(December 2017 Department of the Treasury

Report of Organizational Actions Affecting Basis of Securities

► See separate instructions.

OMB No. 1545-0123

Internal Revenue Service Part I Reporting Issuer 2 Issuer's employer identification number (EIN) 1 Issuer's name Twilio, Inc. 26-2574840 3 Name of contact for additional information 4 Telephone No. of contact 5 Email address of contact Harout Yenikomshian 1-415-801-0384 hyenikomshian@twilio.com 6 Number and street (or P.O. box if mail is not delivered to street address) of contact 7 City, town, or post office, state, and ZIP code of contact San Francisco, CA 94105 101 Spear Street, First Floor 8 Date of action 9 Classification and description 11/02/2020 Common stock 10 CUSIP number 11 Serial number(s) 12 Ticker symbol 13 Account number(s) 90138F102 TWLO Organizational Action Attach additional statements if needed. See back of form for additional questions. Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► See attachment. Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► See attachment. Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► See attachment.

Pa	rt II	Organizational Action (continued)			
17		ne applicable Internal Revenue Code section(s) and subsection(s) upon which the tax	treatment is hased	See attac	hment
.,	LIST II	applicable internal nevertice code section(s) and subsection(s) upon which the tax	irealment is based	<u>See allac</u>	Tillient.
18 Can any resulting loss be recognized? ► See attachment.					
19	Provid	le any other information necessary to implement the adjustment, such as the reportal	ole tax year ▶ See at	tachment.	
	Un be	der penalties of perjury, I declare that I have examined this return, including accompanying sch- ief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all info	edules and statements, rmation of which prepa	and to the bes rer has anv kno	t of my knowledge and wledae.
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	u pare	D. Ian Bristol	11/5/2020	self-employed	P00743466
	Onl	1		Firm's EIN ▶	13-5565207
		Firm's address ► 3975 Freedom Circle Drive, Suite 100 Santa Clara, CA 95054		Phone no.	(408) 367-5764

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054

Twilio, Inc. EIN 26-2574840

ATTACHMENT TO FORM 8937 – PART II REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES

CONSULT YOUR TAX ADVISOR

The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the "Code"), and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations relating to the effects of the Acquisition (as defined below) on the tax basis of Target (as defined below) stock exchanged for Twilio (as defined below) stock and cash received in the Acquisition. The information contained herein does not constitute tax advice and does not purport to be complete or to describe the consequences that may apply to particular categories of shareholders. Neither Twilio nor Target provides tax advice to its shareholders. The example provided below is illustrative and is being provided pursuant to Section 6045B of the Code and as a convenience to shareholders and their tax advisers when establishing their specific tax position. You are urged to consult your own tax adviser regarding the particular consequences of the Acquisition to you, including the applicability and effect of all U.S. federal, state and local tax laws and foreign tax laws.

Form 8937, Part II, Box 14:

On November 2, 2020 (the "Closing Date"), upon the terms and subject to the conditions set forth in the Agreement and Plan of Merger (the "Merger Agreement"), dated as of October 12, 2020, among Twilio, Inc. ("Twilio"), [Scorpio MergeCo, Inc.], a wholly-owned subsidiary of Twilio ("Merger Sub"), Segment.io, Inc. ("Target"), and [Shareholder Representative Services LLC], and in accordance with applicable law, the following events occurred: (i) Merger Sub merged into Target with Target surviving (the Merger). The Merger is treated as a tax-deferred reorganization within the meaning of IRC Section 368(a)(1)(B) and Section 368(a)(2)(E) to the extent Target shareholders receive Twilio common stock and a taxable exchange to the extent Target shareholders receive cash in exchange for their Target stock. Additional detail is available upon request.

Form 8937, Part II, Box 15:

- A. The shareholders of Target will have a carryover basis in the stock received (i.e., stock of Twilio) equal to the basis in the stock relinquished (i.e., stock of Target) subject to non-qualifying consideration received. Under IRC Section 1001, non-qualifying consideration, including cash, received in exchange for Target stock results in taxable income recognition to the Target shareholders to the extent of the built-in gain in such Target stock. For further explanation, see Question 16.A., below.
- B. Twilio will have a carryover basis in the assets of Target. For a further explanation, see Question 16.B., below.

Form 8937, Part II, Box 16:

- A. Under IRC Section 358, the basis of Twilio stock received by Target shareholders will have the same basis as the Target stock surrendered in the exchange, less any cash received, plus any gain recognized on the exchange.
- B. Under IRC Section 362, the basis of Target's properties in the hands of Twilio will be the same as the basis of such properties in the hands of Target immediately before the exchange.

Form 8937, Part II, Box 17:

IRC Sections 301, 302, 354, 356, 358, 368, 1001, and 1012.

Form 8937, Part II, Box 18:

Under IRC Section 358, gain, but not loss, can be recognized.

Form 8937, Part II, Box 19:

The stock basis adjustments are generally taken into account in the tax year of the shareholder in which the Acquisition occurred.