Confidential draft No. 3 as confidentially submitted to the Securities and Exchange Commission on August 13, 2021.
This draft registration statement has not been filed publicly with the Securities and Exchange Commission and all information herein remains strictly confidential.

Registration No. 333-

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

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

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

Delaware	**7372**	**45-3937349**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

201 Third Street, Suite 200
San Francisco, California 94103
(650) 988-5131
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Spenser Skates
Chief Executive Officer
Amplitude, Inc.
201 Third Street, Suite 200
San Francisco, California 94103
(650) 988-5131
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Tad J. Freese **Kathleen M. Wells** **Gregory P. Rodgers** **Richard Kim** **Latham & Watkins LLP** **140 Scott Drive** **Menlo Park, California 94025** **(650) 328-4600**	**Elizabeth Fisher** **General Counsel** **Amplitude, Inc.** **201 Third Street, Suite 200** **San Francisco, California 94103** **(650) 988-5131**	**Bradley C. Weber** **Erica D. Kassman** **Goodwin Procter LLP** **601 Marshall Street** **Redwood City, California 94063** **(650) 752-3100**

Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement is declared effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☒

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

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 7(a)(2)(B) of the Securities Act. ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Amount to be Registered**	**Proposed Maximum Offering Price Per Share**	**Proposed Maximum Aggregate Offering Price(1)**	**Amount of Registration Fee(2)**
Class A common stock, par value $0.00001 per share		Not Applicable	$	$

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(a) under the Securities Act of 1933, as amended. Given that there is no proposed maximum offering price per share of Class A common stock, the Registrant calculates the proposed maximum aggregate offering price, by analogy to Rule 457(f)(2), based on the book value of the Class A common stock of the Registrant, or per share, which is calculated from the Registrant's unaudited pro forma balance sheet as of June 30, 2021. Given that the Registrant's shares of Class A common stock are not traded on an exchange or over-the-counter, the Registrant did not use the market prices of its Class A common stock in accordance with Rule 457(c).
(2) To be paid in connection with the initial public filing of the registration statement.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion. Dated , 2021

Shares

Class A Common Stock

This prospectus relates to the registration of the resale of up to shares of our Class A common stock by our stockholders identified in this prospectus (the "Registered Stockholders"). Unlike an initial public offering, the resale by the Registered Stockholders is not being underwritten by any investment bank. The Registered Stockholders may, or may not, elect to sell their shares of Class A common stock covered by this prospectus, as and to the extent they may determine. Such sales, if any, will be made through brokerage transactions on the Nasdaq Global Select Market at prevailing market prices. See "Plan of Distribution." If the Registered Stockholders choose to sell their shares of Class A common stock, we will not receive any proceeds from the sale of shares of Class A common stock by the Registered Stockholders.

We have two classes of authorized common stock: Class A common stock and Class B common stock. The rights of the holders of Class A common stock and Class B common stock are identical, except with respect to voting and conversion rights. Each share of Class A common stock is entitled to one vote per share. Each share of Class B common stock is entitled to five votes per share and is convertible at any time, at the option of the holder, into one share of Class A common stock. As of June 30, 2021, after giving effect to the Existing Preferred Stock Conversion (as defined below), the Reclassification (as defined below) and the RSU Settlement (as defined below), outstanding shares of Class B common stock represented approximately % of the voting power of our outstanding capital stock, with our directors, executive officers, holders of more than 5% of our capital stock and their affiliates holding approximately %. Prior to any sales of shares of Class A common stock, the Registered Stockholders who hold Class B common stock must convert their shares of Class B common stock into shares of Class A common stock.

No established public trading market for our Class A common stock currently exists. However, our shares of common stock have a history of trading in private transactions. Based on information available to us, the low and high sales price per share of common stock for such private transactions during the year ended December 31, 2020 was $8.12 and $20.00, respectively, and during the period from January 1, 2021 through , 2021 was $ and $, respectively. Recent purchase prices of our common stock in private transactions may have little or no relation to the opening public price of our shares of Class A common stock on the Nasdaq Global Select Market or the subsequent trading price of our shares of Class A common stock on the Nasdaq Global Select Market. See "Sale Price History of our Capital Stock." Further, the listing of our Class A common stock on the Nasdaq Global Select Market without underwriters is a novel method for commencing public trading in shares of our Class A common stock and, consequently, the trading volume and price of shares of our Class A common stock may be more volatile than if shares of our Class A common stock were initially listed in connection with an underwritten initial public offering.

On the day that shares of our Class A common stock are initially listed on the Nasdaq Global Select Market, the Nasdaq Stock Market LLC ("Nasdaq") will begin accepting, but not executing, pre-opening buy and sell orders and will begin to continuously generate the indicative Current Reference Price (as defined below) on the basis of such accepted orders. During a 10-minute "Display Only" period, market participants may enter quotes and orders in Class A common stock in Nasdaq's systems and such information is disseminated, along with other indicative imbalance information, to Morgan Stanley & Co. LLC ("Morgan Stanley") and other market participants (including the other financial advisors) by Nasdaq on its NOII and BookViewer tools. Following the "Display Only" period, a "Pre-Launch" period begins, during which Morgan Stanley, in its capacity as our designated financial advisor to perform the functions under Nasdaq Rule 4120(c)(8), must notify Nasdaq that our shares are "ready to trade." Once Morgan Stanley has notified Nasdaq that shares of our Class A common stock are ready to trade, Nasdaq will calculate the Current Reference Price for shares of our Class A common stock, in accordance with Nasdaq rules. If Morgan Stanley then approves proceeding at the Current Reference Price, Nasdaq will conduct a price validation test in accordance with Nasdaq Rule 4120(c)(8). As part of conducting such price validation test, Nasdaq may consult with Morgan Stanley, if the price bands need to be modified, to select the new price bands for purposes of applying such test iteratively until the validation tests yield a price within such bands. Upon completion of such price validation checks, the applicable orders that have been entered will then be executed at such price and regular trading of shares of our Class A common stock on the Nasdaq Global Select Market will commence. Under the Nasdaq rules, the "Current Reference Price" means: (i) the single price at which the maximum number of orders to buy or sell shares of our Class A common stock can be matched; (ii) if more than one price exists under clause (i), then the price that minimizes the number of shares of our Class A common stock for which orders cannot be matched; (iii) if more than one price exists under clause (ii), then the entered price (i.e. the specified price entered in an order by a customer to buy or sell) at which shares of our Class A common stock will remain unmatched (i.e. will not be bought or sold); and (iv) if more than one price exists under clause (iii), a price determined by Nasdaq after consultation with Morgan Stanley, in its capacity as financial advisor. Morgan Stanley will exercise any consultation rights only to the extent that they may do so consistent with the anti-manipulation provisions of the federal securities laws, including Regulation M (to the extent applicable), or applicable relief granted thereunder. The Registered Stockholders will not be involved in Nasdaq's price-setting mechanism, including any decision to delay or proceed with trading, nor will they control or influence Morgan Stanley in carrying out its role as financial advisor. Morgan Stanley will determine when shares of our Class A common stock are ready to trade and approve proceeding at the Current Reference Price primarily based on consideration of volume, timing, and price. In particular, Morgan Stanley will determine, based primarily on pre-opening buy and sell orders, when a reasonable amount of volume will cross on the opening trade such that sufficient price discovery has been made to open trading at the Current Reference Price. For more information, see "Plan of Distribution."

We have applied to list our Class A common stock on the Nasdaq Global Select Market under the symbol "AMPL." We expect our Class A common stock to begin trading on or about , 2021.

We are an "emerging growth company" as defined under the federal securities laws and have elected to comply with certain reduced public company reporting requirements for this prospectus and future filings. See "Prospectus Summary—Implications of Being an Emerging Growth Company."

Investing in shares of our Class A common stock involves risks. See "Risk Factors" beginning on page 19 to read about factors you should consider before buying shares of our Class A common stock.

Neither the Securities and Exchange Commission nor any other regulatory body or state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

Prospectus dated , 2021.

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Amplitude's purpose is to help companies build better products — *through data*.

Amplitude

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$129M
TTM REVENUE
Trailing twelve-month revenue as of June 30, 2021.
57%
FY21 H1
YOY REVENUE GROWTH
During the six months ended June 30, 2021 compared to the six months ended June 30, 2020.
(8%)
NET CASH USED IN OPERATING ACTIVITIES MARGIN
During the six months ended June 30, 2021.
119%
DOLLAR-BASED NET RETENTION ACROSS PAYING CUSTOMERS
As of June 30, 2021.
311
CUSTOMERS >$100K ARR
22
CUSTOMERS >$1M ARR
As of June 30, 2021.
1,280
PAYING CUSTOMERS
As of June 30, 2021.

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You should rely only on the information contained in this prospectus or contained in any free writing prospectus filed with the Securities and Exchange Commission (the "SEC"). Neither we nor any of the Registered Stockholders have authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectus we have prepared or that have been prepared on our behalf or to which we have referred you. Neither we nor any of the Registered Stockholders take responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. The Registered Stockholders are offering to sell and seeking offers to buy shares of their Class A common stock but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date, regardless of the time of delivery of this prospectus or of any sale of our Class A common stock. Our business, financial condition and results of operations may have changed since such date.

For investors outside the United States: Neither we nor any of the Registered Stockholders have done anything that would permit the use or possession or distribution of this prospectus or any related free writing prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of our Class A common stock by the Registered Stockholders and the distribution of this prospectus outside the United States.

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form S-1 that we filed with the SEC using a "shelf" registration or continuous offering process. Under this process, the Registered Stockholders may, from time to time, sell the Class A common stock covered by this prospectus in the manner described in the section titled "Plan of Distribution." Additionally, we may provide a prospectus supplement to add information to, or update or change information contained in, this prospectus, including the section titled "Plan of Distribution." You may obtain this information without charge by following the instructions under the section titled "Where You Can Find Additional Information" appearing elsewhere in this prospectus. You should read this prospectus and any prospectus supplement before deciding to invest in our Class A common stock.

Except as otherwise indicated, all information in this prospectus assumes:

- the amendment of our equity awards under our Amended and Restated 2014 Stock Option and Grant Plan on , 2021 for all awards to settle into Class A common stock instead of Class B common stock, in connection with the effectiveness of the registration statement of which this prospectus forms a part. See "Description of Capital Stock — Equity Award Amendment;"
- the amendment of our restated certificate of incorporation on , 2021 to redesignate our outstanding common stock as Class B common stock and create a new class of Class A common stock (the "Reclassification");
- the conversion of our outstanding Series A redeemable convertible preferred stock, Series B redeemable convertible preferred stock, Series C redeemable convertible preferred stock, Series D redeemable convertible preferred stock, Series E redeemable convertible preferred stock, and Series F redeemable convertible preferred stock into an aggregate of 67,963,609 shares of our Class B common stock, which will occur in connection with the effectiveness of the registration statement of which this prospectus forms a part (the "Existing Preferred Stock Conversion");
- the net issuance of shares of our Class A common stock subject to restricted stock units ("RSUs"), for which the time-based vesting condition was satisfied as of June 30, 2021, and for which the performance-based vesting condition will be satisfied upon the listing of our Class A common stock on the Nasdaq Global Select Market (after withholding an aggregate of shares of our Class A common stock subject to such RSUs to satisfy tax withholding obligations at an assumed tax rate of %, with an equivalent number of shares of our Class A common stock as the shares that were withheld becoming available for issuance under our 2014 Stock Option and Grant Plan (the "2014 Plan")) (the "RSU Settlement");
- the exclusion of (i) 28,806,581 shares of Class A common stock issuable upon exercise of stock options outstanding as of June 30, 2021, with a weighted-average exercise price of $3.33 per share, pursuant to our 2014 Plan; (ii) 479,481 shares of Class A common stock issuable upon settlement of RSUs outstanding as of June 30, 2021, for which the time-based vesting condition had not been satisfied as of such date, pursuant to our 2014 Plan; (iii) 7,000 shares of Class B common stock issuable upon exercise of a warrant outstanding as of June 30, 2021; (iv) shares of Class A common stock reserved for issuance under our 2021 Incentive Award Plan (the "2021 Plan"), which will become effective on the day prior to the effectiveness of the registration statement of which this prospectus forms a part, as well as any future increases in the number of shares of Class A common stock reserved for issuance under the 2021 Plan; and (v) shares of Class A common stock reserved for issuance under our 2021 Employee Stock Purchase Plan (the "ESPP"), which will become effective on the day prior to the effectiveness of the registration statement of which this prospectus forms a part, as well as any future increases in the number of shares of Class A common stock reserved for issuance under the ESPP; and
- the filing and effectiveness of our restated certificate of incorporation and the adoption of our amended and restated bylaws, each of which will occur in connection with the effectiveness of the registration statement of which this prospectus forms a part.

After giving effect to the Existing Preferred Stock Conversion, the Reclassification, and the RSU Settlement, as of June 30, 2021, we had a total of shares of Class A common stock and shares of Class B common stock outstanding.

Certain amounts, percentages, and other figures presented in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals, dollars, or percentage amounts of changes may not represent the arithmetic summation or calculation of the figures that precede them.

PROSPECTUS SUMMARY

This summary highlights select information contained elsewhere in this prospectus and does not contain all the information you should consider before making an investment decision. You should read the entire prospectus carefully, including the sections entitled "Risk Factors," "Cautionary Note Regarding Forward-Looking Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the accompanying notes included elsewhere in this prospectus before making an investment decision. Unless otherwise indicated or the context otherwise requires, all references in this prospectus to "we," "us," "our," the "Company," "Amplitude" and similar terms refer to Amplitude, Inc. and its consolidated subsidiaries.

Overview

We are pioneering a new category of software called Digital Optimization. Our Digital Optimization System serves as the command center for businesses to connect digital products to business outcomes. Digital optimization is emerging as a strategic investment for every company to survive in the digital-first world.

Digital products are embedded in every part of our daily lives. In 2020, U.S. adults spent nearly 8 hours on average per day on digital activities. Digital has become the primary way business is done, and the ability for companies to offer compelling digital products and services has become a matter of survival.

Digital products have become the center of how companies interact with customers. Digital-native companies like Twitter, DoorDash, PayPal, and Dropbox invest heavily in product innovation to fuel a product-led adoption model. It is not only the companies born in the past two decades that are betting it all on digital. Walmart, Disney, and IBM are reinventing their businesses around digital. Digital is the battleground and the businesses that fail to rise to the challenge and adapt to this new reality will face an existential crisis.

The way that companies build digital products is going through a fundamental change from being intuition-based to data-driven. Product teams have historically decided what to build based on qualitative gut feel and without a firm understanding of what will drive business results. Today, the best teams are those that build their strategy around product data, which connects the attributes of individual end users with their actual behavior. Product data has become the next untapped growth lever to transform how businesses build products, gain key insights into what features have the greatest business impact, and connect with customers.

The amount of time that consumers spend interacting with digital products has led to an explosion of both the quantity and diversity of data. Because products themselves are generators of data, for the first time, in-product behavior can now be analyzed. With product data, teams can gain insight from the specific actions end users take within digital products and answer important questions, such as where in the purchase journey do users experience friction, what are the top user paths between signup and trial conversion, and which features increase new customer retention.

Traditionally, businesses have spent billions of dollars on a patchwork of systems, including web and marketing analytics, business intelligence tools, and sentiment tools, to help understand how their digital product investments drive business outcomes. These tools were not built on product data and do not understand in-product behavior, nor were they built for the scale and complexity of digital products to provide actionable and real-time product-driven insights. Businesses today do not know if their strategic product decisions are the right ones, and they do not have the insights to help ensure they work.

The next evolution of digital transformation is the category-defining shift to Digital Optimization. The promise of digital optimization is connecting the dots between products and the business. It provides the breadth

and depth of insights into customer behavior to understand what behaviors are linked to business impact. Digital optimization answers strategic questions such as what products to build, what digital bets to make, and which bets are working. It predicts which customers are likely to purchase or churn based on their behavior and automatically adapts products to each customer based on this intelligence to optimize the outcome.

While digital transformation is focused on building new digital products, digital optimization is focused on using product data to make strategic decisions and run a business, accelerate innovation, and increase the value of digital transformation efforts.

Product, data, engineering, and marketing teams are often forced to make business decisions in a vacuum and without understanding the linkage between product decisions and business outcomes. Digital optimization leverages the power of data-driven products to create this linkage automatically. In addition, having a common lens into customer and product data helps every team transform their function, from launching brand-defining marketing campaigns to reimagining customer support. Bringing shared data and common visibility to every team will be a business-critical requirement in the digital optimization era.

How Amplitude Powers Digital Optimization

We built the first Digital Optimization System that brings together a new depth of customer understanding with the speed of action to optimize experiences. We power some of the most-beloved and iconic consumer and B2B digital products. We enable businesses, regardless of size, industry, or where they are in their digital maturity to unleash digital innovation and growth. Our system unifies product, marketing, data, and executive teams giving them the common visibility to drive business outcomes with agility and confidence.

Our Digital Optimization System consists of the following integrated solutions:

- ***Amplitude Analytics.*** We are the #1 ranked product analytics solution, according to G2, a top independent software review site. We provide teams with fast, self-service insights into customer behavior.
- ***Amplitude Recommend.*** A no-code personalization solution that helps teams increase customer engagement by intelligently adapting digital products and campaigns to every user based on behavior.
- ***Amplitude Experiment.*** An integrated end-to-end experimentation solution that enables teams to determine and deliver the most impactful product experiences for their customers through A/B tests and controlled feature releases.

At the core of our Digital Optimization System is the Amplitude Behavioral Graph, a proprietary behavioral database purpose-built for complex, interactive behavioral queries, with novel approaches to normalizing, classifying, and partitioning behavioral data. The Behavioral Graph scales to look at every individual customer action taken in a digital product and identifies combinations of actions that lead to a desired outcome. The Behavioral Graph processed approximately 900 billion monthly behavioral data points during the quarter ended June 30, 2021, to help answer questions like why do users convert or drop off, which interactions predict likelihood to buy, and what are the most common paths users take.

We are Mission Critical to Our Customers

Today, we serve more than 1,200 paying customers globally, from the most ambitious startups to the largest global enterprises. We are the trusted source of customer and product insight for the world’s leading data-driven, product-led digital companies and bring the same technology to the remaining companies that lack this expertise. We serve customers across every industry, including finance, media, retail, industrials, hospitality, healthcare, media, and telecom as well as companies in various stages of digital maturity. Digital optimization has become mission critical

to companies of all sizes and in all industries to keep up with the pace of innovation required to survive in the digital-first world. Consequently, we believe the market for digital optimization represents a significant and underpenetrated market opportunity today, which we estimate to be approximately $37 billion in 2021.

Our Digital Optimization System is mission critical to our customers' success. Within our largest customers, thousands of users leverage our system to drive better outcomes in their respective functional areas. The broad applicability and ease of use of our system results in significant commitments by our customers as part of their core technology stack. As of December 31, 2019 and 2020 and June 30, 2021, we had 208, 262, and 311 customers, respectively, that each represented greater than $100,000 in Annual Recurring Revenue ("ARR") and 11, 15, and 22 customers, respectively, that each represented greater than $1 million in ARR, demonstrating how critical we are to our customers' success. Customers that each represented greater than $100,000 in ARR accounted for approximately 71%, 72%, and 73% of our total ARR as of December 31, 2019 and 2020 and June 30, 2021, respectively.

Our Efficient Business Model

We generate revenue through selling subscriptions to our platform. We reach customers through an efficient direct sales motion, solution partners, and product-led growth initiatives, including subscription plans to meet the needs of a diverse range of companies. Our pricing model is based on both the platform functionality required by our customers as well as committed event volume. Customers typically look to use our platform for an initial business use case they have identified, such as analytics on a digital product. As customers experience the value of our platform in helping to drive business outcomes in that initial use case, they frequently expand that initial use case, expand into new use cases, and expand into additional products. Our ability to expand successfully within our customer base is demonstrated by our strong dollar-based net retention rates. As of December 31, 2019 and 2020, our dollar-based net retention rate across paying customers was 116% and 119%, respectively.

For the years ended December 31, 2019 and 2020, our revenue was $68.4 million and $102.5 million, respectively, representing year-over-year growth of 50%. Our revenue was $46.0 million and $72.4 million for the six months ended June 30, 2020 and 2021, respectively, representing year-over-year growth of 57%. For the years ended December 31, 2019 and 2020 and six months ended June 30, 2020 and 2021, our net loss was $33.5 million, $24.6 million, $16.6 million, and $16.5 million, respectively. For the years ended December 31, 2019 and 2020 and six months ended June 30, 2020 and 2021, our net cash used in operating activities was $16.0 million, $10.4 million, $9.9 million, and $5.5 million, respectively, and our free cash flow was $(16.7) million, $(12.6) million, $(10.7) million, and $(6.1) million, respectively.

Industry Trends in Our Favor

Digital is the New Battlefield for Business Survival

Today, digital products are embedded in every part of our daily lives. The ability for companies to offer compelling digital products and services has become a matter of survival. There are several mega-trends forcing companies to move to digital first:

- ***Mobile and Cloud are Sparking Disruption.*** The continued rise of mobile and cloud make it easier than ever for new entrants to disrupt existing markets through digital. IDC estimates that by 2023 over 500 million new digital apps and services will be deployed using cloud-native approaches, which is the same number of digital apps and services developed over the last 40 years. This expected growth demonstrates both the scale and rapid pace of innovation and disruption.
- ***The Digital Economy is the Path to Growth.*** Digital is no longer just an enabler of business, it is the business. As digital continues to become a growing portion of the economy, every business will need to transform their business and drive digital growth to not be left behind.

- ***Businesses are Shifting Focus from Acquisition to Retention.*** Digital unlocks the ability of businesses to engage with customers more easily over time, shifting investment away from one-time purchases to building customer lifetime value. As the costs to expand an existing customer relationship are significantly lower than acquiring a new one, this change in strategy has led to more efficient sales and marketing spend and more durable growth prospects.

On the new battlefield of digital innovation, there will be clear winners and losers. Digital products have become the center of how companies redesign their businesses and create new ways of delivering value for customers.

The Revenue Center is Shifting from Sales and Marketing to Product

Once considered a cost center for the business, the digital product is now becoming the primary lever in a business to drive growth. The growing importance of product-led growth to a company's survival has fundamentally shifted how companies go to market and invest in innovation.

The revenue center of a business is shifting away from acquisition-focused marketing and sales to retention and expansion through sustained customer engagement within digital products. User engagement, user behavior, customer retention rate, and customer lifetime value have become the new standard metrics to measure the productivity and efficiency of any business.

The Approach to Building Digital Products is Being Reinvented — From Mad Men to Moneyball

The way that companies build digital products is going through a fundamental shift from being intuition-based to data-driven. Even today, like a scene out of AMC's 'Mad Men,' it is not uncommon for a group of executives to gather in a room and brainstorm about what digital products to build based on nothing more than their intuition or beliefs of what customers want or need. In the same way that the Moneyball movement (popularized by the 2003 eponymous book by Michael Lewis) reinvented Major League Baseball, today there is a fundamental shift to using data derived from the digital product itself to make decisions. Data-driven products are characterized by the following key pillars:

Data-Driven Products are Centered in Behavioral Data

Because the digital products themselves are generators of data, this means that in-product behavior can be observed and analyzed for the first time. Data-driven digital companies understand the value of behavioral data to feed back into their digital products and drive innovation. Digital laggards, on the other hand, have continued to rely on the wrong forms of data, such as page views, app store downloads, customer service tickets, post-transaction surveys, and user demographic data to make critical product decisions.

Data-Driven Products Adapt to the Customer

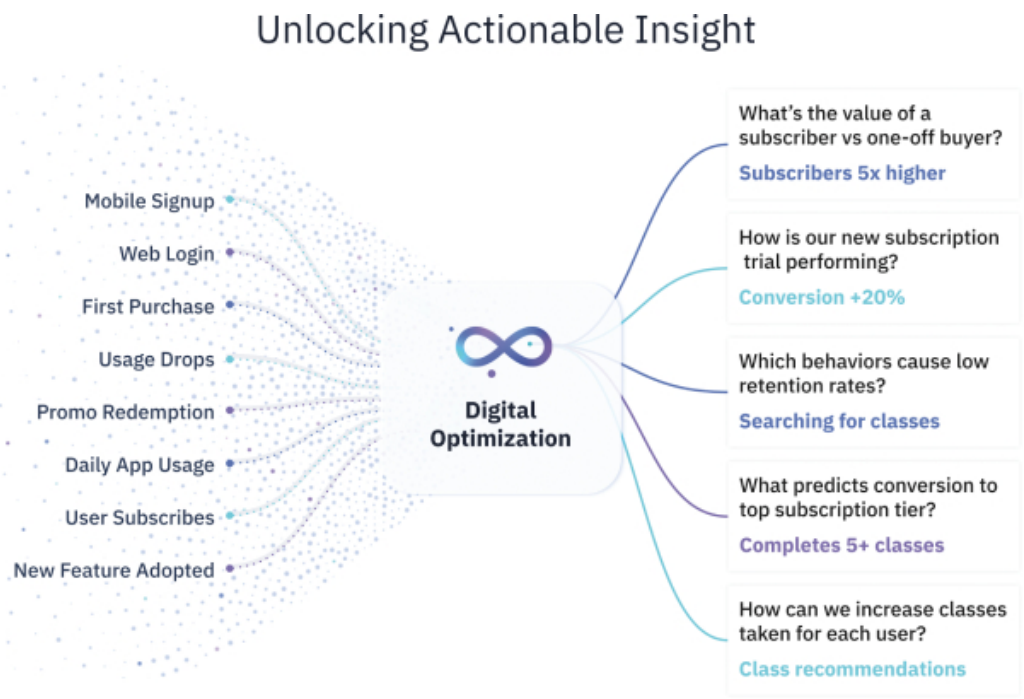
In a world of abundant choice, the expectations of consumers for businesses to deliver highly-personalized digital product experiences continues to be on the rise. The best-in-class digital companies leverage product data to build robust recommendation engines based on artificial intelligence ("AI") and machine learning ("ML") algorithms to deliver highly differentiated experiences at scale.

Data-Driven Products Leverage Data Democratization and Common Visibility

Data and insights are only valuable if they can be leveraged by cross-functional stakeholders jointly responsible for making decisions. Data-driven organizations that make data both accessible and actionable enable their teams to expedite the decision making process, thereby iterating on and improving their digital products with greater agility. The faster organizations are able to iterate, the stronger their systematic advantages are against competitors that lack such expertise.

The Next Frontier of Digital Transformation Brings the Imperative of Digital Optimization

While digital transformation is focused on building web-enabled customer experiences, the next evolution of digital transformation is the category-defining shift to digital optimization. Digital optimization moves beyond building new digital products and is focused on using product data to make strategic decisions to run the business, accelerate product innovation, and increase the value of digital transformation efforts. Digital optimization leverages the power of data-driven products to create this linkage automatically and answer the fundamental question: how does digital product drive one's business?



Digital optimization will be a strategic business imperative as digital transformation continues at an accelerated pace. Digital optimization will be needed to make sense of the exponential increase in digital product and user behavioral data to help ensure businesses are making the right product bets and to maximize their impact.

