of operations. Contingent consideration is adjusted to fair value in subsequent periods as an increase or decrease to operating expenses. Acquisition-related expenses are recognized separately from the business combination and are expensed as incurred.

Leases

The Company determines if a contract is a lease or contains a lease at the inception of the contract and reassesses that conclusion if the contract is modified. All leases are assessed for classification as an operating lease or a finance lease. Operating lease right-of-use ("ROU") assets are presented separately on the Company's Consolidated Balance Sheets. Operating lease liabilities are separated into a current portion, included within accrued liabilities on the Company's Consolidated Balance Sheets, and a non-current portion included within operating lease liabilities on the Company's Consolidated Balance Sheets. The Company does not have significant finance lease ROU assets or liabilities. ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. The Company does not obtain and control its right to use the identified asset until the lease commencement date.

The Company's lease liabilities are recognized at the applicable lease commencement date based on the present value of the lease payments required to be paid over the lease term. Because the rate implicit in the lease is not readily determinable, the Company generally uses an incremental borrowing rate to discount the lease payments to present value. The estimated incremental borrowing rate is derived from information available at the lease commencement date. The Company factors in publicly available data for instruments with similar characteristics when calculating its incremental borrowing rates. The Company's ROU assets are also recognized at the applicable lease commencement date. The ROU asset equals the carrying amount of the related lease liability, adjusted for any lease payments made prior to lease commencement and lease incentives provided by the lessor. Variable lease payments are expensed as incurred and do not factor into the measurement of the applicable ROU asset or lease liability.

The term of the Company's leases is equal to the non-cancellable period of the lease, including any rent-free periods provided by the lessor, and also include options to renew or extend the lease (including by not terminating the lease) that the Company is reasonably certain to exercise. The Company establishes the term of each lease at lease commencement and reassesses that term in subsequent periods when one of the triggering events outlined in Topic 842, Leases, occurs. Operating lease cost for lease payments is recognized on a straight-line basis over the lease term.

The Company's lease contracts often include lease and non-lease components. For facility leases, the Company has elected the practical expedient offered by the standard to not separate lease from non-lease components and accounts for them as a single lease component. For the Company's other contracts that include leases, the Company accounts for the lease and non-lease components separately.

The Company has elected, for all classes of underlying assets, not to recognize ROU assets and lease liabilities for leases with a term of twelve months or less. Lease cost for short-term leases is recognized on a straight-line basis over the lease term.

Goodwill and Intangible Assets

Goodwill is tested for impairment at the reporting unit level at a minimum on an annual basis or more frequently when an event occurs or circumstances change that indicate that the carrying value may not be recoverable. Goodwill is considered impaired if the carrying value of the reporting unit exceeds its fair value. The Company conducted its annual impairment test of goodwill in the fourth quarter of 2025 and 2024 and determined that no adjustment to the carrying value of goodwill was required.

Intangible assets consist of purchased customer relationships and developed technology. Intangible assets are amortized over the period of estimated benefit using the straight-line method and estimated useful lives ranging from two to five years. No residual value is estimated for intangible assets.

Convertible Debt

Convertible senior notes, net are accounted as a liability and measured at amortized cost. The carrying amount of the convertible senior notes is calculated as the proceeds at issuance, net of debt discounts and debt issuance costs. The difference between the principal amount and carrying amount is amortized to interest expense over the term of the convertible senior notes using the effective interest rate method and is included in other (expense) income in the Consolidated Statements of Operations.

Revenue Recognition

The Company derives its revenues primarily from subscriptions, sale of products, and professional services. Revenues are recognized when control is transferred to the customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services or products.

The Company determines revenue recognition through the following steps:

- identification of the contract, or contracts, with a customer;
- identification of the performance obligations in the contract;
- determination of the transaction price;
- allocation of the transaction price to the performance obligations in the contract; and
- recognition of revenue when, or as, the Company satisfies a performance obligation.

The Company recognizes revenues as follows:

Subscriptions revenue

Subscriptions revenue is generated from fees that provide customers access to one or more of the Company's software applications and related services. These arrangements have contractual terms typically ranging from one month to five years and include recurring fixed plan subscription fees, usage-based fees, one-time fees, recurring license and other fees, derived from sales through our direct and indirect sales channels, including resellers and distributors, strategic partners and global service providers.

The Company generally bills its subscription fees in advance.

Arrangements with customers do not provide the customer with the right to take possession of the Company's software at any time. Instead, customers are granted continuous access to the services over the contractual period. The Company transfers control evenly over the contractual period by providing stand-ready service. Accordingly, the fixed consideration related to subscription is recognized over time on a straight-line basis over the contract term beginning on the date the Company's service is made available to the customer. The Company may offer its customer services for no consideration during the initial months. Such discounts are recognized ratably over the term of the contract.

Fees for additional minutes of usage in excess of plan limits are deemed to be variable consideration that meet the allocation exception for variable consideration as they are specific to the month that the usage occurs.

The Company's subscription contracts typically allow the customers to terminate their services within the first 30 to 60 days and receive a refund for any amounts paid for the remaining contract period. After the end of the termination period, the contract is non-cancellable and the customer is obligated to pay for the remaining term of the contract. Accordingly, the Company considers the non-cancellable term of the contract to begin after the expiration of the termination period.

The Company records reductions to revenue for estimated sales returns and customer credits at the time the related revenue is recognized. Sales returns and customer credits are estimated based on the Company's historical experience, current trends and the Company's expectations regarding future experience. The Company monitors the accuracy of its sales reserve estimates by reviewing actual returns and credits and adjusts them for its future expectations to determine the adequacy of its current and future reserve needs. If actual future returns and credits differ from past experience, additional reserves may be required.

Other revenue

Other revenue primarily includes revenue generated from sale of pre-configured phones and professional implementation services.

Phone revenue is recognized upon transfer of control to the customer which is generally upon shipment from the Company's or its designated agents' warehouse.

The Company offers professional services to support implementation and deployment of its subscription services. Professional services do not result in significant customization of the product and are generally short-term in duration. The majority of the Company's professional services contracts are on a fixed price basis and revenue is recognized as and when services are delivered.

Principal vs. Agent

A portion of the Company's subscriptions and product revenues are generated through sales by resellers, strategic partners, and global service providers. When the Company controls the performance of contractual obligations to the customer, it records these revenues at the gross amount paid by the customer with amounts retained by the resellers recognized as sales and marketing expenses. The Company assesses control of goods or services when it is primarily responsible for fulfilling the promise to provide the good or service, has inventory risk and has discretion in establishing the price.

Deferred and prepaid sales commission costs

The Company capitalizes sales commission expenses and associated payroll taxes paid to internal sales personnel and resellers, who sell the Company's offerings. The resellers are selling agents for the Company and earn sales commissions which are directly tied to the value of the contracts that the Company enters with the end-user customers. These sales commissions are incremental costs the Company incurs to obtain contracts with its end-user customers. The Company pays sales commissions on initial contracts and contracts for increased purchases with existing customers (expansion contracts). The Company generally does not pay sales commissions for contract renewals.

These sales commission costs are deferred and then amortized over the expected period of benefit, which is estimated to be five years. The Company has determined the period of benefit taking into consideration the expected subscription term and expected renewal periods of its customer contracts, the duration of its relationships with its customers considering historical and expected customer retention, technology life-cycle and other factors. Amortization expense is included in sales and marketing expenses in the accompanying Consolidated Statements of Operations. The Company evaluates its deferred and prepaid sales commission costs for possible recoverability whenever events or changes in circumstances have occurred that could indicate the carrying amount of such assets may not be recoverable.

Cost of Revenues

Cost of subscriptions revenue primarily consists of costs of network capacity purchased from third-party telecommunications providers, network operations, costs to build out and maintain data centers, including co-location fees for the right to place the Company's servers in data centers owned by third parties, depreciation of the servers and equipment, along with related utilities and maintenance costs, amortization of acquired technology related intangible assets, integrated third-party services, personnel costs associated with customer care and support of the functionality of the Company's platform and data center operations, including share-based compensation expenses, and allocated costs of facilities and information technology. Cost of subscriptions revenue is expensed as incurred.

Cost of other revenue is comprised primarily of the cost associated with purchased phones, personnel costs for employees and contractors, including share-based compensation expenses, shipping costs, costs of professional services, and allocated costs of facilities and information technology related to the procurement, management and shipment of phones. Cost of other revenue is expensed in the period product is delivered to the customer.

Asset Write-down Charges

Asset write-down charges consist of write-offs related to our assets, including deferred and prepaid sales commission. The Company performs periodic reviews to assess the recoverability of such assets, whenever events or changes in circumstances have occurred that could indicate the carrying amount of such assets may not be recoverable. An impairment loss is recognized if the carrying value of deferred commission asset exceeds the amount of consideration that the Company expects to receive in the future in exchange for goods or services to which the asset relates, less the costs that relate directly to providing those goods or services that have not yet been recognized. Asset write-down charges are included in sales and marketing expenses in the Consolidated Statements of Operations.

Share-Based Compensation

Share-based compensation expense resulting from options, restricted stock units ("RSUs"), performance-based awards ("PSUs"), and employee stock purchase plan ("ESPP") rights granted is measured at the grant date fair value of the award and is generally recognized using the straight-line attribution method over the requisite service period of the award, which is generally the vesting period. The Company estimates the fair value of stock options and ESPP rights using the Black-Scholes-Merton option-pricing model. The Company estimates the fair value of RSUs as the closing market value of its Class A

Common Stock on the grant date. The Company estimates the fair value of its market condition performance stock units ("PSUs") using the Monte Carlo simulation model. For awards with performance-based and service-based conditions, compensation cost is recognized using the graded attribution method over the requisite service period if it is probable that the performance condition will be satisfied. The expense for performance-based awards is evaluated each quarter based on the achievement of the performance conditions. The effect of a change in the estimated number of performance-based awards expected to be earned is recognized in the period those estimates are revised. Compensation expense is recognized net of estimated forfeiture activity, which is based on historical forfeiture rates.

Research and Development

Research and development expenses consist primarily of third-party contractor costs, personnel costs, technology license expenses, and depreciation associated with research and development equipment. Research and development costs are expensed as incurred.

Advertising Costs

Advertising costs, which include various forms of e-commerce such as search engine marketing, search engine optimization and online display advertising, as well as more traditional forms of media advertising such as radio and billboards, are expensed as incurred and were $93.8 million, $96.0 million, and $97.0 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Restructuring Costs

Restructuring costs generally include employee-related severance charges which are largely based upon substantive severance plans, while some are mandated requirements in certain foreign jurisdictions. Severance costs generally include severance payments, outplacement services, health insurance coverage and legal costs. One-time employee termination benefits are recognized when the plan of termination has been communicated to employees and certain other criteria are met. Other severance and employee costs, primarily pertaining to ongoing employee benefit arrangements, are recognized when it is probable that the employees are entitled to the severance benefits and the amounts can be reasonably estimated.

Income Taxes

The Company accounts for income taxes using the asset and liability method. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in operations in the period that includes the enactment date. The Company records a valuation allowance to reduce its deferred tax assets to the amount of future tax benefit that is more likely than not to be realized. As of December 31, 2025, except for deferred tax assets associated with certain foreign subsidiaries, the Company recorded a full valuation allowance against substantially all of its net deferred tax assets due to its history of operating losses. The Company classifies interest and penalties on unrecognized tax benefits as income tax expense.

Related Party Transactions

In the ordinary course of business, the Company purchased health insurance services from UnitedHealthcare, a subsidiary of UnitedHealth Group, a provider of health insurance services to the Company. One of the Company's directors, who was recently added to the Board in December 2025, serves as Senior Vice President and Chief Technology Officer of UnitedHealth Group. There were no material amounts payable to or receivable from UnitedHealthcare as of December 31, 2025. During the year ended December 31, 2025, the Company incurred total expenses of $29.2 million with UnitedHealthcare.

Recent Accounting Pronouncements Not Yet Adopted

In November 2024, the FASB issued Accounting Standards Update No. 2024-03: *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses (ASU 2024-03)*, which requires disaggregation of certain costs in a separate note to the financial statements, such as the amounts of employee compensation, depreciation and intangible asset amortization, included in each relevant expense caption in annual and interim financial statements. This ASU also requires disclosure of the total amount of selling expenses and our definition of selling expenses. ASU 2024-03 is effective for annual periods beginning after December 15, 2026 and for interim periods beginning after December 15, 2027 on a retrospective or prospective basis, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2024-03 on its financial statement disclosures.

In July 2025, the FASB issued Accounting Standards Update No. 2025-05: *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets (ASU 2025-05)*, providing a practical expedient to calculating current expected credit losses for current accounts receivable and contract assets by assuming that the current conditions as of the balance sheet date will not change for the remaining life of the asset. This update is effective for annual reporting periods beginning after December 15, 2025 and for interim periods within those annual periods, and is applied prospectively. The adoption of ASU 2025-05 is not expected to have a material impact on the Company's results of operations, financial position or liquidity or its related financial statement disclosures.

In September 2025, the FASB issued Accounting Standards Update No. 2025-06: *Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*, which simplifies the capitalization guidance by removing all references to software development project stages so that the guidance is neutral to different software development methods. The amendments in this ASU are effective for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods, with early adoption permitted. The amendments in this update permit an entity to apply the new guidance using a prospective, retrospective or modified transition approach. The Company is currently evaluating the impact of adopting ASU 2025-06 on its financial statements.

Recently Adopted Accounting Pronouncements

In December 2023, the FASB issued Accounting Standards Update No. 2023-09: *Income Taxes (Topic 740): Improvements to Income Tax Disclosures (ASU 2023-09),* which requires public entities, on an annual basis, to provide disclosure of specific categories in the rate reconciliation, as well as disclosure of income taxes paid disaggregated by jurisdiction. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The Company adopted ASU 2023-09 effective January 1, 2025 and applied the guidance prospectively. The adoption of ASU 2023-09 did not have a material impact on the Company's consolidated financial statements, as the amendments primarily affect income tax disclosures. For more details, refer to Note 13 - *Income Taxes* of this Annual Report on Form 10-K.

Note 2. Revenue

The Company derives its revenues primarily from subscriptions, sale of products, and professional services. Revenues are recognized when control is transferred to the customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services or products.

Disaggregation of revenue

Revenue by geographic location is based on the billing address of the customer. The following table provides information about disaggregated revenue by primary geographical markets:

	Year ended December 31,		
	2025	2024	2023
Primary geographical markets			
North America [1]	89 %	90 %	90 %
Others	11 %	10 %	10 %
Total revenues	100 %	100 %	100 %

(1) Total revenues attributed to the United States were 93% of North America total revenues for the years ended December 31, 2025 and 2024, and 94% for the year ended December 31, 2023.

The Company derived over 90% of subscription revenues from RingEX and RingCentral contact center solutions for the years ended December 31, 2025, 2024, and 2023. For the years ended December 31, 2025 and 2024 and 2023, RingCentral contact center solutions represented over 10% of total revenues.

Deferred revenue

During the year ended December 31, 2025, the Company recognized approximately all of the corresponding deferred revenue balance at the beginning of the year as revenue.

Remaining performance obligations

The typical subscription term ranges from one month to five years. Contract revenue as of December 31, 2025 that has not yet been recognized was approximately $2.6 billion. This excludes contracts with an original expected length of less than one year. Of these remaining performance obligations, the Company expects to recognize revenue of 55% of this balance over the next 12 months and 45% thereafter.

