

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): January 7, 2024

Twilio Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-37806
(Commission
File Number)

26-2574840
(IRS Employer
Identification No.)

**101 Spear Street, Fifth Floor
San Francisco, California 94105**
(Address of principal executive offices, including zip code)

(415) 390-2337
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

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.

Item 2.02 Results of Operations and Financial Condition.

On January 8, 2024, Twilio Inc. (the “Company”) issued a press release announcing that it expects to report revenue and non-GAAP income from operations for the fourth quarter ended December 31, 2023 and non-GAAP income from operations for the fiscal year ended December 31, 2023 above the guidance ranges provided in its earnings press release furnished as Exhibit 99.1 to the Current Report on Form 8-K filed with the SEC on November 8, 2023. A copy of the press release is furnished herewith as Exhibit 99.1.

The information furnished in this Item 2.02 and in the accompanying Exhibit 99.1 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any other filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference in such filing.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Resignation of Jeff Lawson and Appointment of Khozema Shipchandler as CEO and Director

On January 7, 2024, Jeff Lawson resigned as the Company’s Chief Executive Officer (“CEO”) and as a member of the Company’s Board of Directors (the “Board”) and as Board Chair, in each case, effective January 8, 2024. Mr. Lawson’s decision to resign from the Board did not result from any disagreement with the Company on any matter relating to the Company’s operations, policies or practices.

On January 7, 2024, the Board appointed Khozema Shipchandler, the Company’s President, Twilio Communications, as CEO of the Company and as a member of the Board, effective January 8, 2024 (the “CEO Transition”). Mr. Shipchandler will serve in the class of directors whose term expires at the Company’s 2024 annual meeting of stockholders. Mr. Shipchandler will not be entitled to compensation in connection with his Board service and will cease serving as President, Twilio Communications upon his promotion to CEO.

Mr. Shipchandler, age 49, has served as the Company’s President, Twilio Communications since March 2023. Previously, Mr. Shipchandler served as the Company’s Chief Operating Officer from 2021 to 2023 and the Company’s Chief Financial Officer from 2018 to 2021. From 2015 to 2018, Mr. Shipchandler served as Chief Financial Officer and Executive Vice President of Corporate Development at GE Digital, an operational technology and infrastructure software company that is a division of General Electric. From 1996 to 2015, Mr. Shipchandler served in various executive roles at General Electric, including as Chief Financial Officer, Middle East, North Africa and Turkey from 2011 to 2013. Mr. Shipchandler has served on the board of directors of Smartsheet Inc., an enterprise software company, since June 2023. Mr. Shipchandler holds a B.A. in English and Biology from Indiana University Bloomington.

Mr. Shipchandler does not have family relationships with any of the Company’s other directors or executive officers. There are no other arrangements or understandings between Mr. Shipchandler and any other person pursuant to which Mr. Shipchandler was selected as the Company’s CEO or as a director. Mr. Shipchandler has no direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

Shipchandler Offer Letter

In connection with the CEO Transition, the Compensation and Talent Management Committee approved the terms of an offer letter (the “Shipchandler Offer Letter”), which the Company entered into with Mr. Shipchandler on January 7, 2024, setting forth the terms of his employment and compensation. Pursuant to the Shipchandler Offer Letter, effective January 8, 2024, Mr. Shipchandler will receive a base salary of \$1,100,000 per year, consistent with his existing salary, and will have an initial target bonus opportunity equal to 100% of his base salary, subject to the achievement of corporate and individual bonus objectives set by the Board or Compensation and Talent Management Committee. In addition, Mr. Shipchandler will receive an award of restricted stock units with an aggregate value of approximately \$10,000,000 (the “RSU Award”) and an award of performance stock units with an aggregate value of approximately \$15,000,000 (the “PSU Award”). The RSU Award will vest in equal quarterly installments over four years, subject to

Mr. Shipchandler's continued employment with the Company through each vesting date. The RSU Award and PSU Award will be granted under the Company's Amended and Restated 2016 Stock Option and Incentive Plan and forms of award agreements thereunder, with the performance-based metrics of the PSU Award to be determined by the Board or Compensation and Talent Management Committee when the PSU Award is granted.

The foregoing summary of the Shipchandler Offer Letter does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Shipchandler Offer Letter, a copy of which is attached hereto as Exhibit 10.1 and is incorporated by reference.

Mr. Shipchandler will also participate in the Amended Chief Executive Officer Severance Plan (the "CEO Severance Plan"), a copy of which was previously filed on February 23, 2023 as Exhibit 10.2 to the Company's Current Report on Form 8-K. The CEO Severance Plan provides that if Mr. Shipchandler's employment is terminated by the Company for any reason other than for Cause (as defined in the CEO Severance Plan), death or disability or by Mr. Shipchandler for Good Reason (as defined in the CEO Severance Plan), in each case outside of the change in control period (the period beginning three months prior to and ending 12 months after a Change in Control (as defined in the CEO Severance Plan)), Mr. Shipchandler will be entitled to receive, subject to the execution and effectiveness of a general release of claims in favor of the Company, (1) a lump sum cash payment equal to 18 months of base salary, (2) if Mr. Shipchandler was participating in the Company's group health plan immediately prior to the date of termination and elects COBRA health continuation, a monthly cash payment equal to the monthly employer contribution that the Company would have made to provide health insurance to Mr. Shipchandler if he had remained employed, for up to 18 months, and (3) an additional 12 months of vesting credit with respect to Mr. Shipchandler's outstanding and unvested equity awards that are subject only to time-based vesting. The CEO Severance Plan also provides that if Mr. Shipchandler's employment is terminated by the Company for any reason other than for Cause, death or disability or by Mr. Shipchandler for Good Reason, in each case within the change in control period, Mr. Shipchandler will be entitled to receive, in lieu of the payments and benefits above and subject to the execution and effectiveness of a general release of claims in favor of the Company, (1) a lump sum cash payment equal to 24 months of base salary, (2) if Mr. Shipchandler was participating in the Company's group health plan immediately prior to the date of termination and elects COBRA health continuation, a monthly cash payment equal to the monthly employer contribution that the Company would have made to provide health insurance to Mr. Shipchandler if he had remained employed, for up to 24 months, and (3) full accelerated vesting of all outstanding and unvested equity awards held by Mr. Shipchandler; provided, that any unvested and outstanding equity awards subject to performance conditions will be deemed satisfied at the target levels specified in the applicable award agreements.