Businesses Need a Fundamentally New Approach to Drive Digital Optimization

Businesses have spent billions of dollars on a patchwork of systems to help understand how their digital product investments drive business outcomes. However, these systems were not built for insight on product data in real time and at scale, leveraging the wrong data and undertaking a misguided approach.

Why is product data different?

1. **Complexity.** Digital products are complex, which means that product data operates at a qualitatively different scale than transactional or digital marketing data. Understanding how each action taken in a digital product relates to each other and why or if they are relevant to driving a specific outcome is extremely difficult to piece together when there are thousands of potential actions a user can take.

2. **Non-Linear.** Unlike traditional marketing funnels where the goal is strictly increasing the conversion rate to the next step, users do not take a linear journey through a digital product. Based on our customer data, we estimate that on average, there are approximately 2,500 distinct events that can be measured within each digital product. Each user therefore navigates through an application across multiple devices in a random walk that is unique from every other user. This effect makes it much harder to understand what is happening in the aggregate and generate insights at scale.

3. **Scale.** Combining the number of digital product users a company may have and the amount of engagement per user can result in billions of potential events per product. This scale presents near-insurmountable challenges for any business looking to optimize their digital products to drive outcomes on both a micro and macro level.

The sum of all this complexity means existing categories of software fail to understand product data and were not designed to adequately address the needs of today's digital optimization era:

- ***Web and Marketing Analytics.*** These solutions focus on using web and demographic data to analyze target users and advertising spend. They were not built for in-product and in-app behavior, rather they were built on a pre-computation data framework, which is less flexible, scalable, and capable of driving deep, real-time analysis.
- ***Business Intelligence.*** These solutions are horizontally focused and built for reporting on object level data and transactional data, not behavioral data. Oftentimes built on large data lakes of structured and unstructured data, data teams must scrub, clean, instrument, and canonicalize the data, and then use complex Structured Query Language ("SQL") queries to answer even the most basic questions. This process is cumbersome and slow because SQL queries are not designed for user-joins, which connect disparate end-user actions together and are the key to understanding end-user behavior in-product.
- ***Sentiment / Survey-based Solutions.*** These solutions are focused on uncovering and understanding customer sentiment to improve customer experiences – often non-digital – and include qualitative measurements such as surveys. They are not designed to generate product insight and analyze behavioral data, limiting the applicability outside of customer service, researchers, and marketing teams.

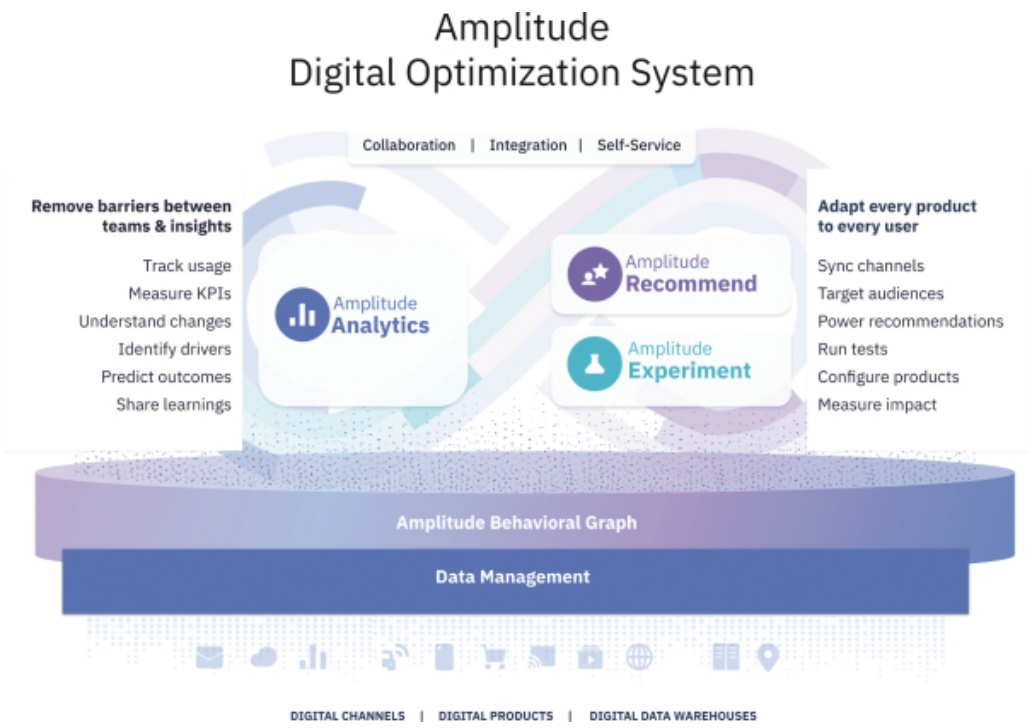
A comprehensive system that empowers digital optimization and enables cross-functional teams to understand how their digital products drive business outcomes must encompass the following key requirements:

- ***Behavioral-based, cross-platform.*** Capture and make sense of what users do – their actual behaviors and the non-linear paths they take across multiple devices, products, and marketing channels during the entire customer lifecycle – from acquisition to activation to engagement to retention. Handle complex distributed user-joins and separate data by users, which makes the data accessible and allows teams to natively ask questions about the user journey in a dynamic way.
- ***Complete, trustworthy data.*** Unify disparate data sources through data integrations and pipelines, create a single view of the end user with identity resolution technology, and improve data quality with data governance tools. Normalize data programmatically with high fidelity to serve as the critical data layer that makes comprehensive product analytics and personalization possible.
- ***Real-time, intelligent insight.*** Provide analytics that meets the needs of data-driven teams – empowering them to ask questions and return answers in seconds on data that is streamed directly from the product in real time.
- ***Collaborative & self-service.*** Eliminate barriers to insights and unify organizations around common data by using intuitive, no-code user interfaces with collaboration tools embedded throughout. Built for easy adoption and use for cross-functional teams – no matter their analytical skill level.

- ***Closed-loop insight to action.*** Connect data and insights with automatically triggered actions that optimize an outcome, such as revenue or engagement. Enable personalization, which includes segmentation, predictions, and experimentation, that is integrated with analytics to assess the performance of experiences in real time.
- ***Enterprise scalability.*** Scale with the complexity of behavioral data and requirements around user privacy and enterprise access, and be elastic, secure, and ready-made to eliminate operational overhead of managing data infrastructure.
- ***Integrated and open.*** Connect to and power the technology ecosystem used across various digital teams, including data warehouses, customer data platforms, and customer engagement, collaboration, and workflow tools.

The Amplitude Digital Optimization System

We built the first Digital Optimization System that brings together a new depth of customer understanding with the speed of action to optimize experiences in the moment. It is the only unified system that answers the question: "How do your digital products drive your business?" We power the most-beloved digital products and teams with actionable data and insights – regardless of size, industry, or digital maturity – so they can unleash digital innovation and growth. Amplitude makes critical data accessible and actionable to every team – allowing product, marketing, engineering, analytics, customer success, and executive teams to align around common visibility and to drive business outcomes with greater speed, agility, and confidence.



With Amplitude, teams have access to a fully integrated, self-service system for data, analytics, and personalization — with intelligence and collaboration built in to help teams innovate faster and smarter.

Our Digital Optimization System consists of the following integrated components:

- ***Amplitude Analytics.*** We are the #1 ranked product analytics solution. We enable any team with fast, self-service insights into customer behavior – helping them to answer and explore questions, see what features and end-user actions lead to outcomes across the entire customer journey, measure and forecast key metrics, and collaborate as a team on decisions.
- ***Amplitude Recommend.*** A no-code personalization solution that helps teams increase customer engagement by intelligently adapting digital products and marketing channels to every user – with behavioral and predictive segmentation to build and sync audiences to marketing tools and a self-serve recommendation engine to instantly enable in-product personalization.
- ***Amplitude Experiment.*** An integrated end-to-end solution that allows teams to better control feature releases, configure product experiences for different end users, and run the end-to-end feature experimentation process from generating a hypothesis to targeting users, rolling out A/B tests, and measuring results.
- ***Amplitude Behavioral Graph.*** A purpose-built proprietary database for deep, real-time interactive behavioral analysis and behavior-driven personalization – instantly joining, analyzing, and correlating any customer actions to outcomes – like engagement, growth, and loyalty.
- ***Data Management.*** A real-time data layer for planning, integrating, and managing data sources to create a complete, trustworthy foundation with identity resolution, enterprise-level security, and privacy solutions embedded throughout.

We power digital optimization for our customers through the following key system capabilities:

- ***Behavioral Data at the Core.*** We designed data and machine-learning infrastructure purpose-built to understand cross-device and cross-product end-user data – enabling businesses to see, analyze, and act on behavioral data. The Amplitude Behavioral Graph processed approximately 900 billion monthly behavioral data points during the quarter ended June 30, 2021, to help answer questions like why end users convert or drop off, which interactions predict likelihood to buy, and what are the most common paths end users take.
- ***Built-In Data Management.*** Our system includes a comprehensive, built-in data integration and governance suite to plan, integrate, and manage large, distributed data sources in real time. It automatically resolves user identities, normalizes and transforms data into one stream, and governs data quality, consistency, and access across organizations of any size, which is critical for analytics and personalization initiatives.
- ***Real-time Analytics and Insight.*** We provide the market leading product analytics solution that enables teams to access out-of-the-box reporting to instantly answer both simple and complex questions about product and customer behaviors. Teams can easily analyze any end-user path across multiple devices, products, and channels from an aggregate to individual end-user level to understand the context behind every end-user action and identify opportunities to improve the digital product experience.
- ***Easy Adoption and Collaboration.*** Our system provides an easy-to-use interface that allows for viral adoption and democratization of insights within an organization, regardless of technical abilities. Within minutes a new customer on our system can start generating insights relevant to their respective functional areas and engaging with collaborative dashboards, reports, and tools that allow a broad spectrum of people in an organization to participate in data-driven decision making.
- ***Powering Data-Driven Action.*** Our system allows teams to directly turn end-user insight into action with personalized, Netflix-like product experiences in a few clicks and without requiring technical

expertise. We use sophisticated identity resolution and targeting to reach the right end user, machine-learning recommendations to decide the right content, and real-time integrations with systems our customers already use for delivery at the right time. To date, our system has powered more than 3 trillion targeted experiences.

- ***Enterprise-grade Platform.*** Our platform is architected to handle a scale qualitatively different from what is capable by existing customer engagement and experience tools. We offer top-tier security and reliability as our platform is SOC2 Type-2 and ISO 27001 certified, offers single sign-on support and user permissioning, is a recognized AWS Partner for Digital Customer Experience, and has delivered a 100% data ingestion uptime service-level agreement ("SLA") with 99.97% data durability for the last 12 months as of August 2021.

Key Benefits to Our Customers

Our system provides the following key benefits to our customers:

- ***Enable the Right Product Bets and Accelerate Innovation.*** Every click, every interaction, and every event we collect is input from end users that help to inform what actions teams can take to optimize digital products in real time. These insights allow teams to make the right product bets, assess and measure the impact of those decisions, feed learnings back into the system, and rapidly iterate to resolve potential problems before they impact customer acquisition, retention, and lifetime value.
- ***Unify Teams with Common Visibility.*** We bring a common set of user behavior and in-product engagement data to every team, from product, to marketing, to data science, and beyond. Out-of-the-box dashboards and analytics reports provide common visibility leveraging the same data, while teams can easily click into each report to get as much granularity as required to inform actions and recommendations.
- ***Maximize Value of Product Investments.*** The ability of our system to attribute revenue to specific product investments transforms what has traditionally been viewed as a cost center into a revenue center. This ability unleashes a much more powerful way to operate when companies can make investments with confidence and drive product-led growth.

Our Market Opportunity

The ability for businesses to understand how their digital products predictably drive business outcomes has never been more important. Digital optimization has become mission critical to companies of all sizes and in all industries to keep up with the pace of innovation required to survive in the digital-first world. Consequently, we believe the market for digital optimization represents a significant and underpenetrated market opportunity today, which we estimate to be approximately $37 billion in 2021.

What Sets Us Apart

Our competitive strengths include the following:

- ***#1 Market Leader in Product Analytics.*** We have consistently been ranked as the #1 product analytics solution, as well as a top 50 software product of 2021 across all categories. As of December 31, 2019 and 2020 and June 30, 2021, we had more than 700, 1,000, and 1,200 paying customers, respectively, with 208, 262, and 311 customers, respectively, that each represented greater than $100,000 in ARR and 11, 15, and 22 customers, respectively, that each represented greater than $1 million in ARR, demonstrating how highly strategic and mission critical we are to our customers.
- ***Behavioral Graph.*** The Amplitude Behavioral Graph is our proprietary behavioral database that delivers actionable results from complex distributed user-joins quickly so that teams can explore

questions about behavioral data in an iterative fashion. We invented a fundamentally new way of joining and making sense of complex end-user and product data to enable the speed and depth of insight our customers demand. Our Behavioral Graph operates at a scale qualitatively different from alternative data analytics systems, processing approximately 900 billion monthly behavioral data points during the quarter ended June 30, 2021, powering the depth and breadth of insights that make digital optimization possible.

- ***Single System to Drive Digital Optimization End-to-End.*** Our Digital Optimization System is a one-stop-shop where teams can bridge from data to insights, and drive action all from the same intuitive and easy-to-use interface. Our solutions align to the lifecycle of how teams develop data-driven products and customer engagement – from identifying opportunities and hypotheses, to testing and delivering optimized product experiences and campaigns, to measuring the impact and iterating.
- ***Bringing the Best of Product-Led Growth to the Masses.*** We serve some of the most beloved, digital-native consumer and B2B products from companies like Shopify, Instacart, and Peloton. These companies are among the 1% of companies who lead with a product-led growth mindset, and who trust us to help them build data-driven products for competitive advantage. We bring the same infrastructure, tools, and techniques that power these digital leaders to the 99% of businesses today that are not digital natives.
- ***Powerful, Self-Reinforcing Loop.*** Our system benefits from a strong self-reinforcing loop that results in continual learning, optimization, and more usage as it delivers increasing value to our customers. Our customers typically begin to use our system for an initial use case and expand that use case as they realize the value it delivers. These actionable insights are often shared across additional teams within the organization, which leads to expansion of both that initial use case as well as into new use cases, such as new digital products and the cross-functional teams responsible for them. This leads to more data being instrumented on our platform to power these use cases and enhances the value of all the data already on it. More data deepen insights and predictive abilities and fuel our recommendation engine to better optimize the digital product experience for end users and drive more digital product usage, thereby continuing the self-reinforcing loop.
- ***Rapid Time to Value.*** We have designed our offerings to be intuitive and easy to use, and to appeal across a broad number of personas within an organization to drive rapid time to value for our customers. Our customers can begin with one use case and scale rapidly according to their needs. Team members across sales, marketing, product management, customer success, and more can all run queries through a point-and-click dashboard interface to answer questions about the product and receive insights in minutes.

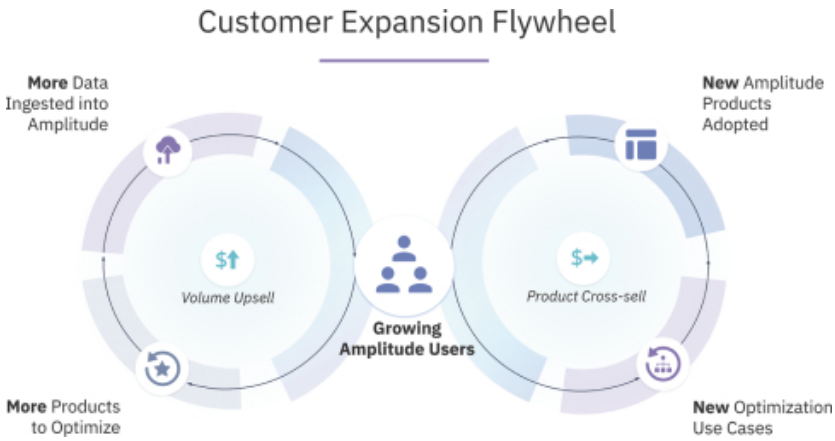
Our Growth Strategies

We intend to pursue the following growth strategies:

- ***Acquire New Customers Across Every Industry.*** We plan to invest to capture the significant market opportunity we believe is only in its early innings. We have experienced rapid growth in our customer base since our inception and now have over 1,200 paying customers and 26 of the Fortune 100, which demonstrates both our successful traction to date as well as our significant opportunity to continue to penetrate the largest global organizations. We believe we have an efficient and productive go-to-market motion that will allow us to continue to acquire new customers and grow our customer base.
- ***Expand Across Our Existing Customer Base.*** We believe that there are significant opportunities to continue to expand our relationships with our existing customers. We employ a land and expand business model designed to land with an initial use case and expand through onboarding additional functional teams, products, and use cases.

- *Promote Upsell:* Once a customer is on our platform there are many ways we can promote upsell opportunities. Customers can expand an initial use case by adding additional events or functionality to generate deeper analytics. They can also expand into additional functional teams who are looking to address a related use case or bring new digital products on our platform, both of which require additional data to be instrumented.
- *Drive Cross-sell:* Our platform delivers end-to-end optimization that allows our customers to expand beyond analytics and layer on additional products, such as Recommend and Experiment, and we offer to optimize the digital product experiences of their customers.

Within our largest customers, we have demonstrated our ability to grow our reach to include thousands of users across their organization who leverage our system to drive business outcomes. Our dollar-based net retention rate as of December 31, 2020 and June 30, 2021 was 119% for paying customers.



- ***Extend Product Leadership with Continued Investment in Our Platform.*** We see significant opportunities to leverage the same data stream powering our core analytics suite to layer on additional products that address adjacent high-value use cases desired by our customers. As a product-led company, the valuable feedback loop we have established with our own customers helps us identify product and platform enhancements best aligned to drive our future growth.
- ***Expand our Global and Partnership Reach.*** We believe there is significant potential to continue to grow our business in international markets because of the universal nature of the problem we help to solve. For the year ended December 31, 2020 and six months ended June 30, 2021, 36% of our revenue was generated outside of the United States. Additionally, we plan to continue to invest in our partner network to strengthen our ecosystem and extend our reach.

Summary Risk Factors

Our business is subject to a number of risks and uncertainties, as more fully described under “Risk Factors” in this prospectus. We have various categories of risks, including risks related to our business and industry; risks related to our intellectual property; risks related to regulatory compliance and legal matters; risks related to tax and accounting matters; risks related to ownership of our Class A common stock; and general risk factors, which are discussed more fully in the section titled “Risk Factors.” These risks could materially and adversely impact our business, financial condition, and results of operations, which could cause the trading price of our Class A

common stock to decline and could result in a loss of all or part of your investment. Additional risks, beyond those summarized below or discussed elsewhere in this prospectus, may apply to our business, activities, or operations as currently conducted or as we may conduct them in the future or in the markets in which we operate or may in the future operate. Some of these risks include:

- We have a limited operating history and have been growing rapidly over the last several years, which makes it difficult to forecast our future results of operations and increases the risk of your investment.
- We have a history of losses. As our costs increase, we may not be able to generate sufficient revenue to achieve and sustain profitability.
- Our business depends on our current customers renewing their subscriptions and purchasing additional subscriptions from us as well as attracting new customers. Any decline in our customer retention or expansion of our commercial relationships with existing customers or an inability to attract new customers would materially adversely affect our business, financial condition, and results of operations.
- We expect fluctuations in our financial results, making it difficult to project future results. If we fail to meet the expectations of securities analysts or investors with respect to our results of operations, our stock price could decline.
- We expect to continue to focus on sales to larger organizations and may become more dependent on those relationships, which may increase the variability of our sales cycles and our results of operations.
- We recognize revenue over the term of our customer contracts. Consequently, downturns or upturns in new sales may not be immediately reflected in our results of operations and may be difficult to discern.
- Unfavorable conditions in our industry or the global economy, or reductions in information technology spending, could limit our ability to grow our business and materially adversely affect our business, financial condition, and results of operations.
- If the market for SaaS applications develops more slowly than we expect or declines, our business would be adversely affected.
- Our intellectual property rights may not protect our business or provide us with a competitive advantage, which could have a material adverse effect on our business, financial condition, and results of operations.
- We are subject to government regulation, including import, export, economic sanctions, and anti-corruption laws and regulations, that may expose us to liability and increase our costs.
- Complying with evolving privacy and other data-related laws as well as contractual and other requirements may be expensive and force us to make adverse changes to our business, and the failure or perceived failure to comply with such laws, contracts, and other requirements could result in adverse reputational and brand damage and significant fines and liability or otherwise materially adversely affect our business and growth prospects.
- Our listing differs significantly from an underwritten initial public offering.
- Our stock price may be volatile, and could decline significantly and rapidly.
- The trading price of our Class A common stock, upon listing on the Nasdaq Global Select Market, may have little or no relationship to the historical sales prices of our capital stock in private transactions, and such private transactions have been limited.
- An active, liquid, and orderly market for our Class A common stock may not develop or be sustained. You may be unable to sell your shares of Class A common stock at or above the price at which you purchased them.

- Our principal stockholders will have the ability to influence the outcome of director elections and other matters requiring stockholder approval.
- The dual class structure of our common stock will have the effect of concentrating voting control with our existing stockholders, executive officers, directors, and their affiliates, which will limit your ability to influence the outcome of important transactions and to influence corporate governance matters, such as electing directors, and to approve material mergers, acquisitions, or other business combination transactions that may not be aligned with your interests.
- None of our stockholders are party to any contractual lock-up agreement or other contractual restrictions on transfer. Following our listing, sales of substantial amounts of our Class A common stock in the public markets, or the perception that sales might occur, could cause the trading price of our Class A common stock to decline.

Implications of Being an Emerging Growth Company

As a company with less than $1.07 billion in revenue during our last fiscal year, we qualify as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include that:

- we are only required to include two years of audited consolidated financial statements in this prospectus in addition to any required interim financial statements, and correspondingly only required to provide reduced disclosure in "Management's Discussion and Analysis of Financial Condition and Results of Operations";
- we are not required to engage an auditor to report on our internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002, as amended (the "Sarbanes-Oxley Act");
- we are not required to submit certain executive compensation matters to stockholder advisory votes, such as "say-on-pay," "say-on-frequency," and "say-on-golden parachutes"; and
- we are not required to disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of the chief executive officer's compensation to our median employee compensation.

We may take advantage of these provisions until the last day of the fiscal year during which the fifth anniversary of this listing occurs or such earlier time that we are no longer an emerging growth company. We will remain an emerging growth company until the earliest of: (i) the last day of the first fiscal year in which our annual gross revenue is $1.07 billion or more; (ii) the last day of the fiscal year during which the fifth anniversary of this listing occurs; (iii) the date on which we have issued more than $1.0 billion in nonconvertible debt during the previous three years; or (iv) the date on which we are deemed to be a large accelerated filer under the rules of the SEC.

Under the JOBS Act, emerging growth companies also can delay adopting new or revised accounting standards until such time as those standards would otherwise apply to private companies. We currently intend to take advantage of this exemption.

For risks related to our status as an emerging growth company, see "Risk Factors—Risks Related to Ownership of Our Class A Common Stock—We are an "emerging growth company," and we cannot be certain if the reduced reporting and disclosure requirements applicable to emerging growth companies will make our Class A common stock less attractive to investors."

Channels for Disclosure of Information

Investors, the media, and others should note that, following the effectiveness of the registration statement of which this prospectus forms a part, we intend to announce material information to the public through filings with the SEC, the investor relations page on our website (www.amplitude.com), blog posts on our website, press releases, public conference calls, webcasts, our Twitter feed (@Amplitude_HQ), our Facebook page, and our LinkedIn page.

The information disclosed by the foregoing channels could be deemed to be material information. As such, we encourage investors, the media, and others to follow the channels listed above and to review the information disclosed through such channels.

Any updates to the list of disclosure channels through which we will announce information will be posted on the investor relations page on our website.

Corporate Information

We were incorporated in the State of Delaware in November 2011 as Sonalight, Inc. and founded our Amplitude business in 2012. In December 2014, we changed our name to Amplitude, Inc. Our principal executive offices are located at 201 Third Street, Suite 200, San Francisco, California 94103. Our telephone number is (650) 988-5131 and our website address is www.amplitude.com. The information contained on, or that can be accessed through, our website is deemed not to be incorporated in this prospectus or to be part of this prospectus. You should not consider information contained on, or hyperlinked through, our website to be part of this prospectus in deciding whether to purchase shares of our Class A common stock.

SUMMARY CONSOLIDATED FINANCIAL AND OPERATING INFORMATION

The following tables summarize our consolidated financial data. The summary consolidated statements of operations and cash flows information for the years ended December 31, 2019 and 2020 (except the pro forma net loss per share and pro forma share information) have been derived from our audited consolidated financial statements appearing elsewhere in this prospectus. The summary consolidated statements of operations and cash flows information for the six months ended June 30, 2020 and 2021 (except the pro forma net loss per share and pro forma share information) and the summary consolidated balance sheet information as of June 30, 2021 have been derived from our unaudited consolidated financial statements appearing elsewhere in this prospectus (except the pro forma balance sheet information). The unaudited interim consolidated financial statements were prepared on a basis consistent with our audited consolidated financial statements and include, in management's opinion, all adjustments, consisting only of normal recurring adjustments, that we consider necessary for a fair statement of the financial information set forth in those statements. Our historical results are not necessarily indicative of the results that may be expected for any period in the future and our interim results are not necessarily indicative of our expected results for the year ending December 31, 2021. You should read the following summary consolidated financial data together with the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes included elsewhere in this prospectus.

	Year Ended December 31,		Six Months Ended June 30,	
	2019	2020	2020	2021
			(Unaudited)	
	(in thousands, except share and per share data)			
Consolidated Statements of Operations Information:				
Revenue	$ 68,442	$ 102,464	$ 46,022	$ 72,364
Cost of revenue(1)	22,105	30,483	13,516	22,390
Gross profit	46,337	71,981	32,506	49,974
Operating expenses:				
Research and development(1)	19,036	26,098	14,141	15,529
Sales and marketing(1)	47,079	51,819	25,369	36,810
General and administrative(1)	14,553	18,067	9,498	13,531
Total operating expenses	80,668	95,984	49,008	65,870
Other income, net	1,460	269	227	20
Loss before provision for income taxes	(32,871)	(23,734)	(16,275)	(15,876)
Provision for income taxes	663	833	(348)	646
Net loss	$ (33,534)	$ (24,567)	$ (16,623)	$ (16,522)
Net loss per share attributable to common stockholders, basic and diluted(2)	$ (1.38)	$ (0.98)	$ (0.68)	$ (0.57)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted(2)	24,322,351	25,059,958	24,550,162	28,808,081
Pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)(3)		$ (0.32)		$ (0.21)
Pro forma weighted-average shares used in computing pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)(3)		87,417,960		93,999,864

(1) Includes stock-based compensation expense as follows:

	Year Ended December 31,		Six Months Ended June 30,	
	2019	2020	2020	2021
			(Unaudited)	
	(in thousands)			
Cost of revenue	$ 358	$ 590	$ 243	$ 483
Research and development	1,419	5,582	3,986	2,063
Sales and marketing	4,429	6,512	3,705	1,689
General and administrative	1,128	3,869	2,552	1,361
Total stock-based compensation	$ 7,334	$ 16,553	$10,486	$5,596

(2) See Notes 1 and 10 of the notes to our audited consolidated financial statements included elsewhere in this prospectus for an explanation of the calculations of our net loss per share, basic and diluted, for the years ended December 31, 2019 and 2020, and see Notes 1 and 10 of the notes to our unaudited condensed consolidated financial statements included elsewhere in this prospectus for an explanation of the calculations of our net loss per share, basic and diluted, for the six months ended June 30, 2020 and 2021.