Other revenues

Other revenues are primarily comprised of product revenue from the sale of pre-configured phones, and professional services. Product revenues from the sale of pre-configured phones were $46.4 million, $51.9 million, and $44.8 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Note 3. Financial Statement Components

Cash and cash equivalents consisted of the following (in thousands):

	December 31, 2025	December 31, 2024
Cash	$ 127,140	$ 128,308
Money market funds	5,424	114,503
Total cash and cash equivalents	$ 132,564	$ 242,811

As of December 31, 2025 and 2024, $8.4 million and $7.4 million in the cash balance above, respectively, represents restricted cash, which is held in the form of a bank deposit for issuance of a foreign bank guarantee.

Accounts receivable, net consisted of the following (in thousands):

	December 31, 2025	December 31, 2024
Accounts receivable	$ 303,256	$ 300,805
Unbilled accounts receivable	98,935	100,578
Allowance for doubtful accounts	(18,091)	(15,131)
Accounts receivable, net	$ 384,100	$ 386,252

Prepaid expenses and other current assets consisted of the following (in thousands):

	December 31, 2025	December 31, 2024
Prepaid expenses	$ 43,142	$ 39,858
Inventory	929	1,243
Other current assets	37,119	18,343
Total prepaid expenses and other current assets	$ 81,190	$ 59,444

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

	December 31, 2025	December 31, 2024
Computer hardware and software	$ 274,700	$ 252,961
Internal-use software development costs	377,785	314,944
Furniture and fixtures	8,990	8,965
Leasehold improvements	10,041	12,367
Property and equipment, gross	671,516	589,237
Less: accumulated depreciation and amortization	(484,946)	(408,587)
Property and equipment, net	$ 186,570	$ 180,650

Total depreciation and amortization expense related to property and equipment was $87.2 million, $86.1 million, and $82.9 million for the years ended December 31, 2025, 2024 and 2023, respectively.

The carrying value of goodwill is as follows (in thousands):

Balance at December 31, 2024	$ 82,986
Acquisitions (Note 8)	12,273
Foreign currency translation adjustments	2,533
Balance at December 31, 2025	$ 97,792

The carrying values of intangible assets are as follows (in thousands):

		December 31, 2025			December 31, 2024		
	Weighted-Average Remaining Useful Life	Cost	Accumulated Amortization And Impairment	Acquired Intangibles, Net	Cost	Accumulated Amortization And Impairment	Acquired Intangibles, Net
Customer relationships	3.1 years	$ 60,660	$ 34,745	$ 25,915	$ 51,312	$ 25,833	$ 25,479
Developed technology	1.0 year	784,130	674,635	109,495	779,794	546,747	233,047
Total acquired intangible assets		$ 844,790	$ 709,380	$ 135,410	$ 831,106	$ 572,580	$ 258,526

For the year ended December 31, 2024, the Company recognized a gross reduction of $50.6 million related to its developed technology assets. This reduction included $28.5 million due to an amended agreement with a strategic partner and $22.1 million attributed to the retirement of fully amortized developed technology. See Note 5 - *Strategic Partnerships* for additional information regarding our amended agreement with a strategic partner. During the year ended December 31, 2024, the Company purchased certain intangible assets including customer relationships, developed technology, trademarks and domain names amounting to $29.8 million.

Amortization expense from acquired intangible assets for the years ended December 31, 2025, 2024 and 2023 was $135.4 million, $136.5 million, and $151.1 million, respectively. Amortization of developed technology is included in cost of revenues and amortization of customer relationships is included in sales and marketing expenses in the Consolidated Statements of Operations.

Estimated amortization expense for acquired intangible assets for the following fiscal years is as follows (in thousands):

2026	$ 114,632
2027	9,515
2028	8,015
2029	2,711
2030 onwards	537
Total estimated amortization expense	$ 135,410

Accrued liabilities consisted of the following (in thousands):

	December 31, 2025	December 31, 2024
Accrued compensation and benefits	$ 54,715	$ 47,415
Accrued sales, use, and telecom related taxes	54,182	55,699
Accrued marketing and sales commissions	37,102	36,391
Operating lease liabilities, short-term	21,293	20,445
Other accrued expenses	130,341	123,849
Total accrued liabilities	$ 297,633	$ 283,799

Deferred and Prepaid Sales Commission Costs

Amortization expense for the deferred and prepaid sales commission costs for the years ended December 31, 2025, 2024 and 2023 were $163.6 million, $162.6 million, and $138.1 million, respectively. There was no asset write-off or impairment loss in relation to the deferred commission costs capitalized for the periods presented.

The Company evaluates the recoverability of its deferred and prepaid sales commission balance whenever events or circumstances indicate that the carrying amount of such assets may not be recoverable. During the year ended December 31, 2025, the Company recorded a non-cash asset write-down charge of $11.4 million pursuant to an amended partner arrangement, in sales and marketing expense in the accompanying Consolidated Statements of Operations.

Note 4. Fair Value of Financial Instruments

The Company measures and reports certain cash equivalents, including money market funds and certificates of deposit, derivative interest rate swap agreement, and contingent consideration at fair value in accordance with the provisions of the authoritative accounting guidance that addresses fair value measurements. This guidance establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available.

The hierarchy is broken down into three levels based on the reliability of the inputs as follows:

Level 1: Observable inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: Other inputs, such as quoted prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.

Level 3: Unobservable inputs that are supported by little or no market activity and that are based on management's assumptions, including fair value measurements determined by using pricing models, discounted cash flow methodologies or similar techniques.

The financial assets carried at fair value were determined using the following inputs (in thousands):

	Fair Value at December 31, 2025	Level 1	Level 2	Level 3
Cash equivalents:				
Money market funds	$ 5,424	$ 5,424	$ —	$ —
Accrued liabilities:				
Interest rate swap derivatives	$ 1,285	$ —	$ 1,285	$ —
Contingent consideration	$ 911	$ —	$ —	$ 911
Other long-term liabilities:				
Interest rate swap derivatives	$ 2,133	$ —	$ 2,133	$ —
Contingent consideration	$ 1,136	$ —	$ —	$ 1,136

	Fair Value at December 31, 2024	Level 1	Level 2	Level 3
Cash equivalents:				
Money market funds	$ 114,503	$ 114,503	$ —	$ —
Other assets:				
Interest rate swap derivatives	$ 2,367	$ —	$ 2,367	$ —
Other long-term liabilities:				
Contingent consideration	$ 3,000	$ —	$ —	$ 3,000

The Company's other financial instruments, including accounts receivable, other current assets, accounts payable, accrued liabilities and other liabilities, are carried at cost, which approximates fair value due to the relatively short maturity of those instruments.

Fair Value of Long-Term Debt

As of December 31, 2025, the fair value of the 0% convertible senior notes due 2026 (the "2026 Convertible Notes") was approximately $602.1 million. The fair value for the 2026 Convertible Notes was determined based on the quoted price for such notes in an inactive market on the last trading day of the reporting period and is considered as Level 2 in the fair value hierarchy.

As of December 31, 2025, the carrying amount of the Term Loan was $302.3 million. As there are no embedded features or other variable features, the fair value of the Term Loan approximated its carrying value.

As of December 31, 2025, the fair value of the 8.5% senior notes due 2030 (the "2030 Senior Notes") was approximately $371.7 million. The fair value for the 2030 Senior Notes was determined based on the quoted price for such notes in an inactive market on the last trading day of the reporting period and is considered as Level 2 in the fair value hierarchy.

Fair Value of Derivative Instruments

The Company's interest rate swap derivative, which is considered as Level 2 in the fair value hierarchy, is valued using a discounted cash flow model that utilizes observable inputs including forward interest rate data at the measurement date.

Fair Value of Contingent Consideration

The contingent consideration as presented in the fair value table above is related to the Company's acquisition in the third quarter of 2025, and represents the future potential earn-out payments based on the achievement of specified performance targets. The fair value of the contingent consideration liability was determined using significant unobservable inputs including the discount rate and projected revenues. This liability is also classified as Level 3 within the fair value hierarchy.

Note 5. Strategic Partnerships

Other Strategic Partnerships

During the year ended December 31, 2024, the Company and Mitel amended certain terms of their prior strategic arrangement, pursuant to which Mitel became a non-exclusive partner of the Company. In connection with the transaction, there was a release of $28.5 million of unpaid contingent consideration, which was recorded as a reduction to the developed technology intangible assets.

During the year ended December 31, 2024 and 2023, the Company recorded a gain of $7.7 million, and $11.5 million, respectively, in other (expense) income in the Consolidated Statements of Operations, pursuant to an amended agreement with one of its strategic partners.

Note 6. Long-Term Debt

The following table sets forth the net carrying amount of the Company's long-term debt (in thousands):

Debt Instrument	Maturity Date	December 31, 2025	December 31, 2024
2030 Senior Notes	August 15, 2030	$ 350,000	$ 400,000
Term Loan under Credit Agreement [1]	September 11, 2030	302,250	370,000
Revolving Credit Facility under Credit Agreement [2]	September 11, 2030	—	—
2026 Convertible Notes	March 15, 2026	609,065	609,065
2025 Convertible Notes [3]	March 1, 2025	—	$ 161,326
Total principal amount		1,261,315	$ 1,540,391
Less: unamortized debt discount and issuance costs on long-term debt		(7,519)	$ (11,258)
Less: current portion of long-term debt, net [4]		(624,216)	$ (181,252)
Net carrying amount of long-term debt		$ 629,580	$ 1,347,881

(1) The Company has $650.0 million available for drawdown under the Term Loan as of December 31, 2025.

(2) The Company has $305.0 million available for borrowing under the Revolving Credit Facility as of December 31, 2025.

(3) The Company settled the remaining $161.3 million principal of the 2025 Convertible Notes in cash on the original maturity date in March 2025.

(4) As of December 31, 2025, the current portion of long-term debt, net, consists of the $608.7 million net carrying amount of the 2026 Convertible Notes and $15.5 million in expected principal payments due on the Term Loan. The Term Loan requires quarterly principal payments of 1.25% of the refinanced $310.0 million principal amount drawn, with balance due at maturity.

The following table sets forth the future minimum principal payments for long-term debt as of December 31, 2025 (in thousands):

	2026 Convertible Notes	Term Loan	2030 Senior Notes	Total
2026	$ 609,065	$ 15,500	$ —	$ 624,565
2027	—	15,500	—	15,500
2028	—	15,500	—	15,500
2029	—	15,500	—	15,500
2030 onwards	—	240,250	350,000	590,250
Total principal amount	$ 609,065	$ 302,250	$ 350,000	$ 1,261,315

2030 Senior Notes

In August 2023, the Company issued $400.0 million aggregate principal amount of the 2030 Senior Notes in a private offering. The 2030 Senior Notes are senior unsecured obligations of the Company and bear interest at a fixed rate of 8.5% per annum payable semi-annually in arrears on February 15th and August 15th of each year. The 2030 Senior Notes are guaranteed by the Company's domestic subsidiaries and are subject to certain covenants and redemption provisions outlined in the indenture governing the 2030 Senior Notes (the "Senior Notes Indenture").

In June 2025, the Company repurchased $50.0 million of principal on its 2030 Senior Notes for an aggregate repurchase price of $53.9 million. This repurchase resulted in the recognition of a $4.7 million loss on debt extinguishment, which includes the call premium and the write-off of related unamortized debt discount and issuance costs. The loss is recorded in Other (expense) income, net in the Consolidated Statements of Operations.

As of December 31, 2025, the carrying value of the outstanding 2030 Senior Notes, net of unamortized debt discount and issuance costs, was $344.9 million, and the Company was in compliance with all covenants under the Senior Notes Indenture. The effective interest rate on the 2030 Senior Notes was 8.9% as of December 31, 2025.

Credit Agreement

In February 2023, the Company entered into a credit agreement with certain lenders, from time to time party thereto and Bank of America, N.A., as administrative agent and as collateral agent (as amended from time to time, the "Credit Agreement"), providing for a $400.0 million Term Loan (the "Term Loan") and $200.0 million revolving credit facility (the "Revolving Credit Facility"). In the second quarter of 2023, the Company drew down the initial $400.0 million Term Loan and used the proceeds to repurchase a portion of the Company's 0% convertible senior notes that were due in 2025 (the "2025 Convertible Notes"). The credit facilities were subsequently amended in 2023 and 2024 to increase the Term Loan by $350.0 million and the Revolving Credit Facility from $200.0 million to $225.0 million. The Company made an early principal repayment of $50.0 million of the drawn Term Loan during the quarter ended June 30, 2025, in addition to the required quarterly principal payments, reducing the outstanding Term Loan balance to $310.0 million at the beginning of the third quarter of 2025.

The credit facilities were amended in September 2025 to refinance the outstanding $310.0 million Term Loan and increase the delayed draw Term Loan commitments by $300.0 million to a total of $650.0 million, and to increase the Revolving Credit Facility to a total of $305.0 million. The proceeds from the undrawn Term Loan and Revolving Credit Facility can be used for the repurchase or repayment of the Company's convertible notes, share repurchases, working capital and general corporate purposes.

The $650.0 million of the Term Loan remains available for draw until March 15, 2026, thereafter, the amount available to be drawn under the Term Loan shall be reduced to $325.0 million through June 30, 2026, thereafter, the amount available to be drawn under the Term Loan shall be reduced to $162.5 million through September 30, 2026. Additionally, the $305.0 million Revolving Credit Facility commitments remain available for draw until September 11, 2030, at which time it will terminate, and all outstanding revolving loans under the facility will be due and payable. The Company will continue to pay a quarterly ticking fee of 0.30% per annum on the daily unused amount of the Term Loan until the earlier of the funding or the end of the availability period. Any drawdown under the Credit Agreement would be subject to compliance with the restrictive covenants in the Senior Notes Indenture. The Company also pays a fee of up to 0.35% per annum on the daily unused amount of the Revolving Credit Facility commitments.

The credit facilities are guaranteed by certain material domestic subsidiaries of the Company, and secured by substantially all of the personal property of the Company and such subsidiary guarantors. If on the date that was 91 days prior to the final scheduled maturity date of the 2026 Convertible Notes, the 2026 Convertible Notes were in an aggregate principal amount outstanding that exceeds an amount equal to 50% of last twelve months EBITDA, calculated as set forth in the Credit Agreement and available liquidity, calculated as the sum of Company unrestricted cash and undrawn commitments under the Credit Agreement, as of such date was less than 125% of the aggregate principal amount of the Convertible Notes that were outstanding on such date, the maturity date of both the Revolving Credit Facility and Term Loan would have automatically been modified to be such date. No such modification occurred during the year ended December 31, 2025.

Borrowings under the Credit Agreement will bear interest, at the Company's option, at either: (a) the fluctuating rate per annum equal to the greatest of (i) the prime rate then in effect, (ii) the federal funds rate then in effect, plus 0.5% per annum, (iii) an adjusted term Secured Overnight Financing Rate ("SOFR") determined on the basis of a one-month interest period plus 1.0% and (iv) 1.0%, in each case, plus a margin of between 0.375% and 1.375%; and (b) an adjusted term SOFR rate (based on one, three or six month interest periods), plus a margin of between 1.375% and 2.375%. The applicable margin in each case is determined based on the Company's total net leverage ratio and varies between tranches of Term Loans. Interest is payable quarterly in arrears with respect to borrowings bearing interest at the alternate base rate or on the last day of an interest period, but at least every three months, with respect to borrowings bearing interest at the term SOFR rate.