Mr. Shipchandler previously entered into the Company's standard form of indemnification agreement, a copy of which has previously been filed on February 26, 2021, as Exhibit 10.1 to the Company's Annual Report on Form 10-K.

Lawson Separation Agreement

The Company entered into a separation agreement with Mr. Lawson (the "Lawson Separation Agreement") in connection with his resignation as CEO. The Lawson Separation Agreement contains a customary release of claims and as consideration for the agreement provides that Mr. Lawson will (1) receive a lump sum cash payment equal to \$99,840, (2) have his outstanding and unvested equity awards covering 68,124 shares of Class A common stock that are subject to time-based vesting immediately vest in full and, if applicable, become exercisable as to 100% of those awards, (3) receive an extension of the exercise period of his vested stock options until the earliest to occur of: (i) the three-year anniversary of his separation date, (ii) the applicable expiration date of the applicable stock option, or (iii) such earlier date as provided or permitted under the applicable equity plan, and (4) be eligible for cash payments equal to 18 months of the employer portion of Mr. Lawson's monthly COBRA premiums.

The foregoing summary of the Lawson Separation Agreement does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Lawson Separation Agreement, a copy of which is attached hereto as Exhibit 10.2 and is incorporated by reference.

Item 7.01 Regulation FD Disclosure.

On January 8, 2024, the Company issued a press release announcing the Company leadership changes described herein. A copy of the press release is furnished as Exhibit 99.1 and is incorporated by reference.

The information contained herein and in the accompanying exhibit are “furnished” and shall not be deemed “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section, and shall not be incorporated by reference in any filing under the Securities Act, or the Exchange Act regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference in such filing.

Item 8.01 Other Events.*Board Chair Appointment*

In connection with Mr. Lawson’s departure from the Board, the Board has appointed Jeff Epstein as Board Chair, effective January 8, 2024.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

<u>Exhibit No.</u>	<u>Exhibit Description</u>
10.1	Offer Letter between the Company and Khozema Shipchandler, dated January 7, 2024.
10.2	Separation Agreement and Release between the Company and Jeff Lawson, dated January 7, 2024.
99.1	Press Release issued by Twilio, dated January 8, 2024.
104	Cover Page Interactive Data File (formatted as Inline XBRL)

SIGNATURES

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

TWILIO INC.

January 8, 2024

By: /s/ Aidan Viggiano

Name: Aidan Viggiano

Title: Chief Financial Officer



January 7, 2024

Khozema Shipchandler

Re: EMPLOYMENT AGREEMENT

Dear Khozema:

This Employment Agreement (the “*Agreement*”) between you (referred to hereinafter as “*Executive*”) and Twilio Inc., a Delaware Corporation (the “*Company*”) sets forth the terms and conditions that shall govern Executive’s employment with the Company.

1. Duties and Scope of Employment.

(a) **At-Will Employment.** Executive’s Employment with the Company will continue to be for no specified period and constitutes “at will” employment. As a result, Executive is free to terminate employment with the Company (“*Employment*”) at any time, with or without advance notice, and for any reason or for no reason. Similarly, the Company is free to terminate Executive’s Employment at any time, with or without advance notice, and with or without cause. Furthermore, although terms and conditions of Executive’s Employment with the Company may change over time, nothing shall change the at-will nature of Executive’s Employment.

(b) **Position and Responsibilities.** The Company agrees to employ Executive in the position of Chief Executive Officer. Executive will report to the Company’s Board of Directors (the “*Board*”), and Executive will be working out of the Company’s office in San Francisco and from Executive’s home office in California. Executive will perform the duties and have the responsibilities and authority customarily performed and held by an employee in Executive’s position or as otherwise may be assigned or delegated to Executive by the Board. The effective date of Executive’s new role will be **January 8, 2024** (the “*Start Date*”).

(c) **Obligations to the Company.** Executive shall perform Executive’s duties in his new role loyally and conscientiously and to the best of Executive’s ability and will devote Executive’s full business efforts and time to the Company. Without the prior written approval of the Board, Executive shall not render services in any capacity to any other person or entity and shall not act as a sole proprietor or partner of any other person or entity or own more than five percent (5%) of the stock of any other corporation. Notwithstanding the foregoing, Executive may serve on civic or charitable boards or committees, deliver lectures, fulfill speaking engagements, teach at educational institutions, or manage personal investments without advance written consent of the Board; provided that such activities do not individually or in the aggregate interfere with the performance of Executive’s duties under this Agreement or create a potential business or fiduciary conflict, and provided that they have been approved through the Company’s outside activities disclosure process. Executive shall comply with the Company’s policies and rules and standards

of conduct, as they may be in effect from time to time during Executive's Employment, including but not limited to the Company's Code of Conduct, Employee Handbook, data protection policy, and information security policy, each as updated from time to time. Executive must only process personal data relating to the Company's staff, customers, end-users, suppliers and other third parties as necessary for the performance of Executive's role and must protect the confidentiality of that personal data at all times. Failure to comply with the Company's data protection and information security policies, may result in disciplinary measures up to and including termination.

(d) **Business Opportunities.** During Executive's Employment, Executive shall promptly disclose to the Company each business opportunity of a type, which based upon its prospects and relationship to the business of the Company or its affiliates, the Company might reasonably consider pursuing. In the event that Executive's Employment is terminated for any reason, the Company or its affiliates shall have the exclusive right to participate in or undertake any such opportunity on their own behalf without any involvement by or compensation to Executive under this Agreement.

(e) **No Conflicting Obligations.** Executive represents and warrants to the Company that Executive is under no obligations or commitments, whether contractual or otherwise, that are inconsistent with Executive's obligations under this Agreement or that would otherwise prohibit Executive from performing Executive's duties with the Company.

2. Cash and Incentive Compensation.

(a) **Base Salary.** The Company shall pay Executive, as compensation for Executive's services, a base salary at a gross annual rate of **\$1,100,000**, less all required tax withholdings and other applicable deductions, in accordance with the Company's standard payroll procedures.