(3) Unaudited pro forma net loss per share attributable to common stockholders, basic and diluted, for the year ended December 31, 2020 and for the six months ended June 30, 2021 is calculated giving effect to the Existing Preferred Stock Conversion and RSU Settlement for which the time-based vesting condition was satisfied as of December 31, 2020 and June 30, 2021, respectively. Each such conversion or settlement is assumed to have occurred at the beginning of the period, or their issuance dates (including time-based vesting dates) if later. The unaudited pro forma net loss per share also gives effect to stock-based compensation expense of $3.7 million for the year ended December 31, 2020 and the six months ended June 30, 2021, respectively, related to RSUs for which the time-based vesting condition was satisfied as of the end of each reporting period, and for which the performance-based vesting condition will be satisfied upon the listing of our Class A common stock on the Nasdaq Global Select Market. The following table summarizes our unaudited pro forma net loss per share for the year ended December 31, 2020 and the six months ended June 30, 2021:

	Year Ended December 31, 2020	Six Months Ended June 30, 2021
	(Unaudited)	
	(in thousands, except per share data)	
Numerator		
Net loss	$ (24,567)	$ (16,522)
Stock-based compensation related to vesting of RSUs	(3,651)	(3,679)
Pro forma net loss, basic and diluted	$ (28,218)	$ (20,201)
Denominator		
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	25,060	28,808
Pro forma adjustment to reflect assumed conversion and RSU vesting	62,358	65,192
Pro forma weighted-average shares used in computing pro forma net loss per share attributable to common stockholders, basic and diluted	87,418	94,000
Pro forma net loss per share attributable to common stockholders, basic and diluted	$ (0.32)	$ (0.21)

	Year Ended December 31,		Six Months Ended June 30,	
	2019	2020	2020	2021
			(Unaudited)	
		(in thousands)		
Consolidated Statements of Cash Flows Information:				
Net cash used in operating activities	$ (16,036)	$ (10,392)	$(9,942)	$ (5,523)
Net cash provided by (used in) investing activities	(648)	(5,908)	(4,429)	339
Net cash provided by financing activities	874	54,245	50,885	179,313

	As of June 30, 2021	
	Actual	Pro Forma(1)
	(Unaudited)	
	(in thousands)	
Consolidated Balance Sheet Information:		
Cash and cash equivalents	$ 291,062	$ 317,562
Working capital(2)	256,777	283,277
Total assets	376,532	403,032
Total liabilities	81,108	81,108
Redeemable convertible preferred stock	361,113	—
Additional paid-in capital	55,657	446,949
Accumulated deficit	(121,346)	(125,025)
Total stockholders' equity (deficit)	(65,689)	321,924

(1) The pro forma consolidated balance sheet data above gives effect to (i) the Reclassification, (ii) the Existing Preferred Stock Conversion, (iii) the issuance and sale of 827,609 shares of our Series F redeemable convertible preferred stock after June 30, 2021 for aggregate net proceeds of approximately $26.5 million, (iv) the RSU Settlement, (v) stock-based compensation expense of $3.7 million related to RSUs for which the time-based vesting condition was satisfied as of June 30, 2021, and for which the performance-based vesting condition will be satisfied upon the listing of our Class A common stock on the Nasdaq Global Select Market, reflected as an increase to additional paid-in capital and accumulated deficit, and (vi) the filing and effectiveness of our restated certificate of incorporation and the adoption of our amended and restated bylaws, each of which will occur in connection with the effectiveness of the registration statement of which this prospectus forms a part.

(2) We define working capital as current assets less current liabilities. See our consolidated financial statements and related notes included elsewhere in this prospectus for further details regarding our current assets and current liabilities as of June 30, 2021.

Key Business Metrics

We review a number of operating and financial metrics, including the following key metrics, to evaluate our business, measure our performance, identify trends affecting our business, formulate business plans, and make strategic decisions. We are not aware of any uniform standards for calculating these key metrics, which may hinder comparability with other companies who may calculate similarly-titled metrics in a different way.

	As of December 31,			As of June 30,		
	2019	2020	YoY Growth	2020	2021	YoY Growth
Paying Customers	739	1,039	41%	845	1,280	51%
Dollar-Based Net Retention Rate	116%	119%	N/A	118%	119%	N/A

For additional information about our key business metrics, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Business Metrics."

Non-GAAP Financial Measures

The following table presents certain non-GAAP financial measures, along with the most directly comparable U.S. GAAP measure, for each period presented below. In addition to our results determined in accordance with U.S. GAAP, we believe these non-GAAP financial measures are useful in evaluating our operating performance.

	Year Ended December 31,		Six Months Ended June 30,	
	2019	2020	2020	2021
	(in thousands, except percentages)			
Gross Profit	$ 46,337	$ 71,981	$ 32,506	$ 49,974
Non-GAAP Gross Profit	$ 46,695	$ 72,798	$ 32,749	$ 51,108
Gross Margin	68%	70%	71%	69%
Non-GAAP Gross Margin	68%	71%	71%	71%
Loss from Operations	$ (34,331)	$ (24,003)	$ (16,502)	$ (15,896)
Non-GAAP Loss from Operations	$ (26,955)	$ (6,610)	$ (5,704)	$ (7,392)
Loss from Operations Margin	(50)%	(23)%	(36)%	(22)%
Non-GAAP Loss from Operations Margin	(39)%	(6)%	(12)%	(10)%
Net Cash Used in Operating Activities	$ (16,036)	$ (10,392)	$ (9,942)	$ (5,523)
Free Cash Flow	$ (16,684)	$ (12,600)	$ (10,671)	$ (6,137)
Net Cash Used in Operating Activities Margin	(23)%	(10)%	(22)%	(8)%
Free Cash Flow Margin	(24)%	(12)%	(23)%	(8)%

For additional information about these non-GAAP financial measures and reconciliations of the non-GAAP financial measures to the most directly comparable financial measures stated in accordance with U.S. GAAP, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures.”

RISK FACTORS

Investing in our Class A common stock involves a high degree of risk. You should consider and read carefully all of the risks and uncertainties described below, as well as other information included in this prospectus, including our consolidated financial statements and related notes appearing elsewhere in this prospectus, before making an investment decision. The risks described below are not the only ones we face. The occurrence of any of the following risks or additional risks and uncertainties not presently known to us or that we currently believe to be immaterial could materially adversely affect our business, financial condition, or results of operations. In such case, the trading price of our Class A common stock could decline, and you may lose some or all of your original investment.

Risks Related to Our Business and Industry

We have a limited operating history and have been growing rapidly over the last several years, which makes it difficult to forecast our future results of operations and increases the risk of your investment.

Our revenue was $68.4 million and $102.5 million for the fiscal years ended December 31, 2019 and 2020, respectively, and $46.0 million and $72.4 million for the six months ended June 30, 2020 and 2021, respectively. However, you should not rely on our historical revenue growth as an indication of our future performance.

As a result of our limited operating history and our rapid growth over the last several years, our ability to accurately forecast our future results of operations is limited and subject to a number of uncertainties, including our ability to effectively plan for and model future growth.

Our revenue growth rate may decline over time. In future periods, our revenue growth could slow or our revenue could decline for a number of reasons, including slowing demand for our Digital Optimization System, increased competition, changes to technology, a decrease in the growth of our overall market, or our failure, for any reason, to manage our growth effectively or continue to take advantage of growth opportunities. We have also encountered, and will continue to encounter, risks and uncertainties frequently experienced by growing companies in rapidly changing industries, such as the risks and uncertainties described in this prospectus. If our assumptions regarding these risks and uncertainties and our future revenue growth are incorrect or change, or if we do not address these risks successfully, our financial condition and results of operations could differ materially from our expectations, and our business could be materially adversely affected.

We have a history of losses. As our costs increase, we may not be able to generate sufficient revenue to achieve and sustain profitability.

We have experienced net losses in each period since inception. We generated net losses of $33.5 million and $24.6 million for the fiscal years ended December 31, 2019 and 2020, respectively, and $16.6 million and $16.5 million for the six months ended June 30, 2020 and 2021, respectively. As of December 31, 2020 and June 30, 2021, we had an accumulated deficit of $104.8 million and $121.3 million, respectively. We expect our costs and expenses to increase in future periods. In particular, we intend to continue to invest significant resources in:

- development of our Digital Optimization System, including investments in our research and development team, the development or acquisition of new products, features, and functionality, and improvements to the scalability, availability, and security of our platform;
- our technology infrastructure, including expansion of our activities in third-party data centers that we may lease, enhancements to our network operations and infrastructure, and hiring of additional employees;
- sales and marketing;

- additional international expansion, in an effort to increase our customer base and sales; and
- general administration, including legal, accounting, and other expenses.

In addition, part of our business strategy is to focus on our long-term growth. As a result, our profitability may be lower in the near-term than it would be if our strategy were to maximize short-term profitability. Significant expenditures on sales and marketing efforts, expanding our platform, products, features, and functionality, and expanding our research and development, each of which we intend to continue to invest in, may not ultimately grow our business or cause long-term profitability. If we are ultimately unable to achieve profitability at the level anticipated by industry or financial analysts and our stockholders, our stock price may decline.

Our efforts to grow our business may be costlier than we expect, or our revenue growth rate may be slower than we expect, and we may not be able to increase our revenue enough to offset the increase in operating expenses resulting from these investments. If we are unable to continue to grow our revenue, the value of our business and Class A common stock may significantly decrease.

Our business depends on our current customers renewing their subscriptions and purchasing additional subscriptions from us as well as attracting new customers. Any decline in our customer retention or expansion of our commercial relationships with existing customers or an inability to attract new customers would materially adversely affect our business, financial condition, and results of operations.

In order for us to maintain or improve our revenue growth and our results of operations, it is important that our customers renew their subscriptions when existing contract terms expire and that we expand our commercial relationships with our existing customers and attract new customers. We also seek to convert customers on our free-tier, self-service option to paid subscription contracts. Our customers have no obligation to renew their subscriptions, and our customers may not renew subscriptions with similar contract periods. Some of our customers have elected not to renew their agreements with us, and it is difficult to accurately predict long-term customer retention. In addition, our ability to attract new customers will depend on market acceptance of our Digital Optimization System and the successful implementation of our marketing strategy.

Our customer retention and expansion and the rate at which we attract new customers may decline or fluctuate as a result of a number of factors, including our customers' satisfaction with our Digital Optimization System; our support capabilities; our prices and pricing plans; the prices of competing products; reductions in our customers' spending levels; new product releases; mergers and acquisitions affecting our customer base; or the effects of global economic conditions. We may be unable to timely address any retention issues with specific customers, which could materially adversely affect our results of operations. If our customers do not purchase additional subscriptions or renew their subscriptions, or if they renew on less favorable terms, or if we are unable to attract new customers, our revenue may decline or grow less quickly, which would materially adversely affect our business, financial condition, and results of operations.

We expect fluctuations in our financial results, making it difficult to project future results. If we fail to meet the expectations of securities analysts or investors with respect to our results of operations, our stock price could decline.

Our results of operations have fluctuated in the past and are expected to fluctuate in the future due to a variety of factors, many of which are outside of our control. As a result, our past results may not be indicative of our future performance. In addition to the other risks described herein, other factors that may cause our results of operations to fluctuate include:

- fluctuations in demand for our Digital Optimization System, including as a result of our introduction of new products, features, and functionality;

- fluctuations in pricing of our Digital Optimization System, including as a result of our introduction of new products, features, and functionality;
- fluctuations in usage of our Digital Optimization System;
- our ability to attract new customers;
- our ability to retain existing customers;
- customer expansion rates;
- investments in new products, features, and functionality;
- the timing of our customers' purchases;
- the speed with which customers are able to migrate data onto our platform after purchasing capacity;
- awareness of our brand on a global basis;
- fluctuations or delays in purchasing decisions in anticipation of new products, features, or functionality developed or acquired by us or our competitors;
- changes in customers' budgets and in the timing of their budget cycles and purchasing decisions;
- our ability to control costs, including our operating expenses;
- the amount and timing of costs associated with our cloud computing infrastructure, particularly the cloud services provided by Amazon Web Services ("AWS");
- the amount and timing of payment for operating expenses, particularly research and development and sales and marketing expenses;
- the amount and timing of non-cash expenses, including stock-based compensation, goodwill impairments, and other non-cash charges;
- the amount and timing of costs associated with recruiting, training, and integrating new employees and retaining and motivating existing employees;
- the effects of mergers, acquisitions, and their integration;
- the ability to identify and complete merger and/or acquisition opportunities;
- general economic conditions, both domestically and internationally, as well as economic conditions specifically affecting industries in which our customers participate, and related difficulties in collections;
- health epidemics or pandemics, such as the coronavirus pandemic ("COVID-19");
- the impact of new accounting pronouncements;
- changes in regulatory or legal environments that may cause us to incur, among other things, expenses associated with compliance, particularly with respect to compliance with evolving privacy and data protection laws and regulations;
- the overall tax rate for our business, which may be affected by the mix of income we earn in the United States and in jurisdictions with comparatively lower tax rates, the effects of stock-based compensation, and the effects of changes in our business;
- the impact of changes in tax laws or judicial or regulatory interpretations of tax laws, which are recorded in the period such laws are enacted or interpretations are issued and may significantly affect the effective tax rate of that period;
- fluctuations in currency exchange rates and changes in the proportion of our revenue and expenses denominated in foreign currencies;

- changes in the competitive dynamics of our market, including consolidation among competitors or customers; and
- significant security breaches of, technical difficulties with, or interruptions to, the delivery and use of our platform.

Any of these and other factors, or the cumulative effect of some of these factors, may cause our results of operations to vary significantly. If our quarterly results of operations fall below the expectations of investors and securities analysts who follow our stock, the price of our Class A common stock could decline substantially, and we could face costly lawsuits, including securities class actions.

We expect to continue to focus on sales to larger organizations and may become more dependent on those relationships, which may increase the variability of our sales cycles and our results of operations.

As we continue to focus on and may become more dependent on sales to larger organizations, we expect our sales cycles to lengthen and become less predictable. We plan our expenses based on certain assumptions about the length and variability of our sales cycle. These assumptions are based upon historical trends for sales cycles and conversion rates associated with our existing customers. Any shift in sales cycle may adversely affect our financial results. Factors that may influence the length and variability of our sales cycle include:

- the need to educate prospective customers about the uses and benefits of our Digital Optimization System;
- the discretionary nature of purchasing and budget cycles and decisions;
- the competitive nature of evaluation and purchasing processes;
- evolving functionality demands;
- announcements or planned introductions of new products, features, or functionality by us or our competitors; and
- lengthy purchasing approval processes.

Our increasing dependence on sales to larger organizations may increase the variability of our financial results. If we are unable to close one or more expected significant transactions with these customers in a particular period, or if an expected transaction is delayed until a subsequent period, our results of operations for that period, and for any future periods in which revenue from such transaction would otherwise have been recognized, may be adversely affected.

We recognize revenue over the term of our customer contracts. Consequently, downturns or upturns in new sales may not be immediately reflected in our results of operations and may be difficult to discern.

We generally recognize subscription revenue from customers ratably over the contracted period. As a result, a portion of the revenue we report in each quarter is derived from the recognition of deferred revenue relating to subscriptions entered into during previous quarters. Consequently, a decline in new or renewed subscriptions may have a small impact on our revenue results for that quarter. However, such a decline will negatively affect our revenue in future quarters. Accordingly, the effect of significant downturns in sales and market acceptance of our Digital Optimization System and potential changes in our pricing policies or rate of expansion or retention, may not be fully reflected in our results of operations until future periods. We may also be unable to reduce our cost structure in line with a significant deterioration in sales. In addition, a significant majority of our costs are expensed as incurred, while revenue is recognized over the contracted period of the agreement with our customer. As a result, increased growth in the number of our customers could continue to result in our recognition of more costs than revenue in the earlier periods of the terms of our agreements. Our subscription model also makes it difficult for us to rapidly increase our revenue through additional sales in any period, as revenue from new customers must be recognized over the applicable subscription term.

Unfavorable conditions in our industry or the global economy, or reductions in software spending, could limit our ability to grow our business and materially adversely affect our business, financial condition, and results of operations.

Our results of operations may vary based on the impact of changes in our industry or the global economy on us or our customers or potential customers. Our ability to grow revenue and the profitability of our business depend on demand for software applications generally. Historically, during economic downturns there have been reductions in spending on software applications and services generally as well as pressure for extended billing terms and other financial concessions. If economic conditions deteriorate, our customers and prospective customers may go out of business or elect to decrease their budgets, which would limit our ability to grow our business and materially adversely affect our financial condition and results of operations. In addition, our competitors, many of whom are larger and have greater financial resources than we do, may respond to challenging market conditions by lowering prices in an attempt to attract our customers and may be less dependent on key industry events to generate sales for their products.

If the market for SaaS applications develops more slowly than we expect or declines, our business would be adversely affected.

Our success will depend to a substantial extent on the widespread adoption of SaaS applications in general, and of SaaS applications that look to solve aspects of digital optimization. Many organizations have invested substantial personnel and financial resources to integrate traditional on-premise business software applications into their businesses, and therefore may be reluctant or unwilling to migrate to SaaS applications. It is difficult to predict customer adoption rates and demand for our Digital Optimization System, the future growth rate and size of the SaaS applications market, or the entry of competitive applications. The expansion of the SaaS applications market depends on a number of factors, including the cost, performance, and perceived value associated with SaaS, as well as the ability of SaaS providers to address data security and privacy concerns. Additionally, government agencies have adopted, or may adopt, laws and regulations, and companies have adopted and may adopt policies regarding the collection and use of personal information obtained from consumers and other individuals, or may seek to access information on our platform, either of which may reduce the overall demand for our Digital Optimization System. If we or other SaaS providers experience data security incidents, loss of customer data, disruptions in delivery, or other problems, the market for SaaS applications, including our Digital Optimization System, may be negatively affected. If SaaS applications do not continue to achieve market acceptance, or there is a reduction in demand for SaaS applications caused by a lack of customer acceptance, technological challenges, weakening economic conditions, data security or privacy concerns, governmental regulation, competing technologies and products, or decreases in spending on SaaS applications, it would result in decreased revenue and our business, financial condition, and results of operations would be materially adversely affected.

The market in which we operate is highly competitive, and if we do not compete effectively, our business, financial condition, and results of operations could be materially adversely affected.

The market for applications that looks to address digital optimization is fragmented, rapidly evolving, and highly competitive, with relatively low barriers to entry. As this market continues to mature and new technologies and competitors enter the market, we expect competition to intensify. We face competition from:

- large companies that have greater name recognition, much longer operating histories, more established customer relationships, larger marketing budgets, and significantly greater resources than we do;
- in-house software systems;
- large integrated systems vendors;
- smaller companies offering alternative SaaS applications; and
- new or emerging entrants seeking to develop competing technologies.

Our competitors may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards, or customer requirements. With the introduction of new technologies, the evolution of our Digital Optimization System, and new market entrants, we expect competition to intensify in the future. Pricing pressures and increased competition generally could result in reduced sales, reduced margins, losses, or the failure of our Digital Optimization System to achieve or maintain more widespread market acceptance, any of which could harm our business.

Our competitors vary in size and in the breadth and scope of the products and services they offer. Further, other established SaaS providers not currently focused on digital optimization may expand their services to compete with us. Many of our current and potential competitors have established marketing relationships, access to larger customer bases, pre-existing customer relationships, and major distribution agreements with consultants, system integrators, and resellers. Certain of our competitors have partnered with, or have acquired, and may in the future partner with or acquire, other competitors to offer services, leveraging their collective competitive positions, which makes, or would make, it more difficult to compete with them. For all of these reasons, we may not be able to compete successfully against our current and future competitors, which would harm our business. For more information about the competitive landscape in which we operate, see “Business—Competition.”

If we fail to innovate in response to changing customer needs and technology developments and other market requirements, our business, financial condition, and results of operations would be materially adversely affected.

Our ability to attract new customers and retain and increase revenue from existing customers depends in large part on our ability to enhance and improve our Digital Optimization System and to introduce new products, features, and functionality. In order to grow our business, we must develop products, features, and functionality that reflect the changing needs of customers, and we believe that the pace of innovation will continue to accelerate. The success of any enhancement to our Digital Optimization System depends on several factors, including timely completion, adequate quality testing, and market acceptance. Any new product, feature, or functionality that we develop may not be introduced in a timely or cost-effective manner, may contain defects, or may not achieve the market acceptance necessary to generate sufficient revenue. If we are unable to successfully develop new products, features or functionality, enhance our Digital Optimization System to meet customer requirements, or otherwise gain market acceptance, our business, financial condition, and results of operations could be materially adversely affected.

Because our Digital Optimization System is available over the internet, we need to continuously modify and enhance it to keep pace with changes in internet-related hardware, software, analytics, and database technologies and standards. In addition, we need to continue to invest in technologies, services and partnerships that increase the types of data processed on our platform and the ease with which customers can send data into our platform. We must also continue to enhance our data sharing and data exchange capabilities so customers can share their data with internal business units, customers, and other third parties. In addition, our platform requires third-party public cloud infrastructure to operate. We must continue to innovate to optimize our offerings for these and other public clouds that our customers require, particularly as we expand internationally. Further, the markets in which we compete are subject to evolving industry standards and regulations, resulting in increasing data governance and compliance requirements for us and our customers. To the extent we expand into the public sector and other highly regulated industries, our Digital Optimization System may need to address additional requirements specific to those industries.

If we are unable to enhance our Digital Optimization System to keep pace with these rapidly evolving customer requirements, or if new technologies emerge that are able to deliver competitive products at lower prices, more efficiently, more conveniently, or more securely than our platform, our business, financial condition, and results of operations would be materially adversely affected.

If we fail to effectively manage our growth and changes to our business over time, our business, financial condition, and results of operations would be materially adversely affected.

We have experienced and expect to continue to experience rapid growth, which has placed, and may continue to place, significant demands on our management, operational and financial resources. For example, our headcount has grown from 280 employees as of December 31, 2019 to 490 employees as of June 30, 2021. We intend to continue to invest to expand our business, which may cause our margins to decline, and any investments we make will occur in advance of experiencing the benefits from such investments, making it difficult to determine in a timely manner if we are efficiently allocating our resources. As usage of our Digital Optimization System grows, we will need to devote additional resources to improving our platform's features and functionality, developing or acquiring new products, and maintaining infrastructure performance. Even if we are able to upgrade our systems and expand our personnel, any such expansion will be expensive and complex, requiring management's time and attention. We could also face inefficiencies or operational failures as a result of our efforts to scale our infrastructure. Moreover, there are inherent risks associated with upgrading, improving, and expanding our information technology systems. We cannot be sure that the expansion and improvements to our infrastructure and systems will be fully or effectively implemented on a timely basis, if at all. In addition, we will need to appropriately scale our internal business systems and our services organization, including customer support, to serve our growing customer base, particularly as our customer demographics change over time. Managing these changes will require significant expenditures and allocation of valuable management resources. If we fail to successfully manage our anticipated growth and change, the quality of our products may suffer, which could negatively affect our brand and reputation and harm our ability to retain and attract customers. As we continue to grow, we may need to implement more complex organizational management structures or adapt our corporate culture and work environments to changing circumstances, which could have an adverse impact on our corporate culture. Any failure to preserve our culture could harm our business, including our ability to retain and recruit personnel, innovate and operate effectively, and execute on our business strategy.

The COVID-19 pandemic or similar outbreaks could have an adverse impact on our business and operations, and the markets and communities in which we, our partners and customers operate, and the impact of the pandemic is difficult to assess or predict.

The continued impact and ultimate duration of the COVID-19 pandemic (including any new strains or mutations) on the global economy and our business are difficult to assess or predict. Actual and potential impacts include:

- Our customer prospects and our existing customers may experience slowdowns in their businesses, which in turn may result in reduced demand for our Digital Optimization System, lengthening of sales cycles, loss of customers, and difficulties in collections.
- Our employees are working from home significantly more frequently than they have historically, which may result in decreased employee productivity and morale with increased unwanted employee attrition.
- We continue to incur fixed costs, particularly for real estate, and are deriving reduced or no benefit from those costs.
- We may continue to experience disruptions to our growth planning, such as for facilities and international expansion.
- We anticipate incurring costs in returning to work from our facilities around the world, including changes to the workplace, such as space planning, food service, and amenities.
- We may be subject to legal liability for safe workplace claims.
- Our critical vendors could go out of business.
- Our in-person marketing events, including customer user conferences, have been canceled, and we may continue to experience prolonged delays in our ability to reschedule or conduct in-person marketing events and other sales and marketing activities.

- We may be required to continue to conduct or from time to time return to conducting our business on a fully virtual basis, as opposed to the mix of virtual and in-person interactions with customers and partners that our marketing, sales, professional services, and support organizations were accustomed to prior to the COVID-19 pandemic.

As global economic conditions improve with the rollout of vaccines, business activity may not recover as quickly as anticipated. Conditions may vary between countries and regions and will be subject to the effectiveness of government policies, vaccine administration rates, and other factors that may not be foreseeable. It is not possible at this time to predict the duration and extent of the impact that COVID-19 could have on worldwide economic activity and our business in particular. In addition, as stay-at-home orders and other quarantine and isolation measures are lifted, the amount of time that consumers spend interacting with digital products may normalize or decline, which could slow customer demand for our Digital Optimization System. Moreover, to the extent the COVID-19 pandemic materially adversely affects our business, financial condition, and results of operations, it may also have the effect of heightening many of the other risks described in this "Risk Factors" section, including, but not limited to, those related to our ability to expand within our existing customer base, acquire new customers, develop and expand our sales and marketing capabilities, and expand internationally.

If our security measures are breached or there is otherwise unauthorized disclosure of or access to customer data, our data, or our platform, our platform may be perceived as insecure, we may lose customers or fail to attract new customers, our reputation and brand may be harmed, and we may incur significant liabilities.

Use of our platform involves the storage, transmission, and processing of our customers' proprietary data, including personal or identifying information of their customers or employees. Unauthorized disclosure of or access to or security breaches of our platform could result in the loss of data, loss of business, severe reputational damage adversely affecting customer or investor confidence, damage to our brand, diversion of management's attention, regulatory investigations and orders, litigation, indemnity obligations, damages for contract breach, penalties for violation of applicable laws or regulations, and significant costs for remediation that may include liability for stolen assets or information and repair of system damage that may have been caused, incentives offered to customers or other business partners in an effort to maintain business relationships after a breach, and other liabilities. We have incurred and expect to continue to incur significant expenses to prevent security breaches, including deploying additional personnel and protection technologies, training employees, and engaging third-party experts and consultants. Even though we do not control the security measures of third parties who may have access to our customer data, our data or our platform, we may be responsible for any breach of such measures or suffer reputational harm even where we do not have recourse to the third party that caused the breach. In addition, any failure by our vendors to comply with applicable law or regulations could result in proceedings against us by governmental entities or others.