As of December 31, 2025, the carrying value of the Term Loan, net of unamortized debt discount and issuance costs, was $300.2 million. As of December 31, 2025, the Company incurred $17.4 million of debt issuance costs in connection with the Credit Agreement, of which $12.1 million was capitalized in the Consolidated Balance Sheets and amortized primarily using the effective interest rate over the term of the Credit Agreement, while the remaining amount was expensed in the period incurred. As of December 31, 2025, the effective interest rate on the Term Loan was 5.7%. As of December 31, 2025, the Company was in compliance with all covenants under the Credit Agreement.

Convertible Notes

In March 2020, the Company issued $1.0 billion of the 2025 Convertible Notes, and in September 2020, it issued $650.0 million of the 2026 Convertible Notes. In March 2025, the Company repaid the remaining $161.3 million of principal of the 2025 Convertible Notes in cash upon maturity. The 2026 Convertible Notes are senior, unsecured obligations that do not bear regular interest and the principal amount of the 2026 Convertible Notes does not accrete.

As of December 31, 2025, the carrying value of the 2026 Convertible Notes, net of unamortized debt issuance costs, was $608.7 million, and the Company was in compliance with all covenants under the indenture governing the 2026 Convertible Notes ("2026 Convertible Notes Indenture").

Other Terms of the Notes

	2026 Convertible Notes
$1,000 principal amount initially convertible into number of the Company's Class A Common Stock par value $0.0001	2.3583 shares
Equivalent initial approximate conversion price per share	$ 424.03

Beginning on December 15, 2025, holders have the right to elect to convert their 2026 Convertible Notes at any time until March 13, 2026, the scheduled trading day immediately prior to the maturity date of the 2026 Convertible Notes.

The following table sets forth the interest expense recognized related to long-term debt (in thousands):

	Twelve Months Ended December 31,		
	2025	2024	2023
Contractual interest expense	$ 52,857	$ 59,138	$ 29,285
Amortization of debt discount and issuance costs	4,627	4,272	4,566
Total interest expense related to long-term debt	$ 57,484	$ 63,410	$ 33,851

The following table sets forth the future minimum contractual interest for long-term debt as of December 31, 2025 (in thousands):

	Term Loan [1]	2030 Senior Notes	Total
2026	$ 17,954	$ 29,750	$ 47,704
2027	17,748	29,750	47,498
2028	15,152	29,750	44,902
2029	14,054	29,750	43,804
2030 onwards	9,261	29,750	39,011
Total contractual interest amount	$ 74,169	$ 148,750	$ 222,919

(1) Includes the impact of interest rate swap. Refer to Note 7 - *Derivative Instruments* in this Annual Report on Form 10-K for additional information.

Note 7. Derivative Instruments

In May 2023, the Company entered into a five-year floating-to-fixed interest rate swap agreement with the objective of reducing exposure to the fluctuating interest rates associated with the Company's variable rate borrowing program by paying quarterly a fixed interest rate of 3.79%, plus a margin of 2% to 3%. The interest rate swap agreement became effective on June 30, 2023, and terminates on February 14, 2028.

The Company's interest rate swap agreement is designated as a cash flow hedge under ASC 815, Derivatives and Hedging ("ASC 815"). These hedges are highly effective in offsetting changes in the Company's future expected cash flows due to the fluctuation of the Company's variable rate debt. The Company monitors the effectiveness of its hedges on a quarterly basis. The Company does not hold its interest rate swap agreement for trading or speculative purposes. The Company recognizes its interest rate derivative designated as a cash flow hedge on a gross basis as an asset and a liability at fair value in the Consolidated Balance Sheets. The unrealized gains and losses on the interest rate swap agreement are included in other comprehensive income (loss) and are subsequently recognized in earnings within or against interest expense when the hedged interest payments are accrued.

As of December 31, 2025, the interest rate swap agreement had a notional amount of $350.0 million, of which $300.0 million remained designated as a cash flow hedge of the Company's floating-rate debt. During the quarter ended June 30, 2025, $50 million of the swap was dedesignated from hedge accounting following the early repayment of $50.0 million of the Term Loan under the Credit Agreement.

During the year ended December 31, 2025, the Company reclassified $1.1 million from accumulated other comprehensive loss to earnings as an offset and reduction to interest expense. As of December 31, 2025, the Company estimates the net amount related to the interest rate swaps under the interest rate swap agreement expected to be reclassified into earnings over the next 12 months is approximately $1.1 million as interest expense.

Note 8. Business Combinations

On August 20, 2025, the Company completed its acquisition of 100% of the equity interests of CommunityWFM ("Community"), a cloud-based workforce management platform. The acquisition strengthens RingCentral's RingCX contact center platform with advanced AI-driven workforce management capabilities and streamlines contact center operations. The total purchase price of $25.2 million, net of cash acquired, of which $20.8 million was paid in cash at closing, $2.4 million was designated as indemnity holdback consideration payable in January 2028, and $2.0 million as acquisition-date fair value of contingent consideration, payable in cash based on the achievement of specified performance targets through January 2028. The transaction was accounted for as a business combination. The preliminary allocation of purchase price based on the estimated fair values included $8.3 million for acquired customer relationships, $4.1 million for developed technology, and $0.5 million for net acquired assets, with the remaining $12.3 million allocated to goodwill. The amortizable intangible assets have a weighted-average useful life of three years. The goodwill recognized is attributable primarily to enhancements to the Company's contact center product offerings and assembled workforce.

As part of the transaction above, additional contingent consideration of up to $4 million, payable in cash over three years is based on the achievement of specified performance targets and are contingent upon the continued service of the key employees. This potential obligation is accounted for as post-combination compensation expense and is therefore not included in the total purchase price. The expense will primarily be recognized in research and development within the Consolidated Statements of Operations over the requisite service period.

On June 21, 2024, the Company acquired certain customer relationships, intellectual property assets, and supporting operations and personnel for Mitel's MiCloud Connect & Sky UCaaS offerings for a cash consideration of $26.3 million. The transaction was accounted for as a business combination. The purchase price allocation was based on the estimated fair value of the acquired customer relationships and developed technology intangible assets of $25.3 million and $2.0 million, respectively, net acquired liabilities of $17.8 million, and goodwill of $16.8 million. The amortizable intangible assets have a weighted-average useful life of approximately five years. The goodwill recognized was attributable primarily to the assembled workforce and synergies. Transaction costs related to the acquisition of $3.6 million were expensed as incurred as general and administrative expenses. The Company included the results of operations from the acquisition date, which were not material, in the consolidated financial statements.

Note 9. Leases

The Company primarily leases facilities for office and data center space under non-cancelable operating leases for its U.S. and international locations. As of December 31, 2025, non-cancelable leases expire on various dates between 2026 and 2029.

Generally, the non-cancelable leases include one or more options to renew, with renewal terms that can extend the lease term from one to six years. The Company has the right to exercise or forego the lease renewal options. The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

As of December 31, 2025 and 2024, the balance sheet components of leases were as follows (in thousands):

	December 31, 2025	December 31, 2024
Operating lease right-of-use assets	$ 30,855	$ 46,463
Accrued liabilities	$ 21,293	$ 20,445
Operating lease liabilities	14,372	29,733
Total operating lease liabilities	$ 35,665	$ 50,178

The components of operating lease expense were as follows (in thousands):

	Twelve Months Ended December 31,		
	2025	2024	2023
Operating lease cost [1]	$ 28,891	$ 25,167	$ 23,315
Variable lease cost [2]	5,398	4,560	4,412
Total lease cost	$ 34,289	$ 29,727	$ 27,727

(1) Includes short-term lease costs, which were not material in the years ended December 31, 2025, 2024, and 2023.

(2) Variable lease cost includes common area maintenance, property taxes, utilities and fluctuations in rent due to a change in an index or rate.

As of December 31, 2025, maturities of operating lease liabilities were as follows (in thousands):

Year Ending December 31,	
2026	$ 22,737
2027	9,578
2028	4,652
2029 onwards	831
Total future minimum lease payments	37,798
Less: Imputed interest	(2,133)
Present value of lease liabilities	$ 35,665

The supplemental cash flow information related to operating leases for the twelve months ended December 31, 2025 and 2024 were as follows (in thousands):

	Year ended December 31,	
	2025	2024
Operating cash flows resulting from operating leases:		
Cash paid for amounts included in the measurement of lease liabilities	$ 26,070	$ 21,876
New ROU assets obtained in exchange of lease liabilities:		
Operating leases	$ 8,229	$ 24,966

Other information related to operating leases were as follows:

	December 31, 2025	December 31, 2024
Weighted-average remaining operating lease term (years)	2.0	2.6
Weighted-average operating lease discount rate	6.3 %	6.6 %

The lease for our corporate headquarters located at 20 Davis Drive, Belmont, California, comprising approximately 84,148 rentable square feet, is scheduled to expire on July 31, 2026. The terms of the renewal are currently being negotiated and have not been finalized as of the date of issuance of these financial statements.

Note 10. Commitments and Contingencies

Legal Matters

The Company is subject to certain legal proceedings described below, and from time to time may be involved in a variety of claims, lawsuits, investigations, and proceedings relating to contractual disputes, intellectual property rights, employment matters, regulatory compliance matters, and other litigation matters relating to various claims that arise in the normal course of business.

The Company determines whether an estimated loss from a contingency should be accrued by assessing whether a loss is deemed probable and can be reasonably estimated. The Company assesses its potential liability by analyzing specific litigation and regulatory matters using reasonably available information. The Company develops its views on estimated losses in consultation with inside and outside counsel, which involves a subjective analysis of potential results and outcomes, assuming various combinations of appropriate litigation and settlement strategies. Actual claims could settle or be adjudicated against the Company in the future for materially different amounts than the Company has accrued due to the inherently unpredictable nature of litigation. Legal fees are expensed in the period in which they are incurred.

Employee Agreements

The Company has signed various employment agreements with executives and key employees pursuant to which if the Company terminates their employment without cause or if the employee terminates his or her employment for good reason following a change of control of the Company, the employees are entitled to receive certain benefits, including severance payments, accelerated vesting of stock options and RSUs, and continued COBRA coverage.

Indemnification

Certain of the Company's agreements with resellers and customers include provisions for indemnification against liabilities if their subscriptions infringe upon a third-party's intellectual property rights. At least quarterly, the Company assesses the status of any significant matters and its potential financial statement exposure. If the potential loss from any claim or legal proceeding is considered probable and the amount or the range of loss can be estimated, the Company accrues a liability for the estimated loss. The Company has not incurred any material costs as a result of such indemnification provisions. The Company has not accrued any material liabilities related to such obligations as of December 31, 2025 and 2024.

Purchase Obligations

Our purchase obligations are primarily related to third-party managed hosting services and represent our non-cancellable open purchase orders and contractual obligations for which we have not received the goods or services.

The following table sets forth our non-cancellable open purchase obligations for each of the next five years and thereafter as of December 31, 2025 (in thousands):

	Purchase Obligations
2026	$ 63,111
2027	40,033
2028	29,933
2029	4,646
2030	511
Total	$ 138,234

Note 11. Stockholders' Deficit and Convertible Preferred Stock

In connection with the Company's initial public offering, the Company reincorporated in Delaware on September 26, 2013. The Delaware certificate of incorporation provides for two classes of common stock: Class A and Class B Common Stock, both with a par value of $0.0001 per share. In addition, the certificate of incorporation authorizes shares of undesignated preferred stock with a par value of $0.0001 per share, pursuant to which on November 9, 2021, the Company filed a certificate of designations authorizing the issuance of 200,000 shares of Series A Convertible Preferred Stock. The terms of preferred stock are described below.

Preferred Stock

The board of directors may, without further action by the stockholders, fix the powers, designations, preferences, or relative participating, optional, or other rights, and the qualifications, limitations, and restrictions of up to an aggregate of 100,000,000 shares of preferred stock in one or more series and authorizes their issuance. These rights, preferences, and privileges could include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund terms and the number of shares constituting any series or the designation of such series, any or all of which may be greater than the rights of the Class A and Class B Common Stock. As of December 31, 2025 and 2024, there were 100,000,000 shares of preferred stock authorized, 200,000 shares of which are issued and outstanding as Series A Convertible Preferred Stock.

Class A and Class B Common Stock

The Company has authorized 1,000,000,000 and 250,000,000 shares of Class A Common Stock and Class B Common Stock for issuance, respectively. Holders of Class A Common Stock and Class B Common Stock have identical rights for matters submitted to a vote of the Company's stockholders. Holders of Class A Common Stock are entitled to one vote per share of Class A Common Stock and holders of Class B Common Stock are entitled to 10 votes per share of Class B Common Stock. Holders of shares of Class A Common Stock and Class B Common Stock vote together as a single class on all matters (including the election of directors) except for specific circumstances that would adversely affect the powers, preferences, or rights of a particular class of Common Stock. Subject to preferences that may apply to any shares of preferred stock outstanding at the time, holders of Class A and Class B Common Stock share equally, identically and ratably, on a per share basis, with respect to any dividend or distribution of cash, property or shares of the Company's capital stock. Holders of Class A and Class B Common Stock also share equally, identically, and ratably in all assets remaining after the payment of any liabilities and liquidation preferences and any accrued or declared but unpaid dividends, if any, with respect to any outstanding preferred stock at the time. Each share of Class B Common Stock is convertible at any time at the option of the holder into one share of Class A Common Stock. In addition, each share of Class B Common Stock will convert automatically to Class A Common Stock upon: (i) the date specified by an affirmative vote or written consent of holders of at least 67% of the outstanding shares of Class B Common Stock, (ii) the date on which the number of outstanding shares of Class B Common Stock represents less than 10% of the aggregate combined number of outstanding shares of Class A Common Stock and Class B Common Stock, or (iii) any time seven years after the Company's initial public offering (October 2, 2020), when a stockholder owns less than 50% of the shares of Class B Common Stock that such holder owned immediately prior to completion of the initial public offering.

Shares of Class A Common Stock reserved for future issuance were as follows (in thousands):

	December 31, 2025
Preferred stock	100,000
Class B Common Stock	9,805
2013 Employee stock purchase plan	6,855
2013 Equity incentive plan:	
Outstanding options and restricted stock unit awards	6,275
Available for future grants	14,229
	137,164

Share Repurchase Programs

Under the Company's share repurchase programs, share repurchases may be made at the Company's discretion from time to time in open market transactions, privately negotiated transactions, or other means, including under plans complying with Rule 10b5-1 under the Securities Exchange Act of 1934. The programs do not obligate the Company to repurchase any specific dollar amount or to acquire any specific number of shares of its Class A Common Stock. The timing and number of any shares repurchased under the programs will depend on a variety of factors, including stock price, trading volume, and general business and market conditions.

The following tables summarizes the share repurchase activity of the Company's Class A Common Stock (in thousands):

	Year Ended December 31,					
	2025		2024		2023	
	Shares	Amount	Shares	Amount	Shares	Amount
Repurchases under share repurchase programs	11,798	$ 333,386	9,600	$ 316,923	10,066	$ 314,964
Amounts for excise tax withholdings and broker's commissions	—	1,799	—	1,040	—	1,357
Total repurchases of common stock	11,798	$ 335,185	9,600	$ 317,963	10,066	$ 316,321

As of December 31, 2025, approximately $248.8 million remained authorized and available under the Company's share repurchase programs for future share repurchases. The Inflation Reduction Act of 2022 imposed a nondeductible 1% excise tax on the net value of certain stock repurchases made after December 31, 2022. During the year ended December 31, 2025, 2024 and 2023, the Company included the applicable excise tax withholdings and/or broker's commissions in additional paid-in capital as part of the cost basis of repurchased stock. A corresponding liability for excise taxes payable was recorded in accrued liabilities on the Consolidated Balance Sheets.