(b) **Corporate Bonus.** Executive will be eligible to participate in the Twilio Corporate Bonus Plan (the "**Plan**"), as in place from time to time and subject to the Board's approval. Executive's initial target bonus will be 100% of Executive's base salary. Whether Executive earns a bonus, the target amount of the bonus, and the amount of any bonus payment depends on the achievement of corporate and individual objectives in accordance with the Plan, all of which is subject to Board approval. Any bonus payment will be prorated based on Executive's period of active employment with the Company during the performance period for the Plan. Executive must be actively employed by the Company on the date bonuses are paid in order to earn and receive a bonus. The Company reserves the right, in its sole discretion, to amend or terminate any bonus arrangements applicable to Executive at any time, in accordance with applicable law. The bonus payments or bonus plan terms and conditions applicable for any given year or during several years will not create a precedent for any subsequent years.

(c) **Restricted Stock Units.** Subject to the approval of the Board, following Executive's Start Date, the Company shall grant Executive restricted stock units (the "**RSUs**") with a total value of approximately **\$10,000,000.00**. The number of RSUs subject to such grant will be determined by dividing **\$10,000,000.00** by the average closing market price on the New York Stock Exchange of one share of the Company's Class A common stock over the 30-day period ending five business days before the effective date of grant (the "**Grant Date**"). Each RSU

represents the right to receive one share of the Company's Class A common stock if and when the RSU vests. Subject to Board approval, the Grant Date will be on or after the 20th day of the month following the later of the offer acceptance date or Start Date. In general, the RSUs will commence vesting on the first to occur of February 15, May 15, August 15 and November 15 and will vest in equal quarterly installments thereafter for 16 quarters, subject to Executive's continued employment with the Company through each vesting date. There is no guarantee that the value of the shares of the Company's Class A common stock Executive receives if and when the RSUs vest will be equal to **\$10,000,000.00**, as the future value of the Company's Class A common stock is unknown, indeterminable, and may fluctuate between the date of this Agreement and the Grant Date and between the Grant Date and the applicable vesting dates. The RSUs will be subject to the terms, definitions and provisions of the Company's 2016 Stock Option and Incentive Plan and the restricted stock unit agreement by and between Executive and the Company, which Executive will be required to accept as a condition of receiving the RSUs, both of which are incorporated herein by reference. Executive will be eligible for future awards, as determined in the sole discretion of the Board.

(d) **Performance Stock Units.** Subject to approval by the Board, following Executive's Start Date, Executive will be granted performance stock units (the "**PSUs**") with a total value of approximately **\$15,000,000.00**. The number of PSUs subject to such grant will be determined by dividing **\$15,000,000.00** by the average closing market price on the New York Stock Exchange of one share of the Company's Class A common stock over the 30-day period ending five business days before the effective date of grant. Each PSU represents the right to receive one share of the Company's Class A common stock if and when the PSU vests. The PSU terms and conditions, including but not limited to applicable vesting dates and performance-based metrics, will be determined by the Board and will be consistent with the performance-based metrics established by the Board for similar performance awards to be approved for other senior executives of the Company covering the same performance period as the PSUs. There is no guarantee that the value of the shares of the Company's Class A common stock Executive may receive if and when the PSUs vest will be equal to **\$15,000,000.00**, as the future value of the Company's Class A common stock is unknown, indeterminable, and may fluctuate between the date of this Agreement and the grant date and between the grant date and the applicable vesting dates. The PSUs will be subject to the terms and conditions of the 2016 Stock Option and Incentive Plan and the PSU agreement thereunder, which Executive will be required to accept as a condition to receiving the PSUs.

3. Employee Benefits. The Company does not have a formal vacation or paid time off policy, and as a result there will be no payout of vacation or paid time off upon separation of employment. Executive is permitted to take paid time off as needed provided it does not interfere with Executive's ability to perform his duties. Executive is also entitled to paid time off in accordance with applicable paid sick leave laws. Executive shall be eligible to participate in the employee benefit plans maintained by the Company and generally available to similarly situated employees of the Company, subject in each case to the generally applicable terms and conditions of the plan or policy in question. The Company may determine to provide Executive with personal security during the term of Employment, and to the extent it does, the Company will provide it on a tax neutral basis to Executive. The Company reserves the right to cancel or change the employee benefit plans, policies and programs it offers to its employees at any time.

4. Business Expenses. The Company will reimburse Executive for necessary and reasonable business expenses incurred in connection with Executive's duties hereunder upon presentation of an itemized account and appropriate supporting documentation, all in accordance with the Company's generally applicable policies.

5. Proprietary Information, Inventions, Non-Competition and Non-Solicitation Agreement, including Mutual Arbitration Agreement. Executive's acceptance of this offer is contingent upon the execution and delivery to the Company of the Twilio Inc. Proprietary Information, Inventions, Non-Competition and Non-Solicitation Agreement, including Mutual Arbitration Agreement, a copy of which is attached as **Attachment A**, which shall supersede and replace that certain Proprietary Information, Inventions, Non-Competition and Non-Solicitation Agreement executed by and between Executive and the Company dated on October 2, 2018.

6. Indemnification. The Company shall indemnify Executive to the maximum extent permitted by applicable law and the Company's Bylaws with respect to Executive's service and Executive shall also be covered under a directors and officers liability insurance policy paid for by the Company to the extent that the Company maintains such a liability insurance policy now or in the future. Executive agrees to indemnify and save Company and its affiliates harmless from any damages, which Company may sustain in any manner primarily through Executive's willful misconduct or gross negligence or a material breach of the provisions of this Agreement.

7. Headings. All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

8. Whole Agreement. No other agreements, representations or understandings (whether oral or written and whether express or implied) that are not expressly set forth in this Agreement have been made or entered into by either party with respect to the subject matter hereof. This Agreement and the Twilio Inc. Proprietary Information, Inventions, Non-Competition and Non-Solicitation Agreement, including Mutual Arbitration Agreement, attached as Attachment A, and contain the entire understanding of the parties with respect to the subject matter hereof.

9. Withholding Taxes. All payments made under this Agreement shall be subject to reduction to reflect taxes or other deductions required to be withheld by law.

10. Choice of Law and Severability. This Agreement shall be interpreted in accordance with the laws of the State of California without giving effect to provisions governing the choice of law. If any provision of this Agreement becomes or is deemed invalid, illegal or unenforceable in any applicable jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the minimum extent necessary to conform to applicable law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision shall be stricken and the remainder of this Agreement shall continue in full force and effect. If any provision of this Agreement is rendered illegal by any present or future statute, law, ordinance or regulation (collectively, the "**Law**") then that provision shall be curtailed or limited only to the minimum extent necessary to bring the provision into compliance with the Law. All the other terms and provisions of this Agreement shall continue in full force and effect without impairment or limitation.