Cyberattacks, denial-of-service attacks, ransomware attacks, business email compromises, computer malware, viruses, and social engineering (including phishing) are prevalent in our industry and our customers' industries. In addition, we may experience attacks, unavailable systems, unauthorized access to systems or data or disclosure due to employee theft or misuse, denial-of-service attacks, sophisticated nation-state and nation-state supported actors, and advanced persistent threat intrusions. Electronic security attacks designed to gain access to personal, sensitive, or confidential data are constantly evolving, and such attacks continue to grow in sophistication. The techniques used to sabotage or to obtain unauthorized access to our platform, systems, networks, or physical facilities in which data is stored or through which data is transmitted change frequently, and we may be unable to implement adequate preventative measures or stop security breaches while they are occurring. We have previously been, and may in the future become, the target of cyberattacks by third parties seeking unauthorized access to our or our customers' data or to disrupt our operations or ability to provide our services.

We have contractual and legal obligations to notify relevant stakeholders of security breaches. Most jurisdictions have enacted laws requiring companies to notify individuals, regulatory authorities, and others of

security incidents or data breaches involving certain types of data. In addition, our agreements with certain customers may require us to notify them in the event of a security incident or data breach. Such mandatory disclosures are costly, could lead to negative publicity, may cause our customers to lose confidence in the effectiveness of our security measures, and require us to expend significant capital and other resources to respond to or alleviate problems caused by the actual or perceived security incident or data breach and otherwise comply with the multitude of foreign, federal, state, and local laws and regulations relating to the unauthorized access to, or use or disclosure of, personal information. Additionally, as a result of a breach or other security incident, we could be subject to demands, claims, and litigation by private parties and investigations, related actions, and penalties by regulatory authorities.

A security breach may cause us to breach customer contracts. Our agreements with certain customers may require us to use industry-standard or reasonable measures to safeguard personal information or confidential information. A security breach could lead to claims by our customers, their end-users, or other relevant stakeholders that we have failed to comply with such legal or contractual obligations. As a result, we could be subject to legal action or our customers could end their relationships with us. There can be no assurance that any limitations of liability in our contracts would be enforceable or adequate or would otherwise protect us from liabilities or damages.

Because data security is a critical competitive factor in our industry, we make numerous statements in our customer contracts, privacy policies, terms of service, and marketing materials, providing assurances about the security of our platform including detailed descriptions of security measures we employ. Should any of these statements be untrue or become untrue, even in circumstances beyond our reasonable control, we may face claims of misrepresentation or deceptiveness by the U.S. Federal Trade Commission, state, federal and foreign regulators, and private litigants.

If we fail to detect or remediate a security breach in a timely manner, or a breach otherwise affects a large amount of data of one or more customers, or if we suffer a cyberattack that impacts our ability to operate our platform, we may suffer damage to our reputation and our brand, and our business, financial condition, and results of operations may be materially adversely affected. Further, although we maintain insurance coverage, our insurance coverage may not be adequate for data security breaches, indemnification obligations, or other liabilities. In addition, we cannot be sure that our existing insurance coverage and coverage for errors and omissions will continue to be available on acceptable terms or that our insurers will not deny coverage as to any future claim. Our risks are likely to increase as we continue to expand our platform, grow our customer base, and process, store, and transmit increasingly large amounts of proprietary and sensitive data.

We could suffer disruptions, outages, defects, and other performance and quality problems with our platform or with the public cloud and internet infrastructure on which it relies, which may materially adversely affect our business, financial condition, and results of operations.

Our business and continued growth depend in part on the ability of our existing and potential customers to access our platform at any time and within an acceptable amount of time. Our agreements with customers typically provide for service level commitments. If we are unable to meet these commitments or if we suffer unexcused periods of downtime for our platform, we may be contractually obligated to provide financial credits or extend the term of the subscription for the period of unexcused downtime, or our customers may be entitled to terminate their agreements and obtain a pro rata refund. We have in the past provided, and may in the future be required to provide, financial credits and pro rata refunds as a result of not being able to meet these commitments. We have experienced, and may in the future experience, disruptions, outages, defects, and other performance and quality problems with our platform. We have also experienced, and may in the future experience, disruptions, outages, defects, and other performance and quality problems with the public cloud and internet infrastructure on which our platform relies. These problems can be caused by a variety of factors, including infrastructure changes, introductions of new functionality, vulnerabilities and defects in proprietary and open-source software, human error or misconduct, capacity constraints due to an overwhelming number of users accessing our platform simultaneously, design limitations, or denial of service attacks or other security-related incidents. The performance and availability of the cloud computing infrastructure that we use to host our

platform and many of the internal tools we use to operate our business is outside our control; therefore, we are not in full control of whether we meet the service level commitments under our customer agreements. As a result, our business, financial condition, and results of operations could be materially adversely affected if we suffer unscheduled downtime that exceeds the service level commitments we have made to our customers. Any extended service outages could materially adversely affect our business and reputation.

Our Digital Optimization System is proprietary, and we rely on the expertise of members of our engineering, operations, product, and software development teams for their continued performance. It may become increasingly difficult and costly to maintain and improve our performance, especially during peak usage times and as our platform becomes more complex and our user traffic increases. To the extent that we do not effectively address capacity constraints, upgrade our systems as needed, and continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business, financial condition, and results of operations may be materially adversely affected.

We depend and rely on third-party hosted cloud services and internet infrastructure in order to operate critical functions of our business. For example, our platform and internal tools use computing, storage capabilities, bandwidth, and other services provided by AWS. If these services become unavailable due to extended outages, interruptions, or because they are no longer available on commercially reasonable terms, our expenses could increase, our ability to manage our business could be interrupted, and our processes for managing sales of and delivering our Digital Optimization System could be impaired until we are able to identify, obtain, and implement equivalent services, if we are able to do so at all. Any of these circumstances could materially adversely affect our business, financial condition, and results of operations.

Any disruptions, outages, defects, and other performance and quality problems with our platform or with the public cloud and internet infrastructure on which it relies, or any material change in our contractual and other business relationships with any public cloud providers we contract with, could result in reduced use of our platform, increased expenses, including service credit obligations, and harm to our brand and reputation, any of which could have a material adverse effect on our business, financial condition, and results of operations.

Real or perceived errors, failures, or bugs in our platform could materially adversely affect our business and growth prospects.

Because our platform is complex, undetected errors, failures, vulnerabilities, or bugs may occur, especially when updates are deployed. We have discovered and expect we will continue to discover software errors, failures, vulnerabilities, and bugs in our platform and anticipate that certain of these errors, failures, vulnerabilities, and bugs will only be discovered and remediated after deployment to customers. Software errors, failures, vulnerabilities, and bugs in our platform could materially adversely affect our business and growth prospects.

Any failure to offer high-quality product support may adversely affect our relationships with our customers, our reputation, and our business, financial condition, and results of operations.

In using our Digital Optimization System, our customers depend on our product support team to resolve complex technical and operational issues. We may be unable to respond quickly enough to accommodate short-, medium-, and long-term increases in customer demand for product support. We also may be unable to modify the nature, scope, and delivery of our product support to compete with changes in product support services provided by our competitors. Increased customer demand for product support, without corresponding revenue, could increase costs and materially adversely affect our results of operations. Our sales are highly dependent on our business reputation and on positive recommendations from our existing customers. Any failure to maintain high-quality product support, or a market perception that we do not maintain high-quality product support, could materially adversely affect our reputation, our ability to sell our Digital Optimization System to existing and prospective customers, our business, financial condition, and results of operations.

Incorrect or improper implementation or use of our Digital Optimization System could result in customer dissatisfaction and materially adversely affect our business, financial condition, and results of operations.

We often assist our customers in implementing our Digital Optimization System (whether through us directly or a third party implementation partner), and they may need training in the proper use of our Digital Optimization System to maximize its potential and avoid inadequate performance. If we or our implementation partners fail to train customers on how to efficiently and effectively use our Digital Optimization System or we fail to provide adequate product support to our customers, we may lose opportunities for additional subscriptions, customers may choose not to renew or expand the use of our Digital Optimization System, we may experience negative publicity or legal claims against us, and our reputation and brand may suffer. Any of these circumstances could materially adversely affect our business, financial condition, and results of operations.

If we fail to integrate our platform with a variety of operating systems, software applications, and platforms that are developed by others, our platform may become less marketable, less competitive, or obsolete, and our business, financial condition, results of operations, and growth prospects could be materially adversely affected.

Our customers and prospective customers expect our Digital Optimization System to integrate with a variety of software platforms, and we need to continuously modify and enhance our platform to adapt to changes in software, browser, and database technologies. We have developed our platform to be able to integrate with third-party SaaS applications through the interaction of application programming interfaces ("APIs"). In general, we rely on the fact that the providers of such software systems continue to allow us access to their APIs to enable these custom integrations. We are subject to the standard terms and conditions of such providers, or other agreements we may have with them, which govern the distribution, operation, and fees of such software systems, and which may be subject to change by such providers. As a result of limits or prohibitions by other parties, unacceptable terms, technical difficulties, our failure to recognize demand, or for other reasons, we may not successfully build, deploy, or offer the integrations needed. If we fail to offer a variety of integrations or the integrations that our customers and prospective customers expect and demand, then our Digital Optimization System may become less marketable, less competitive, or obsolete, and our business, financial condition, results of operations, and growth prospects could be materially adversely affected.

We do not have the history with our subscription or pricing models necessary to accurately predict optimal pricing necessary to attract new customers and retain existing customers.

We have limited experience with respect to determining the optimal prices for our Digital Optimization System and, as a result, we have in the past and expect in the future that we will need to change our pricing model from time to time. As the market for our Digital Optimization System matures, or as new competitors introduce new products or services that compete with ours, we may be unable to attract new customers at the same price or based on the same pricing models as we have used historically. Pricing decisions may also impact the mix of adoption among our subscription plans and negatively impact our overall revenue. Although we occasionally upsell within contract terms based on customer needs, substantially all of our customer contracts have a subscription period of one year or longer, for which we primarily bill annually in advance with no obligation to renew. As a result, potential changes in our pricing policies, or our rate of customer expansion or retention, may not be fully reflected in our results of operations until future periods. Moreover, larger organizations may demand price concessions. As a result, in the future we may be required to reduce our prices, which could materially adversely affect our business, financial condition, and results of operations.

Failure to effectively develop and expand our sales and marketing capabilities, including our relationships with channel partners, could harm our ability to increase our customer base and achieve broader market acceptance of our products and platform.

In order to increase our sales to new and existing customers, we must expand our sales and marketing operations, including our sales force and third-party channel partners, and continue to dedicate significant resources to inbound sales and marketing programs, both domestically and internationally. Our ability to increase

our customer base and achieve broader market acceptance of our products will depend, in part, on our ability to effectively organize, focus, and train our sales and marketing personnel. If we are unable to increase adoption of our Digital Optimization System by new and existing customers, especially enterprise customers, our business, financial condition, and results of operations may be materially adversely affected.

Our efforts to develop and expand our sales and marketing capabilities will require us to invest significant financial and other resources, including in industries and sales channels in which we have limited experience to date. We may not achieve anticipated revenue growth from expanding our sales and marketing capabilities, and our business, financial condition, results of operations, and growth prospects may be materially adversely affected, if we are unable to hire, develop, integrate, and retain talented and effective sales personnel and global systems integrators, consultancies, and digital agencies; if our new and existing sales personnel are unable to achieve desired productivity levels in a reasonable period of time; or if our sales and marketing programs are not effective.

We may be unable to build and maintain successful relationships with our channel partners or such channel partners may fail to perform, which could materially adversely affect our business, financial condition, results of operations, and growth prospects.

We employ a go-to-market business model whereby a portion of our revenue is generated by sales through our channel partners, such as independent software vendors and resellers, that further expand the reach of our direct sales force into additional geographies, sectors, and industries. In particular, we have entered, and intend to continue to enter, into strategic sales distributor and reseller relationships in certain international markets where we do not have a local presence. We provide certain of our channel partners with specific training and programs to assist them in selling access to our Digital Optimization System, but there can be no assurance that these steps will be effective, and restrictions on travel and other limitations as a result of the COVID-19 pandemic undermine our efforts to provide training and build relationships. In addition, if our channel partners are unsuccessful in marketing and selling access to our Digital Optimization System, it would limit our expansion into certain geographies, sectors, and industries. If we are unable to develop and maintain effective sales incentive programs for our channel partners, we may not be able to incentivize these partners to sell access to our Digital Optimization System to customers.

Some of these partners may also market, sell, and support offerings that are competitive with ours, may devote more resources to the marketing, sales, and support of such competitive offerings, may have incentives to promote our competitors' offerings to the detriment of our own, or may cease selling access to our Digital Optimization System altogether. Our channel partners could subject us to lawsuits, potential liability, and reputational harm if, for example, any of our channel partners misrepresents the functionality of our Digital Optimization System to customers or violates laws or our or their corporate policies. Our ability to achieve revenue growth in the future will depend, in part, on our success in maintaining successful relationships with our channel partners, identifying additional channel partners, including in new markets, and training our channel partners to independently sell access to our Digital Optimization System. If our channel partners are unsuccessful in selling access to our Digital Optimization System, or if we are unable to enter into arrangements with or retain a sufficient number of high-quality channel partners in each of the regions in which we sell access to our Digital Optimization System and keep them motivated to sell access to our Digital Optimization System, our business, financial condition, results of operations, and growth prospects could be adversely affected.

If our marketing strategies are not effective in attracting new and retaining existing customers, our business and ability to grow our revenues would be harmed.

We rely on our marketing strategies consisting of a combination of online and offline marketing programs such as online advertising, blogs, public relations, social media, user conferences, educational white papers and webinars, product demos, workshops, roundtables, and customer case studies, offering customers a free-tier, self-service option, and other inbound lead generation and outbound sales strategies to drive our sales and revenue. These strategies may not continue to generate the level of sales necessary to increase our revenue. If our outbound sales efforts are unsuccessful at attracting and retaining new and existing customers, we may be unable to grow our

market share and revenue. If our customer base does not continue to grow through word-of-mouth marketing and viral adoption or outbound sales efforts, we may be required to incur significantly higher sales and marketing expenses in order to acquire new subscribers, which could materially adversely affect our business and results of operations. In addition, high levels of customer satisfaction and market adoption are central to our marketing model. Any decrease in our customers' satisfaction with our products, including as a result of actions outside of our control, could harm word-of-mouth referrals and our brand.

Additionally, many customers never convert from our free-tier, self-service option to a paid subscription contract. Further, we often depend on individuals within an organization who initiate our free-tier, self-service option being able to convince decision-makers within their organization to convert to a subscription contract. Many of these organizations have complex and multi-layered purchasing requirements. To the extent that these free-tier customers do not become paying subscribers, we will not realize the intended benefits of this marketing strategy.

Sales efforts to larger organizations involve risks that may not be present or that are present to a lesser extent with respect to sales to smaller organizations.

We have experienced rapid growth in our customer base since our inception. Although our growth strategy includes acquiring new customers across industries, company size, and stages of digital maturity, with 26 of the Fortune 100 in our customer base, we believe there is continued significant opportunity to continue to penetrate the largest global organizations. Sales to larger organizations involve risks that may not be present or that are present to a lesser extent with sales to smaller organizations, such as longer sales cycles, more complex customer requirements, substantial upfront sales costs, and less predictability in completing some of our sales. For example, enterprise customers, which we define as customers with more than 1,000 employees, may require considerable time to evaluate and test our Digital Optimization System prior to making a purchase decision and placing an order. A number of factors influence the length and variability of our sales cycle, including the need to educate potential customers about the uses and benefits of our Digital Optimization System, the discretionary nature of purchasing and budget cycles, and the competitive nature of evaluation and purchasing approval processes. As a result, the length of our sales cycle, from identification of the opportunity to deal closure, may vary significantly from customer to customer, with sales to enterprises typically taking longer to complete. During the quarter ended June 30, 2021, the average length of our sales cycle to enterprises was four to six months, as compared to one to two months to non-enterprise customers. In addition, larger organizations may demand more features and integration services. Sales to larger organizations also may increase the variability of our financial results. If we are unable to close one or more expected significant transactions with these customers in a particular period, or if an expected transaction is delayed until a subsequent period, our results of operations for that period, and for any future periods in which revenue from such transaction would otherwise have been recognized, may be adversely affected. If we fail to effectively manage these risks associated with sales cycles and sales to larger organizations, our business, financial condition, and results of operations may be materially adversely affected.

If we are unable to maintain and enhance our brand, our business, financial condition, and results of operations may be materially adversely affected.

We believe that maintaining and enhancing our reputation as a differentiated and category-defining company in digital optimization is critical to our relationships with our existing customers and to our ability to attract new customers. The successful promotion of our brand attributes will depend on a number of factors, including our marketing efforts, our ability to ensure that our platform remains reliable and secure, our ability to continue to develop high-quality software, and our ability to successfully differentiate our Digital Optimization System from competitive products and services. In addition, independent industry analysts often provide reviews of our Digital Optimization System, as well as products and services offered by our competitors, and perception of our Digital Optimization System in the marketplace may be significantly influenced by these reviews. If these reviews are negative, or less positive as compared to those of our competitors' products and services, our brand may be adversely affected. It may also be difficult to maintain and enhance our brand in connection with sales through channel or strategic partners.

The promotion of our brand requires us to make substantial expenditures, and we anticipate that the expenditures will increase as our market becomes more competitive, as we expand into new markets, and as more sales are generated through our channel partners. To the extent that these activities yield increased revenue, this revenue may not offset the increased expenses we incur. If we do not successfully maintain and enhance our brand, our business may not grow, we may have reduced pricing power relative to competitors, and we could lose customers or fail to attract potential customers, all of which would materially adversely affect our business, financial condition, and results of operations.

Our operations are international in scope, and we plan further geographic expansion, creating a variety of operational challenges.

For the year ended December 31, 2020 and six months ended June 30, 2021, 36% of our revenue was generated outside the United States. A component of our growth strategy involves the further expansion of our operations and customer base internationally, which will require significant dedication of management attention and financial resources. We are continuing to adapt to and develop strategies to address international markets, but there is no guarantee that such efforts will have the desired effect. Our sales organization outside the United States is substantially smaller than our sales organization in the United States, and to date, only a very small portion of our sales has been driven by resellers or other channel partners. To the extent we are unable to effectively engage with non-U.S. customers due to our limited sales force capacity and limited channel partners, we may be unable to effectively grow in international markets.

Our current and future international business and operations involve a variety of risks, including:

- slower than anticipated public cloud adoption by international businesses;
- changes, which may be unexpected, in a specific country's or region's political, economic, or legal and regulatory environment, including Brexit, pandemics, terrorist activities, tariffs, trade wars, or long-term environmental risks;
- the need to adapt and localize our Digital Optimization System for specific countries;
- longer payment cycles and greater difficulty enforcing contracts, collecting accounts receivable, or satisfying revenue recognition criteria, especially in emerging markets;
- new, evolving, and more stringent regulations relating to privacy and data security and the unauthorized use of, or access to, commercial and personal information, particularly in Europe;
- differing and potentially more onerous labor regulations, especially in Europe, where labor laws are generally more advantageous to employees as compared to the United States, including deemed hourly wage and overtime regulations in these locations;
- challenges inherent in efficiently managing, and the increased costs associated with, an increased number of employees over large geographic distances, including the need to implement appropriate systems, policies, benefits, and compliance programs that are specific to each jurisdiction;
- difficulties in managing a business in new markets with diverse cultures, languages, customs, legal systems, alternative dispute systems, and regulatory systems;
- increased travel, real estate, infrastructure, and legal compliance costs associated with international operations;
- currency exchange rate fluctuations and the resulting effect on our revenue and expenses, and the cost and risk of entering into hedging transactions if we chose to do so in the future;
- limitations on our ability to reinvest earnings from operations in one country to fund the capital needs of our operations in other countries;
- laws and business practices favoring local competitors or general market preferences for local vendors;
- limited or insufficient intellectual property protection or difficulties obtaining, maintaining, protecting, or enforcing our intellectual property rights, including our trademarks and patents;

- COVID-19 or other pandemics or epidemics that could decrease economic activity in certain markets, decrease use of our products and services, or decrease our ability to import, export, or sell our products and services to existing or new customers in international markets;
- exposure to liabilities under export control, economic and trade sanction, anti-corruption, and anti-money laundering laws, including the Export Administration Regulations, the OFAC regulations, the FCPA, U.S. bribery laws, the UK Bribery Act, and similar laws and regulations in other jurisdictions;
- increased financial accounting and reporting burdens and complexities;
- requirements or preferences for domestic products;
- differing technical standards, existing or future regulatory and certification requirements, and required features and functionality;
- burdens of complying with laws and regulations related to privacy and data security, including the EU GDPR and similar laws and regulations in other jurisdictions; and
- burdens of complying with laws and regulations related to taxation; and regulations, adverse tax burdens, and foreign exchange controls that could make it difficult to repatriate earnings and cash.

If we invest substantial time and resources to further expand our international operations and are unable to do so successfully and in a timely manner, our business, financial condition, and results of operations could be materially adversely affected.

We derive, and expect to continue for some time to derive, substantially all of our revenue from our Amplitude Analytics product.

Although we recently released our Amplitude Recommend and Amplitude Experiment products, we currently derive, and expect to continue for some time to derive, substantially all of our revenue from our Amplitude Analytics product. As such, the continued growth in demand for and market acceptance of Amplitude Analytics is critical to our success. Demand for Amplitude Analytics and our other products and platform functionality is affected by a number of factors, many of which are beyond our control, such as continued market acceptance of our products by customers for existing and new use cases, the timing of development and release of new products, features, and functionality that are lower cost alternatives introduced by us or our competitors, technological changes and developments within the markets we serve, and growth or contraction in our addressable markets. If we are unable to continue to meet customer demands or to achieve more widespread market acceptance of our products, particularly our Amplitude Analytics product, our business, financial condition, and results of operations could be materially adversely affected.

We invest significantly in research and development, and to the extent our research and development investments do not translate into new products or material enhancements to our current products, or if we do not use those investments efficiently, our business, financial condition, and results of operations would be materially adversely affected.

For the years ended December 31, 2019 and 2020 and for the six months ended June 30, 2020 and 2021, our research and development expenses were 28%, 25%, 31%, and 21% of our revenue, respectively. If we do not spend our research and development budget efficiently or effectively on compelling innovation and technologies, our business may be harmed. Moreover, research and development projects can be technically challenging and expensive. The nature of these research and development cycles may cause us to experience delays between the time we incur expenses associated with research and development and the time we are able to offer compelling products and generate revenue, if any, from such investment. Additionally, anticipated customer demand for a product or service we are developing could decrease after the development cycle has commenced, and we would nonetheless be unable to avoid substantial costs associated with the development of any such product or service.

If we expend a significant amount of resources on research and development and our efforts do not lead to the successful introduction or improvement of products that are competitive in our current or future markets, it would materially adversely affect our business, financial condition, and results of operations.

We agree to indemnify customers and other third parties, which exposes us to substantial potential liability.

Our contracts with customers and other third parties may include indemnification or other provisions under which we agree to indemnify or otherwise be liable to them for losses arising from alleged infringement, misappropriation, or other violation of intellectual property rights, data protection violations, breaches of representations and warranties, damage to property or persons, or other liabilities arising from our platform or such contracts. Although we attempt to limit our indemnity obligations, an event triggering our indemnity obligations could give rise to multiple claims involving multiple customers or other third parties. These claims may require us to initiate or defend protracted and costly litigation on behalf of our customers and other third parties, regardless of the merits of these claims. We may not have adequate or any insurance coverage and may be liable for up to the full amount of the indemnified claims, which could result in substantial liability or material disruption to our business or could negatively impact our relationships with customers or other third parties, reduce demand for our products, and materially adversely affect our business, financial condition, and results of operations.

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

We do not know when or if our operations will generate sufficient cash to fully fund our ongoing operations or the growth of our business. We intend to continue to make investments to support our business, which may require us to engage in equity or debt financings to secure additional funds. Additional financing may not be available on terms favorable to us, if at all. If adequate funds are not available on acceptable terms, we may be unable to invest in future growth opportunities, which could materially adversely affect our business, financial condition, and results of operations. If we incur debt, the debt holders would have rights senior to holders of common stock to make claims on our assets, and the terms of any debt could restrict our operations, including our ability to pay dividends on our common stock. Furthermore, if we issue additional equity securities, stockholders will experience dilution, and the new equity securities could have rights senior to those of our common stock. Because our decision to issue securities in the future will depend on numerous considerations, including factors beyond our control, we cannot predict or estimate the amount, timing, or nature of any future issuances of debt or equity securities. As a result, our stockholders bear the risk of future issuances of debt or equity securities reducing the value of our common stock and diluting their interests.

Risks Related to Our Intellectual Property

Our intellectual property rights may not protect our business or provide us with a competitive advantage, which could have a material adverse effect on our business, financial condition, and results of operations.

To be successful, we must protect our technology and brand in the United States and other jurisdictions through trademarks, trade secrets, patents, copyrights, service marks, invention assignments, contractual restrictions, and other intellectual property rights and confidentiality procedures. Despite our efforts to implement these protections, these measures may not protect our business or provide us with a competitive advantage for a variety of reasons, including:

- our failure to obtain patents and other intellectual property rights for important innovations or maintain appropriate confidentiality and other protective measures to establish and maintain our trade secrets;
- uncertainty in, and evolution of, legal standards relating to the validity, enforceability, and scope of protection of intellectual property rights;
- potential invalidation of our intellectual property rights through administrative processes or litigation;

- any inability by us to detect infringement or other misappropriation of our intellectual property rights by third parties; and
- other practical, resource, or business limitations on our ability to enforce our rights.

Further, the laws of certain foreign countries, particularly certain developing countries, do not provide the same level of protection of corporate proprietary information and assets, such as intellectual property, trademarks, trade secrets, know-how, and records, as the laws of the United States. As a result, we may encounter significant problems in protecting and defending our intellectual property or proprietary rights in foreign jurisdictions. Additionally, we may also be exposed to material risks of theft or unauthorized reverse engineering of our proprietary information and other intellectual property, including technical data, data sets, or other sensitive information. Our efforts to enforce our intellectual property rights in such foreign countries may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop, which could have a material adverse effect on our business, financial condition, and results of operations.

We enter into confidentiality and invention assignment agreements with our employees and consultants and enter into confidentiality agreements with the parties with whom we have strategic relationships and business alliances. No assurance can be given that these agreements will be effective in controlling access to and distribution of our products and proprietary information. Further, these agreements may not prevent our competitors from independently developing technologies that are substantially equivalent or superior to our platform and offerings.