On January 29, 2026, our Board of Directors increased our remaining share repurchase authorization to $400.0 million, subject to certain limitations and inclusive of repurchases since December 31, 2025. On February 18, 2026, our Board of Directors further increased our remaining share repurchase authorization to $500.0 million, subject to certain limitations and inclusive of repurchases since December 31, 2025. The share repurchase authorizations do not expire.

The following table summarizes the number of shares of the Company's Class A Common Stock repurchased and settled under share repurchase programs (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Repurchases under share repurchase programs	11,798	9,600	10,066
Repurchases unsettled during period	—	—	(118)
Prior-period share repurchases settled during period	—	118	—
Total repurchases of common stock settled	11,798	9,718	9,948

Dividend

On February 19, 2026, the Company announced the initiation of its first quarterly cash dividend program. Under the program, the Company's Board of Directors approved a cash dividend of $0.075 per share to be paid on March 16, 2026, to stockholders of record as of March 9, 2026, on each of the Company's Class A common stock, Class B common stock, and Series A Convertible Preferred Stock (on an as-converted basis).

The declaration, payment, and amount of any future dividends will be at the discretion of our Board of Directors and will depend on, among other factors, our results of operations, financial condition, liquidity, capital requirements, and other factors deemed relevant by our Board.

Series A Convertible Preferred Stock

On November 8, 2021, the Company entered into the Investment Agreement, pursuant to which the Company sold to Searchlight Investor, in a private placement exempt from registration under the Securities Act of 1933, as amended, 200,000 shares of newly issued Series A Convertible Preferred Stock, par value $0.0001 per share, for an aggregate purchase price of $200 million. The Series A Convertible Preferred Stock issued to Searchlight Investor pursuant to the Investment Agreement is

convertible into shares of the Company's Class A Common Stock, par value $0.0001 per share, at a conversion price of $269.22 per share, subject to adjustment as provided in the certificate of designations specifying the terms of such shares. The transactions contemplated by the Investment Agreement closed on November 9, 2021. The Series A Convertible Preferred Stock ranks senior to the shares of the Company's Class A Common Stock and Class B Common Stock with respect to rights on the distribution of assets on any voluntary or involuntary liquidation or winding up of the affairs of the Company. The Series A Convertible Preferred Stock is a zero coupon, perpetual preferred stock, with a liquidation preference of $1,000 per share and other customary terms, including with respect to mandatory conversion and change of control premium under certain circumstances. The shares of Series A Convertible Preferred Stock shall not be redeemable or otherwise mature, other than for a liquidation or a specified change in control event as provided in the certificate of designations specifying the terms of such shares. Holders of Series A Convertible Preferred Stock will be entitled to vote with the holders of the Class A Common Stock and Class B Common Stock on an as-converted basis. Holders of the Series A Convertible Preferred Stock will be entitled to a separate class vote with respect to, among other things, certain amendments to the Company's organizational documents that have an adverse impact on the rights, preferences, privileges or voting power of the Series A Convertible Preferred Stock, authorizations or issuances of Company capital stock, or other securities convertible into capital stock, that is senior to, or equal in priority with, the Series A Convertible Preferred Stock, and increases or decreases in the number of authorized shares of Series A Convertible Preferred Stock.

As the liquidation or specified change in control event is not solely within the Company's control, the Series A Convertible Preferred Stock is therefore classified as temporary equity and recorded outside of stockholders' equity on the Consolidated Balance Sheet. As of December 31, 2025 and 2024, there were 200,000 shares of the Company's Series A Convertible Preferred Stock issued and outstanding, and the carrying value, net of issuance costs, was $199.4 million.

Note 12. Share-Based Compensation

A summary of share-based compensation expense recognized in the Company's Consolidated Statements of Operations is as follows (in thousands):

	Year ended December 31,		
	2025	2024	2023
Cost of revenues	$ 18,447	$ 30,322	$ 36,484
Research and development	61,705	76,971	93,961
Sales and marketing	113,959	134,659	151,221
General and administrative	75,547	97,107	145,013
Total share-based compensation expense	$ 269,658	$ 339,059	$ 426,679

A summary of share-based compensation expense by award type is as follows (in thousands):

	Year ended December 31,		
	2025	2024	2023
Employee stock purchase plan rights ("ESPP")	$ 5,262	$ 6,338	$ 7,574
Performance stock units ("PSUs")	27,234	20,624	27,035
Restricted stock units ("RSUs")	237,162	312,097	392,070
Total share-based compensation expense	$ 269,658	$ 339,059	$ 426,679

Equity Incentive Plans

In September 2013, the Board adopted and the Company's stockholders approved the 2013 Equity Incentive Plan, which became effective on September 26, 2013, and the stockholders approved an amended and restated 2013 Equity Plan on December 15, 2022 (together, "2013 Plan"). In connection with the adoption of the 2013 Plan, the Company terminated the 2010 Equity Incentive Plan ("2010 Plan"), under which stock options had been granted prior to September 26, 2013. The 2010 Plan was established in September 2010, when the 2003 Equity Incentive Plan ("2003 Plan") was terminated. After the termination of the 2003 and 2010 Plans, no additional options were granted under these plans; however, options previously granted under these plans will continue to be governed by these plans and were exercisable into shares of Class B Common Stock. In addition, options authorized to be granted under the 2003 and 2010 Plans, including forfeitures of previously granted awards, are authorized for grant under the 2013 Plan.

A total of 6,200,000 shares of Class A Common Stock were originally reserved for issuance under the 2013 Plan. The 2013 Plan includes an annual increase on the first day of each fiscal year beginning in 2014, equal to the least of: (i) 6,200,000 shares of Class A Common Stock; (ii) 5% of the outstanding shares of all classes of common stock as of the last day of the Company's immediately preceding fiscal year; or (iii) such other amount as the board of directors may determine. During the year ended December 31, 2025, a total of 4,535,897 shares of Class A Common Stock were added to the 2013 Plan in connection with the annual automatic increase provision. As of December 31, 2025, a total of 14,229,173 shares remain available for grant under the 2013 Plan.

The plans permit the grant of stock options and other share-based awards, such as restricted stock units, to employees, officers, directors, and consultants by the board of directors. Option awards are generally granted with an exercise price equal to the fair market value of the Company's Class A Common Stock at the date of grant. Option awards generally vest according to a graded vesting schedule based on four years of continuous service. On January 29, 2014, the board of directors approved an amendment to decrease the contractual term of all equity awards issued from the 2013 Plan from 10 years to 7 years for all awards granted after January 29, 2014. Certain option awards provide for accelerated vesting if there is a change in control (as defined in the option agreement) and early exercise of options prior to vesting (subject to the Company's repurchase right).

A summary of option activity under all of the Company's equity incentive plans and changes during the period then ended December 31, 2025, 2024, and 2023 is presented in the following table:

	Number of Options Outstanding (in thousands)	Weighted-Average Exercise Price Per Share	Weighted-Average Contractual Term (in Years)	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2022	22	$ 12.53	0.5	$ 509
Exercised	(22)	12.53		
Canceled/Forfeited	—	—		
Outstanding at December 31, 2023	—	$ —	0.0	$ —
Exercised	—	—		
Canceled/Forfeited	—	—		
Outstanding at December 31, 2024	—	$ —	0.0	$ —
Exercised	—	—		
Canceled/Forfeited	—	—		
Outstanding at December 31, 2025	—	$ —	0.0	$ —
Vested and expected to vest as of December 31, 2025	—	$ —	0.0	$ —
Exercisable as of December 31, 2025	—	$ —	0.0	$ —

No options were granted during the years ended December 31, 2025 and 2024. There is no remaining unamortized share-based compensation expense related to these options.

Employee Stock Purchase Plan

The Company's Employee Stock Purchase Plan ("ESPP") allows eligible employees to purchase shares of the Company's Class A Common Stock at a discounted price, through payroll deductions of up to the lesser of 15% of their eligible compensation or the IRS allowable limit per calendar year. A participant may purchase a maximum of 3,000 shares during an offering period. The offering periods are for a period of six months and generally start on the first trading day on or after May 13th and November 13th of each year. At the end of the offering period, the purchase price is set at the lower of: (i) 85% of the fair value of the Company's common stock at the beginning of the six-month offering period and (ii) 85% of the fair value of the Company's Class A Common Stock at the end of the six-month offering period.

The ESPP provides for annual increases in the number of shares available for issuance under the ESPP on the first day of each fiscal year beginning in fiscal 2014, equal to the least of: (i) 1% of the outstanding shares of all classes of common stock on the last day of the immediately preceding year; (ii) 1,250,000 shares; or (iii) such other amount as may be determined by the board of directors. During the year ended December 31, 2025, a total of 907,179 shares of Class A Common Stock were added to the ESPP Plan in connection with the annual increase provision. As of December 31, 2025, a total of 6,854,792 shares were available for issuance under the ESPP.

The weighted-average assumptions used to value ESPP rights under the Black-Scholes-Merton option-pricing model and the resulting offering grant date fair value of ESPP rights granted in the periods presented were as follows:

	Year ended December 31,		
	2025	2024	2023
Expected term (in years)	0.5	0.5	0.5
Expected volatility	50 %	46 %	67 %
Risk-free interest rate	4.02 %	4.89 %	5.36 %
Expected dividend yield	0 %	0 %	0 %
Offering grant date fair value of ESPP rights	$ 8.16	$ 10.59	$ 9.38

As of December 31, 2025 and 2024, there was approximately $2.7 million and $2.5 million of unrecognized share-based compensation expense, net of estimated forfeitures, related to ESPP, which will be recognized on a straight-line basis over the remaining weighted-average vesting periods of approximately 0.4 years.

Restricted and Performance Stock Units

A summary of activity of restricted and performance-based stock units as of December 31, 2025, and changes during the period then ended is presented in the following table:

	Number of RSUs/PSUs Outstanding (in thousands)	Weighted-Average Grant Date Fair Value Per Share	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2022	5,100	$ 119.55	$ 180,577
Granted	13,666	32.16	
Released	(5,891)	61.12	
Canceled/Forfeited	(2,828)	57.29	
Outstanding at December 31, 2023	10,047	$ 52.47	$ 325,153
Granted	6,947	36.34	
Released	(6,226)	53.15	
Canceled/Forfeited	(2,462)	40.28	
Outstanding at December 31, 2024	8,306	$ 42.09	$ 290,799
Granted	5,519	29.22	
Released	(6,107)	39.76	
Canceled/Forfeited	(1,443)	36.64	
Outstanding at December 31, 2025	6,275	$ 34.30	$ 181,227

Restricted Stock Units

The 2013 Plan provides for the issuance of RSUs to employees, directors, and consultants. RSUs issued under the 2013 Plan generally vest over two or four years.

As of December 31, 2025 and 2024, there was a total of $147.4 million and $250.4 million of unrecognized share-based compensation expense, net of estimated forfeitures, related to RSUs, which will be recognized on a straight-line basis over the remaining weighted-average vesting periods of approximately 1.5 years and 2.1 years, respectively.

Performance Stock Units

The 2013 Plan provides for the issuance of PSUs. The PSUs granted under the 2013 Plan are contingent upon the achievement of predetermined market, performance, and service conditions. The Company uses a Monte Carlo simulation model to determine the fair value of its market condition PSUs. PSU expense is recognized using the graded vesting method over the requisite service period. For performance-based metrics, the compensation expense is based on a probability of achievement of the performance conditions. For market-based conditions, if the market conditions are not met but the service conditions are met, the PSUs will not vest; however, any stock-based compensation expense recognized will not be reversed.

For the majority of the PSUs granted, the number of shares of common stock to be issued at vesting will range from 0% to 200% of the target number based on the achievement of the different performance and market conditions over the respective measurement period. The PSUs generally vest over a two- or three-year period.

As of December 31, 2025 and 2024, there was a total of $18.9 million and $22.5 million unrecognized share-based compensation expense, net of estimated forfeitures, related to these PSUs, which will be recognized over the remaining service period of approximately 0.8 years and 0.9 years, respectively.

Employee Equity Compensation Plans

The Company's Board of Directors adopted employee equity bonus plans ("Plans"), which allow the recipients to earn fully vested shares of the Company's Class A Common Stock upon the achievement of quarterly service and/or performance conditions. During the year ended December 31, 2025 and 2024, the Company issued 1,465,154 and 1,395,903 RSUs, respectively, under these Plans. The shares under these Plans are issued from the reserve of shares available for issuance under the 2013 Plan. The total requisite service period for these Plans is approximately 0.4 years.

The unrecognized share-based compensation expense as of December 31, 2025 was approximately $3.9 million, which will be recognized over the remaining service period of 0.1 years. The shares issued under these Plans are issued from the reserve of shares available for issuance under the 2013 Plan.

Note 13. Income Taxes

Income (loss) before provision for income taxes consisted of the following (in thousands):

	Year ended December 31,		
	2025	2024	2023
United States	$ 14,948	$ (88,910)	$ (190,912)
International	41,289	41,685	34,067
Total income (loss) before provision for income taxes	$ 56,237	$ (47,225)	$ (156,845)

The provision for income taxes consisted of the following (in thousands):

	Year ended December 31,		
	2025	2024	2023
Current			
Federal	$ 248	$ 2,930	$ —
State	4,516	5,919	1,792
Foreign	5,916	5,849	5,972
Total current	$ 10,680	$ 14,698	$ 7,764
Deferred			
Federal	$ —	$ —	$ —
State	—	—	—
Foreign	2,166	(3,635)	631
Total deferred	2,166	(3,635)	631
Total income tax provision	$ 12,846	$ 11,063	$ 8,395

Beginning in 2022, the Tax Cuts and Jobs Act of 2017 eliminated the right to deduct research and development expenditures for tax purposes in the period the expenses were incurred and instead requires all U.S. and foreign research and

development expenditures to be amortized over five and fifteen tax years, respectively. The One Big Beautiful Bill Act (or "OBBB Act"), enacted on July 4, 2025, revised these rules, permitting the deduction of certain U.S. research and development expenditures incurred in tax years beginning on or after January 1, 2025 but expenditures attributable to research and development conducted outside the U.S. must continue to be capitalized and amortized over fifteen years. The OBBB Act also provides the option to accelerate the amortization of any remaining unamortized U.S. research and development expenditures incurred in tax years beginning on or after January 1, 2022, and before January 1, 2025, over a one or two year period beginning with the first taxable year beginning after December 31, 2024. The current income tax provision is primarily for federal, state and foreign taxes currently payable that we anticipate paying as a result of statutory limitations on our ability to offset expected taxable income with net operating loss carry forwards.

The table below provides the updated requirements of ASU 2023-09 for 2025. For more details, refer to Note 1 - *Description of Business and Summary of Significant Accounting Policies* of this Annual Report on Form 10-K.