11. No Assignment. This Agreement and all of Executive's rights and obligations hereunder are personal to Executive and may not be transferred or assigned by Executive at any time. The Company may assign its rights under this Agreement to any entity that assumes the Company's obligations hereunder in connection with any sale or transfer to such entity of all or a substantial portion of the Company's assets.

12. Acknowledgment. Executive acknowledges that Executive has had the opportunity to discuss this matter with and obtain advice from Executive's personal attorney, has had sufficient time to, and has carefully read and fully understood all the provisions of this Agreement, and is knowingly and voluntarily entering into this Agreement.

13. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Execution of an electronic copy will have the same force and effect as execution of an original, and an electronic signature will be deemed an original and valid signature.

14. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents or notices related to this Agreement, securities of the Company or any of its affiliates or any other matter, including documents and/or notices required to be delivered to Executive by applicable securities law or any other law or the Company's Certificate of Incorporation or Bylaws by email or any other electronic means. Executive hereby consents to (i) conduct business electronically (ii) receive such documents and notices by such electronic delivery and (iii) sign documents electronically and agree to participate through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

[Signature Page Follows]

After you have had an opportunity to review this Agreement, please feel free to contact me if you have any questions or comments. To indicate your acceptance of this Agreement, please sign and date this letter in the space provided below and return it to the Company.

Very truly yours,

TWILIO INC.

By: /s/ Christy Lake
(Signature)

Name: Christy Lake

Title: Chief People Officer

I agree to and accept employment with the Company on the terms and conditions set forth in this letter agreement. I understand and agree that my employment with the Company is “at will” and that nothing herein changes the at-will nature of my employment.

ACCEPTED AND AGREED:

KHOZEMA SHIPCHANDLER

/s/ Khozema Shipchandler
(Signature)

January 7, 2024
Date

Attachment A: Proprietary Information, Inventions, Non-Competition and Non-Solicitation Agreement, and Mutual Arbitration Agreement*

* This attachment has been omitted pursuant to Item 601(a)(5) of Regulation S-K. A copy of any omitted attachment will be furnished to the SEC upon request.

January 7, 2024

Jeff Lawson

Dear Jeff:

This letter (the “Agreement”) confirms the agreement between you and Twilio Inc. (the “Company”) regarding the end of your employment with the Company and the resolution of any disputes you have against the Company.

1. Separation Date. Your employment with the Company ended effective January 12, 2024 (the “Separation Date”). You agree that you will not represent to anyone that you are still an employee of the Company, and you will not say or do anything purporting to bind the Company or any of its affiliates, after the Separation Date. Whether or not you sign this Agreement, you will be paid all your accrued wages through the Separation Date. You will be covered by the Company’s health benefits plans (in which you are enrolled as of the Separation Date) until the end of January 2024. If you are covered by the Company’s health insurance plans, you are eligible to elect continued group medical coverage through COBRA (as defined below). All other benefits, including the right to participate in any incentive compensation plans, ended on the Separation Date.

2. No Other Monies Owed and Other Representations. You acknowledge and agree that, other than the consideration set forth in this Agreement, you have been timely paid all of your wages and other remuneration earned through the Separation Date. You acknowledge and agree that, prior to the execution of this Agreement, you were not entitled to receive any further payments or benefits from the Company other than the benefits required pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (“COBRA”), and similar state law, and the only payments and benefits that you are entitled to receive from the Company in the future are those specified in this Agreement. For the avoidance of doubt, you agree that the payments and benefits provided in this Agreement satisfy in full any and all rights you may have to receive any payments, severance pay, salary continuation, bonus payments, benefits or other consideration under any other severance plan or other arrangement, offer letter or agreement, or otherwise.

You acknowledge that you have no unreimbursed business expenses. You agree that you did not suffer an injury covered by workers’ compensation in the course and scope of your employment with the Company. You further represent that you have received all the leave and leave benefits and protections for which you are eligible, including but not limited to those pursuant to the Family and Medical Leave Act, any leave laws under the applicable state law, or otherwise, and have not suffered any on-the-job injury for which you have not already filed a workers’ compensation claim. You also represent that your resignation as a director and employee of the Company is not because of any disagreement with the Company on any matter relating to the Company’s operations, policies, or practices.

3. Equity. You acknowledge and agree that the Company has granted you awards of stock options and restricted stock units as set forth on Attachment A, which remain subject to the terms and conditions of the applicable award agreements and the equity incentive plan under which they are granted (the “Stock Agreements”), subject to the vesting acceleration for your outstanding time-based vesting equity awards and extended exercise period for your outstanding stock options provided for in Section 4.

4. Consideration. In consideration for your timely execution and non-revocation of this Agreement, and provided you comply with all of the terms and conditions of this Agreement, the Confidentiality Agreement (as defined below), and all applicable Company policies:

- a. The Company agrees to pay you a lump sum payment of Ninety-Nine Thousand Eight Hundred Forty Dollars (\$99,840), less applicable withholdings, within fifteen (15) business days following the Effective Date of this Agreement.
- b. Your outstanding and unvested equity awards that are subject only to time-based vesting will immediately vest, and if applicable, become exercisable as to 100% of those awards as of the Effective Date;

- c. Your outstanding stock options will remain exercisable through the earliest of (i) the three-year anniversary of the Separation Date, (ii) the maximum term of the applicable stock option, or (iii) such time as provided for in Section 12 for stock options granted under the 2008 Stock Option Plan and Section 3 for stock options granted under the Amended and Restated 2016 Stock Option and Incentive Plan; and
- d. If you elect COBRA continuation coverage, the Company shall pay a monthly cash payment less taxes and withholdings in an amount equal to the monthly employer contribution that the Company would have made to provide health insurance to you until the earliest of the following: (i) July 31, 2025; or (ii) the end of your eligibility under COBRA for continuation coverage for health care (the “COBRA Premium Period”). In the event you cease to be eligible for COBRA during the COBRA Premium Period, you must immediately notify the Company of such event. At its option, the Company may, at any time, convert such payments to a payroll tax payment to you in an amount equal to its remaining COBRA premium payment obligation to you, less all applicable withholdings.