Further, litigation may be necessary to enforce our intellectual property or proprietary rights, protect our trade secrets, or determine the validity and scope of proprietary rights claimed by others. Any litigation, whether or not resolved in our favor, could result in significant expense to us, divert the efforts of our technical and management personnel, and result in counterclaims with respect to infringement of intellectual property rights by us. If we are unable to prevent third parties from infringing upon or misappropriating our intellectual property or are required to incur substantial expenses defending our intellectual property rights, our business, financial condition, and results of operations may be materially adversely affected.

We may become subject to intellectual property disputes, which are expensive to support, and if resolved adversely, may subject us to significant liability and increased costs of doing business, which could have a material adverse effect on us.

We compete in markets where there are a large number of patents, copyrights, trademarks, trade secrets, and other intellectual and proprietary rights, as well as disputes regarding infringement of these rights. Many of the holders of patents, copyrights, trademarks, trade secrets, and other intellectual and proprietary rights have extensive intellectual property portfolios and greater resources than we do to enforce their rights. As compared to our large competitors, our patent portfolio is relatively undeveloped and may not provide a material deterrent to such assertions or provide us with a strong basis to counterclaim or negotiate settlements. Further, to the extent assertions are made against us by entities that hold patents but are not operating companies, our patent portfolio may not provide deterrence because such entities are not concerned with counterclaims.

Any intellectual property litigation to which we become a party may require us to do one or more of the following:

- cease selling, licensing, or using products or features that incorporate the intellectual property rights that we allegedly infringe, misappropriate, or violate;
- make substantial payments for legal fees, settlement payments, subscription fee refunds, or other costs or damages, including indemnification of third parties;
- obtain a license or enter into a royalty agreement, either of which may not be available on reasonable terms or at all, in order to obtain the right to sell or use the relevant intellectual property; or
- redesign the allegedly infringing products to avoid infringement, misappropriation, or violation, which could be costly, time-consuming, or impossible.

Intellectual property litigation is typically complex, time consuming, and expensive to resolve and would divert the resources, time, and attention of our management and technical personnel, which might seriously harm our business, results of operations, and financial condition. We may be required to settle such litigation on terms that are unfavorable to us. For example, a settlement may require us to obtain a license to continue practices found to be in violation of a third party's rights, which may not be available on reasonable terms and may significantly increase our operating expenses. A license to continue such practices may not be available to us at all. As a result, we may also be required to develop alternative non-infringing technology or practices or discontinue the practices. The development of alternative non-infringing technology or practices would require significant effort and expense. Similarly, if any litigation to which we may be a party fails to settle and we go to trial, we may be subject to an unfavorable judgment which may not be reversible upon appeal.

Further, such litigation may also result in adverse publicity, which could harm our reputation and ability to attract or retain customers. As we grow, we may experience a heightened risk of allegations of intellectual property infringement. An adverse result in any litigation claims against us could have a material adverse effect on our business, financial condition, and results of operations.

Our use of "open-source" software could negatively affect our ability to sell our platform and subject us to possible litigation.

We use software in our Digital Optimization System that is licensed from third parties pursuant to open-source licenses. Certain open-source software licenses require a user who distributes or otherwise makes available the open-source software in connection with the user's proprietary software to disclose publicly part or all of the source code to the user's proprietary software. The use and distribution of open-source software may entail greater risks than the use of third-party commercial software, as open-source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the code. Additionally, certain open-source software licenses are difficult to interpret and require the user of such software to make the source code of any derivative works of the open-source code and certain related software available to third parties with few restrictions on the use or further distribution of such software by such third parties. As a result, we may face claims from others seeking to enforce the terms of an open-source license, including by demanding the release of derivative works of the open-source software and our proprietary source code that was developed or used in connection with such software. These claims could also result in litigation and require us to replace certain open-source software with proprietary software licensed under costly commercial licenses or require us to devote additional research and development resources to change our platform, any of which would have a material adverse effect on our business and results of operations. Although we have implemented policies to regulate the use and incorporation of open-source software into our platform, we cannot be certain that we have not incorporated open-source software in our platform in a manner that is inconsistent with such policies. Any use of open-source software inconsistent with our policies or licensing terms could materially adversely affect our business, financial condition, and results of operations.

Risks Related to Regulatory Compliance and Legal Matters

We are subject to government regulation, including import, export, economic sanctions, and anti-corruption laws and regulations, that may expose us to liability and increase our costs.

Our Digital Optimization System is subject to U.S. export controls, including the U.S. Department of Commerce's Export Administration Regulations and economic and trade sanctions regulations administered by the U.S. Department of the Treasury's Office of Foreign Assets Control. These regulations may limit the export of our products and provision of our services outside of the United States, or may require export authorizations, including by license, a license exception, or other appropriate government authorizations, including annual or semi-annual reporting and the filing of an encryption registration. Export control and economic sanctions laws may also include prohibitions on the sale or supply of certain of our products to embargoed or sanctioned countries, regions, governments, persons, and entities. In addition, various countries regulate the importation of

certain products, through import permitting and licensing requirements, and have enacted laws that could limit our ability to distribute our products. The exportation, reexportation, and importation of our products and the provision of services, including by our partners, must comply with these laws or else we may be adversely affected, through reputational harm, government investigations, penalties, and a denial or curtailment of our ability to export our products or provide services. Complying with export control and sanctions laws may be time consuming and may result in the delay or loss of sales opportunities. Although we have controls designed to prevent our services from being used in violation of such laws, we are aware of a limited number of past occasions in which persons from U.S. sanctioned countries or regions appear to have accessed our platform. We have taken measures to prevent such situations from reoccurring, but there can be no guarantee that such measures will be successful in every case. If we are found to be in violation of U.S. sanctions or export control laws, it could result in substantial fines and penalties for us and for individuals working for us. Changes in export or import laws, or corresponding sanctions, may delay the introduction and sale of our services in international markets, or, in some cases, prevent the export or import of our services to certain countries, regions, governments, persons, or entities altogether, which could materially adversely affect our business, financial condition, and results of operations.

We are also subject to various domestic and international anti-corruption laws, such as the U.S. Foreign Corrupt Practices Act ("FCPA") and the UK Bribery Act, as well as other similar anti-bribery and anti-kickback laws and regulations. These laws and regulations generally prohibit companies and their employees and intermediaries from directly or indirectly authorizing, promising, offering, or providing payments or benefits to government officials and other recipients for improper purposes, such as to obtain or retain business improperly or secure an improper business advantage. We rely on certain third parties to support our sales and regulatory compliance efforts and can be held liable in certain cases for their corrupt or other illegal activities, even if we do not explicitly authorize such activities. The FCPA also requires that we keep accurate books and records and maintain a system of adequate internal controls. Although we take precautions to prevent violations of these laws, we cannot provide assurance that our internal controls and compliance systems will always prevent misconduct by our employees, agents, third parties, or business partners. Our exposure for violating these laws will increase as our international presence expands and as we increase sales and operations in foreign jurisdictions.

Violations of applicable anti-corruption laws could subject us to significant sanctions, including civil or criminal fines and penalties, disgorgement of profits, injunctions, and debarment from government contracts, as well as related stockholder lawsuits and other remedial measures, all of which could adversely affect our reputation, business, financial condition, and results of operations. Violations or allegations of violations could also result in whistleblower complaints, adverse media coverage, and investigations, any of which could have a material adverse effect on our reputation, business, and results of operations.

Complying with evolving privacy and other data-related laws as well as contractual and other requirements may be expensive and force us to make adverse changes to our business, and the failure or perceived failure to comply with such laws, contracts, and other requirements could result in adverse reputational and brand damage and significant fines and liability or otherwise materially adversely affect our business and growth prospects.

We are subject to numerous federal, state, local, and foreign privacy and data protection laws, regulations, policies, and contractual obligations that apply to the collection, transmission, storage, processing, sharing, disclosure, security, and use of personal information or personal data, which among other things, impose certain requirements relating to the privacy and security of personal information and other data. Laws and regulations governing privacy and data protection, the use of the internet as a commercial medium, the use of data in artificial intelligence and machine learning, and data sovereignty requirements are rapidly evolving, extensive, complex, and include inconsistencies and uncertainties and may conflict with other rules or our practices. Further, new laws, rules and regulations could be enacted with which we are not familiar or with which our practices do not comply.

We may incur significant expenses to comply with the laws, regulations and other obligations that apply to us. For example, the EU General Data Protection Regulation (the "GDPR") imposes stringent data protection requirements for processing the personal data of individuals within the European Economic Area (the "EEA").

The GDPR enhances data protection obligations for processors and controllers of personal data, including, for example, expanded disclosure requirements, limitations on retention of personal data, mandatory data breach notification requirements, and additional obligations. Non-compliance with the GDPR can trigger fines of up to the greater of €20 million or 4% of our global annual turnover. Among other requirements, the GDPR regulates transfers of personal data subject to the GDPR to third countries that have not been found to provide adequate protection to such personal data, including the United States, and the efficacy and longevity of current transfer mechanisms between the E.U. and the United States remains uncertain. For example, in 2016, the E.U. and United States agreed to a transfer framework for data transferred from the E.U. to the United States, called the Privacy Shield, but the Privacy Shield was invalidated in July 2020 by the Court of Justice of the European Union ("CJEU"). The CJEU also raised questions about whether the European Commission's Standard Contractual Clauses, one of the primary mechanisms used by companies to transfer personal data out of the EEA, complies with the GDPR. While the CJEU upheld the validity of the Standard Contractual Clauses, the CJEU ruled that the underlying data transfers must be assessed on a case-by-case basis by the data controller to determine whether the personal data will be adequately protected. As a result, on June 4, 2021 the European Commission published a decision adopting an updated set of Standard Contractual Clauses designed to address issues identified by the CJEU. Use of the Standard Contractual Clauses will still need to be assessed on a case-by-case basis taking into account the legal regime applicable in the destination country, in particular applicable surveillance laws and rights of individuals. The exact scope and applicability of the new Standard Contractual Clauses is currently unclear, particularly regarding transfers to parties outside the EEA who are already subject to the GDPR. We are awaiting further clarification from the European Commission and therefore the full scope of application of the Standard Contractual Clauses remains subject to review and change as we get a better understanding from the European Commission and national regulators. As such, we will need to review existing transfers of personal data out of the EEA and put in place measures to implement the new Standard Contractual Clauses, subject to a transition period. Accordingly, unless we put in place such measures by the end of the applicable transition period, any transfers by us of personal data from Europe may not comply with European data protection laws and may increase our exposure to the GDPR's heightened sanctions for violations of its cross-border data transfer restrictions. Loss of our ability to transfer personal data from Europe may also require us to increase our data processing capabilities in those jurisdictions at significant expense.

Further, from January 1, 2021, companies have to comply with both the GDPR and the United Kingdom GDPR ("UK GDPR"), which, together with the amended UK Data Protection Act 2018, retains the GDPR in UK national law. The UK GDPR mirrors the fines under the GDPR, imposing fines up to the greater of €20 million (£17.5 million) or 4% of global turnover. The relationship between the United Kingdom and the E.U. in relation to certain aspects of data protection law remains unclear, and it is unclear how United Kingdom data protection laws and regulations will develop in the medium to longer term, and how data transfers to and from the United Kingdom will be regulated in the long term. These changes will lead to additional costs and increase our overall risk exposure. Currently, there is a four- to six-month grace period agreed in the E.U. and United Kingdom Trade and Cooperation Agreement, ending June 30, 2021 at the latest, while the parties discuss an adequacy decision. The European Commission published a draft adequacy decision on February 19, 2021. If adopted, the decision will enable data transfers from E.U. member states to the United Kingdom for a four-year period, subject to subsequent extensions.

In addition to the E.U. and UK, a growing number of other global jurisdictions are considering or have passed legislation implementing data protection requirements or requiring local storage and processing of data or similar requirements that could increase the cost and complexity of delivering our platform, particularly as we expand our operations internationally. Some of these laws, such as the General Data Protection Law in Brazil, or the Act on the Protection of Personal Information in Japan, impose similar obligations as those under the GDPR. Others, such as those in Russia, India, and China, could potentially impose more stringent obligations, including data localization requirements. If we are unable to develop and offer features that meet legal requirements or help our customers meet their obligations under the laws or regulations relating to privacy, data protection, or information security, or if we violate or are perceived to violate any laws, regulations, or other obligations relating to privacy, data protection, or information security, we may experience reduced demand for our Digital Optimization System, harm to our reputation, and become subject to investigations, claims, and other remedies, which would expose us to significant fines, penalties, and other damages, all of which would harm our business. Further, given the breadth and depth of changes in global data protection obligations, compliance has caused us

to expend significant resources, and such expenditures are likely to continue into the future as we continue our compliance efforts and respond to new interpretations and enforcement actions.

The data protection landscape is also rapidly growing and evolving in the United States. As our operations and business grow, we may become subject to or affected by new or additional data protection laws and regulations and face increased scrutiny or attention from regulatory authorities. For example, the California Consumer Privacy Act of 2018 (the "CCPA") became effective on January 1, 2020. The CCPA requires companies that process information on California residents to make new disclosures to consumers about their data collection, use, and sharing practices, allows consumers to opt out of certain data sharing with third parties and exercise certain individual rights regarding their personal information, provides a new private right of action for data breaches, and provides for penalties for noncompliance of up to $7,500 per violation. Additionally, the California Privacy Rights Act (the "CPRA") was recently passed in California. The CPRA will impose additional data protection obligations on covered businesses, including additional consumer rights processes, limitations on data uses, new audit requirements for higher risk data, and opt outs for certain uses of sensitive data. It will also create a new California data protection agency authorized to issue substantive regulations and could result in increased privacy and information security enforcement. The majority of the CPRA provisions will go into effect on January 1, 2023, and additional compliance investment and potential business process changes may be required. Similar laws have been proposed, and likely will be proposed, in other states and at the federal level, and if passed, such laws may have potentially conflicting requirements that would make compliance challenging.

Furthermore, the Federal Trade Commission (the "FTC") and many state Attorneys General continue to enforce federal and state consumer protection laws against companies for online collection, use, dissemination, and security practices that appear to be unfair or deceptive. For example, according to the FTC, failing to take appropriate steps to keep consumers' personal information secure can constitute unfair acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act. The FTC expects a company's data security measures to be reasonable and appropriate in light of the sensitivity and volume of consumer information it holds, the size and complexity of its business, and the cost of available tools to improve security and reduce vulnerabilities. There are a number of legislative proposals in the United States, at both the federal and state level, and in the E.U. and more globally, that could impose new obligations in areas such as e-commerce and other related legislation or liability for copyright infringement by third parties. We cannot yet determine the impact that these future laws, regulations, and standards may have on our business.

Any future litigation against us could be costly and time-consuming to defend.

We may become subject to legal proceedings and claims that arise in the ordinary course of business, such as claims brought by our customers in connection with commercial disputes or employment claims made by our current or former employees. Litigation might result in substantial costs and may divert management's attention and resources, which might materially adversely affect our business, financial condition, and results of operations. Insurance might not cover such claims, might not provide sufficient payments to cover all the costs to resolve one or more such claims, and might not continue to be available on terms acceptable to us (including premium increases or the imposition of large deductible or co-insurance requirements). A claim brought against us that is uninsured or underinsured could result in unanticipated costs, potentially having a material adverse effect on our business, financial condition, and results of operations. In addition, we cannot be sure that our existing insurance coverage and coverage for errors and omissions will continue to be available on acceptable terms or that our insurers will not deny coverage as to any future claim.

Risks Related to Tax and Accounting Matters

We face exposure to foreign currency exchange rate fluctuations.

We conduct transactions, particularly intercompany transactions, in currencies other than the U.S. dollar. While we have primarily transacted with customers and vendors in U.S. dollars, we have transacted in foreign currencies for subscriptions to our Digital Optimization System, and we expect to significantly expand the number of transactions with customers for our Digital Optimization System that are denominated in foreign

currencies. We do not currently maintain a program to hedge transactional exposures in foreign currencies. However, in the future, we may use derivative instruments, such as foreign currency forward and option contracts, to hedge certain exposures to fluctuations in foreign currency exchange rates. The use of these hedging instruments may not offset any or more than a portion of the adverse financial effects of unfavorable movements in foreign exchange rates over the limited time the hedges are in place and may introduce additional risks if they are not structured effectively.

In addition, our international subsidiaries maintain net assets denominated in currencies other than the functional operating currencies of these entities. Accordingly, changes in the value of foreign currencies relative to the U.S. dollar can affect our revenue and results of operations due to transactional and translational remeasurements. As a result of these foreign currency exchange rate fluctuations, it could be more difficult to detect underlying trends in our business and results of operations. To the extent that fluctuations in currency exchange rates cause our results of operations to differ from our expectations or the expectations of our investors, the trading price of our Class A common stock could be adversely affected.

Our global operations and structure subject us to potentially adverse tax consequences.

We generally conduct our global operations through subsidiaries and report our taxable income in various jurisdictions worldwide based upon our business operations in those jurisdictions. A change in our global operations could result in higher effective tax rates, reduced cash flows, and lower overall profitability. In particular, our intercompany relationships are subject to complex transfer pricing regulations administered by taxing authorities in various jurisdictions. The relevant revenue and taxing authorities may disagree with positions we have taken generally, or our determinations as to the value of assets sold or acquired or income and expenses attributable to specific jurisdictions. If such a disagreement were to occur, and our position were not sustained, we could be required to pay additional taxes, interest, and penalties, which could result in one-time tax charges, higher effective tax rates, reduced cash flows, and lower overall profitability of our operations.

In addition, the Organization for Economic Co-operation and Development has initiated a base erosion and profit shifting project that seeks to establish certain international standards for taxing the worldwide income of multinational companies. As a result of these developments, the tax laws of certain countries in which we do business could change on a prospective or retroactive basis, and any such changes could increase our liabilities for taxes, interest, and penalties, and therefore could materially adversely affect our cash flows, financial condition, and results of operations.

Our ability to use our net operating loss carryforwards may be limited.

Under Section 382 of the Internal Revenue Code of 1986, as amended (the “Code”), and corresponding provisions of state law, if a corporation undergoes an “ownership change,” which is generally defined as a greater than 50 percentage point change (by value) in its equity ownership by certain stockholders over a three-year period, the corporation’s ability to use its pre-change net operating loss carryforwards (“NOLs”) to offset its post-change income or taxes may be limited. We have completed a Section 382 study and have determined that none of the operating losses will expire solely due to Section 382 limitations. However, we may experience ownership changes as a result of subsequent shifts in our stock ownership, some of which may be outside of our control. Such change could limit the amount of NOLs that we can utilize annually to offset future taxable income or tax liabilities. Subsequent ownership changes and changes to the U.S. tax rules in respect of the utilization of NOLs may further affect the limitation in future years. In addition, at the state level, there may be periods during which the use of NOLs is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed.

Changes in our effective tax rate or tax liability may have a material adverse effect on our results of operations.

We are subject to income taxes in the United States and various foreign jurisdictions. The determination of our worldwide provision for income taxes and other tax liabilities requires significant judgment by management,

and there are many transactions where the ultimate tax determination is uncertain. We believe that our provision for income taxes is reasonable, but the ultimate tax outcome may differ from the amounts recorded in our consolidated financial statements and may materially affect our financial results in the period or periods in which such outcome is determined.

Our effective tax rate could increase due to several factors, including:

- changes in the relative amounts of income before taxes in the various jurisdictions in which we operate that have differing statutory tax rates;
- changes in tax laws, tax treaties, and regulations or the interpretation of them, including the Tax Act and the CARES Act;
- changes to our assessment about our ability to realize our deferred tax assets that are based on estimates of our future results, the prudence and feasibility of possible tax planning strategies, and the economic and political environments in which we do business;
- the outcome of current and future tax audits, examinations, or administrative appeals; and
- the effects of acquisitions.

Any of these developments could materially adversely affect our results of operations.

In addition, we may be subject to income tax audits by many tax jurisdictions throughout the world, many of which have not established clear guidance on the tax treatment of SaaS-based companies. Although we believe our income tax liabilities are reasonably estimated and accounted for in accordance with applicable laws and principles, an adverse resolution of one or more uncertain tax positions in any period could have a material adverse effect on the results of operations for that period.

We could be required to collect additional sales or indirect taxes or be subject to other tax liabilities that may increase the costs our customers would have to pay for our products and materially adversely affect our results of operations.

We currently collect and remit applicable sales and indirect taxes and other applicable transfer taxes in jurisdictions where we, through our employees or economic activity, have a presence and where we have determined, based on applicable legal precedents, that sales or licensing of our products are classified as taxable. We do not currently collect and remit state and local excise, utility user and ad valorem taxes, fees, or surcharges in jurisdictions where we believe we do not have sufficient "nexus." There is uncertainty as to what constitutes sufficient nexus for a state or local jurisdiction to levy taxes, fees, and surcharges for sales made over the internet, and there is also uncertainty as to whether our characterization of our products as not taxable in certain jurisdictions will be accepted by state and local tax authorities.

An increasing number of states have considered or adopted laws that attempt to impose tax collection obligations on out-of-state companies. Additionally, the Supreme Court of the United States recently ruled in *South Dakota v. Wayfair, Inc. et al* ("*Wayfair*"), that online sellers can be required to collect sales and use tax despite not having a physical presence in the buyer's state. In response to *Wayfair*, or otherwise, states or local governments may adopt, or begin to enforce, laws requiring us to calculate, collect, and remit taxes on sales in their jurisdictions. A successful assertion by one or more states requiring us to collect taxes where we presently do not do so, or to collect more taxes in a jurisdiction in which we currently do collect some taxes, could result in substantial tax liabilities, including taxes on past sales, as well as penalties and interest. The imposition by state governments or local governments of sales tax collection obligations on out-of-state sellers could also create additional administrative burdens for us, put us at a competitive disadvantage if they do not impose similar obligations on our competitors, and decrease our future sales, which could have a material adverse effect on our business and results of operations.

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

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

If our estimates or judgments relating to our critical accounting policies prove to be incorrect, our results of operations could be materially adversely affected.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes appearing elsewhere in this prospectus. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as provided in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates." The results of these estimates form the basis for making judgments about the carrying values of assets, liabilities, and equity, and the amount of revenue and expenses that are not readily apparent from other sources. Significant estimates and judgments involve those related to revenue recognition, deferred commissions, valuation of our stock-based compensation awards, including the determination of fair value of our common stock, valuation of goodwill and intangible assets, accounting for income taxes, and useful lives of long-lived assets, among others. Our results of operations may be materially adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, 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.

If our goodwill or intangible assets become impaired, we may be required to record a significant charge to earnings.

We review our intangible assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Goodwill is required to be tested for impairment at least annually. An adverse change in market conditions, particularly if such change has the effect of changing one of our critical assumptions or estimates, could result in a change to the estimation of fair value that could result in an impairment charge to our goodwill or intangible assets. Any such charges may have a material adverse effect on our results of operations.

Risks Related to Ownership of Our Class A Common Stock

Our listing differs significantly from an underwritten initial public offering.

Prior to the opening of trading on the Nasdaq Global Select Market, there will be no book building process and no price at which underwriters initially sell shares to the public to help inform efficient and sufficient price discovery with respect to the opening trades on the Nasdaq Global Select Market. This listing of our Class A common stock on the Nasdaq Global Select Market differs from an underwritten initial public offering in several significant ways, which include, but are not limited to, the following:

- There are no underwriters. Therefore, buy and sell orders submitted prior to and at the opening of trading of our Class A common stock on the Nasdaq Global Select Market will not have the benefit of being informed by a published price range or a price at which the underwriters initially sell shares to the public, as would be the case in an underwritten initial public offering. Moreover, there will be no underwriters assuming risk in connection with the initial resale of shares of our Class A common stock. Unlike in a traditional underwritten offering, this registration statement does not include the registration of additional shares that may be used at the option of the underwriters in connection with overallotment activity. Moreover, we will not engage in, and have not and will not, directly or indirectly, request the financial

advisors to engage in, any special selling efforts or stabilization or price support activities in connection with any sales made pursuant to this registration statement. In an underwritten initial public offering, the underwriters may engage in "covered" short sales in an amount of shares representing the underwriters' option to purchase additional shares. To close a covered short position, the underwriters purchase shares in the open market or exercise the underwriters' option to purchase additional shares. In determining the source of shares to close the covered short position, the underwriters typically consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the underwriters' option to purchase additional shares. Purchases in the open market to cover short positions, as well as other purchases underwriters may undertake for their own accounts, may have the effect of preventing a decline in the trading price of shares of our Class A common stock. Given that there will be no underwriters' option to purchase additional shares and no underwriters engaging in stabilizing transactions with respect to the trading of our Class A common stock on the Nasdaq Global Select Market, there could be greater volatility in the trading price of our Class A common stock during the period immediately following the listing. See also "—Our stock price may be volatile, and could decline significantly and rapidly."

- There is not a fixed or determined number of shares of Class A common stock available for sale in connection with the registration and the listing, except we expect approximately shares of our Class A common stock to be sold on our first trading day in order to fund the tax withholding and remittance obligations arising in connection with the RSUs that will vest and settle upon that day. Therefore, there can be no assurance that any Registered Stockholders or other existing stockholders will sell any of their shares of Class A common stock, and there may initially be a lack of supply of, or demand for, shares of Class A common stock on the Nasdaq Global Select Market. Alternatively, we may have a large number of Registered Stockholders or other existing stockholders who choose to sell their shares of Class A common stock in the near term, resulting in potential oversupply of our Class A common stock, which could adversely impact the trading price of our Class A common stock once listed on the Nasdaq Global Select Market and thereafter.

- None of our Registered Stockholders or other existing stockholders have entered into contractual lock-up agreements or other restrictions on transfer. In an underwritten initial public offering, it is customary for an issuer's officers, directors, and most or all of its other stockholders to enter into a 180-day contractual lock-up arrangement with the underwriters to help promote orderly trading immediately after such initial public offering. Consequently, any of our stockholders, including our directors and officers who own our Class A or Class B common stock and other significant stockholders, may sell any or all of their shares at any time (subject to any restrictions under applicable law, and in the case of shares of Class B common stock, upon conversion of any shares of Class B common stock into Class A common stock at the time of sale), including immediately upon listing. If such sales were to occur in a significant volume in a short period of time following the listing, it may result in an oversupply of our Class A common stock in the market, which could adversely impact the trading price of our Class A common stock. See also "—None of our stockholders are party to any contractual lock-up agreement or other contractual restrictions on transfer. Following our listing, sales of substantial amounts of our Class A common stock in the public markets, or the perception that sales might occur, could cause the trading price of our Class A common stock to decline."

- We will not conduct a traditional "roadshow" with underwriters prior to the opening of trading of our Class A common stock on the Nasdaq Global Select Market. Instead, we will host an investor day on , 2021 and are engaging in certain other investor education meetings. On , 2021, we announced the date for this investor day over financial news outlets in a manner consistent with typical corporate outreach to investors. We will prepare an electronic presentation for this investor day, which will include content similar to a traditional roadshow presentation. We will make a version of the presentation publicly available, without restrictions, on our website. There can be no guarantee that the investor day and other investor education meetings will be as effective a method of investor education as a traditional "roadshow" conducted in connection with an underwritten initial public

offering. As a result, there may not be efficient or sufficient price discovery with respect to our Class A common stock or sufficient demand among potential investors immediately after our listing, which could result in a more volatile trading price of our Class A common stock.