The effective income tax rate for the year ended December 31, 2025 differs from the statutory federal income tax rate as follows (in thousands, except percentages):

	Year Ended December 31, 2025	
	$	%
U.S. Federal Statutory Tax Rate	$ 11,810	21.00 %
State and local income tax, net of federal (national) income tax effect [1]	4,516	8.03
Foreign Tax Effects:		
United Kingdom		
Share-based payment awards	(710)	(1.26)
Other	493	0.88
China	(697)	(1.24)
Canada	747	1.33
Spain		
R&D Tax Credits	(1,071)	(1.90)
Other	190	0.34
Other Non-US Jurisdictions	502	0.89
Effect of changes in tax laws or rates enacted in the current period	—	—
Effect of cross-border tax laws:		
Foreign derived intangible income (FDII)	(78)	(0.14)
Global Intangible Low-taxed Income (GILTI)	2,203	3.92
Tax Credits	(1,393)	(2.48)
Changes in valuation allowance	(29,808)	(53.00)
Nontaxable or Nondeductible Items:		
Share-based payment awards	24,172	42.98
Non-deductible Meals and Entertainment Expenses	687	1.22
Other	245	0.44
Changes in unrecognized tax benefits	745	1.32
Other Adjustments	293	0.52
Total income tax provision	$ 12,846	22.85 %

(1) State taxes in Illinois, Pennsylvania, and Texas made up the majority (greater than 50%) of the tax effect in this category

As previously disclosed for the years ended December 31, 2024 and 2023, prior to the adoption of ASU 2023-09, the effective income tax rate differs from the statutory federal income tax rate as follows:

	Year ended December 31,	
	2024	2023
Federal tax benefit at statutory rate	$ (9,917)	$ (32,937)
State tax, net of federal tax benefit	4,676	1,415
Research and development credits	6,650	(11,574)
Share-based compensation	34,227	10,956
Global Intangible Low-Taxed Income ("GILTI")	—	3,035
Foreign derived intangible income ("FDII")	(2,143)	—
Other permanent differences	(983)	1,674
Foreign tax rate differential	(2,624)	548
Net operating (gains) losses not recognized	(18,823)	35,278
Total income tax provision	$ 11,063	$ 8,395

In general, it is the Company's practice and intention to reinvest the earnings of its non-U.S. subsidiaries in those operations. Because the Company's non-U.S. subsidiary earnings have previously been subject to the one-time transition tax on foreign earnings required by the 2017 Tax Act, any additional taxes due with respect to such earnings or the excess of the amount for financial reporting over the tax basis of its foreign investments would generally be limited to foreign withholding taxes and/or U.S. state income taxes.

The following table presents income taxes paid (net of refunds received) for the year ended December 31, 2025 (in thousands):

	2025
Federal	$ 1,361
State	4,756
Foreign	6,318
	$ 12,435

Income taxes paid (net of refunds) exceeded five percent of total income taxes paid (net of refunds) in the following jurisdictions:

	2025
State	
Texas	$ 851
Illinois	$ 1,357
Pennsylvania	$ 578
Foreign	
Canada	$ 1,853
India	$ 1,497
Spain	$ 1,130

The types of temporary differences that give rise to significant portions of the Company's deferred tax assets and liabilities are as follows (in thousands):

	Year ended December 31,	
	2025	2024
Deferred tax assets		
Net operating loss carryforward	$ 382,887	$ 407,235
Research and development credits	74,496	73,352
Research and development expenditure capitalization	148,870	201,814
Basis difference in investments	416	138
Sales tax accrual	139	67
Share-based compensation	5,668	5,926
Acquired intangibles	111,750	91,943
Accrued liabilities	11,847	15,141
Gross deferred tax assets	736,073	795,616
Valuation allowance	(607,853)	(644,379)
Total deferred tax assets	128,220	151,237
Deferred tax liabilities		
Deferred sales commissions	(85,101)	(104,236)
Lease right of use assets	(4,247)	(6,948)
Property and equipment	(36,802)	(35,837)
Net deferred tax assets	$ 2,070	$ 4,216

As of December 31, 2025, the Company has federal net operating loss carryforwards of approximately $1.3 billion, which does not expire. As of December 31, 2025, the Company had foreign net operating loss carryforwards of approximately $7.0 million that will carryforward indefinitely. As of December 31, 2025, the Company had state net operating loss carryforwards of approximately $1.0 billion that will begin to expire in 2026. The Company also has research credit carryforwards for federal and California tax purposes of approximately $69.6 million and $56.2 million, respectively, available to reduce future income subject to income taxes. The federal research credit carry-forwards will begin to expire in 2028 and the California research credits carry forward indefinitely.

The Internal Revenue Code of 1986, as amended, imposes restrictions on the utilization of net operating losses in the event of an "ownership change" of a corporation. Accordingly, a company's ability to use net operating losses may be limited as prescribed under Internal Revenue Code Section 382 ("IRC Section 382"). Events which may cause limitations in the amount of the net operating losses that the Company may use in any one year include, but are not limited to, a cumulative ownership change of more than 50% over a three-year period. Utilization of the federal and state net operating losses may be subject to substantial annual limitation due to the ownership change limitations provided by the IRC Section 382 and similar state provisions.

The Company's management believes that, based on a number of factors, it is more likely than not, that all or some portion of the deferred tax assets will not be realized; and accordingly, for the year ended December 31, 2025, the Company has provided a valuation allowance against the Company's U.S. net deferred tax assets. The net change in the valuation allowance for the years ended December 31, 2025 and 2024 was a decrease of $36.5 million and $30.3 million, respectively.

The following shows the changes in the gross amount of unrecognized tax benefits as of December 31, 2025 (in thousands):

	2025	2024	2023
Unrecognized tax benefits, beginning of the year	$ 30,193	$ 31,976	$ 26,412
Increases related to prior year tax positions	400	—	—
Decreases related to prior year tax positions	(462)	(3,088)	(418)
Increases related to current year tax positions	608	1,305	5,982
Unrecognized tax benefits, end of year	$ 30,739	$ 30,193	$ 31,976

In accordance with ASC 740-10, *Income Taxes*, the Company has adopted the accounting policy that interest and penalties recognized are classified as part of its income taxes.

Included in the balance of unrecognized tax benefits as of December 31, 2025 are $0.2 million of tax benefit that, if recognized, would affect the effective tax rate. Otherwise, as a result of the full valuation allowance as of December 31, 2025, current adjustments to the unrecognized tax benefit will not have an impact on our effective income tax rate. Any adjustments made after the valuation allowance is released will have an impact on the tax rate.

The Company files U.S. and foreign income tax returns with varying statutes of limitations. Due to the Company's net carry-over of unused operating losses and tax credits, all years from 2003 forward remain subject to future examination by tax authorities.

Note 14. Basic and Diluted Net Loss Per Share

Basic net income (loss) per share is computed by dividing the net income (loss) by the weighted-average number of shares of common stock outstanding during the period. Diluted net income (loss) per share is computed by giving effect to all potential shares of common stock, stock options, restricted stock units, performance stock units, ESPP, convertible notes, and convertible preferred stock, to the extent dilutive. For the years ended December 31, 2024 and 2023, all such common stock equivalents have been excluded from diluted net loss per share as the effect to net loss per share would be anti-dilutive.

The following table sets forth the computation of the Company's basic and diluted net income (loss) per share of common stock (in thousands, except per share data):

	Year Ended December 31,		
	2025	2024	2023
Numerator			
Net income (loss)	$ 43,391	$ (58,288)	$ (165,240)
Denominator			
Weighted-average common shares outstanding for basic net income (loss) per share	89,481	92,110	94,912
Effect of dilutive securities:			
Shares of common stock issuable under equity incentive awards outstanding	990	—	—
Shares of common stock related to convertible preferred stock	743	—	—
Weighted-average common shares outstanding for diluted net income (loss) per share	91,214	92,110	94,912
Basic net income (loss) per share	$ 0.48	$ (0.63)	$ (1.74)
Diluted net income (loss) per share	$ 0.48	$ (0.63)	$ (1.74)

The following table summarizes the potentially dilutive common shares that were excluded from diluted weighted-average common shares outstanding because including them would have had an anti-dilutive effect (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Shares of common stock issuable under equity incentive plans outstanding	6,910	9,860	9,999
Shares of common stock related to convertible preferred stock	—	743	743
Potential common shares excluded from diluted net loss per share	6,910	10,603	10,742

Pursuant to the terms of the 2026 Convertible Notes Indenture, effective January 1, 2022, the Company made an irrevocable election to, upon conversions of the 2026 Convertible Notes, settle the principal portion of such converted 2026 Convertible Notes only in cash, with the conversion premium to be settled in cash or shares at the Company's election.

The Company calculates the potential dilutive effect of the 2026 Convertible Notes under the if-converted method. Under this method, only the amounts settled in excess of the principal will be considered in diluted earnings per share, in line with the terms of the 2026 Convertible Notes Indenture.

Note 15. 401(k) Plan

The Company has a qualified defined contribution plan under Section 401(k) of the Internal Revenue Code covering eligible employees. Substantially all of the U.S. employees are eligible to make contributions to the 401(k) plan. The Company matches 401(k) based on the amount of the employees' contributions subject to certain limitations. Employer contributions were $5.5 million, $6.0 million, and $6.2 million for the years ended December 31, 2025, 2024 and 2023.

Note 16. Restructuring Activities

During the year ended December 31, 2025 and 2024, the Company incurred restructuring costs of $18.1 million, and $12.6 million, respectively, as part of the broader efforts to optimize the Company's cost structure. The restructuring costs primarily consisted of severance payments, employee benefits, contract termination costs, exit charges associated with the closure of facilities and related costs. The Company expects to substantially complete these actions in 2026, subject to local law and consultation requirements in certain countries. The Company may incur other charges or cash expenditures not currently contemplated due to unanticipated events that may occur as a result of or in connection with the implementation of these actions.

The following table summarizes the Company's restructuring costs that were recorded as an operating expense in the accompanying Consolidated Statement of Operations for the year ended December 31, 2025, 2024 and 2023 (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Cost of revenues	$ 4,179	$ 1,334	$ 876
Research and development	4,793	3,215	4,457
Sales and marketing	5,662	5,885	8,758
General and administrative	3,483	2,201	6,277
Total restructuring costs	$ 18,117	$ 12,635	$ 20,368

The following table summarizes the Company's restructuring liability that is included in accrued liabilities in the accompanying Consolidated Balance Sheets (in thousands):

Balance as of December 31, 2023	$ 3,191
Restructuring costs	12,635
Cash payments	(14,209)
Balance as of December 31, 2024	$ 1,617
Restructuring costs	18,117
Cash payments	(15,560)
Non-cash and other adjustments	(1,340)
Balance as of December 31, 2025	$ 2,834

Note 17. Segment Information

The Chief Executive Officer, who functions as the chief operating decision maker ("CODM"), oversees the Company's business activities at the consolidated level as a single operating and reportable segment. The factors used to identify the Company's single operating segment include the organizational structure of the Company and the financial information available for evaluation by the CODM. The CODM uses consolidated net income (or loss) and operating margin to evaluate financial performance and make decisions regarding resource allocation, including setting target revenue growth and distributing the budget across cost of revenues, research and development, sales and marketing, and general and administrative expenses.

The following table presents selected financial information for the Company's single operating segment for the years ended December 31, 2025, 2024 and 2023:

	Twelve Months Ended December 31,		
	2025	2024	2023
Revenue	$ 2,515,142	$ 2,400,395	$ 2,202,429
Less:			
Share-based compensation expense	269,658	339,059	426,679
Depreciation and amortization	222,603	222,609	233,940
Other segment items [1]	1,902,330	1,836,057	1,740,621
Income (loss) from operations	120,551	2,670	(198,811)
Operating margin as % of revenue	4.8 %	0.1 %	(9.0)%
Other (expense) income, net			
Interest expense	(60,279)	(64,995)	(35,997)
Other (expense) income [2]	(4,035)	15,100	77,963
Other (expense) income, net	(64,314)	(49,895)	41,966
Income (loss) before income taxes	56,237	(47,225)	(156,845)
Provision for income taxes	12,846	11,063	8,395
Net income (loss)	$ 43,391	$ (58,288)	$ (165,240)

(1) Other segment items mainly consist of personnel costs, third-party commissions, and advertising and marketing costs.

(2) Includes interest income of $2.7 million, $8.0 million and $12.5 million for the years ended December 31, 2025, 2024 and 2023, respectively.

See the consolidated financial statements for other financial information regarding the Company's operating segment.

Refer to Note 2 - Revenue in this Annual Report on Form 10-K for information about revenue by geographic location.

Concentrations

Financial instruments that subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. Although the Company deposits its cash with multiple financial institutions, its deposits, at times, may exceed federally insured limits. The Company's accounts receivable are primarily derived from sales by resellers and to direct customers. The Company maintains an allowance for doubtful accounts for estimated potential credit losses. As of December 31, 2025 and 2024 and 2023, and for the years then ended, none of the Company's customers accounted for more than 10% of total accounts receivable, total revenues, or subscription revenues.

Long-lived assets by geographic location is based on the location of the legal entity that owns the asset. As of December 31, 2025 and 2024, approximately 87% and 90%, of the Company's consolidated long-lived assets, respectively, were located in the U.S. No other single country outside of the U.S. represented more than 10% of the Company's consolidated long-lived assets as of December 31, 2025 and 2024.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our chief executive officer and chief 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"), as of the end of the period covered by this Annual Report on Form 10-K.

In designing and evaluating our disclosure controls and procedures, management recognizes that any disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Based on management's evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures are designed to, and are effective to, provide assurance at a reasonable level that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosures.

Management's Annual Report on Internal Controls Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2025 based on the guidelines established in the *Internal Control—Integrated Framework* (2013 framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Our internal control over financial reporting includes policies and procedures that provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with U.S. generally accepted accounting principles.

Based on the results of our evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2025. The effectiveness of our internal control over financial reporting as of December 31, 2025 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in its report which is included in Item 8 in this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

There are no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the quarter ended December 31, 2025, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our chief executive officer and chief financial officer, do not expect that our disclosure controls or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because

of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

ITEM 9B. OTHER INFORMATION

Securities Trading Plans of Directors and Executive Officers

During the three months ended December 31, 2025, none of our directors or officers adopted, modified or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item will be included in our 10-K/A in lieu of our Definitive Proxy Statement for the 2026 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2025, and is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item will be included in our 10-K/A in lieu of our Definitive Proxy Statement for the 2026 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2025, and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item will be included in our 10-K/A in lieu of our Definitive Proxy Statement for the 2026 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2025, and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information required by this item will be included in our 10-K/A in lieu of our Definitive Proxy Statement for the 2026 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2025, and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Our independent registered public accounting firm is KPMG LLP, San Francisco, CA.

The information required by this item will be included in our 10-K/A in lieu of our Definitive Proxy Statement for the 2026 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2025, and is incorporated herein by reference.

With the exception of the information incorporated in Items 10, 11, 12, 13, and 14 of this Annual Report on Form 10-K, our 10-K/A in lieu of our Definitive Proxy Statement for the 2026 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2025 is not deemed “filed” as part of this Annual Report on Form 10-K.