5. Your General Release. In consideration for receiving the payments and benefits set forth in Section 4, you hereby waive and release to the maximum extent permitted by applicable law any and all claims or causes of action, whether known or unknown, against the Company and/or its predecessors, successors, past, present or future subsidiaries, affiliated companies, investors, or related entities (collectively, including the Company, the “Entities”) and/or the Entities’ respective past, present or future insurers, officers, directors, agents, attorneys, employees, assigns and employee benefit plans (collectively with the Entities, the “Released Parties”), with respect to any matter, including, without limitation, any matter related to your employment with the Company or the termination of that employment relationship.

This waiver and release applies to any and all claims relating to, or arising from, your right to purchase, right to receive, and actual purchase of shares of stock of the Company, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law, and securities fraud under any state or federal law.

This waiver and release applies to any and all claims for wrongful discharge of employment; termination in violation of public policy; discrimination; harassment; retaliation; breach of contract, both express and implied; breach of covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; fraud; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; conversion; and disability benefits.

This waiver and release includes, without limitation, any and all claims for violation of any federal, state, or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Equal Pay Act; the Fair Labor Standards Act, except as prohibited by law; the Fair Credit Reporting Act; the Age Discrimination in Employment Act of 1967; the Older Workers Benefit Protection Act; the Employee Retirement Income Security Act of 1974; the Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act, except as prohibited by law; the Sarbanes-Oxley Act of 2002 except as prohibited by law; the Uniformed Services Employment and Reemployment Rights Act; the California Family Rights Act; the California Labor Code; the California Business and Professions Code, the California Unruh Act, the California Private Attorneys General Act, the California Constitution, and any federal, state, local, and/or municipal statute, law, amendment, directive, order, and/or regulation enacted in response to the COVID-19 pandemic. You agree that the release set forth in this Section shall be and remain in effect in all respects as a complete general release as to the matters released.

Although this is a general release, it does *not* apply to: (i) any unemployment insurance claim; (ii) any workers’ compensation insurance benefits to the extent any applicable state law prohibits the direct release of such benefits without judicial or agency approval, with the understanding that such benefits, if any, would only be payable in accordance with the terms of any workers’ compensation coverage or fund of the Company; (iii) continued participation in certain benefits under COBRA (and any state law counterpart), if applicable; (iv) any benefit entitlements vested as of your last day of employment, pursuant to written terms of any applicable employee benefit plan sponsored by the Company; (v) your right to indemnification under the Company bylaws, the Indemnification

Agreement referenced in Section 10, or as otherwise provided by law; or (vi) any claims that cannot be waived as a matter of law. You represent that you have made no assignment or transfer of any right, claim, complaint, charge, duty, obligation, demand, cause of action, or other matter waived or released by this Section. You covenant not to sue the Released Parties for any of the claims released above, agree not to participate in any class, collective, representative, or group action that may include any of the claims released above, and will affirmatively opt out of any such class, collective, representative or group action. Further, you agree not to participate in, seek to recover in, or assist in any litigation or investigation by other persons or entities against the Released Parties, except as required by law and/or otherwise permitted by this Agreement.

The Company represents and warrants that as of the Separation Date it has no known claims, complaints, charges, demands, or causes of action against you nor does the Company have a present intention to bring any such claims against you.

6. **Waiver of Unknown Claims.** You understand and acknowledge that you are releasing potentially unknown claims, and that you may have limited knowledge with respect to some of the claims being released. You acknowledge that there is a risk that, after signing this Agreement, you may learn information that might have affected your decision to enter into this Agreement. You assume this risk and all other risks of any mistake in entering into this Agreement. You agree that this Agreement is fairly and knowingly made.

In addition, you expressly waive and release any and all rights and benefits under Section 1542 of the Civil Code of the State of California (or any analogous law of any other state), which reads as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

7. **ADEA Waiver.** You acknowledge that you are knowingly and voluntarily waiving and releasing any rights you may have under the federal Age Discrimination in Employment Act (“ADEA Waiver”) and that the consideration given for the ADEA Waiver is in addition to anything of value to which you are already entitled. You further acknowledge that:

- a. your ADEA Waiver does not apply to any claims that may arise after you sign this Agreement;
- b. you should consult with an attorney prior to executing this Agreement;
- c. you have 21 calendar days within which to consider this Agreement (although you may choose to execute it earlier);
- d. you have 7 calendar days following the execution of the Agreement to revoke it; and
- e. the Agreement will not be effective until the eighth day after you sign it, provided that you have not revoked it (“Effective Date”).

To revoke the Agreement, you must email to Dana Wagner a written notice of revocation at [***], prior to the end of the 7-day period. You agree that any modifications, material or otherwise, made to this Agreement do not restart or affect in any manner the original 21-day consideration period (the last day of such consideration period, the “Deadline”). You acknowledge that your consent to this Agreement is knowing and voluntary. The severance offer will be automatically withdrawn if you do not sign the Agreement by the Deadline.

8. **No Admission.** Nothing in this Agreement shall constitute or be treated as an admission by the Company or Released Parties of any liability, wrongdoing, or violation of law.

9. Continuing Obligations. At all times in the future, you will remain bound by and agree to comply with the Twilio Inc. Employment, Confidential Information, Invention Assignment and Arbitration Agreement that you executed in connection with your employment with the Company (the “Confidentiality Agreement”), a copy of which is attached as Attachment B, with the exception of (i) the provision in Section 7 of the Confidentiality Agreement in which you agreed not to enter into an employment relationship with any employee, client or partner of the Company to whom the Company had introduced you in your capacity as an employee of the Company for a period of 12 months from the date of the start of any engagement with such client or partner of the Company and (ii) the Arbitration Agreement in Section 10 of the Confidentiality Agreement, which is replaced by the Arbitration Agreement in Section 14 below. In addition, notwithstanding the terms of the Confidentiality Agreement, you understand that pursuant to the federal Defend Trade Secrets Act of 2016, you shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. You further understand that nothing contained in this Agreement limits your ability to (a) communicate with any federal, state or local governmental agency or commission, including to provide documents or other information, without notice to the Company, (b) file and/or pursue a charge or complaint with, or otherwise communicating or cooperating with or participating in any investigation or proceeding that may be conducted by, any federal, state or local government agency or commission, including the Securities and Exchange Commission, the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration, and the National Labor Relations Board (“Government Agencies”), including disclosing documents or other information as permitted by law, without giving notice to, or receiving authorization from, the Company; (c) report possible violations of law or regulation to any Government Agency; (d) discuss or disclose information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that you have reason to believe is unlawful. Notwithstanding, in making any such disclosures or communications, you agree to take all reasonable precautions to prevent any unauthorized use or disclosure of any information that may constitute Confidential Information.