Such differences from an underwritten initial public offering could result in a volatile trading price for our Class A common stock and uncertain trading volume, which may adversely affect your ability to sell any Class A common stock that you may purchase.

We have agreed to indemnify certain of the Registered Stockholders for certain claims arising in connection with sales under this prospectus. Large indemnity payments would materially adversely affect our business, financial condition, and results of operations.

Our stock price may be volatile, and could decline significantly and rapidly.

The listing of our Class A common stock and the registration of the Registered Stockholders' shares of Class A common stock is a novel process that is not an underwritten initial public offering. We have engaged Morgan Stanley to serve as our financial advisor. There will be no book building process and no price at which underwriters initially sell shares to the public to help inform efficient and sufficient price discovery with respect to the opening trades on the Nasdaq Global Select Market. Pursuant to Nasdaq's rules, once Morgan Stanley, in its capacity as our designated financial advisor to perform the functions under Nasdaq Rule 4120(c)(8), has notified Nasdaq that our shares of Class A common stock are ready to trade, Nasdaq will calculate the Current Reference Price for our shares of Class A common stock, in accordance with Nasdaq's rules. If Morgan Stanley then approves proceeding at the Current Reference Price, Nasdaq will conduct a price validation test in accordance with Nasdaq Rule 4120(c)(8). As part of conducting such price validation test, Nasdaq may consult with Morgan Stanley, if the price bands need to be modified, to select the new price bands for purposes of applying such test iteratively until the validation tests yield a price within such bands. Upon completion of such price validation checks, the applicable orders that have been entered will then be executed at such price and regular trading of our shares of Class A common stock on the Nasdaq Global Select Market will commence. Under Nasdaq's rules, the "Current Reference Price" means: (i) the single price at which the maximum number of orders to buy or sell our shares of Class A common stock can be matched; (ii) if more than one price exists under clause (i), then the price that minimizes the number of our shares of Class A common stock for which orders cannot be matched; (iii) if more than one price exists under clause (ii), then the entered price (i.e. the specified price entered in an order by a customer to buy or sell) at which our shares of Class A common stock will remain unmatched (i.e. will not be bought or sold); and (iv) if more than one price exists under clause (iii), a price determined by Nasdaq after consultation with Morgan Stanley in its capacity as financial advisor. Morgan Stanley will exercise any consultation rights only to the extent that they may do so consistent with the anti-manipulation provisions of the federal securities laws, including Regulation M (to the extent applicable), or applicable relief granted thereunder. Morgan Stanley will determine when our shares of Class A common stock are ready to trade and approve proceeding at the Current Reference Price primarily based on consideration of volume, timing, and price. In particular, Morgan Stanley will determine, based primarily on pre-opening buy and sell orders, when a reasonable amount of volume will cross on the opening trade such that sufficient price discovery has been made to open trading at the Current Reference Price. If Morgan Stanley does not approve proceeding at the Current Reference Price (for example, due to the absence of adequate pre-opening buy and sell interest), Morgan Stanley will request that Nasdaq delay the open until such a time that sufficient price discovery has been made to ensure a reasonable amount of volume crosses on the opening trade. The length of such delay could vary greatly, from a short period of time such as one day, to a decision to not list our shares on the Nasdaq Global Select Market at all. As a result, the absence of sufficient price discovery may result in delays in the opening of trading and, volatile prices and supply once trading commences. The opening public price may bear no relationship to the market price for our Class A common stock after our listing, and thus may decline below the opening public price.

Moreover, prior to the opening trade, there will not be a price at which underwriters initially sell shares of Class A common stock to the public as there would be in an underwritten initial public offering. The absence of a predetermined initial public offering price could impact the range of buy and sell orders collected by Nasdaq from various broker-dealers. Consequently, upon listing on the Nasdaq Global Select Market, the trading price of our Class A common stock may be more volatile than in an underwritten initial public offering and could decline significantly and rapidly.

Further, if the trading price of our Class A common stock is above the level that investors determine is reasonable for our Class A common stock, some investors may attempt to short our Class A common stock after trading begins, which would create additional downward pressure on the trading price of our Class A common stock, and there will be more ability for such investors to short our Class A common stock in early trading than is typical for an underwritten public offering given the lack of contractual lock-up agreements or other restrictions on transfer.

The trading price of our Class A common stock following the listing also could be subject to wide fluctuations in response to numerous factors in addition to the ones described in the preceding risk factors, many of which are beyond our control, including:

- actual or anticipated fluctuations in our financial condition, results of operations, or operating metrics and those of our competitors;
- the number of shares of our Class A common stock made available for trading;
- failure of securities analysts to initiate or maintain coverage of us, changes in financial estimates by any securities analysts who follow our company, or variance in our financial performance from expectations of securities analysts;
- changes in the pricing of our Digital Optimization System;
- changes in our projected operating and financial results;
- changes in laws or regulations applicable to our Digital Optimization System;
- announcements by us or our competitors of significant business developments, acquisitions, or new offerings;
- significant data breaches, disruptions to, or other incidents involving our platform;
- our involvement in litigation;
- future sales of our Class A common stock by us or our stockholders;
- changes in our board of directors, senior management, or key personnel;
- the trading volume of our Class A common stock;
- changes in the anticipated future size and growth rate of our market;
- general economic and market conditions;
- other events or factors, including those resulting from war, incidents of terrorism, pandemics (including the COVID-19 pandemic), elections, or responses to these events; and
- whether investors or securities analysts view our stock structure unfavorably, particularly our dual-class structure and the concentrated voting control of our executive officers, directors, and their affiliates.

In addition, stock markets with respect to newly public companies, particularly companies in the technology industry, have experienced significant price and volume fluctuations that have affected and continue to affect the stock prices of these companies. Stock prices of many companies, including technology companies, have fluctuated in a manner often unrelated to the operating performance of those companies. These fluctuations may be even more pronounced in the trading market for our Class A common stock shortly following the listing of our Class A common stock on the Nasdaq Global Select Market as a result of the supply and demand forces described above. In the past, companies that have experienced volatility in the market price of their securities have been subject to securities class action litigation. We may be the target of this type of litigation in the future, which could result in substantial expenses and divert our management’s attention.

The trading price of our Class A common stock, upon listing on the Nasdaq Global Select Market, may have little or no relationship to the historical sales prices of our capital stock in private transactions, and such private transactions have been limited.

Prior to the listing of our Class A common stock on the Nasdaq Global Select Market, there has been no public market for our capital stock. There has been limited trading of our capital stock historically in private transactions. In the section titled "Sale Price History of our Capital Stock," we have provided the historical sales prices of our capital stock in private transactions. Given the limited history of sales, this information may have little or no relation to broader market demand for our Class A common stock and thus the initial trading price of our Class A common stock on the Nasdaq Global Select Market once trading begins. As a result, you should not place undue reliance on these historical sales prices as they may differ materially from the opening trading prices and subsequent trading prices of our Class A common stock on the Nasdaq Global Select Market. For more information about how the initial listing price on the Nasdaq Global Select Market will be determined, see "Plan of Distribution."

An active, liquid, and orderly market for our Class A common stock may not develop or be sustained. You may be unable to sell your shares of Class A common stock at or above the price at which you purchased them.

We currently expect our Class A common stock to be listed and traded on the Nasdaq Global Select Market. Prior to listing on the Nasdaq Global Select Market, there has been no public market for our Class A common stock. Moreover, consistent with Regulation M and other federal securities laws applicable to our listing, we have not consulted with Registered Stockholders or other existing stockholders regarding their desire or plans to sell shares in the public market following the listing or discussed with potential investors their intentions to buy our Class A common stock in the open market. While our Class A common stock may be sold after our listing on the Nasdaq Global Select Market by the Registered Stockholders pursuant to this prospectus or by our other existing stockholders in accordance with Rule 144 of the Securities Act of 1933, as amended ("the Securities Act") unlike an underwritten initial public offering, there can be no assurance that any Registered Stockholders or other existing stockholders will sell any of their shares of Class A common stock, and there may initially be a lack of supply of, or demand for, Class A common stock on the Nasdaq Global Select Market. Conversely, there can be no assurance that the Registered Stockholders and other existing stockholders will not sell all of their shares of Class A common stock, resulting in an oversupply of our Class A common stock on the Nasdaq Global Select Market. In the case of a lack of supply of our Class A common stock, the trading price of our Class A common stock may rise to an unsustainable level. Further, institutional investors may be discouraged from purchasing our Class A common stock if they are unable to purchase a block of our Class A common stock in the open market in a sufficient size for their investment objectives due to a potential unwillingness of our existing stockholders to sell a sufficient amount of Class A common stock at the price offered by such institutional investors and the greater influence individual investors have in setting the trading price. If institutional investors are unable to purchase our Class A common stock in a sufficient amount for their investment objectives, the market for our Class A common stock may be more volatile without the influence of long-term institutional investors holding significant amounts of our Class A common stock. In the case of a lack of demand for our Class A common stock, the trading price of our Class A common stock could decline significantly and rapidly after our listing. Therefore, an active, liquid, and orderly trading market for our Class A common stock may not initially develop or be sustained, which could significantly depress the trading price of our Class A common stock and/or result in significant volatility, which could affect your ability to sell your shares of Class A common stock.

Our principal stockholders will have the ability to influence the outcome of director elections and other matters requiring stockholder approval.

Our directors, executive officers, and other principal stockholders will collectively beneficially own, in the aggregate, shares representing approximately % of the voting power of our outstanding Class A and Class B common stock, voting together as a single class, based on the number of shares outstanding as of June 30, 2021, giving effect to Existing Preferred Stock Conversion and the Reclassification and without giving

effect to any conversions to Class A common stock in anticipation of our listing or any sales or purchases that these holders may make upon our listing. These stockholders currently have, and likely will continue to have, considerable influence with respect to the election of our board of directors and approval or disapproval of all significant corporate actions. The concentrated voting power of these stockholders could have the effect of delaying or preventing a significant corporate transaction, such as a merger or other sale of our company or our assets. This concentration of ownership will limit the ability of other stockholders to influence corporate matters and may cause us to make strategic decisions that could be adverse to the interests of other stockholders.

The dual class structure of our common stock will have the effect of concentrating voting control with our existing stockholders, executive officers, directors, and their affiliates, which will limit your ability to influence the outcome of important transactions and to influence corporate governance matters, such as electing directors, and to approve material mergers, acquisitions, or other business combination transactions that may not be aligned with your interests.

Our Class B common stock has five votes per share, whereas our Class A common stock, which is the stock we are listing on the Nasdaq Global Select Market and is being registered pursuant to the registration statement of which this prospectus forms a part, has one vote per share. Our existing stockholders, all of which will hold shares of Class B common stock upon the effectiveness of the registration statement of which this prospectus forms a part, will collectively own shares representing approximately % of the voting power of our outstanding capital stock, based on the number of shares outstanding as of June 30, 2021, giving effect to the Existing Preferred Stock Conversion and the Reclassification and without giving effect to any conversions to Class A common stock in anticipation of our listing or any sales or purchases that these holders may make upon our listing. Our directors, executive officers, and other principal stockholders will collectively beneficially own, in the aggregate, shares representing approximately % of the voting power of our outstanding capital stock, based on the number of shares outstanding as of June 30, 2021, and giving effect to the Existing Preferred Stock Conversion and the Reclassification and without giving effect to any conversions to Class A common stock in anticipation of our listing or any sales or purchases that these holders may make upon our listing. As a result, the holders of our Class B common stock will be able to exercise considerable influence over matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions, such as a merger or other sale of our company or our assets, even if their stock holdings represent less than 50% of the outstanding shares of our capital stock, until the date that is six months following the date on which no founder is an employee or director of our company (unless a founder has rejoined our company during such six-month period), when all outstanding shares of Class A common stock and Class B common stock will convert automatically into shares of a single class of common stock. This concentration of ownership will limit the ability of other stockholders to influence corporate matters and may cause us to make strategic decisions that could involve risks to you or that may not be aligned with your interests. This control may adversely affect the market price of our Class A common stock.

Further, future transfers by holders of our Class B common stock will generally result in those shares converting into shares of our Class A common stock, subject to limited exceptions, such as certain transfers effected for tax or estate planning purposes. The conversion of shares of our Class B common stock into shares of our Class A common stock will 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. As a result, it is possible that one or more of the persons or entities holding our Class B common stock could gain significant voting control as other holders of Class B common stock sell or otherwise convert their shares into Class A common stock.

In addition, while we do not expect to issue any additional shares of Class B common stock following the listing of our Class A common stock on the Nasdaq Global Select Market, any future issuances of Class B common stock would be dilutive to holders of Class A common stock.

We cannot predict the impact our dual class structure may have on the market price of our Class A common stock.

We cannot predict whether our dual class structure, combined with the concentrated control of our stockholders who held our capital stock prior to the listing of our Class A common stock on the Nasdaq Global

Select Market, including our executive officers, employees, and directors and their affiliates, will result in a lower or more volatile market price of our Class A common stock or in adverse publicity or other adverse consequences. For example, certain index providers have announced restrictions on including companies with multiple class share structures in certain of their indices. In July 2017, FTSE Russell and Standard & Poor's announced that they would cease to allow most newly public companies utilizing dual or multi-class capital structures to be included in their indices. Under the announced policies, our dual class capital structure would make us ineligible for inclusion in any of these indices. Given the sustained flow of investment funds into passive strategies that seek to track certain indexes, exclusion from stock indexes would likely preclude investment by many of these funds and could make our Class A common stock less attractive to other investors. As a result, the market price of our Class A common stock could be adversely affected.

None of our stockholders are party to any contractual lock-up agreement or other contractual restrictions on transfer. Following our listing, sales of substantial amounts of our Class A common stock in the public markets, or the perception that sales might occur, could cause the trading price of our Class A common stock to decline.

In addition to the supply and demand and volatility factors discussed above, sales of a substantial number of shares of our Class A common stock into the public market, particularly sales by our directors, executive officers, and principal stockholders, or the perception that these sales might occur in large quantities, could cause the trading price of our Class A common stock to decline.

As of June 30, 2021, giving effect to the Existing Preferred Stock Conversion and the Reclassification, we had shares of Class B common stock outstanding, all of which are "restricted securities" (as defined in Rule 144 under the Securities Act). Approximately of these shares of Class B common stock may be converted to Class A common stock and then immediately sold either by the Registered Stockholders pursuant to this prospectus or by our other existing stockholders under Rule 144 since such shares held by such other stockholders will have been beneficially owned by non-affiliates for at least one year. Moreover, once we have been a reporting company subject to the reporting requirements of Section 13 or Section 15(d) of the Exchange Act for 90 days and assuming the availability of certain public information about us, (i) non-affiliates who have beneficially owned our common stock for at least six months may rely on Rule 144 to sell their shares of common stock, and (ii) our directors, executive officers, and other affiliates who have beneficially owned our common stock for at least six months, including certain of the shares of Class A common stock covered by this prospectus to the extent not sold hereunder, will be entitled to sell their shares of our Class A common stock subject to volume limitations under Rule 144 and various vesting agreements.

In addition, following the effectiveness of the registration statement of which this prospectus forms a part, we intend to file a registration statement to register all shares subject to options and RSUs outstanding or reserved for future issuance under our equity compensation plans. As of June 30, 2021, giving effect to the Equity Award Amendment, we had 28,806,581 options outstanding that, if fully exercised, would result in the issuance of shares of Class A common stock, as well as 3,050,911 shares of Class A common stock subject to RSU awards.

Accordingly, these shares will be able to be freely sold in the public market upon issuance, subject to applicable vesting requirements and compliance by affiliates with Rule 144.

None of our securityholders are subject to any contractual lock-up or other restriction on the transfer or sale of their shares.

Following the effectiveness of the registration statement of which this prospectus forms a part, the holders of up to shares of our Class B common stock will have rights, subject to some conditions, to require us to file registration statements for the public resale of the Class A common stock issuable upon conversion of such shares or to include such shares in registration statements that we may file for us or other stockholders. Any registration statement we file to register additional shares, whether as a result of registration rights or otherwise, could cause the trading price of our Class A common stock to decline or be volatile.

Our issuance of additional capital stock in connection with financings, acquisitions, investments, our equity incentive plans, or otherwise will dilute all other stockholders.

We expect to issue additional capital stock in the future that will result in dilution to all other stockholders. We expect to grant equity awards to employees, directors, and consultants under our equity incentive plans. We may also raise capital through equity financings in the future. As part of our business strategy, we may acquire or make investments in companies, products, or technologies and issue equity securities to pay for any such acquisition or investment. Any such issuances of additional capital stock may cause stockholders to experience significant dilution of their ownership interests and the per share value of our Class A common stock to decline.

We do not intend to pay dividends for the foreseeable future and, as a result, your ability to achieve a return on your investment will depend on appreciation in the price of our Class A common stock.

We have never declared or paid any cash dividends on our capital stock, and we do not intend to pay any cash dividends in the foreseeable future. Any determination to pay dividends in the future will be at the discretion of our board of directors. Accordingly, you may need to rely on sales of our Class A common stock after price appreciation, which may never occur, as the only way to realize any future gains on your investment.

We are an "emerging growth company," and we cannot be certain if the reduced reporting and disclosure requirements applicable to emerging growth companies will make our Class A common stock less attractive to investors.

We are an "emerging growth company," as defined in the JOBS Act, and we may take advantage of certain exemptions from reporting requirements that are applicable to other public companies that are not "emerging growth companies," including the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act (Section 404), reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a non-binding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. Pursuant to Section 107 of the JOBS Act, as an emerging growth company, we have elected to use the extended transition period for complying with new or revised accounting standards until those standards would otherwise apply to private companies. As a result, our consolidated financial statements may not be comparable to the financial statements of issuers who are required to comply with the effective dates for new or revised accounting standards that are applicable to public companies, which may make our Class A common stock less attractive to investors. In addition, if we cease to be an emerging growth company, we will no longer be able to use the extended transition period for complying with new or revised accounting standards.

We will remain an emerging growth company until the earliest of: (1) the last day of the fiscal year following the fifth anniversary of the listing of our Class A common stock on the Nasdaq Global Select Market; (2) the last day of the first fiscal year in which our annual gross revenue is $1.07 billion or more; (3) the date on which we have, during the previous rolling three-year period, issued more than $1 billion in non-convertible debt securities; and (4) the date we qualify as a "large accelerated filer," with at least $700 million of equity securities held by non-affiliates.

We cannot predict if investors will find our Class A common stock less attractive if we choose to rely on these exemptions. For example, if we do not adopt a new or revised accounting standard, our future results of operations may not be comparable to the results of operations of certain other companies in our industry that adopted such standards. If some investors find our Class A common stock less attractive as a result, there may be a less active trading market for our Class A common stock, and our stock price may be more volatile.

Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of our company 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 restated certificate of incorporation and amended and restated bylaws, as they will be in effect immediately following the effectiveness of the registration statement of which this prospectus forms a part, may have the effect of delaying or preventing a change of control or changes in our management. Our restated certificate of incorporation and amended and restated bylaws will include provisions that:

- authorize our board of directors to issue, without further action by the stockholders, shares of undesignated preferred stock with terms, rights, and preferences determined by our board of directors that may be senior to our Class A common stock;
- require that 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 chairperson of our board of directors, or our Chief Executive Officer;
- establish an advance notice procedure for stockholder proposals to be brought before an annual meeting, including proposed nominations of persons for election to our board of directors;
- establish that our board of directors is divided into three classes, with each class serving three-year staggered terms;
- prohibit cumulative voting in the election of directors;
- provide that our directors may only be removed for cause;
- provide that vacancies on our board of directors may be filled only by a majority of directors then in office, even though less than a quorum; and
- require the approval of our board of directors or the holders of at least 66 2/3% of our outstanding shares of voting stock to amend our bylaws and certain provisions of our certificate of incorporation.

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, subject to certain exceptions, 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. Any of the foregoing provisions could limit the price that investors might be willing to pay in the future for shares of our Class A common stock, and they could deter potential acquirers of our company, thereby reducing the likelihood that you would receive a premium for your shares of our Class A common stock in an acquisition.

Claims for indemnification by our directors and officers may reduce our available funds to satisfy successful third-party claims against us and may reduce the amount of money available to us.

Our restated certificate of incorporation and amended and restated bylaws, as they will be in effect immediately following the effectiveness of the registration statement of which this prospectus forms a part, will provide that we will indemnify our directors and officers, in each case to the fullest extent permitted by Delaware law.

In addition, as permitted by Section 145 of the Delaware General Corporation Law, our amended and restated bylaws and indemnification agreements that we have entered or intend to enter into with our directors and officers will provide that:

- we will indemnify our directors and officers for serving us in those capacities or for serving other business enterprises at our request, to the fullest extent permitted by Delaware law. Delaware law provides that a corporation may indemnify such person if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal proceeding, had no reasonable cause to believe such person's conduct was unlawful;
- we may, in our discretion, indemnify employees and agents in those circumstances where indemnification is permitted by applicable law;
- we are required to advance expenses, as incurred, to our directors and officers in connection with defending a proceeding, except that such directors or officers shall undertake to repay such advances if it is ultimately determined that such person is not entitled to indemnification;
- the rights conferred in our amended and restated bylaws are not exclusive, and we are authorized to enter into indemnification agreements with our directors, officers, employees, and agents and to obtain insurance to indemnify such persons; and
- we may not retroactively amend our amended and restated bylaw provisions to reduce our indemnification obligations to directors, officers, employees, and agents.

While we have procured directors' and officers' liability insurance policies, such insurance policies may not be available to us in the future at a reasonable rate, may not cover all potential claims for indemnification, and may not be adequate to indemnify us for all liability that may be imposed.

Our restated certificate of incorporation and amended and restated bylaws will provide for an exclusive forum in the Court of Chancery of the State of Delaware for certain disputes between us and our stockholders, and that the federal district courts of the United States will be the exclusive forum for the resolution of any complaint asserting a cause of action under the Securities Act.

Our restated certificate of incorporation and our amended and restated bylaws will provide that: (i) unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if such court does not have subject matter jurisdiction thereof, the federal district court of the State of Delaware) will, to the fullest extent permitted by law, be the sole and exclusive forum for: (A) any derivative action or proceeding brought on our behalf, (B) any action asserting a claim for or based on a breach of a fiduciary duty owed by any of our current or former directors, officers, other employees, agents, or stockholders to us or our stockholders, including, without limitation, a claim alleging the aiding and abetting of such a breach of fiduciary duty, (C) any action asserting a claim against us or any of our current or former directors, officers, other employees, agents, or stockholders arising pursuant to any provision of the Delaware General Corporation Law or our certificate of incorporation or bylaws or as to which the Delaware General Corporation Law confers jurisdiction on the Court of Chancery of the State of Delaware, or (D) any action asserting a claim related to or involving us that is governed by the internal affairs doctrine; (ii) unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America will, to the fullest extent permitted by law, be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act and the rules and regulations promulgated thereunder; (iii) the exclusive forum provisions are intended to benefit and may be enforced by us, our officers and directors, the financial advisors to any offering giving rise to such complaint, and any other professional or entity whose profession gives authority to a statement made by that person or entity and who has prepared or certified any part of the documents underlying the offering; (iv) any person or entity purchasing or otherwise acquiring or holding any interest in our shares of capital stock will be deemed to have notice of and consented to these provisions; and (v) failure to enforce the foregoing provisions would cause us

irreparable harm, and we will be entitled to equitable relief, including injunctive relief and specific performance, to enforce the foregoing provisions. Nothing in our current certificate of incorporation or bylaws or our restated certificate of incorporation or amended and restated bylaws precludes stockholders that assert claims under the Exchange Act from bringing such claims in federal court, to the extent that the Exchange Act confers exclusive federal jurisdiction over such claims, subject to applicable law.

We believe these provisions may benefit us by providing increased consistency in the application of Delaware law and federal securities laws by chancellors and judges, as applicable, particularly experienced in resolving corporate disputes, efficient administration of cases on a more expedited schedule relative to other forums, and protection against the burdens of multi-forum litigation. If a court were to find the choice of forum provision that will be contained in our restated certificate of incorporation or our amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could materially adversely affect our business, financial condition, and results of operations.

General Risk Factors

Our inability to attract and retain highly skilled employees could materially adversely affect our business.

In order to execute our growth plan, we must attract and retain highly qualified personnel. Competition for these personnel in the San Francisco Bay Area, where our headquarters is located, and in other locations where we maintain offices, is intense, especially for engineers experienced in designing and developing software and experienced sales professionals. We have, from time to time experienced, and we expect to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications. The cost of living is high in the San Francisco Bay Area, which may make it harder for us to attract and retain highly skilled employees. Many of the companies with which we compete for experienced personnel may have greater resources than we have. As our company grows and evolves, we may need to implement more complex organizational management structures or adapt our corporate culture and work environments. These changes could have an adverse impact on our corporate culture, which could harm our ability to retain and recruit personnel. If we hire employees from competitors or other companies, their former employers may attempt to assert that these employees or we have breached their legal obligations, resulting in a diversion of our time and resources. In addition, job candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. If the perceived value of our equity awards declines, it may adversely affect our ability to recruit and retain highly skilled employees. If we fail to attract new personnel or fail to retain and motivate our current personnel, our business and growth prospects could be materially adversely affected.

We depend on our executive officers and other key employees, and the loss of one or more of these employees could materially adversely affect our business.

Our success depends largely upon the continued services of our executive officers and other key employees. We rely on our leadership team in the areas of research and development, operations, security, marketing, sales, support, general and administrative functions, and on individual contributors in our research and development and operations. From time to time, there may be changes in our executive management team resulting from the hiring or departure of executives, which could disrupt our business. We do not have employment agreements with our executive officers or other key personnel that require them to continue to work for us for any specified period; therefore, they could terminate their employment with us at any time. The loss of one or more of our executive officers, especially our Chief Executive Officer, or key employees could have an adverse effect on our business.

Changes in the business, regulatory, or political climate in the San Francisco Bay Area could adversely affect our operations.

Changes in the business, regulatory, or political climate in the San Francisco Bay Area, where our headquarters is located and most of our employees live, could affect our ability to expand or continue our

operations there, which could have a material adverse impact on our business, financial condition, and results of operations. For example, if we were required to move our headquarters or downsize our operations in the San Francisco Bay Area due to material adverse changes in the business, regulatory, or political climate such as increases in local tax rates, we may lose key employees and incur significant costs of relocation.

Changes in laws and regulations related to the internet or changes in the internet infrastructure itself may diminish the demand for our Digital Optimization System, and could harm our business.