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) *Exhibits.* The following exhibits are included herein or incorporated herein by reference:

Exhibit Number	Description
3.1	Second Amended and Restated Certificate of Incorporation of the Registrant (filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed on June 3, 2015, and incorporated herein by reference).
3.2	Certificate of Designations of the Series A Convertible Preferred Stock (filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed on November 9, 2021, and incorporated herein by reference).
3.3	Amended and Restated Bylaws of the Registrant (filed as Exhibit 3.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022, filed on November 9, 2022, and incorporated herein by reference).
4.1	Indenture, dated March 3, 2020, between RingCentral, Inc. and U.S. Bank Trust Company, National Association (as successor in interest to U.S. Bank National Association). (filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on March 4, 2020, and incorporated herein by reference).
4.2	Form of 0% Convertible Senior Notes due 2025 (included in Exhibit 4.1). (filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on March 4, 2020, and incorporated herein by reference).
4.1	Indenture, dated September 15, 2020, between RingCentral, Inc. and U.S. Bank Trust Company, National Association (as successor in interest to U.S. Bank National Association). (filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on September 16, 2020, and incorporated herein by reference).
4.2	Form of 0% Convertible Senior Note due 2026 (included in Exhibit 4.3). (filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on September 16, 2020, and incorporated herein by reference).
4.3	Indenture, dated as of August 16, 2023, among RingCentral, Inc., each of the guarantors party thereto and U.S. Bank Trust Company, National Association. (filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on August 16, 2023, and incorporated herein by reference).
4.4	Form of 8.500% Senior Note due 2030 (included in Exhibit 4.5). (filed as Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on August 16, 2023, and incorporated herein by reference).
4.5	Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934. (filed as Exhibit 4.9 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2021, filed on March 1, 2022, and incorporated herein by reference).
10.1+	2003 Equity Incentive Plan, as amended, and forms of stock option agreements thereunder (filed as Exhibit 10.1 to the Registrant's Registration Statement on Form S-1, File No. 333-190815, and incorporated herein by reference).
10.2+	2010 Equity Incentive Plan, as amended, and forms of stock option agreements thereunder (filed as Exhibit 10.2 to the Registrant's Registration Statement on Form S-1, File No. 333-190815, and incorporated herein by reference).
10.3+	2013 Equity Incentive Plan and forms of stock option agreements thereunder (filed as Exhibit 10.3 to the Registrant's Registration Statement on Form S-1, File No. 333-190815, and incorporated herein by reference).
10.4+	Amended and Restated 2013 Equity Incentive Plan and related forms of agreement (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on December 20, 2022, and incorporated herein by reference).
10.5+	Amended and Restated Employee Stock Purchase Plan (filed as Exhibit 10.5 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2020, filed on February 26, 2021, and incorporated herein by reference).
10.6+	Form of Global Restricted Stock Unit Agreement Under the 2013 Equity Incentive Plan (filed as Exhibit 10.6 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2020, filed on February 26, 2021, and incorporated herein by reference).
10.7+	Equity Acceleration Policy (filed as Exhibit 10.5 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2018, filed on February 27, 2019, and incorporated herein by reference).
10.8+	Form of Director and Executive Officer Indemnification Agreement (filed as Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed on August 7, 2017, and incorporated herein by reference).

Exhibit Number	Description
10.9+	Employment Letter by and between the Registrant and Vladimir Shmunis, dated September 13, 2013 (filed as Exhibit 10.19 to the Registrant's Registration Statement on Form S-1, File No. 333-190815, and incorporated herein by reference).
10.10+	Offer Letter by and between the Registrant and Sonalee Parekh, dated April 26, 2022 (filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2022, filed on August 8, 2022, and incorporated herein by reference).
10.11+	Offer Letter by and between the Registrant and Vaibhav Agarwal, dated July 21, 2016. (filed as Exhibit 10.12 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2021, filed on March 1, 2022, and incorporated herein by reference).
10.12+	2025 Merit Focal Letter by and between the Registrant and Vaibhav Agarwal, dated May 20, 2025 (filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2025, filed on August 7, 2025, and incorporated herein by reference).
10.13+	Supplemental Offer Letter by and between the Registrant and Vaibhav Agarwal, dated August 4, 2025 (filed as Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2025, filed on August 7, 2025, and incorporated herein by reference).
10.14+	Revised Employment Offer Letter by and between the Registrant and John Marlow, dated September 13, 2013 (filed as Exhibit 10.7 to the Registrant's Registration Statement on Form S-1, File No. 333-190815, and incorporated herein by reference).
10.15+	Amended and Restated Offer Letter by and between the Registrant and Kira Makagon, dated May 7, 2025 (filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, filed on May 9, 2025, and incorporated herein by reference).
10.16+	Consulting Agreement by and between the Registrant and Abhey Lamba, dated August 5, 2025 (filed as Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2025, filed on August 7, 2025, and incorporated herein by reference).
10.17+	2023 Bonus Plan, Appendix A-2023. (filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, filed on May 9, 2023, and incorporated herein by reference).
10.18+	Amended and Restated Equity Acceleration Policy. (filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023, filed on August 7, 2023, and incorporated herein by reference).
10.19+	Amended and Restated Change of Control and Severance Policy.
10.20+	Offer Letter by and between the Registrant and Tarek A. Robbiati, dated July 31, 2023. (filed as Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023, filed on November 8, 2023, and incorporated herein by reference).
10.21+	2022 NEO Equity Compensation Program Questions and Answers (filed as Exhibit 10.20 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2021, filed on March 1, 2022, and incorporated herein by reference).
10.22	2023 NEO Equity Compensation Program Questions and Answers (filed as Exhibit 10.21 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2022, filed on February 23, 2023, and incorporated herein by reference).
10.23	Office Lease, dated September 25, 2014, by and between the Registrant and Helen M. Raiser, Trustee of the JHR Marital Trust under Trust Agreement dated October 2, 1969, as amended, Helen M. Raiser, Trustee of the JHR Bypass Trust under Trust Agreement dated October 2, 1969, as amended, Harvey E. Chapman, Jr., Trustee of the Harvey E. Chapman, Jr. Living Trust under Trust Agreement dated July 17, 2006, and Colleen C. Badell, Trustee of the Colleen C. Badell Living Trust under Trust Agreement dated July 17, 2006, as tenants in common (filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014, filed on November 3, 2014, and incorporated herein by reference).
10.24	Commercial Lease Agreement, dated May 17, 2017, by and between the Registrant and TG Brothers, LLC. (filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed on August 7, 2017, and incorporated herein by reference).

Exhibit Number	Description
10.25	First Amendment to Lease, dated May 7, 2018, by and between the Registrant and TG Brothers, LLC. (filed as Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2018, filed on August 7, 2018, and incorporated herein by reference).
10.26	Second Amendment to Lease, dated September 20, 2019, by and between the Registrant and TG Brothers, LLC. (filed as Exhibit 10.20 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2019, filed on February 26, 2020, and incorporated herein by reference).
10.27	Second Amendment to Lease, dated August 6, 2020 by and between the Registrant and Phillip H. Raiser, Trustee of the JHR Marital Trust under Trust Agreement dated October 2, 1969, as amended, Phillip H. Raiser, Trustee of the JHR Bypass Trust under Trust Agreement dated October 2, 1969, as amended, Harvey E. Chapman, Jr., Trustee of the Harvey E. Chapman, Jr. Living Trust under Trust Agreement dated July 17, 2006, and Colleen C. Badell, Trustee of the Colleen C. Badell Living Trust under Trust Agreement dated July 17, 2006, as tenants in common. (filed as Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020, filed on November 9, 2020, and incorporated herein by reference).
10.28	Registration Rights Agreement, effective as of November 9, 2021, by and between RingCentral, Inc. and Searchlight II MLN, L.P. (filed as Exhibit 10.3 to the Registrant's Current Report on Form 8-K filed on November 9, 2021, and incorporated herein by reference).
10.29	Registration Rights Agreement, effective as of November 9, 2021, by and between RingCentral, Inc. and Mitel US Holdings, Inc. (filed as Exhibit 10.4 to Registrant's Current Report on Form 8-K filed on November 9, 2021, and incorporated herein by reference).
10.30*	Credit Agreement, dated as of February 14, 2023, among RingCentral, Inc., the lenders from time to time party thereto and Bank of America, N.A., as administrative agent and as collateral agent. (filed as Exhibit 10.33 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2022, filed on February 23, 2023, and incorporated herein by reference).
10.31	First Amendment to Credit Agreement, dated as of August 15, 2023, among RingCentral, Inc., the lenders from time to time party thereto and Bank of America, N.A., as administrative agent and as collateral agent (filed as Exhibit 10.1 to Registrant's Current Report on Form 8-K filed on August 16, 2023, and incorporated herein by reference).
10.32	Second Amendment to Credit Agreement, dated as of November 2, 2023, among RingCentral, Inc., the lenders party thereto, the letter of credit issuers party thereto and Bank of America, N.A., as administrative agent and as collateral agent. (filed as Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023, filed on November 8, 2023, and incorporated herein by reference).
10.33	Third Amendment to Credit Agreement, dated as of August 2, 2024, among RingCentral, Inc., the lenders party thereto, the letter of credit issuers party thereto and Bank of America, N.A., as administrative agent and as collateral agent (files as Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024, filed on November 8, 2024, and incorporated herein by reference).
10.34	Fourth Amendment to Credit Agreement, dated as of August 6, 2024, among RingCentral, Inc., the lenders party thereto, the letter of credit issuers party thereto and Bank of America, N.A., as administrative agent and as collateral agent (files as Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2024, filed on November 8, 2024, and incorporated herein by reference).
10.35	Fifth Amendment to Credit Agreement, dated as of March 27, 2025, among RingCentral, Inc., the other loan parties party thereto, the lenders party thereto, and Bank of America, N.A., as administrative agent and as collateral agent (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on March 27, 2025, and incorporated herein by reference).
10.36	Amendment and Restatement Agreement, dated as of September 11, 2025, among RingCentral, Inc., the other loan parties party thereto, the lenders party thereto and Bank of America, N.A., as administrative agent and as collateral agent (filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on September 12, 2025, and incorporated herein by reference).
10.37	First Amendment To Amended And Restated Credit Agreement, dated as of September 29, 2025, among RingCentral, Inc., the other loan parties party thereto, the lenders party thereto and Bank of America, N.A., as administrative agent and as collateral agent (filed as Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2025, filed on November 5, 2025, and incorporated herein by reference).
19.1	Insider Trading Policy (filed as Exhibit 19.1 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2024, filed on February 26, 2025, and incorporated herein by reference).

Exhibit Number	Description
21.1	List of subsidiaries of the Registrant.
23.1	Consent of KPMG LLP, independent registered public accounting firm.
24.1	Power of Attorney (included in signature page).
31.1	Certification of Periodic Report by Principal Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Periodic Report by Principal Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
97.1	Clawback Policy (filed as Exhibit 97.1 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2023, filed on February 22, 2024, and incorporated herein by reference).
101	The following financial information from RingCentral Inc.'s Annual Report on Form 10-K for the year ended December 31, 2025 formatted in Inline XBRL (Extensible Business Reporting Language) includes: (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations, (iii) the Consolidated Statements of Comprehensive Income (Loss), (iv) the Consolidated Statements of Stockholders' Deficit, (v) the Consolidated Statements of Cash Flows, and (vi) Notes to the Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).

+ Indicates a management or compensatory plan

* In accordance with Item 601(a)(5) of Regulation S-K, the exhibits and schedules to Exhibits 10.30 are not filed herewith. The agreement identifies such exhibits and schedules, including the subject matter of their content. We undertake to provide copies of such exhibits and schedules to the SEC upon request.

(b) *Financial Statements.* Our consolidated financial statements are included under Part II, Item 8 in this Annual Report on Form 10-K.

(c) *Financial Statement Schedules.* All financial statement schedules are omitted because they are not applicable or the information is included in the Registrant's consolidated financial statements or related notes.

ITEM 16. FORM 10-K SUMMARY

None.

PART IV.
SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Belmont, State of California, on this 26th day of February 2026.

RINGCENTRAL, INC.

Date: February 26, 2026

/s/ Vladimir Shmunis
Vladimir Shmunis
Chairman and Chief Executive Officer
(Principal Executive Officer)

Date: February 26, 2026

/s/ Vaibhav Agarwal
Vaibhav Agarwal
Chief Financial Officer
(Principal Financial Officer)

Date: February 26, 2026

/s/ Tarun Arora
Tarun Arora
Chief Accounting Officer
(Principal Accounting Officer)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Vladimir Shmunis, Vaibhav Agarwal, and Tarun Arora, and each of them, his true and lawful attorneys-in-fact and agents, each with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that each of said attorneys-in-fact and agents, or his substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Vladimir Shmunis **Vladimir Shmunis**	Chairman and Chief Executive Officer *(Principal Executive Officer)*	February 26, 2026
/s/ Vaibhav Agarwal **Vaibhav Agarwal**	Chief Financial Officer *(Principal Financial Officer)*	February 26, 2026
/s/ Tarun Arora **Tarun Arora**	Chief Accounting Officer *(Principal Accounting Officer)*	February 26, 2026
/s/ Robert Theis **Robert Theis**	Director	February 26, 2026
/s/ Prat Bhatt **Prat Bhatt**	Director	February 26, 2026
/s/ Kenneth A. Goldman **Kenneth A. Goldman**	Director	February 26, 2026
/s/ Amy Guggenheim Shenkan **Amy Guggenheim Shenkan**	Director	February 26, 2026
/s/ Mahmoud ElAssir **Mahmoud ElAssir**	Director	February 26, 2026

Exhibit 10.19

RINGCENTRAL, INC.

CHANGE OF CONTROL AND SEVERANCE POLICY

(Originally adopted on August 7, 2023 and most recently amended on October 28, 2025)

This RingCentral, Inc. Change of Control and Severance Policy (the "**Policy**") is designed to provide certain protections to a select group of designated key employees of RingCentral, Inc. (the "**Company**") or any of its subsidiaries if they experience a qualified termination under the circumstances described in this Policy. The Policy is designed to be an "employee welfare benefit plan" (as defined in Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**")), and this document is both the formal plan document and the required summary plan description for the Policy.

1. **Eligible Employee**: An individual is only eligible for protection under this Policy if he or she is an Eligible Employee and complies with its terms (including any terms in such Eligible Employee's Participation Agreement (as defined below)). An "**Eligible Employee**" is an employee of the Company or any subsidiary of the Company who has (a) been designated by the Administrator as eligible to participate in the Policy, whether individually or by position or category of position and (b) executed a participation agreement in the form attached hereto as Exhibit A (a "**Participation Agreement**"). An individual's failure to execute his or her Participation Agreement will result in that individual not being an Eligible Employee.

2. **Policy Benefits**: An Eligible Employee will be eligible to receive the payments and benefits under this Policy and his or her Participation Agreement upon his or her Qualified Termination. The amount and terms of any Equity Vesting, Salary Severance, Bonus Severance, and COBRA Benefit that an Eligible Employee may receive upon his or her Qualified Termination will be set forth in his or her Participation Agreement. All benefits under this Policy will be subject to the Eligible Employee's compliance with the Release Requirement and any timing modifications required to avoid adverse taxation under Section 409A.

3. **Salary Severance**: On a Qualified Termination, an Eligible Employee will be eligible to receive salary severance payment(s) equal to the applicable percentage (set forth in his or her Participation Agreement) of his or her Base Salary. The Eligible Employee's salary severance payment(s) will be paid in cash at the time(s) specified in his or her Participation Agreement.

4. **Bonus Severance**: To the extent specified in his or her Participation Agreement, on a Qualified Termination, an Eligible Employee will be eligible to receive bonus severance payment(s) with respect to the Eligible Employee's annual bonus. If applicable, the Eligible Employee's bonus severance payment(s) will be paid in cash at the time(s) specified in his or her Participation Agreement.