10. Indemnification Agreement. The Twilio Inc. Indemnification Agreement, a copy of which is attached hereto as Attachment C, shall remain in full force and effect.

11. Return of Company Property. You agree that you have returned to the Company any and all Company property in your possession or control, including, without limitation, equipment, documents (in paper and electronic form), data, notes, key cards, and credit cards, and that you have returned and/or, if incapable of being returned, you have deleted, destroyed, and finally purged all Company property that you stored in electronic form or media (including, but not limited to, any Company property stored in a cloud environment or in your personal computer, USB drives or in any other device that will remain in your possession after the Separation Date), except that for any property incapable of being returned, you agree to preserve any such Company property that is subject to any applicable hold notices. Your receipt of the severance benefits offered under this Agreement is contingent upon compliance with this provision.

12. Nondisparagement. To the fullest extent permitted by law and except as otherwise provided in this Agreement, you agree that you will not disparage or encourage or induce others to disparage the Company or any of the Released Parties. The Company agrees to not disparage or encourage or induce others to disparage you. You understand that the Company’s obligations under this paragraph extend only to Khozema Shipchandler, Aidan Viggiano, Christy Lake, Dana Wagner, and all current members of the Board. For the purpose of this Agreement, “disparage” includes, without limitation, making comments or statements online, or to any person or entity that would adversely affect in any manner (a) the conduct of the business of the Company (including, but not limited to, any business plans or prospects) or (b) your reputation or the reputation of the Company, its officers, directors, or employees. A breach of this provision will be deemed to be a material breach of this Agreement. This section shall not be construed to prohibit any party to this Agreement from publicly responding to incorrect public statements or from making truthful statements when required by law, subpoena, court order, or the like.

13. Cooperation. You agree to fully cooperate with the Company and its counsel as it relates, in any way, to any issue or matter that may arise as the subject of litigation or administrative inquiry, which occurred during your employment with the Company. Full cooperation shall include, but is not limited to, review of documents, attendance at meetings, trial or administrative proceedings, depositions, interviews, or production of documents to the Company without the need of the subpoena process.

14. **Arbitration Agreement.** You and the Company agree that any and all claims or disputes arising out of or relating to this Agreement or your employment with the Company or the termination of your employment, shall be resolved by final, binding and confidential arbitration before a single arbitrator in San Francisco, California (or another mutually agreeable location) conducted under the Judicial Arbitration and Mediation Services (JAMS) Arbitration Rules & Procedures, which can be reviewed at <http://www.jamsadr.com/rules-employment-arbitration/>. **You and the Company each acknowledge that by agreeing to this arbitration procedure, you and the Company waive the right to resolve any such dispute, claim or demand through a trial by jury or judge or by administrative proceeding.** The arbitrator, and not a court, shall also be authorized to determine arbitrability, except as provided herein. All claims or disputes must be submitted to arbitration on an individual basis and not as a representative, class and/or collective action proceeding on behalf of other individuals. Any issue concerning the validity of this representative, class and/or collective action waiver must be decided by a Court and if for any reason it is found to be unenforceable, the representative, class and/or collective action claim may only be heard in Court and may not be arbitrated. Claims will be governed by their applicable statutes of limitations. This arbitration agreement does not cover any action seeking only emergency, temporary or preliminary injunctive relief (including a temporary restraining order) in a court of competent jurisdiction in accordance with applicable law to protect a party's confidential or trade secret information. This arbitration agreement shall be governed by and construed and interpreted in accordance with the Federal Arbitration Act.

15. **Permitted Disclosures and Actions.** This Agreement does not prohibit or restrict you, the Company, or the other Releasees from: (i) disclosing information regarding unlawful acts in the workplace, such as harassment or discrimination or any other conduct that you had reason to believe is unlawful; (ii) initiating communications directly with, cooperating with, providing relevant information, or otherwise assisting in an investigation by (A) the SEC, or any other governmental, regulatory, or legislative body regarding a possible violation of any federal law; or (B) the EEOC or any other governmental authority with responsibility for the administration of fair employment practices laws regarding a possible violation of such laws, or as compelled or requested by lawful process; (iii) responding to any inquiry from any such governmental, regulatory, or legislative body or official or governmental authority, including an inquiry about the existence of this Agreement or its underlying facts or circumstances; or (iv) participating, cooperating, testifying, or otherwise assisting in any governmental action, investigation, or proceeding relating to a possible violation of any such law, rule or regulation. You are, however, waiving any right to recover money in connection with any agency charge or agency or judicial decision, including class or collective action rulings, other than bounty money properly awarded by the SEC.

16. **No Pending or Future Lawsuits.** You represent that you have no lawsuits, claims, or actions pending in your name, or on behalf of any other person or entity, against the Company or any of the other Releasees. You also represent that you do not intend to bring any claims on your own behalf or on behalf of any other person or entity against the Company or any of the other Releasees. Notwithstanding, nothing herein prevents any actions or disclosures expressly allowed by the Permitted Disclosures and Actions provision set forth below.

17. **Breach.** In the event that you breach any of your obligations under this Agreement or as otherwise imposed by law, the Company will be entitled to recover all relief provided by law or equity. You shall also be responsible to the Company for all costs, attorneys' fees, and any and all damages incurred by the Company in (a) enforcing your obligations under this Agreement, and (b) defending against a claim or suit brought or pursued by you in violation of the terms of this Agreement.