The future success of our business depends upon our customers' and potential customers' access to the internet. Federal, state, or foreign government bodies or agencies have in the past adopted, and may in the future adopt, laws or regulations affecting the use of the internet. Changes in these laws or regulations could require us to modify our platform in order to comply with these changes. In addition, government agencies or private organizations may impose additional laws, regulations, standards, or protocols involving taxation, tariffs, privacy, data protection, information security, content, copyrights, distribution, electronic contracts and other communications, consumer protection, and the characteristics and quality of services, any of which could decrease the demand for our Digital Optimization System or result in reductions in the demand for internet-based platforms such as ours. In addition, the use of the internet as a business tool could be harmed due to delays in the development or adoption of new standards and protocols to handle increased demands of internet activity, security, reliability, cost, ease-of-use, accessibility, and quality of service. The performance of the internet and its acceptance as a business tool has been harmed by "viruses," "worms," and similar malicious programs, and the internet has experienced a variety of outages and other delays as a result of damage to portions of its infrastructure. If the use of the internet is adversely affected by these issues, demand for our Digital Optimization System could decline.

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

Market opportunity estimates and growth forecasts included in this prospectus, including those we have generated ourselves, are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The variables that go into the calculation of our market opportunity are subject to change over time, and there is no guarantee that any particular number or percentage of companies covered by our market opportunity estimates will purchase our Digital Optimization System or generate any particular level of revenue for us. Any expansion in our markets depends on a number of factors, including the cost, performance, and perceived value associated with our Digital Optimization System and the products of our competitors. Even if the markets in which we compete achieve the forecasted growth, our business could fail to grow at similar rates, if at all.

Acquisitions, mergers, strategic investments, partnerships, or alliances could be difficult to identify, pose integration challenges, divert the attention of management, disrupt our business, dilute stockholder value, and materially adversely affect our business, financial condition, and results of operations.

We have in the past and intend in the future to seek to acquire or invest in businesses, joint ventures, and platform technologies that we believe could complement or expand our Digital Optimization System, enhance our technology, or otherwise offer growth opportunities. Any such acquisitions or investments may divert the attention of management and cause us to incur various expenses in identifying, investigating, and pursuing suitable opportunities, whether or not the transactions are completed, and may result in unforeseen operating difficulties and expenditures. In particular, we may encounter difficulties assimilating or integrating the businesses, technologies, products, personnel, or operations of any acquired companies, particularly if the key personnel of an acquired company choose not to work for us, the acquired company's software is not easily adapted to work with our platform, or we have difficulty retaining the customers of any acquired business due to changes in ownership, management, or otherwise. Any such transactions that we are able to complete may not result in the synergies or other benefits we expect to achieve, which could result in substantial impairment charges. These transactions

could also result in dilutive issuances of equity securities, the incurrence of debt or adverse tax consequences, which could materially adversely affect our business, financial condition, and results of operations.

Our business could be disrupted by catastrophic occurrences and similar events.

Natural disasters or other catastrophic events may cause damage or disruption to our operations, international commerce, and the global economy, and could harm our business. We have a large employee presence in San Francisco, California. In the event of a major earthquake, fire, power loss, telecommunications failure, cyberattack, war, terrorist attack, sabotage, other intentional acts of vandalism or misconduct, geopolitical event, disease, or other catastrophic occurrence, we may be unable to continue our operations and may endure system interruptions, reputational harm, delays in our application development, lengthy interruptions in our products, breaches of data security, and loss of critical data, all of which could materially adversely affect our business, financial condition, and results of operations.

Additionally, we rely on our network and third-party infrastructure and applications, internal technology systems, and our websites for our development, marketing, operational support, hosted services, and sales activities. If these systems were to fail or be negatively impacted as a result of a natural disaster or other catastrophic event, our ability to deliver products to our customers would be impaired.

As we grow our business, the need for business continuity planning, incident response planning, and disaster recovery plans will grow in significance. If we are unable to develop adequate plans to ensure that our business functions continue to operate during and after a disaster, and successfully execute on those plans in the event of a disaster or emergency, our business and reputation would be harmed.

If securities or industry analysts do not publish research or publish unfavorable or inaccurate research about our business, the market price and trading volume of our Class A common stock could decline.

The market price and trading volume of our Class A common stock upon the listing of our Class A common stock on the Nasdaq Global Select Market will be heavily influenced by the way analysts interpret our financial information and other disclosures. We do not have control over these analysts. If few securities analysts commence coverage of us, or if industry analysts cease coverage of us, our stock price would be negatively affected. If securities or industry analysts do not publish research or reports about our business, downgrade our Class A common stock, or publish negative reports about our business, our stock price would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our Class A common stock could decrease, which might cause our stock price to decline and could decrease the trading volume of our Class A common stock.

We will incur increased costs as a result of operating as a public company, and our management will be required to devote substantial time to compliance with our public company responsibilities and corporate governance practices.

As a public company, we will incur significant legal, accounting, and other expenses that we did not incur as a private company, which we expect to further increase after we are no longer an “emerging growth company.” The Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, Nasdaq rules, and other applicable securities rules and regulations impose various requirements on public companies. Our management and other personnel will need to devote a substantial amount of time to compliance with these requirements. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. We cannot predict or estimate the amount of additional costs we will incur as a public company or the specific timing of such costs.

As a result of being a public company, we are obligated to develop and maintain proper and effective internal control over financial reporting, and any failure to maintain the adequacy of these internal controls may adversely affect investor confidence in our company and, as a result, the value of our Class A common stock.

We will be required, pursuant to Section 404, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting on an annual basis, beginning with our second annual report on Form 10-K. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. In addition, our independent registered public accounting firm will be required to attest to the effectiveness of our internal control over financial reporting in our first annual report required to be filed with the SEC following the date we are no longer an "emerging growth company." We have recently commenced the costly and challenging process of compiling the system and processing documentation necessary to perform the evaluation needed to comply with Section 404, but we may not be able to complete our evaluation, testing, and any required remediation in a timely fashion once initiated. Our compliance with Section 404 will require that we incur substantial expenses and expend significant management efforts. We have recently begun to establish a compliance and controls function and we will need to hire additional accounting and financial personnel with appropriate public company experience and technical accounting knowledge and compile the system and process documentation necessary to perform the evaluation needed to comply with Section 404.

During the evaluation and testing process of our internal controls, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to certify that our internal control over financial reporting is effective. We cannot assure you that there will not be material weaknesses or significant deficiencies in our internal control over financial reporting in the future. Any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition or results of operations. If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines we have a material weakness or significant deficiency in our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, the market price of our Class A common stock could decline, and we could be subject to sanctions or investigations by the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that reflect our current views with respect to, among other things, future events and our future business, financial condition, and results of operations. These statements are often, but not always, made through the use of words or phrases such as “may,” “should,” “could,” “predict,” “potential,” “believe,” “expect,” “continue,” “will,” “anticipate,” “seek,” “estimate,” “intend,” “plan,” “projection,” “would,” and “outlook,” or the negative version of those words or phrases or other comparable words or phrases of a future or forward-looking nature. These forward-looking statements are not statements of historical fact, and are based on current expectations, estimates, and projections about our industry as well as certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Forward-looking statements contained in this prospectus include, but are not limited to, statements about:

- our expectations regarding our revenue, expenses, and other operating results;
- our ability to acquire new customers and successfully retain existing customers;
- our ability to increase usage of our Digital Optimization System and upsell and cross sell additional products;
- our ability to achieve or sustain our profitability;
- our estimated market opportunity;
- future investments in our business, our anticipated capital expenditures, and our estimates regarding our capital requirements;
- the costs and success of our sales and marketing efforts, including our ability to grow and maintain our channel partners, and our ability to promote our brand;
- our reliance on key personnel and our ability to identify, recruit, and retain skilled personnel;
- our ability to effectively manage our growth, including any international expansion;
- our ability to protect our intellectual property rights and any costs associated therewith;
- our ability to compete effectively with existing competitors and new market entrants; and
- the increased expenses associated with being a public company.

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

You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this prospectus primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations, and prospects. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, and other factors described in the section titled “Risk Factors” and elsewhere in this prospectus. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this prospectus. The results, events, and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this prospectus. And while we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive

inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements.

The forward-looking statements made in this prospectus relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this prospectus to reflect events or circumstances after the date of this prospectus or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments.

MARKET AND INDUSTRY DATA

This prospectus includes estimates regarding market and industry data. Unless otherwise indicated, information concerning our industry and the markets in which we operate, including our general expectations, market position, market opportunity, and market size, are based on our management's knowledge and experience in the markets in which we operate, together with currently available information obtained from various sources, including publicly available information, industry reports and publications, surveys, our customers, trade and business organizations, and other contacts in the markets in which we operate. Certain information is based on management estimates, which have been derived from third-party sources, as well as data from our internal research.

In presenting this information, we have made certain assumptions that we believe to be reasonable based on such data and other similar sources and on our knowledge of, and our experience to date in, the markets in which we operate. While we believe the estimated market and industry data included in this prospectus is generally reliable, such information is inherently uncertain and imprecise. Market and industry data is subject to change and may be limited by the availability of raw data, the voluntary nature of the data gathering process, and other limitations inherent in any statistical survey of such data. In addition, projections, assumptions, and estimates of the future performance of the markets in which we operate are necessarily subject to uncertainty and risk due to a variety of factors, including those described in "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements." These and other factors could cause results to differ materially from those expressed in the estimates made by third parties and by us. Accordingly, you are cautioned not to place undue reliance on such market and industry data or any other such estimates.

The source of certain statistical data, estimates, and forecasts contained in this prospectus are the following independent industry publications or reports:

- *ROI Guidebook: Amplitude*, November 2020, Nucleus Research, Inc. ("Nucleus Research");
- *IDC FutureScape: Worldwide IT Industry 2020 Predictions*, October 2019, International Data Corporation ("IDC");
- *US adults added 1 hour of digital time in 2020*, January 26, 2021, eMarketer, Inc. ("eMarketer") and Insider Intelligence Inc. ("Insider Intelligence") (including information that U.S. adults spend nearly 8 hours on average per day on digital activities); and
- *Best Product Analytics Software*, G2.com, Inc. ("G2") (including G2's rankings of leading product analytics solutions. G2's product scores comprise customer satisfaction ratings derived from G2's user reviews, as well as market presence).

The content of the above sources, except to the extent specifically set forth in this prospectus, does not constitute a portion of this prospectus and is not incorporated herein.

TRADEMARKS, SERVICE MARKS, COPYRIGHTS, AND TRADENAMES

We own or otherwise have rights to the trademarks, service marks, and copyrights, including those mentioned in this prospectus, used in conjunction with the operation of our business. This prospectus includes our own trademarks, which are protected under applicable intellectual property laws, as well as trademarks, service marks, copyrights, and tradenames of other companies, which are the property of their respective owners. We do not intend our use or display of other companies' trademarks, service marks, copyrights, or tradenames to imply a relationship with, or endorsement or sponsorship of us by, any other companies. Solely for convenience, trademarks and tradenames referred to in this prospectus may appear without the ®, ™, or SM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights to these trademarks and tradenames.

USE OF PROCEEDS

Registered Stockholders may, or may not, elect to sell shares of our Class A common stock covered by this prospectus. To the extent any Registered Stockholder chooses to sell shares of our Class A common stock covered by this prospectus, we will not receive any proceeds from any such sales of our Class A common stock. See “Principal and Registered Stockholders.”

DIVIDEND POLICY

We have never declared or paid any cash dividends on our capital stock. We do not currently anticipate paying dividends on our Class A common stock or Class B common stock. Any declaration and payment of future dividends to holders of our Class A common stock or Class B common stock will be at the discretion of our board of directors and will depend on many factors, including our financial condition, earnings, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends, the provisions of Delaware law affecting the payment of dividends and distributions to stockholders, and other considerations that our board of directors deems relevant. In addition, future agreements governing our indebtedness may limit our ability to pay dividends. See "Risk Factors—Risks Related to Ownership of Our Class A Common Stock—We do not intend to pay dividends for the foreseeable future and, as a result, your ability to achieve a return on your investment will depend on appreciation in the price of our Class A common stock."

CAPITALIZATION

The following table sets forth our cash and cash equivalents, and our capitalization as of June 30, 2021 as follows:

- on an actual basis; and
- on a pro forma basis to give effect to (i) the Reclassification, (ii) the Existing Preferred Stock Conversion, (iii) the issuance and sale of 827,609 shares of our Series F redeemable convertible preferred stock after June 30, 2021 for aggregate net proceeds of approximately $26.5 million, (iv) the RSU Settlement, (v) stock-based compensation expense of $3.7 million related to RSUs for which the time-based vesting condition was satisfied as of June 30, 2021, and for which the performance-based vesting condition will be satisfied upon the listing of our Class A common stock on the Nasdaq Global Select Market, reflected as an increase to additional paid-in capital and accumulated deficit, and (vi) the filing and effectiveness of our restated certificate of incorporation and the adoption of our amended and restated bylaws, each of which will occur in connection with the effectiveness of the registration statement of which this prospectus forms a part.

You should read this information in conjunction with our consolidated financial statements and the related notes included elsewhere in this prospectus and the "Summary Consolidated Financial and Operating Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of this prospectus.

	As of June 30, 2021	
	Actual	Pro Forma
	(Unaudited) *(in thousands, except share and per share data)*	
Cash and cash equivalents	$ 291,062	$ 317,562
Redeemable convertible preferred stock, par value $0.00001 per share; 67,963,609 shares authorized, actual; no shares authorized, pro forma; 67,136,000 shares issued and outstanding, actual; and no shares issued and outstanding, pro forma	361,113	—
Stockholders' equity (deficit):		
Preferred stock, par value $0.00001 per share; no shares authorized, issued, and outstanding, actual; shares authorized, no shares issued and outstanding, pro forma	—	—
Common stock, par value $0.00001 per share; 135,100,000 shares authorized, actual; no shares authorized, pro forma; 31,909,616 shares issued and outstanding, actual; and no shares issued and outstanding, pro forma	—	—
Class A common stock, par value $0.00001 per share; shares authorized, actual; shares authorized, pro forma; shares issued and outstanding, actual; and shares of issued and outstanding, pro forma	—	—
Class B common stock, par value $0.00001 per share; shares authorized, actual; shares authorized, pro forma; shares issued and outstanding, actual; and shares issued and outstanding, pro forma	—	—
Additional paid-in capital	55,657	446,949
Accumulated deficit	(121,346)	(125,025)
Total stockholders' equity (deficit)	(65,689)	321,924
Total capitalization	295,424	321,924

The number of shares of our Class A common stock and Class B common stock outstanding as of June 30, 2021 excludes the following:

- 28,806,581 shares of Class A common stock issuable upon exercise of stock options outstanding as of June 30, 2021, with a weighted-average exercise price of $3.33 per share, pursuant to our 2014 Plan;

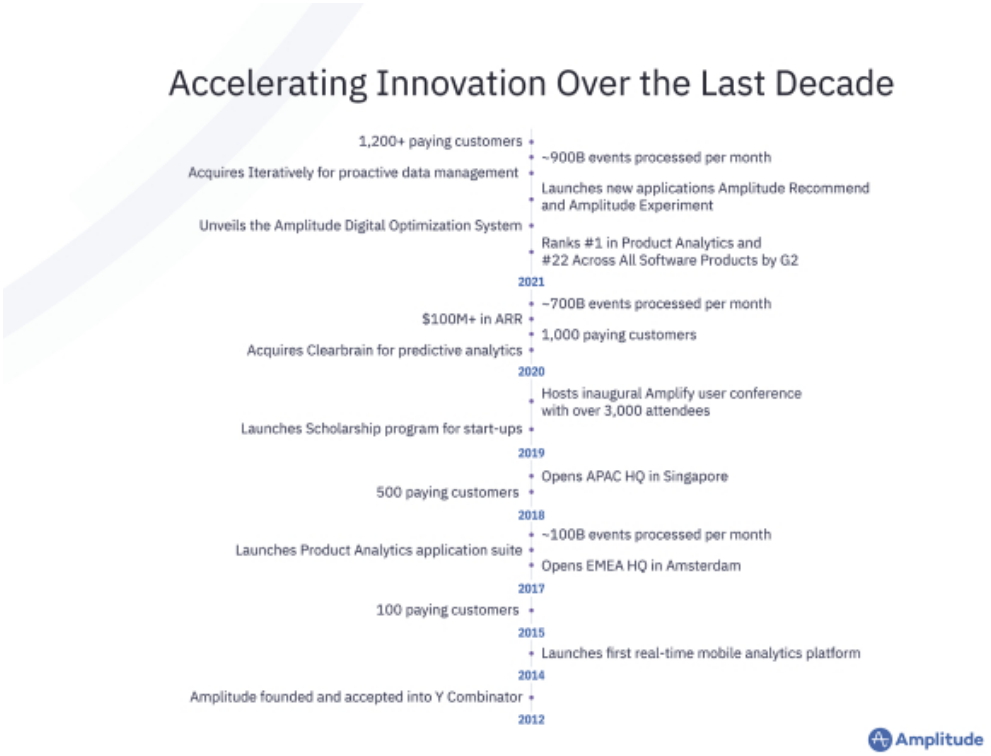
- 67,134 shares of Class A common stock issuable upon exercise of stock options granted after June 30, 2021, with a weighted-average exercise price of $21.75 per share, pursuant to our 2014 Plan;
- 479,481 shares of Class A common stock issuable upon settlement of RSUs outstanding as of June 30, 2021, for which the time-based vesting condition had not been satisfied as of such date, and for which the performance-based vesting condition will be satisfied upon the listing of our Class A common stock on the Nasdaq Global Select Market pursuant to our 2014 Plan;
- 143,579 shares of Class A common stock issuable upon settlement of RSUs granted after June 30, 2021, for which the time-based vesting condition had not been satisfied as of such date, and for which the performance-based vesting condition will be satisfied upon the listing of our Class A common stock on the Nasdaq Global Select Market pursuant to our 2014 Plan;
- 46,875 shares of restricted Class A common stock granted after June 30, 2021 pursuant to our 2014 Plan;
- 7,000 shares of Class B common stock issuable upon exercise of a warrant outstanding as of June 30, 2021;
- shares of Class A common stock reserved for issuance under our 2021 Plan, as well as any future increases in the number of shares of Class A common stock reserved for issuance under the 2021 Plan; and
- shares of Class A common stock reserved for issuance under our ESPP, as well as any future increases in the number of shares of Class A common stock reserved for issuance under the ESPP.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

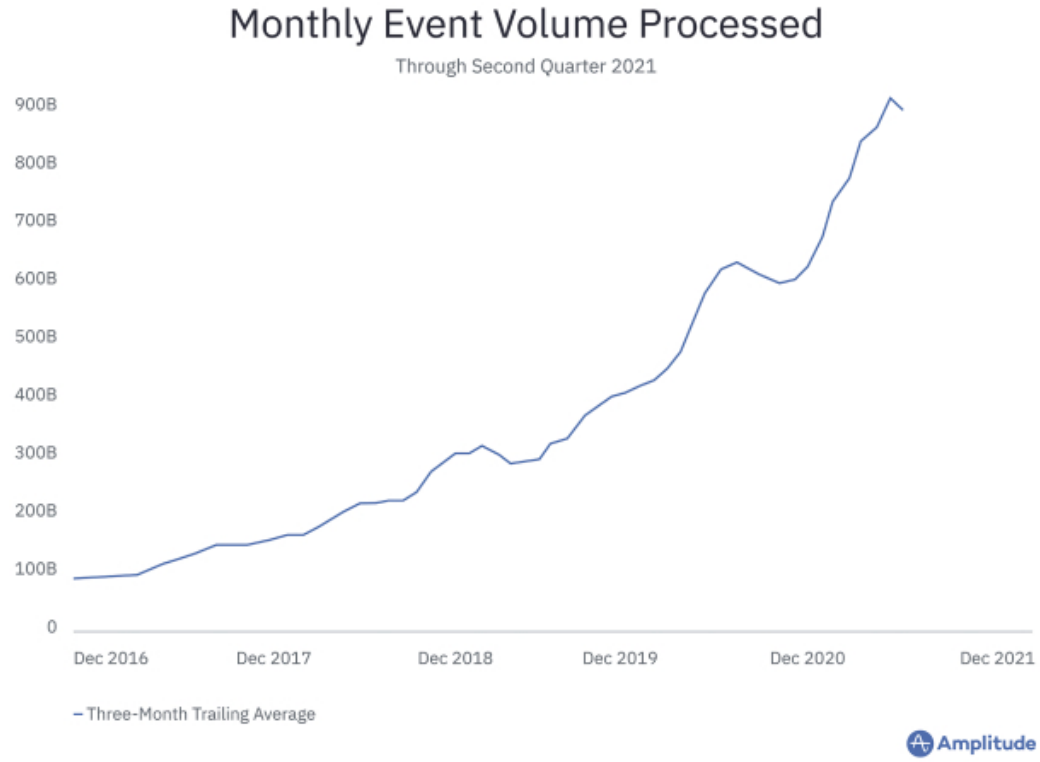
The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the "Summary Consolidated Financial and Operating Information" section of this prospectus and the consolidated financial statements and related notes included elsewhere in this prospectus. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed below. Factors that could cause or contribute to such differences include, but are not limited to, those identified below and those discussed in the "Risk Factors" section of this prospectus. Our historical results are not necessarily indicative of the results that may be expected for any period in the future. Our fiscal year end is December 31, and references throughout this prospectus to a given fiscal year are to the 12 months ended on that date.

Overview

We have built the first unified system that empowers teams to understand how digital products drive their business, thereby unleashing the full potential of product-led growth for businesses of every size, industry, and stage in their digital maturity. Our Digital Optimization System brings an entirely new depth of customer understanding with the speed of action to optimize digital experiences in the moment. We power the teams behind many of the most-beloved digital products to make the right bets, drive innovation, and maximize business outcomes.



At the core of our Digital Optimization System is our Behavioral Graph, a proprietary, purpose-built behavioral database that is the largest of its kind. Our Behavioral Graph, which processed approximately 900 billion monthly behavioral data points during the quarter ended June 30, 2021, instantly finds patterns, makes recommendations, and connects customer actions along their journeys to outcomes that drive engagement, growth, and loyalty. We have architected our Behavioral Graph to power numerous products linking data to insight to action, beginning first with our #1 ranked product analytics solution. We have since expanded our Digital Optimization System to include products that enable cross-functional teams to personalize the digital product experiences of their customers, including our Recommend and Experiment offerings, which were both released in 2021.



We have experienced significant growth in recent years driven by the rapid adoption of our Digital Optimization System by our diversified base of over 1,200 paying customers globally. Our customers span across industries and sizes, from the leading digital innovators to those looking to transform and adapt their business in the new digital age. For the years ended December 31, 2019 and 2020, our revenue was $68.4 million and $102.5 million, respectively, representing year-over-year growth of 50%. Our revenue was $46.0 million and $72.4 million, respectively, for the six months ended June 30, 2020 and 2021, respectively, representing year-over-year growth of 57%. For the years ended December 31, 2019 and 2020 and six months ended June 30, 2020 and 2021, our net loss was $33.5 million, $24.6 million, $16.6 million, and $16.5 million, respectively. For the years ended December 31, 2019 and 2020 and six months ended June 30, 2020 and 2021, our net cash used in operating activities was $16.0 million, $10.4 million, $9.9 million, and $5.5 million, respectively, and our free cash flow was $(16.7) million, $(12.6) million, $(10.7) million, and $(6.1) million, respectively.

Our Business Model

We generate revenue primarily through selling subscriptions to our platform. For the year ended December 31, 2020 and the six months ended June 30, 2021, subscription revenue comprised 97% of our total revenue. Our customers typically look to use our platform for an initial business use case they have identified, such as analytics on a digital product. As our customers experience the value of our platform in helping to drive business outcomes in that initial use case, they frequently expand that initial use case, expand into new use cases, and expand into additional products. Examples of ways customers expand the use of our platform include the following:

- Customers expand an initial use case by tracking additional events on a digital product to gain greater insight into customer journeys or add additional functionality (e.g. predictive analytics, behavioral reports) to meet the needs of teams across the organization;
- Customers expand into new use cases by using our platform for additional digital products in their digital product portfolio and empowering additional teams (e.g. product, marketing, engineering, analytics) responsible for those digital product; and
- Customers expand by layering on additional offerings, such as our Recommend and Experiment products, on our core Analytics offering to power new capabilities to drive business outcomes.

Our pricing model is based on both the platform functionality required by our customers as well as committed event volume. An event could be any action that a user takes in a digital product, such as ‘Create account’, ‘Add to cart’, or ‘Share photo’. Events can also be actions that occur in a product without user action, such as ‘Verification completed’. Customers have the flexibility to choose the events sent to our platform and can also attach custom properties to an event to enable greater insight on the digital product end user.

We have been effective in helping our customers to gauge the proper event volume to contract to ensure that they maximize their investment in our platform. In situations where customers exceed their committed event volume in a given period, they incur overage charges that we have the contractual right to bill at our discretion. Depending on the circumstances, we often use this as an opportunity to re-negotiate a customer contract to ensure they have the right contracted event volume to meet their business objectives. Historically, overage charges have not made up a significant portion of our revenue. In many cases, customers will proactively expand their contract within the contract term, generally increasing event volume and platform capabilities to expand existing or address new use cases. Substantially all of our customer contracts have a subscription period of one year or longer. In 2020, we billed a majority of these contracts annually in advance with the remainder billed monthly, quarterly, or semi-annually.

We offer a variety of plans that are right-sized to match the depth and breadth of our customers’ needs and complexity. Our *Starter* plan is a free-tier, self-service option that allows prospects to easily sign up and begin to leverage the power of the platform in rapid fashion. This plan includes core product analytics with the ability to track up to 10 million events per month. Users of this plan get access to unlimited user seats and are encouraged to add additional team members across functions to proliferate the use of our platform within their organization.

In the scenario that a prospect outgrows the usage limits in the *Starter* plan or requires additional features such as predictive analytics, behavioral reports, or additional event volume, we offer a *Growth* plan that requires conversion to a paid subscription contract. *Growth* plan users also get access to dedicated customer support to further maximize the value from the platform. Customers that require the complete analytics tool kit to handle more scale and larger, sophisticated use cases can purchase our *Enterprise* plan. The *Enterprise* plan includes everything in the *Growth* plan as well as additional robust features such as advanced data governance, custom user permissions and roles, automated insights, and more. At any point, a customer that needs additional capabilities can purchase add-on functionality or products, including Recommend and Experiment, which are natively integrated with Amplitude Analytics.

Our land-and-expand business model is powered by the ease of use, rapid time to value, and broad applicability of our platform to provide actionable insights in real time to numerous teams across an organization. This model has enabled us, in many cases, to significantly expand the reach of our platform within organizations.