5. **COBRA Benefit**: On a Qualified Termination, if the Eligible Employee, and any spouse and/or dependents of the Eligible Employee ("**Family Members**") has or have coverage on the date of the Eligible Employee's Qualified Termination under a group health plan sponsored by the Company or any subsidiary of the Company, the Eligible Employee will be eligible to receive from the Company reimbursement of the total applicable premium cost for continued group health plan coverage under COBRA during the period of time following the Eligible Employee's employment termination, as set

forth in the Eligible Employee's Participation Agreement, provided that the Eligible Employee validly elects and is eligible to continue coverage under COBRA for the Eligible Employee and his or her Family Members. However, if the Company determines in its sole discretion that it cannot provide the COBRA reimbursement benefits without potentially violating applicable laws (including, without limitation, Section 2716 of the Public Health Service Act and the Employee Retirement Income Security Act of 1974, as amended), the Company will in lieu thereof provide to the Eligible Employee a lump sum payment equal to the monthly COBRA premium (on an after-tax basis) that the Eligible Employee would be required to pay to continue the group health coverage in effect on the date of the Eligible Employee's termination of employment (which amount will be based on the premium for the first month of COBRA coverage), multiplied by the number of months in the period of time set forth in the Eligible Employee's Participation Agreement following the termination, which payments will be made regardless of whether the Eligible Employee elects COBRA continuation coverage. Notwithstanding the foregoing, the Company may modify the continuation coverage contemplated by this Section 5 to the extent reasonably necessary to avoid the imposition of any excise taxes on the Company or any subsidiary of the Company for failure to comply with the nondiscrimination requirements of Section 105(h) of the Code, as amended; the Patient Protection and Affordable Care Act of 2010, as amended; and/or the Health Care and Education Reconciliation Act of 2010, as amended, and in each case, the regulations and guidance promulgated thereunder (to the extent applicable). Furthermore, for any Eligible Employee who, due to non-U.S. local law considerations, is covered by a health plan that is not subject to COBRA, the Company may (in its discretion) instead provide cash or continued coverage in a manner intended to replicate the benefits of this Section 5 and to comply with applicable local law considerations.

6. **Equity Vesting**: On a Qualified Termination a portion of the Eligible Employee's Equity Awards will vest and, to the extent applicable, become immediately exercisable to the extent specifically provided in the Eligible Employee's Participation Agreement (it being understood that forfeiture of any Equity Awards due to termination of employment will be tolled to the extent necessary to implement this Section 6). Any restricted stock units or similar full value Equity Awards that vest under this Section 6 will be settled on the 61st day following the Eligible Employee's Qualified Termination (or if the portion of any such Equity Award that is to vest under this Section 6 is not determinable as of such day, then as soon as administratively practicable after the amount of such vesting is determinable is determinable and in no event later than the last day of the first taxable year of the Eligible Employee's taxable year in which the amount of such vesting becomes determinable).

7. **Death of Eligible Employee**: If the Eligible Employee dies after a Qualified Termination and before all payments or benefits he or she is entitled to receive under this Policy have been paid, then any such unpaid severance payments or benefits will be paid to his or her designated beneficiary, if living, or otherwise to his or her personal representative in a lump-sum payment as soon as possible following his or her death.

8. **Recoupment**: If the Company discovers after the Eligible Employee's receipt of payments or benefits under this Policy that grounds for the termination of the Eligible Employee's employment for Cause existed, then the Eligible Employee will not receive any further payments or benefits under this Policy and, to the extent permitted under applicable laws, will be required to repay to the Company any payments or benefits he or she received under the Policy (and any financial gain derived from such payments or benefits).

9. **Release**: The Eligible Employee's receipt of any severance payments or benefits upon his or her Qualified Termination under this Policy is subject to the Eligible Employee signing and not revoking the Company's then-standard separation agreement and release of claims (which may include an

agreement not to disparage the Company and its subsidiaries, non-solicit provisions, and other standard terms and conditions) (the "**Release**" and such requirement, the "**Release Requirement**"), which must become effective and irrevocable no later than the 60th day following the Eligible Employee's Qualified Termination (the "**Release Deadline**"). If the Release does not become effective and irrevocable by the Release Deadline, the Eligible Employee will forfeit any right to severance payments or benefits under this Policy. In no event will severance payments or benefits under the Policy be paid or provided until the Release actually becomes effective and irrevocable. Notwithstanding any other payment schedule set forth in this Policy or the Eligible Employee's Participation Agreement, none of the severance payments and benefits payable upon such Eligible Employee's Qualified Termination under this Policy will be paid or otherwise provided until after the 60th day following the Eligible Employee's Qualified Termination. Except as otherwise set forth in an Eligible Employee's Participation Agreement or to the extent that payments are delayed under the paragraph below entitled "Section 409A," on the first regular payroll pay day following the 60th day following the Eligible Employee's Qualified Termination (such pay day, the "**Initial Payment Date**"), the Company will pay or provide the Eligible Employee the severance payments and benefits that the Eligible Employee would otherwise have received under this Policy on or prior to such date, with the balance of such severance payments and benefits being paid or provided as originally scheduled.

10. **Section 409A**: The Company intends that all payments and benefits provided under this Policy or otherwise are exempt from, or comply with, the requirements of Section 409A of the Code and any guidance promulgated thereunder (collectively, "**Section 409A**") so that none of the payments or benefits will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted in accordance with this intent. No payment or benefits to be paid to an Eligible Employee, if any, under this Policy or otherwise, when considered together with any other severance payments or separation benefits that are considered deferred compensation under Section 409A (together, the "**Deferred Payments**") will be paid or otherwise provided until such Eligible Employee has a "separation from service" within the meaning of Section 409A. If, at the time of the Eligible Employee's termination of employment, the Eligible Employee is a "specified employee" within the meaning of Section 409A, then the payment of the Deferred Payments will be delayed to the extent necessary to avoid the imposition of the additional tax imposed under Section 409A, which generally means that the Eligible Employee will receive payment on the first payroll date that occurs on or after the date that is 6 months and 1 day following his or her termination of employment. The Company reserves the right to amend the Policy as it deems necessary or advisable, in its sole discretion and without the consent of any Eligible Employee or any other individual, to comply with any provision required to avoid the imposition of the additional tax imposed under Section 409A or to otherwise avoid income recognition under Section 409A prior to the actual payment of any benefits or imposition of any additional tax. Each payment, installment, and benefit payable under this Policy is a separate payment for purposes of U.S. Treasury Regulation Section 1.409A-2(b)(2). In no event will the Company or any subsidiary of the Company reimburse any Eligible Employee for any taxes that may be imposed on him or her, including as a result of Section 409A.

11. **Parachute Payments**:

    a. *Reduction of Severance Benefits*. Notwithstanding anything set forth herein to the contrary, if any payment or benefit that an Eligible Employee would receive from the Company or any other party whether in connection with the provisions herein or otherwise (the "**Payment**") would (a) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (b) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then such Payment will be equal to the Best Results Amount. The

"**Best Results Amount**" will be either (x) the full amount of such Payment or (y) such lesser amount as would result in no portion of the Payment being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local employment taxes, income taxes and the Excise Tax, results in the Eligible Employee's receipt, on an after-tax basis, of the greater amount notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in payments or benefits constituting parachute payments is necessary so that the Payment equals the Best Results Amount, reduction will occur in the following order:(i) reduction of cash payments; (ii) cancellation of accelerated vesting of equity awards; and (iii) reduction of employee benefits. In the event that acceleration of vesting of equity awards is to be reduced, such acceleration of vesting will be cancelled in the reverse order of the date of grant of the Eligible Employee's equity awards.

b. *Determination of Excise Tax Liability*. The Company will select a professional services firm to make all of the determinations required to be made under these paragraphs relating to parachute payments. The Company will request that firm provide detailed supporting calculations both to the Company and the Eligible Employee prior to the date on which the event that triggers the Payment occurs if administratively feasible, or subsequent to such date if events occur that result in parachute payments to the Eligible Employee at that time. For purposes of making the calculations required under these paragraphs relating to parachute payments, the firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith determinations concerning the application of the Code. The Company and the Eligible Employee will furnish to the firm such information and documents as the firm may reasonably request in order to make a determination under these paragraphs relating to parachute payments. The Company will bear all costs the firm may reasonably incur in connection with any calculations contemplated by these paragraphs relating to parachute payments. Any such determination by the firm will be binding upon the Company and the Eligible Employee, and the Company will have no liability to the Eligible Employee for the determinations of the firm.

12. **Administration**: The Policy will be administered by the Company, acting through the Compensation Committee or another duly constituted committee of members of the Board or its delegate, but only to the extent of such delegation of authority or responsibility (in each case, an "**Administrator**"). The Administrator will have full discretion to administer and interpret the Policy. Any decision made or other action taken by the Administrator with respect to the Policy and any interpretation by the Administrator of any term or condition of the Policy, or any related document, will be conclusive and binding on all persons and be given the maximum possible deference allowed by law. The Administrator is the "named fiduciary" and "plan administrator" of the Policy for purposes of ERISA and will be subject to the fiduciary standards of ERISA when acting in such capacity. The Administrator may, in its sole discretion and on such terms and conditions as it may provide, delegate in writing to one or more officers of the Company all or any portion of its authority or responsibility with respect to the Policy.

13. **Attorneys' Fees**: The Company and each Eligible Employee will bear their own attorneys' fees incurred in connection with any disputes between them.

14. **Exclusive Benefits**: Except as may be set forth in an Eligible Employee's Participation Agreement, this Policy is intended to be the only agreement between the Eligible Employee and the Company and/or any subsidiary of the Company regarding any change of control or severance payments or benefits to

be paid to the Eligible Employee on account of a termination of employment whether unrelated to, concurrent with, or following, a change of control. Accordingly, by executing a Participation Agreement, an Eligible Employee hereby forfeits and waives any rights to any severance or change of control benefits set forth in (a) the Company's Equity Acceleration Policy and any participation agreement between the Eligible Employee and the Company thereunder or (b) any offer letter, employment or severance agreement, equity award agreement, and/or other agreement between the Eligible Employee and the Company or any subsidiary of the Company, except as set forth in this Policy and the Eligible Employee's Participation Agreement.

15. **Tax Obligations**: All payments and benefits under this Policy will be paid less applicable withholding taxes. The Company is authorized to withhold from any payments or benefits all U.S. federal, state, local and/or non-U.S. taxes required to be withheld therefrom and any other required payroll deductions. The Company will not pay any Eligible Employee's taxes arising from or relating to any payments or benefits under this Policy. The Eligible Employee will be solely responsible for the payment of all personal tax liability that is incurred as a result of the payments and benefits received under this Policy, and the Eligible Employee will not be reimbursed by the Company for any such payments.

16. **Amendment or Termination**: The Board or the Compensation Committee may amend or terminate the Policy in writing at any time, without advance notice to any Eligible Employee or other individual and without regard to the effect of the amendment on any Eligible Employee or on any other individual; provided, however, that any amendment of the Policy that is adverse to an Eligible Employee will not be effective with respect to such Eligible Employee without such Eligible Employee's prior written consent. Any action to amend or terminate the Policy will be taken in a non-fiduciary capacity.

17. **Claims Procedure**: Any Eligible Employee who believes he or she is entitled to any payment under the Policy may submit a claim in writing to the Administrator. If the claim is denied (in full or in part), the claimant will be provided a written notice explaining the specific reasons for the denial and referring to the provisions of the Policy on which the denial is based. The notice will also describe any additional information needed to support the claim and the Policy's procedures for appealing the denial. The denial notice will be provided within 90 days after the claim is received. If special circumstances require an extension of time (up to 90 days), written notice of the extension will be given within the initial 90- day period. This notice of extension will indicate the special circumstances requiring the extension of time and the date by which the Administrator expects to render its decision on the claim.

18. **Appeal Procedure**: If the claimant's claim is denied, the claimant (or his or her authorized representative) may apply in writing to the Administrator for a review of the decision denying the claim. Review must be requested within 60 days following the date the claimant received the written notice of their claim denial or else the claimant loses the right to review. The claimant (or representative) then has the right to review and obtain copies of all documents and other information relevant to the claim, upon request and at no charge, and to submit issues and comments in writing. The Administrator will provide written notice of the decision on review within 60 days after it receives a review request. If additional time (up to 60 days) is needed to review the request, the claimant (or representative) will be given written notice of the reason for the delay. This notice of extension will indicate the special circumstances requiring the extension of time and the date by which the Administrator expects to render its decision. If the claim is denied (in full or in part), the claimant will be provided a written notice explaining the specific reasons for the denial and referring to the

provisions of the Policy on which the denial is based. The notice will also include a statement that the claimant will be provided, upon request and free of charge, reasonable access to, and copies of, all documents and other information relevant to the claim and a statement regarding the claimant's right to bring an action under Section 502(a) of ERISA.

19. **Successors**: Any successor to the Company of all or substantially all of the Company's business and/or assets (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or other transaction) must assume the obligations under the Policy and agree expressly to perform the obligations under the Policy in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under the Policy, the term "Company" will include any successor to the Company's business and/or assets which becomes bound by the terms of the Policy by operation of law, or otherwise.

20. **Applicable Law**: The provisions of the Policy will be construed, administered, and enforced in accordance with ERISA and, to the extent applicable, the internal substantive laws of the state of California (but not its conflict of laws provisions).

21. **Definitions**: Unless otherwise defined in an Eligible Employee's Participation Agreement, the following terms will have the following meanings for purposes of this Policy and the Eligible Employee's Participation Agreement:

    a. "**Base Salary**" means the Eligible Employee's monthly base salary as in effect immediately prior to his or her Qualified Termination (or if the termination is due to a resignation for Good Reason based on a material reduction in base salary, then the Eligible Employee's monthly base salary in effect immediately before such reduction) or, if the Eligible Employee's Qualified Termination occurs both during the Change of Control Period and following the Change of Control, at the level in effect immediately prior to the Change of Control if the pre-Change of Control amount is greater.

    b. "**Board**" means the Board of Directors of the Company.

    c. "Cause" means, unless otherwise defined in the Participation Agreement, the Eligible Employee's (i) commission of fraud, misappropriation, embezzlement or breach of fiduciary duty, (ii) material breach or repeated failure to perform the Eligible Employee's employment duties to the Company or the subsidiary of the Company employing the Eligible Employee, (iii) material breach of the Eligible Employee's confidentiality agreement or any other similar agreement between the Eligible Employee and the Company or any subsidiary of the Company, (iv) conviction of, or entry of a plea of guilty or nolo contendere to, a felony (other than motor vehicle offenses the effect of which do not materially impair the Eligible Employee's performance of the Eligible Employee's employment duties), or (v) commission of any act of fraud or embezzlement or any act of dishonesty or any other willful misconduct that has caused or is reasonably expected to result in a material injury to the Company or any of its subsidiaries.

    d. **"Change of Control"** means the occurrence of any of the following events:

        i. a change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group ("**Person**"), acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than 50% of the total voting power of the stock of the Company;

provided, however, that for purposes of this subsection, if any one Person is already considered to own more than 50% of the total voting power of the stock of the Company, the acquisition of additional stock by such Person will not be considered a Change of Control; or;

ii. A change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any 12-month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this subsection (ii), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change of Control; or

iii. A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such Person) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection (iii), the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (A) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (B) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (2) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person, that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least 50% of the total value or voting power of which is owned, directly or indirectly, by a Person described in subsection (iii)(B)(3). For purposes of this subsection (iii), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this definition, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

Notwithstanding the foregoing, a transaction will not be deemed a Change of Control unless the transaction qualifies as a change in control event within the meaning of Section 409A.