18. **Section 409A.**

- a. If at the time of your "separation from service" within the meaning of Section 409A of the Code, the Company determines that you are a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that you become entitled to under this Agreement would be considered deferred compensation subject to the additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (i) six months and one-day after your separation from service, or (ii) your death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

- b. The parties intend that this Agreement will be administered in accordance with Section 409A of the Code and that all amounts payable hereunder shall be exempt from the requirements of such section as a result of being “short term deferrals” for purposes of Section 409A of the Code to the greatest extent possible. To the extent that any provision of this Agreement is not exempt from Section 409A of the Code and ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner to comply with Section 409A of the Code. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.
- c. To the extent that any payment or benefit described in this Agreement constitutes “non-qualified deferred compensation” under Section 409A of the Code, and to the extent that such payment or benefit is payable upon your termination of employment, then such payments or benefits shall be payable only upon your “separation from service.” The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).
- d. All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by you during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.
- e. The Company makes no representation or warranty and shall have no liability to you or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

20. Entire Agreement. Except for the Stock Agreements, the Indemnification Agreement, and the Confidentiality Agreement, as modified herein, you agree that this Agreement constitutes the entire agreement and understanding between you and the Company or any affiliate of the Company, with respect to the subject matter hereof and, except as provided in this Agreement, supersedes all prior and contemporaneous written or oral agreements, discussions, representations, warranties or understandings between you and the Company or any affiliate of the Company, including, but not limited to, any offer letter, the CEO Severance Plan and any incentive compensation agreement entered into by and between you and the Company. This Agreement may be modified only in a written document signed by you and a duly authorized officer of the Company.

21. Authority. The Company represents and warrants that the undersigned has the authority to act on behalf of the Company and to bind the Company and all who may claim through it to the terms and conditions of this Agreement. You represent and warrant that you have the capacity to act on your own behalf and on behalf of all who might claim through you to bind them to the terms and conditions of this Agreement. Each party warrants and represents that there are no liens or claims of lien or assignments in law or equity or otherwise of or against any of the claims or causes of action released herein.

22. No Representations. You represent that you have had an opportunity to consult with an attorney and have carefully read and understand the scope and effect of the provisions of this Agreement. You have not relied upon any representations or statements made by the Company that are not specifically set forth in this Agreement.

23. Costs. The Company will reimburse Employee's reasonable legal fees incurred in the negotiation and preparation of this Agreement up to \$25,000. The parties will otherwise each bear their own costs, attorneys' fees, and other fees incurred in connection with the negotiation and preparation of this Agreement.

24. Governing Law. Except as to the arbitration provision, this Agreement shall be construed and interpreted in accordance with the laws of the State of California, without giving effect to provisions governing the choice of law.

25. Severability. The provisions of this Agreement are severable. If any provision of this Agreement is held invalid or unenforceable, such provision shall be deemed deleted from this Agreement and such invalidity or unenforceability shall not affect any other provision of this Agreement, the balance of which will remain in and have its intended full force and effect; provided, however that if such invalid or unenforceable provision may be modified so as to be valid and enforceable as a matter of law, such provision shall be deemed to have been modified so as to be valid and enforceable to the maximum extent permitted by law.

26. Counterparts. This Agreement may be executed in counterparts, each of which shall be an original, but all of which together shall constitute one agreement. You and the Company agree that execution via DocuSign or a similar service, or of a scanned image, shall have the same force and effect as execution of an original, that an electronic signature or scanned image of a signature shall be deemed an original and valid signature, and that the Agreement may not be challenged on the basis of such signatures.

You have a right to consult with an attorney regarding this Agreement. To accept this Agreement, please sign and date this Agreement on or after the Separation Date and return it to me by the Deadline.

Sincerely,

TWILIO INC.

By: /s/ Christy Lake

(Signature)

Name: Christy Lake

Title: Chief People Officer

My agreement with the terms and conditions of this Agreement is signified by my signature below. Furthermore, I acknowledge that I have read and understand this Agreement, that I have a right to consult with an attorney regarding this Agreement, and that I sign this release of all claims knowingly and voluntarily, with full appreciation that at no time in the future may I pursue any of the rights I have waived in this Agreement.

Signed /s/ Jeff Lawson
Jeff Lawson

Dated: January 7, 2024

Attachment A: Equity Awards*

Attachment B: Employment, Confidential Information, Invention Assignment and Arbitration Agreement*

Attachment C: Twilio Inc. Indemnification Agreement*

* These attachments have been omitted pursuant to Item 601(a)(5) of Regulation S-K. A copy of any omitted attachment will be furnished to the SEC upon request.

Twilio Announces CEO Transition*Khozema Shipchandler Appointed CEO**Jeff Lawson Steps Down as CEO and from the Twilio Board of Directors**Jeff Epstein Appointed Chair of the Twilio Board of Directors**Company Expects to Exceed Financial Guidance for Fourth Quarter and Full Year 2023 Results*

SAN FRANCISCO – January 8, 2024 – Twilio (NYSE: TWLO), the customer engagement platform that drives real-time, personalized experiences for today’s leading brands, today announced that Khozema Shipchandler, formerly President of Twilio Communications, has been appointed Chief Executive Officer and will join the company’s Board of Directors, effective immediately. Shipchandler succeeds Jeff Lawson, Twilio’s co-founder, who is stepping down as CEO and as a member of the Twilio Board. In addition, Jeff Epstein, a member of the Twilio Board and Lead Independent Director since 2017, has been appointed as Chair of the Twilio Board.

Shipchandler has over 25 years of experience growing businesses and driving financial performance across global, public organizations. Prior to Twilio, Khozema spent over two decades at GE where he drove operating excellence in GE’s high tech aviation division, plus accelerated growth in the Middle East region. He has a deep understanding of Twilio’s business, operations and culture, having most recently served as President of Twilio Communications, and previously as Twilio’s Chief Operating Officer and Chief Financial Officer.

“Khozema is a proven leader and the right person to lead Twilio in its next chapter,” said Jeff Epstein, incoming Board Chair. “This appointment ensures that Twilio is best positioned to deliver increased value to all stakeholders going forward. Khozema successfully led Twilio Communications over the past year, pivoting the business to profitable growth, in addition to having served in key operational and financial leadership roles over the past five years.”

Shipchandler said, “I am honored to step into the CEO role and to partner with our talented team to lead Twilio in its next era. Over the last year and a half, we have implemented meaningful changes across the organization to position ourselves for renewed growth and to drive operational improvements, optimize our capital allocation strategy and enhance focus and execution. We have a strong foundation, but we always have more work to do. As I step into the CEO role, I am focused on continuing to build on the considerable growth and operating improvements we’ve made across the board, plus taking a fresh look at the areas of the business that are underperforming to realize the full potential of our business.”