Further and for the avoidance of doubt, a transaction or series of transactions will not constitute a Change of Control if: (x) its primary purpose is to change the jurisdiction of the Company's incorporation, or (y) its primary purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

e. "**Change of Control Period**" will mean the period beginning 3 months prior to a Change of Control and ending 12 months following a Change of Control.

f. "**COBRA**" means the Consolidated Omnibus Budget Reconciliation Act of 1985.

g. "**COBRA Severance**" means payments or benefits to be provided under Section 5.

h. "**Code**" means the Internal Revenue Code of 1986.

i. "**Compensation Committee**" means the Compensation Committee of the Board.

j. "**Disability**" means an Eligible Employee has been unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months. Alternatively, an Eligible Employee will be deemed disabled if determined to be totally disabled by the Social Security Administration. Termination resulting from Disability may only be effected after at least 30 days' written notice by the Company or the subsidiary of the Company employing the Eligible Employee, as applicable, of its intention to terminate the Eligible Employee's employment. In the event that the Eligible Employee resumes the performance of substantially all of the Eligible Employee's duties hereunder before the termination of his or her employment becomes effective, the notice of intent to terminate based on Disability will automatically be deemed to have been revoked.

k. "**Employment Period**" means the total period of an Eligible Employee's continuous employment with the Company that ends on the date of the Eligible Employee's Qualified Termination.

l. "**Equity Awards**" means an Eligible Employee's outstanding stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance stock units and any other Company equity incentive awards.

m. "**Good Reason**" means, unless otherwise defined in the Participation Agreement, an Eligible Employee's resignation of employment from all positions the Eligible Employee holds with the Company and its subsidiaries (or the acquirer) following the occurrence of at least one of the following events that occurs without the Eligible Employee's consent: (a) a material diminution of at least 5% in the Eligible Employee's overall annual compensation (it being agreed that the Eligible Employee's failure to achieve or be paid any target bonus does not constitute a 5% reduction of the Eligible Employee's overall compensation), (b) a material diminution in the Eligible Employee's authority, responsibilities, or duties (except that a change in job position or title, without more, shall not be a material diminution), or (c) the Company or acquirer's requirement that the Eligible Employee relocate his or her primary work location to a location that would increase the Eligible Employee's one-way commute distance by more than 30 miles than the Eligible Employee's current commute distance to the Company's then-current corporate offices. In the event of a Change of Control, if the Eligible Employee maintains the same authority, responsibilities and duties with respect to the Company as a publicly traded company after the Change of Control, there will not be Good Reason under subsection (b). For Good Reason to be established, the Eligible Employee must provide written notice to the Company's General Counsel within 90 days immediately following such event, the Company must fail to remedy such event within 30 days after receipt of such notice, and the Eligible Employee's resignation must be effective not later than 90 days after the expiration of such cure period. For purposes of notice, if a "diminution" occurs incrementally over a period of time (not to exceed 12 months from the date of the Change of Control), the "event" shall not be deemed to occur until the end of such diminution period.

n. "**Qualified Termination**" has the meaning set forth in the Eligible Employee's Participation Agreement.

o. "**Severance Benefits**" means Salary Severance, Bonus Severance, COBRA Severance or Equity Vesting.

Plan Name: RingCentral, Inc. Change of Control and Severance Policy

Plan Sponsor: RingCentral, Inc.
20 Davis Drive
Belmont, CA 94002

Identification Numbers: EIN: 94-3322844
Plan: __

Plan Year: Company's Fiscal Year

Plan Administrator: RingCentral, Inc.
Attention: Administrator of the RingCentral, Inc. Change of Control and Severance Policy
20 Davis Drive
Belmont, CA 94002

Agent for Service of Legal Process: RingCentral, Inc. 20 Davis Drive
Belmont, CA 94002

Service of process may also be made upon the Plan Administrator.

Type of Plan Severance Plan/Employee Welfare Benefit Plan

Plan Costs The cost of the Policy is paid by the Company.

Statement of ERISA Rights:

Eligible Employees have certain rights and protections under ERISA:

They may examine (without charge) all Policy documents, including any amendments and copies of all documents filed with the U.S. Department of Labor, such as the Policy's annual report (Internal Revenue Service Form 5500). These documents are available for review in the Company's Human Resources Department.

They may obtain copies of all Policy documents and other Policy information upon written request to the Plan Administrator. A reasonable charge may be made for such copies.

In addition to creating rights for Eligible Employees, ERISA imposes duties upon the people who are responsible for the operation of the Policy. The people who operate the Policy (called "fiduciaries") have a duty to do so prudently and in the interests of Eligible Employees. No one, including the Company or any other person, may fire or otherwise discriminate against an Eligible Employee in any way to prevent them from obtaining a benefit under the Policy or exercising rights under ERISA. If an Eligible Employee's claim for a severance benefit is denied, in whole or in part, they must receive a written explanation of the reason for the denial. An Eligible Employee has the right to have the denial of their claim reviewed. (The claim review procedure is explained above.)

Under ERISA, there are steps Eligible Employees can take to enforce the above rights. For instance, if an Eligible Employee requests materials and does not receive them within 30 days, they may file suit in a federal court. In such a case, the court may require the Administrator to provide the materials and to pay the Eligible Employee up to $110 a day until they receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If an Eligible Employee has a claim which is denied or ignored, in whole or in part, he or she may file suit in a state or federal court. If it should happen that an Eligible Employee is discriminated against for asserting their rights, he or she may seek assistance from the U.S. Department of Labor, or may file suit in a federal court.

In any case, the court will decide who will pay court costs and legal fees. If the Eligible Employee is successful, the court may order the person sued to pay these costs and fees. If the Eligible Employee loses, the court may order the Eligible Employee to pay these costs and fees, for example, if it finds that the claim is frivolous.

If an Eligible Employee has any questions regarding the Policy, please contact the Plan Administrator. If an Eligible Employee has any questions about this statement or about their rights under ERISA, they may contact the nearest area office of the Employee Benefits Security Administration (formerly the Pension and Welfare Benefits Administration), U.S. Department of Labor, listed in the telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W. Washington, D.C. 20210. An Eligible Employee may also obtain certain publications about their rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

EXHIBIT A

Change of Control and Severance Policy Participation Agreement

This Participation Agreement ("**Agreement**") is made and entered into by and between Eligible Employee on the one hand, and RingCentral, Inc. (the "**Company**") on the other.

You have been designated as eligible to participate in the Policy, a copy of which is attached hereto, pursuant to which you are eligible to receive the following severance payments and benefits upon a Qualified Termination, subject to the terms and conditions of the Policy.

"**Qualified Termination**" means a termination of your employment by the Company (or any of its subsidiaries) without Cause (including a termination of employment due to your death or Disability) or by you for Good Reason, in either case (a) during the Change of Control Period (a "**CIC Qualified Termination**") or (b) outside the Change of Control Period (a "**Non-CIC Qualified Termination**").

Non-CIC Qualified Termination

- **Salary Severance:** You will receive continuing cash payments of severance pay at a rate equal to your Base Salary for the Applicable Period (as defined below) after your Non-CIC Qualified Termination, which will be paid (less applicable withholding taxes) in accordance with the Company's regular payroll procedures. "Applicable Period" means (i) three months if your Employment Period was less than one year, (ii) nine months if your Employment Period was greater than or equal to one year and less than three years, and (iii) twelve months if your Employment Period was greater than or equal to three years.

- **COBRA Severance:** You will receive reimbursement of continued health coverage under COBRA or a taxable lump sum payment in lieu of reimbursement, as applicable and as described in Section 5 of the Policy, for the Applicable Period following the date of your Non-CIC Qualified Termination.

Equity Vesting: If your Employment Period was greater than or equal to one year, you will receive vesting acceleration as to any Equity Awards that are outstanding and unvested as of the date of your Non-CIC Qualified Termination that otherwise would have vested solely based on continued employment during the 12-month period following the date of the Non-CIC Qualified Termination and not as a result of the achievement of performance criteria. For avoidance of doubt, if an award that was originally granted with vesting based on both the achievement of performance criteria and continued employment has met its performance criteria prior to the Non-CIC Qualified Termination, such award will be treated for this policy as though it is vesting solely based on continued employment.

CIC Qualified Termination

- **Salary Severance:** You will receive a lump-sum cash payment equal to 12 months of your Base Salary, which will be paid on the later of (A) the Initial Payment Date or (B) on or as soon as administratively practicable following the closing date of the applicable Change of Control (but in no event later than 30 days following such closing date).
- **COBRA Severance:** You will receive reimbursement of continued health coverage under COBRA or a taxable lump sum payment in lieu of reimbursement, as applicable and as described in Section 5 of the Policy, for a period of 12 months following the date of your Non-CIC Qualified Termination.

- **Equity Vesting:** Subject to the following sentence, 100% of your then-outstanding and unvested Equity Awards will become vested in full and, to the extent applicable, become immediately exercisable. If, however, any portion of an outstanding Equity Award is to vest and/or the amount of the award to vest is to be determined based on the achievement of performance criteria (such portion of an Equity Award, a "**Performance-Based Tranche**"), then, unless otherwise determined by the applicable agreement governing the Equity Award, the Performance-Based Tranche will become vested and, to the extent applicable, become immediately exercisable as to:

  (a) if the applicable Change of Control occurs before the applicable performance period has ended, 100% of the portion of the Performance-Based Tranche that otherwise would have vested assuming the performance criteria for the performance period had been achieved at (x) for any such RSUs that vest based on performance metrics other than stock price metrics, target levels, or (y) for any such RSUs that vest based on stock price metrics, the level of achievement of the performance goals using the price payable for a share of the Company's Class A common stock in connection with the Change of Control as the stock price, or

  (b) if the Change of Control occurs after the applicable performance period has ended, 100% of the portion of the Performance-Based Tranche that otherwise would have vested based on actual achievement of the performance criteria for the performance period.

  For the avoidance of doubt, if an Eligible Employee's Qualified Termination occurs prior to a Change of Control, then any unvested portion of the Eligible Employee's outstanding time-based Equity Awards will remain outstanding for 3 months so that any additional benefits due on a CIC Qualified Termination can be provided if a Change of Control occurs within 3 months following the Qualified Termination (provided that in no event will the terminated Eligible Employee's stock options or similar equity awards remain outstanding beyond the equity award's maximum term to expiration). If no Change of Control occurs within 3 months after a Qualified Termination, any unvested portion of the Eligible Employee's equity awards automatically will be forfeited permanently without having vested.

Non-Duplication of Payment or Benefits

If (i) an Eligible Employee's Qualified Termination occurs prior to a Change of Control that qualifies him or her for severance payments and benefits payable on a Non-CIC Qualified Termination under this Policy and the Agreement and (ii) a Change of Control occurs within the 3-month period following the Eligible Employee's Qualified Termination that qualifies him or her for the severance payments and benefits payable on a CIC Qualified Termination under this Policy, then (i) the Eligible Employee will cease receiving any further payments or benefits under this Policy in connection with his or her Non-CIC Qualified Termination and (ii) the Salary Severance, COBRA Severance, and Equity Vesting otherwise payable on a CIC Qualified Termination under this Agreement each will be offset by the corresponding payments or benefits already paid under this Participation Agreement upon a Non-CIC Qualified Termination.

Other Provisions

Except as set forth in this paragraph, you agree that the Policy and the Agreement constitute the entire agreement of the parties hereto and supersede in their entirety all prior representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied) of the parties, and will specifically supersede any severance and/or change of control provisions (including, but not limited to, any provisions that provide for vesting acceleration upon a qualifying termination of employment occurring in connection with or following a "change of control" or any similar term) in (a) the Company's Equity Acceleration Policy and any participation agreement between you and the Company thereunder or (b) any

offer letter, employment or severance agreement, equity award agreement, and/or other agreement entered into between you and the Company, except as set forth in the Policy and this Agreement.

This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

By its signature below, each of the parties signifies its acceptance of the terms of this Agreement, in the case of the Company by its duly authorized officer effective as of the last date set forth below.

RINGCENTRAL, INC. **ELIGIBLE EMPLOYEE**

By: __ Name: __

Date: __ Signature:__

Date:__

Exhibit 21.1

List of Subsidiaries

Name	Jurisdiction of Incorporation
RingCentral International, Inc.	Delaware
RCLEC, Inc.	Delaware
RCVA, Inc.	Virginia
Connect First, Inc.	Delaware
RingCentral Florida, LLC	Delaware
RingCentral Canada Inc.	Canada
RingCentral Brasil Soluções em TI LTDA	Brazil
RingCentral UK LTD	United Kingdom
RingCentral CH GmbH	Switzerland
RingCentral B.V.	Netherlands
RingCentral Ireland Limited	Ireland
RingCentral Espana S.L.	Spain
RingCentral Italy S.R.L.	Italy
RingCentral France SAS	France
RingCentral Hong Kong Limited	Hong Kong
Xiamen RingCentral Software Co., Ltd.	China
RingCentral Singapore Pte. Ltd.	Singapore
RingCentral Australia Pty Ltd	Australia
RingCentral Japan K.K.	Japan
RingCentral Korea, Ltd.	South Korea
RingCentral Holdings I, Inc.	Delaware
RingCentral IP Holdings, Inc.	Delaware
RingCentral South Africa Pty Ltd	South Africa
RingCentral Germany GmbH	Germany
RingCentral India Private Limited	India
RingCentral Israel Ltd.	Israel
RingCentral Ventures, LLC	Delaware
RingCentral Innovation (India) Private Limited	India
RingCentral Philippines, Inc.	Philippines
RingCentral Taiwan, Ltd.	Taiwan
RingCentral Bulgaria EOOD	Bulgaria
RingCentral MiCloud and Sky, LLC	Delaware
Panther Acquisition Sub, Inc.	Delaware
Workforce Management Software Group, Inc.	Florida

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (Nos. 333-234647 and 333-277294) on Form S-3 and registration statements (Nos. 333-191433, 333-202367, 333-209794, 333-216297, 333-223228, 333-229898, 333-236641, 333-253651, 333-263172, 333-269965, 333-277292 and 333-285273) on Form S-8 of our report dated February 26, 2026, with respect to the consolidated financial statements of RingCentral, Inc. and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP

Santa Clara, California
February 26, 2026

Exhibit 31.1

Certification of Principal Executive Officer
pursuant to
Exchange Act Rules 13a-14(a) and 15d-14(a),
as adopted pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Vladimir Shmunis, certify that:

1. I have reviewed this Annual Report on Form 10-K of RingCentral, 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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

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

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

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

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

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

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

/s/ Vladimir Shmunis

Vladimir Shmunis
Chief Executive Officer and Chairman
(Principal Executive Officer)

Date: February 26, 2026

Exhibit 31.2

Certification of Principal Financial Officer
pursuant to
Exchange Act Rules 13a-14(a) and 15d-14(a),
as adopted pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Vaibhav Agarwal, certify that:

1. I have reviewed this Annual Report on Form 10-K of RingCentral, 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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

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

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

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

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

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

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

/s/ Vaibhav Agarwal

Vaibhav Agarwal
Chief Financial Officer
(Principal Financial Officer)

Date: February 26, 2026

Exhibit 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

In connection with the Annual Report of RingCentral, Inc. (the "Company") on Form 10-K for the annual period ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Vladimir Shmunis, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

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

Date: February 26, 2026

/s/ Vladimir Shmunis

Vladimir Shmunis
Chief Executive Officer and Chairman
(Principal Executive Officer)

Exhibit 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

In connection with the Annual Report of RingCentral, Inc. (the "Company") on Form 10-K for the annual period ended December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Vaibhav Agarwal, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

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

Date: February 26, 2026

/s/ Vaibhav Agarwal

Vaibhav Agarwal
Chief Financial Officer
(Principal Financial Officer)