“Building Twilio over the past 15 years has been one of the most rewarding experiences of my life,” said Jeff Lawson. “We launched Twilio in 2008 with a to-do list written on the back of a pizza box and 15 years later, Twilio’s platform handles over 1.7 trillion interactions a year on behalf of more than 306,000 customers across the globe. I’m proud to have led the company from zero to over \$4 billion in annualized revenue, and now generating a 19% free cash flow margin as of our last earnings. I leave Twilio in the hands of a capable and talented management team who have my full support and respect. Khozema is a great leader, and I am confident he will lead the company well. Thank you to every Twilio customer, employee and developer I’ve had the privilege of building with – I can’t wait to see what you build next.”

Shipchandler continued, “It is a privilege to follow in the footsteps of Jeff—a tech visionary and pioneer from whom I have learned so much from over the past five years. Over the last 15 years, Jeff led Twilio through its incredible evolution from a disruptive startup to an admired public company. He brought his passion as a founder to countless product innovations and shaped our culture. Jeff also pushed the tech industry forward in many ways – democratizing business communications and making a hero of developers. His mark on Twilio is indelible and I have profound respect for him as a leader and friend.”

Fourth Quarter and Full Year 2023 Results

Twilio expects to report fourth quarter 2023 revenue, fourth quarter 2023 non-GAAP income from operations, and fiscal year 2023 non-GAAP income from operations above the top-end of the guidance ranges it originally provided on November 8, 2023.

The company will provide further information when it releases its fourth quarter and full year 2023 results on Wednesday, February 14, 2024, after market close. Twilio will host a conference call at 2:00 p.m. (PT) / 5:00 p.m. (ET) on Wednesday, February 14, 2024, to discuss its results with the investment community.

Investors and analysts can pre-register for the webcast at <https://events.q4inc.com/attendee/764646733>, and the live webcast will also be available on the Twilio Investor Relations website at <https://investors.twilio.com>. A replay will be available at (800) 770-2030 (U.S.) or (647) 362-9199 (non-U.S.) with conference ID 80378 until 11:59 p.m. (ET) on February 21, 2024.

About Khozema Shipchandler

Khozema Shipchandler most recently served as President of Twilio Communications, since his appointment in March 2023. Prior to that, he had served as Twilio's Chief Operating Officer since October 2021 and as Chief Financial Officer from November 2018 to October 2021. Prior to Twilio, Shipchandler held a variety of financial and operating roles at GE across Industrial Internet, Aviation and Corporate Audit in the U.S., Middle East and Singapore. He earned his bachelor's degree from Indiana University Bloomington. Khozema also serves on the boards of Smartsheet and Ethos.

About Twilio Inc.

Today's leading companies trust Twilio's Customer Engagement Platform (CEP) to build direct, personalized relationships with their customers everywhere in the world. Twilio enables companies to use communications and data to add intelligence and security to every step of the customer journey, from sales to marketing to growth, customer service and many more engagement use cases in a flexible, programmatic way. Across 180 countries, millions of developers and hundreds of thousands of businesses use Twilio to create magical experiences for their customers. For more information about Twilio (NYSE: TWLO) visit www.twilio.com.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the federal securities laws, which statements involve risks and uncertainties. Forward-looking statements generally relate to future events or Twilio's future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as "may," "can," "will," "would," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "forecasts," "potential" or "continue" or the negative of these words or other similar terms or expressions that concern Twilio's expectations, strategy, plans or intentions. Forward-looking statements contained in this press release include, but are not limited to, statements about: Twilio's financial performance, including Twilio's expected financial results for the fourth quarter and fiscal year ended December 31, 2023; Twilio's CEO transition; Twilio's anticipated strategies and business plans; Twilio's expectations regarding future growth and profitability; and the effects of organizational and operational changes. You should not rely upon forward-looking statements as predictions of future events.

The outcome of the events described in these forward-looking statements is subject to known and unknown risks, uncertainties, and other factors that may cause Twilio's actual results, performance, or achievements to differ materially from those described in the forward-looking statements, including, among other things: Twilio's ability to realize the anticipated benefits of changes to its operating model and organizational structure; Twilio's ability to successfully implement its cost-saving initiatives and to capture expected efficiencies; the impact of macroeconomic uncertainties and market volatility; Twilio's financial performance, including expectations regarding its results of operations and the assumptions underlying such expectations, and ability to achieve and sustain profitability; Twilio's ability to attract and retain customers; Twilio's ability to compete effectively in an intensely competitive market; Twilio's ability to comply with modified or new industry standards, laws and regulations applying to its business, and increased costs associated with regulatory compliance; and Twilio's ability to manage changes in network service provider fees and optimize its network service provider coverage and connectivity.

The forward-looking statements contained in this press release are also subject to additional risks, uncertainties, and factors, including those more fully described in Twilio's most recent filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q. Twilio operates in a very competitive and rapidly changing environment, and new risks and uncertainties may emerge that could have an impact on the forward-looking statements contained in this press release.

Forward-looking statements represent Twilio's management's beliefs and assumptions only as of the date such statements are made. Twilio undertakes no obligation to update any forward-looking statements made in this press release to reflect events or circumstances after the date of this press release or to reflect new information or the occurrence of unanticipated events, except as required by law.

Non-GAAP Financial Measures

In addition to financial information presented in accordance with GAAP, this press release includes free cash flow margin, a non-GAAP financial measure. We use non-GAAP financial to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that our non-GAAP financial measures may be helpful to investors because they provide consistency and comparability with past financial performance and assist in comparisons with other companies, many of which use similar non-GAAP financial measures to supplement their GAAP results. We believe free cash flow margin provides useful supplemental information to help investors understand underlying trends in our business. Our non-GAAP financial measures are presented for supplemental informational purposes only, should not be considered substitutes for financial information presented in accordance with GAAP, and may be different from similarly-titled non-GAAP measures used by other companies. A reconciliation to the most directly comparable GAAP measure is included below. Note that material changes to reconciling items could have a significant effect on future GAAP results.

We define free cash flow margin as free cash flow divided by revenue. We calculate free cash flow as net cash provided by operating activities, excluding capitalized software development costs and purchases of long-lived and intangible assets.

Non-GAAP Financial Measures Reconciliation*(in thousands, except percentages; unaudited)*

	Three Months Ended September 30, 2023
Free cash flow margin	
Total Revenue	\$ 1,033,670
Net cash provided by operating activities	\$ 206,427
Capitalized software development costs	(10,451)
Purchase of long-lived and intangible assets	(765)
Free cash flow	\$ 195,211
Net cash provided by operating activities margin	20%
Free cash flow margin	19%

Contacts

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