As of December 31, 2020, we had 262 customers that each represented greater than $100,000 in ARR and 15 customers that each represented greater than $1 million in ARR, demonstrating the mission critical nature of our platform to help customers succeed in the new digital age. In comparison, we had 208 customers that each represented greater than $100,000 in ARR and 11 customers that each represented greater than $1 million in ARR for the period ended December 31, 2019, representing year-over-year growth of 26% and 36%, respectively. As of June 30, 2021, we had 311 customers that each represented greater than $100,000 in ARR and 22 customers that represented greater than $1 million in ARR, representing growth of 40% and 69%, respectively, compared to June 30, 2020. Customers that each represented greater than $100,000 in ARR accounted for approximately 71% and 72% of our total ARR as of December 31, 2019 and 2020, respectively. As of June 30, 2020 and 2021, customers that each represented greater than $100,000 in ARR accounted for approximately 71% and 73% of our total ARR, respectively. We define ARR as the annual recurring revenue of subscription agreements at a point in time based on the terms of customers' contracts. ARR should be viewed independently of revenue, and does not represent our U.S. GAAP revenue on an annualized basis, as it is an operating metric that can be impacted by contract start and end dates and renewal rates. ARR is not intended to be a replacement or forecast of revenue. No single customer accounted for more than 3% of our revenue in 2020 and no single customer accounted for more than 4% of our revenue for the six months ended June 30, 2021.

Our ability to expand within our customer base is also demonstrated by our strong dollar-based net retention rate. As of December 31, 2019 and 2020, our dollar-based net retention rate across paying customers was 116% and 119%, respectively. As of June 30, 2020 and 2021, our dollar-based net retention rate across paying customers was 118% and 119%, respectively.

Key Factors Affecting Our Performance

We believe that the growth and future success of our business depends on many factors. While each of these factors presents significant opportunities for our business, they also pose important challenges that we must successfully address in order to sustain our growth and improve our results of operations.

Customer Acquisition and Expansion

We believe that our Digital Optimization System can help businesses across industries, company size, and stages of digital maturity drive better business outcomes through optimizing the digital product experience of their customers. We are focused on continuing to acquire new customers and expanding our relationships with our existing installed base to support our long-term growth. We have invested, and expect to continue to invest, in our sales and marketing efforts to drive customer acquisition.

As of December 31, 2020 and June 30, 2021, we had over 1,000 and 1,200 paying customers, respectively, representing an increase of 41% and 51% year-over-year, respectively. As of December 31, 2020 and June 30, 2021, 25 and 26 of the Fortune 100 were paying customers, respectively, which demonstrates both our traction to date as well as our significant opportunity to continue to penetrate into the largest global organizations. Our relationship with some of the world's most beloved product-led companies has resulted in increased brand credibility and access to many attractive growth opportunities.

We have been successful at efficiently growing our customer spend over time as evidenced by our dollar-based net retention rates. As of December 31, 2020 and June 30, 2021, our dollar-based net retention rate was 119% for paying customers. We continue to increase the number of customers who have entered and grown into larger subscriptions with us. As of December 31, 2020 and June 30, 2021, we had 262 and 311 customers, respectively, that each represented greater than $100,000 in ARR, representing a 26% and 40% increase

year-over-year, respectively. Additionally, we had 15 and 22 customers, respectively, that each represented greater than $1 million in ARR, up 36% and 69% year-over-year, respectively. The number of customers representing greater than $100,000 and $1 million in ARR demonstrates the strategic importance of our platform and our ability to both initially land significant accounts and grow them over time.

Investments in Platform

We believe that our customers will demand additional features and capabilities beyond our current platform offerings to assist them in optimizing their digital products. We have a history of, and will continue to invest significantly in, developing and delivering innovative products, features, and functionality targeted at our core customer base. For example, in 2021, we announced the launch of our Recommend and Experiment, and we are encouraged by early adoption by our customers. Furthermore, we may choose to add new products and offerings or enhance our platform capabilities through acquisitions. In 2020, we acquired ClearBrain to bolster our predictive analytics capabilities, and, in 2021, we announced the acquisition of Iteratively, a software company that bolsters our ability to empower developers to more quickly, easily, and accurately instrument data into our platform. Going forward, we may pursue both strategic partnerships and acquisitions that we believe will be complementary to our business, accelerate customer acquisition, increase usage of our platform, and/or expand our product offerings in our core markets.

Investing for Growth

Our investment for growth encompasses multiple critical areas, including product expansion, our salesforce, sales support, partner ecosystem, and our international presence. We continue to evolve our technology to ensure that we are best serving our customers' needs. We believe this will lead to continued increased retention and positive customer referrals that will continue to generate expansion opportunities within our existing installed base and from new customers. We plan to continue to invest in our R&D organization to maintain and strengthen our market leadership position, and we believe that attracting the best engineering talent will continue to be critical to our long-term success.

We will continue to invest in expanding our salesforce and associated sales support to pursue attractive growth opportunities and ensure customer success, particularly with larger enterprises where we have experienced significant traction to date. We also plan to invest in our channel partners, such as independent software vendors, and resellers, to extend our reach faster than we could do on our own.

Finally, we see opportunities to expand offices and headcount internationally to better service targeted international markets where we believe we have significant opportunity to accelerate existing traction and success. For the year ended December 31, 2020 and six months ended June 30, 2021, 36% of our revenue was generated outside the United States.

Key Business Metrics

We review a number of operating and financial metrics, including the following key metrics to evaluate our business, measure our performance, identify trends affecting our business, formulate business plans, and make strategic decisions. We are not aware of any uniform standards for calculating these key metrics, which may hinder comparability with other companies who may calculate similarly-titled metrics in a different way.

	As of December 31,			As of June 30,		
	2019	2020	YoY Growth	2020	2021	YoY Growth
Paying Customers	739	1,039	41%	845	1,280	51%
Dollar-Based Net Retention Rate	116%	119%	N/A	118%	119%	N/A

Paying Customers

We believe our ability to grow the number of paying customers on our platform provides a key indicator of the demand for our platform, growth of our business, and our future business opportunities. Increasing awareness of our platform and its broad range of capabilities, coupled with the mainstream adoption of cloud-based technology, has expanded the diversity of our customer base to include organizations of different sizes across virtually all industries.

For purposes of customer count, a customer is defined as an entity that has a unique Dunn & Bradstreet Global Ultimate ("GULT") Data Universal Numbering System ("DUNS") number and an active subscription contract as of the measurement date. The DUNS number is a global standard for business identification and tracking. We make exceptions for holding companies, government entities, and other organizations for which the GULT, in our judgment, does not accurately represent the Amplitude customer or the DUNS does not exist.

Dollar-Based Net Retention Rate

We calculate our dollar-based net retention rate to measure our ability to retain and expand ARR from our customers and believe it is an indicator of the value our platform delivers to customers and our future business opportunities. Our dollar-based net retention rate compares our ARR from the same set of customers across comparable periods and reflects customer renewals, expansion, contraction, and attrition.

We calculate dollar-based net retention rate as of a period end by starting with the ARR from the cohort of all customers as of 12 months prior to such period-end (the "Prior Period ARR"). We then calculate the ARR from these same customers as of the current period-end (the "Current Period ARR"). Current Period ARR includes any expansion and is net of contraction or attrition over the last 12 months, but excludes ARR from new customers as well as any overage charges in the current period. We then divide the total Current Period ARR by the total Prior Period ARR to arrive at the point-in-time dollar-based net retention rate. We then calculate the weighted-average of the trailing 12-month point-in-time dollar-based net retention rates, to arrive at the dollar-based net retention rate.

Response to COVID-19

While the COVID-19 pandemic has had an adverse effect on the global economy, including the businesses of many of our customers and prospective customers and did, in the early stages of the pandemic, result in increased attrition from our smaller customers and those customers in the most impacted industries such as travel and entertainment, overall, the COVID-19 pandemic has resulted in favorable trends for our business and the businesses of those customers who have been able to leverage digital optimization of their products as sales increasingly shifted online. For example, during the second quarter of fiscal year 2020, the average customer's event utilization rate, which is the percent of contracted event volume a customer consumes, increased to over 100% signaling early upsell opportunities.

Although we believe the COVID-19 pandemic has largely resulted in favorable trends for our business, we have experienced business disruptions, particularly at our San Francisco headquarters due to shelter-in-place orders and restrictions on our ability to travel to customers. Moreover, our existing and prospective customers have experienced and may continue to experience slowdowns in their businesses, including due to ongoing worldwide supply chain disruptions, which in turn has and may result in reduced demand for our platform, lengthening of sales cycles, loss of customers, and difficulties in collections. In addition, the pandemic has resulted in, and may continue to result in, significant disruption of global financial markets, which could limit our ability to access capital on favorable terms or at all. The ongoing impact of the pandemic on our future business, financial condition, and results of operations depends on the pandemic's duration and severity, which are difficult to assess or predict. See "Risk Factors" for further discussion of the impact of the COVID-19 pandemic on our business.

Non-GAAP Financial Measures

The following table presents certain non-GAAP financial measures, along with the most directly comparable U.S. GAAP measure, for each period presented below. In addition to our results determined in accordance with U.S. GAAP, we believe these non-GAAP financial measures are useful in evaluating our operating performance. See below for a description of the non-GAAP financial measures and their limitations as an analytical tool. A reconciliation is also provided below for each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with U.S. GAAP.

	Year Ended December 31,		Six Months Ended June 30,	
	2019	2020	2020	2021
	(in thousands, except percentages)			
Gross Profit	$ 46,337	$ 71,981	$ 32,506	$ 49,974
Non-GAAP Gross Profit	$ 46,695	$ 72,798	$ 32,749	$ 51,108
Gross Margin	68%	70%	71%	69%
Non-GAAP Gross Margin	68%	71%	71%	71%
Loss from Operations	$ (34,331)	$ (24,003)	$ (16,502)	$ (15,896)
Non-GAAP Loss from Operations	$ (26,955)	$ (6,610)	$ (5,704)	$ (7,392)
Loss from Operations Margin	(50)%	(23)%	(36)%	(22)%
Non-GAAP Loss from Operations Margin	(39)%	(6)%	(12)%	(10)%
Net Cash Used in Operating Activities	$ (16,036)	$ (10,392)	$ (9,942)	$ (5,523)
Free Cash Flow	$ (16,684)	$ (12,600)	$ (10,671)	$ (6,137)
Net Cash Used in Operating Activities Margin	(23)%	(10)%	(22)%	(8)%
Free Cash Flow Margin	(24)%	(12)%	(23)%	(8)%

Non-GAAP Gross Margin and Non-GAAP Operating Margin

We define non-GAAP gross profit and non-GAAP gross margin as U.S. GAAP gross profit and U.S. GAAP gross margin, respectively, excluding stock-based compensation expense and related employer payroll taxes, amortization of acquired intangible assets, and non-recurring costs, which currently consist exclusively of direct listing costs.

We define non-GAAP loss from operations and non-GAAP operating margin as U.S. GAAP loss from operations and U.S. GAAP operating margin, respectively, excluding stock-based compensation expense and related employer payroll taxes, amortization of acquired intangible assets, and non-recurring costs, such as direct listing costs.

We exclude stock-based compensation expense and related employer payroll taxes, which is a non-cash expense, from certain of our non-GAAP financial measures because we believe that excluding this item provides meaningful supplemental information regarding operational performance. We exclude amortization of intangible assets, which is a non-cash expense, related to business combinations from certain of our non-GAAP financial measures because such expenses are related to business combinations and have no direct correlation to the operation of our business. Although we exclude these expenses from certain non-GAAP financial measures, the revenue from acquired companies subsequent to the date of acquisition is reflected in these measures and the acquired intangible assets contribute to our revenue generation. We exclude non-recurring costs from certain of our non-GAAP financial measures because such expenses do not repeat period over period and are not reflective of the ongoing operation of our business.

We use non-GAAP gross margin and non-GAAP operating margin in conjunction with traditional U.S. GAAP measures to evaluate our financial performance. We believe that non-GAAP gross margin and non-GAAP

operating margin provide our management and investors consistency and comparability with our past financial performance and facilitates period-to-period comparisons of operations.

Free Cash Flow and Margin

We define free cash flow as net cash used in operating activities, less cash used for purchases of property and equipment and capitalized internal-use software costs, plus non-recurring expenditures such as direct listing expenses. We believe that free cash flow is a useful indicator of liquidity that provides information to management and investors, even if negative, about the amount of cash used in our operations other than that used for investments in property and equipment and capitalized internal-use software costs, adjusted for non-recurring expenditures. Free cash flow margin is calculated as free cash flow divided by total revenue.

Limitations and Reconciliations of Non-GAAP Financial Measures

Non-GAAP financial measures are presented for supplemental informational purposes only. Non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation or as substitutes for financial information presented under U.S. GAAP. There are a number of limitations related to the use of non-GAAP financial measures versus comparable financial measures determined under U.S. GAAP. For example, other companies in our industry may calculate these non-GAAP financial measures differently or may use other measures to evaluate their performance. In addition, free cash flow does not reflect our future contractual commitments and the total increase or decrease of our cash balance for a given period. All of these limitations could reduce the usefulness of these non-GAAP financial measures as analytical tools. Investors are encouraged to review the related U.S. GAAP financial measures and the reconciliations of these non-GAAP financial measures to their most directly comparable U.S. GAAP financial measures and to not rely on any single financial measure to evaluate our business.

The following tables reconcile the most directly comparable U.S. GAAP financial measure to each of these non-GAAP financial measures.

Non-GAAP Gross Profit and Gross Margin

	Year Ended December 31,		Six Months Ended June 30,	
	2019	2020	2020	2021
	(in thousands, except percentages)			
Gross profit	$ 46,337	$ 71,981	$ 32,506	$ 49,974
Add:				
Stock-based compensation expense(1)	$ 358	$ 590	$ 243	$ 483
Acquired intangible assets amortization	$ —	$ 227	$ —	$ 651
Non-GAAP Gross Profit	$ 46,695	$ 72,798	$ 32,749	$ 51,108
Non-GAAP Gross Margin	68%	71%	71%	71%

(1) Stock-based compensation expense-related charges include employer payroll tax-related expenses on employee stock transactions.

Non-GAAP Loss From Operations and Loss From Operations Margin

	Year Ended December 31,		Six Months Ended June 30,	
	2019	2020	2020	2021
	(in thousands, except percentages)			
Loss from operations	$ (34,331)	$ (24,003)	$ (16,502)	$ (15,896)
Add:				
Stock-based compensation expense(1)	$ 7,376	$ 16,648	$ 10,507	$ 5,714
Acquired intangible assets amortization	$ —	$ 745	$ 291	$ 651
Direct listing expenses	$ —	$ —	$ —	$ 2,139
Non-GAAP loss from operations	$ (26,955)	$ (6,610)	$ (5,704)	$ (7,392)
Non-GAAP loss from operations margin	(39)%	(6)%	12%	10%

(1) Stock-based compensation expense-related charges include employer payroll tax-related expenses on employee stock transactions.

Free Cash Flow and Free Cash Flow Margin

	Year Ended December 31,		Six Months Ended June 30,	
	2019	2020	2020	2021
	(in thousands, except percentages)			
Net cash provided by (used in) investing activities	$ (648)	$ (5,908)	$ (4,429)	$ 339
Net cash provided by financing activities	$ 874	$ 54,245	$ 50,885	$ 179,313
Net cash used in operating activities	$ (16,036)	$ (10,392)	$ (9,942)	$ (5,523)
Less:				
Purchase of property and equipment	$ (648)	$ (984)	$ (262)	$ (655)
Capitalization of internal-use software costs	$ —	$ (1,224)	$ (467)	$ (731)
Add:				
Direct listing expenses paid	$ —	$ —	$ —	$ 772
Free cash flow	$ (16,684)	$ (12,600)	$ (10,671)	$ (6,137)
Free cash flow margin	(24)%	(12)%	(23)%	(8)%

Components of Results of Operations

Revenue

We generate revenue primarily from sales of subscription services for customers to access our platform. Revenue is driven primarily by the number of paying customers and the level of subscription plan. We generally recognize revenue ratably over the related contractual term beginning on the date that the platform is made available to a customer. Revenue from professional services have primarily been attributed to implementation and training services. We recognize professional services revenue as services are delivered.

Cost of Revenue

Cost of revenue consists primarily of the cost of providing our platform to our customers and consists of third-party hosting fees, personnel-related expenses for our operations and support personnel, and amortization of our capitalized internal-use software and acquired developed software. As we acquire new customers and existing customers increase their use of our platform, we expect that our cost of revenue will continue to increase in dollar amount.

Gross Profit and Gross Margin

Gross profit, or revenue less cost of revenue, and gross margin, or gross profit as a percentage of revenue, has been and will continue to be affected by various factors, including the timing of our acquisition of new

customers, renewals of and follow-on sales to existing customers, costs associated with operating our platform, and the extent to which we expand our operations and customer support organizations. In the long term, we expect our gross profit to increase in dollar amount and our gross margin to improve as we optimize our system performance and leverage ingested data for new products.

Operating Expenses

Our operating expenses consist of research and development, sales and marketing, and general and administrative expenses. Personnel-related expenses are the most significant component of operating expenses and consist of salaries, benefits, stock-based compensation expense, and, in the case of sales and marketing expenses, sales commissions. Operating expenses also include an allocation of overhead costs for facilities and shared IT-related expenses.

Research and Development

Research and development expenses consist primarily of personnel-related expenses. These expenses also include product design costs prior to the application development stage, third-party services and consulting expenses, software subscriptions, and allocated overhead costs for overhead used in research and development activities. A substantial portion of our research and development efforts are focused on enhancing our software, including researching ways to add new features and functionality to our platform. We anticipate continuing to invest in innovation and technology development, and as a result, we expect research and development expenses to continue to increase in dollar amount but to decrease as a percentage of revenue over time. In addition, we expect to record additional stock-based compensation expenses from the RSU Settlement upon the completion of our direct listing.

Sales and Marketing

Sales and marketing expenses consist primarily of personnel-related expenses and expenses for performance marketing and lead generation, and brand marketing. These expenses also include allocated overhead costs and travel-related expenses. Sales commissions earned by our sales force that are considered incremental and recoverable costs of obtaining a subscription with a customer are deferred and amortized on a straight-line basis over the expected period of benefit of five years.

We continue to make investments in our sales and marketing organization, and we expect sales and marketing expenses to remain our largest operating expense in dollar amount. We expect our sales and marketing expenses to continue to increase in dollar amount but to decrease as a percentage of revenue over time, although the percentage may fluctuate from quarter to quarter depending on the extent and timing of our marketing initiatives.

General and Administrative

General and administrative expenses consist primarily of personnel-related expenses for our finance, human resources, information technology, and legal organizations. These expenses also include non-personnel costs, such as outside legal, accounting, and other professional fees, software subscriptions, as well as certain tax, license, and insurance-related expenses, and allocated overhead costs.

We also expect to recognize certain expenses as part of our transition to a publicly-traded company, consisting of professional fees and other expenses. In the quarters leading up to the listing of our Class A common stock, we expect to incur professional fees and expenses, and in the quarter of our listing we expect to incur fees paid to our financial advisors in addition to other professional fees and expenses related to such listing. Following the listing of our Class A common stock, we expect to continue to incur additional expenses as a result of operating as a public company, including costs to comply with the rules and regulations applicable to

companies listed on a U.S. securities exchange and costs related to compliance and reporting obligations pursuant to the rules and regulations of the SEC. In addition, as a public company, we expect to incur additional costs associated with accounting, compliance, insurance, and investor relations. As a result, we expect our general and administrative expenses to continue to increase in dollar amount for the foreseeable future but to generally decrease as a percentage of our revenue over the longer term, although the percentage may fluctuate from period to period depending on the timing and amount of our general and administrative expenses.

Other Income (Expense), Net

Other income (expense), net consists primarily of interest income on our cash holdings offset by foreign currency transaction gains and losses.

Provision for Income Taxes

Provision for income taxes consists primarily of income taxes in certain foreign jurisdictions in which we conduct business. To date, we have not recorded any U.S. federal income tax expense, and our state and foreign income tax expenses have not been material. We have recorded deferred tax assets for U.S. federal income taxes for which we provide a full valuation allowance. These deferred tax assets primarily include net operating loss carryforwards of $93.2 million and tax credit carryforwards of $2.8 million, net of reserves as of December 31, 2020, which begin expiring in 2032 and 2033, respectively. We expect to maintain this full valuation allowance for the foreseeable future as it is not more likely than not the deferred tax assets will be realized based on our history of losses.

Results of Operations

The following tables set forth our results of operations for the periods presented and as a percentage of our revenue for those periods. The period-to-period comparison of financial results is not necessarily indicative of financial results to be achieved in future periods.

	Year Ended December 31,		Six Months Ended June 30,	
	2019	2020	2020	2021
			(in thousands)	*(Unaudited)*
Revenue	$ 68,442	$ 102,464	$ 46,022	$ 72,364
Cost of revenue(1)	22,105	30,483	13,516	22,390
Gross profit	46,337	71,981	32,506	49,974
Operating expenses:				
Research and development(1)	19,036	26,098	14,141	15,529
Sales and marketing(1)	47,079	51,819	25,369	36,810
General and administrative(1)	14,553	18,067	9,498	13,531
Total operating expenses	80,668	95,984	49,008	65,870
Loss from operations	(34,331)	(24,003)	(16,502)	(15,896)
Other income, net	1,460	269	227	20
Loss before provision for income taxes	(32,871)	(23,734)	(16,275)	(15,876)
Provision for income taxes	663	833	348	646
Net loss	$ (33,534)	$ (24,567)	$ (16,623)	$ (16,522)

(1) Amounts include stock-based compensation expense as follows:

	Year Ended December 31,		Six Months Ended June 30,	
	2019	2020	2020	2021
			(Unaudited)	
	(in thousands)			
Cost of revenue	$ 358	$ 590	$ 243	$ 483
Research and development	1,419	5,582	3,986	2,063
Sales and marketing	4,429	6,512	3,705	1,689
General and administrative	1,128	3,869	2,552	1,361
Total stock-based compensation expense	$7,334	$16,553	$10,486	$5,596

Stock-based compensation expense for fiscal 2019, fiscal 2020 and the six months ended June 30, 2020 includes $2.2 million, $11.1 million, and $8.1 million, respectively, of compensation expense related common stock sales by select executives, which sales were made above fair value and were facilitated by us. For more information, refer to “Certain Relationships and Related Party Transactions” and Note 5 of our consolidated financial statements included elsewhere in this prospectus.

The following table sets forth the components of our statements of operations data, for each of the periods presented, as a percentage of revenue.

	Year Ended December 31,		Six Months Ended June 30,	
	2019	2020	2020	2021
			(Unaudited)	
Revenue	100%	100%	100%	100%
Cost of revenue	32%	30%	29%	31%
Gross margin	68%	70%	71%	69%
Operating expenses:				
Research and development	28%	25%	31%	21%
Sales and marketing	69%	51%	55%	51%
General and administrative	21%	18%	21%	19%
Total operating expenses	118%	94%	106%	91%
Loss from operations	(50%)	(23%)	(36%)	(22%)
Other income (expense), net	2%	*	*	*
Loss before provision for income taxes	(48%)	(23%)	(35%)	(22%)
Provision for income taxes	1%	1%	1%	1%
Net loss	(49%)	(24%)	(36%)	(23%)

* less than 1%

Note: Certain figures may not sum due to rounding

Comparison of Six Months Ended June 30, 2020 to Six Months Ended June 30, 2021

Revenue

	Six Months Ended June 30,			
	2020	2021	$ Change	% Change
	(Unaudited)			
	(in thousands, except percentages)			
Revenue	$ 46,022	$ 72,364	$ 26,342	57%

Revenue increased $26.3 million, or 57%, during the six months ended June 30, 2021 compared to the six months ended June 30, 2020. The increase in revenue was primarily due to growth of our paying customer

base of 51% and revenue generated from our existing paying customers as reflected by our dollar-based net retention of 119% as of June 30, 2021.

Cost of Revenue and Gross Margin

	Six Months Ended June 30,			
	2020	2021	$ Change	% Change
	(Unaudited) *(in thousands, except percentages)*			
Cost of revenue	$ 13,516	$ 22,390	$ 8,874	66%
Gross Margin	71%	69%	N/A	N/A

Cost of revenue increased $8.9 million, or 66%, during the six months ended June 30, 2021 compared to the six months ended June 30, 2020. The increase was primarily due to an increase of $5.5 million in third-party hosting costs as we increased capacity to support paying customer usage and growth of our paying customer base and $2.5 million in personnel and related expenses directly associated with an increase in headcount, including an increase in allocated overhead costs. Additionally, cost of revenue increased by $0.7 million due to the amortization of acquired intangibles assets related to our business combinations.

Our gross margin decreased during the six months ended June 30, 2021 compared to the six months ended June 30, 2020 mainly due to increases in amortization of acquired intangible assets and stock-based compensation expenses.

Operating Expenses

	Six Months Ended June 30,			
	2020	2021	$ Change	% Change
	(Unaudited) *(in thousands, except percentages)*			
Research and development	$ 14,141	$ 15,529	$ 1,388	10%
Sales and marketing	25,369	36,810	11,441	45%
General and administrative	9,498	13,531	4,033	42%
Total operating expenses	$ 49,008	$ 65,870	$16,862	34%

Research and Development

Research and development expenses increased $1.4 million, or 10%, during the six months ended June 30, 2021 compared to the six months ended June 30, 2020. The increase was primarily due to an increase of $3.2 million in personnel and related expenses directly associated with an increase in headcount, including an increase in allocated overhead costs. These increases were partially offset by a $1.9 million decrease in stock-based compensation expenses driven by secondary sales of our common stock during the six months ended June 30, 2020 that did not recur during the six months ended June 30, 2021.

Sales and Marketing

Sales and marketing expenses increased $11.4 million, or 45%, during the six months ended June 30, 2021 compared to the six months ended June 30, 2020. The increase was primarily due to an increase of $8.3 million in personnel and related expenses directly associated with an increase in headcount, including an increase in allocated overhead costs and an increase of $4.1 million related to expenses to support our marketing, lead generation and advertising programs. These increases were partially offset by a $2.0 million decrease in stock-based compensation expenses driven by secondary sales of our common stock during the six months ended June 30, 2020 that did not recur during the six months ended June 30, 2021.

General and Administrative

General and administrative expenses increased $4.0 million, or 42%, during the six months ended June 30, 2021 compared to the six months ended June 30, 2020. The increase was primarily due to $3.9 million in fees for professional services associated with preparing to be a public company, including direct listing expenses. This increase was also attributed to $0.9 million in personnel and related expenses directly associated with an increase in headcount, including an increase in allocated overhead costs. These increases were partially offset by a $1.2 million decrease in stock-based compensation expenses driven by secondary sales of our common stock during the six months ended June 30, 2020 that did not recur during the six months ended June 30, 2021.

Other Income (Expense), net

	Six Months Ended June 30,			
	2020	2021	$ Change	% Change
	(Unaudited) (in thousands, except percentages)			
Other income (expense), net	$ 227	$ 20	$ (207)	(91)%

Other income (expense), net decreased $0.2 million, or 91%, during the six months ended June 30, 2021 compared to the six months ended June 30, 2020. The decrease is related to a $0.2 million decrease in interest income resulting from lower interest rates on our cash and cash equivalents for the six months ended June 30, 2021.

Provision for Income Taxes

	Six Months Ended June 30,			
	2020	2021	$ Change	% Change
	(Unaudited) (in thousands, except percentages)			
Provision for income taxes	$ 348	$ 646	$ 298	86%

Provision for income taxes increased $0.3 million, or 86%, during the six months ended June 30, 2021 compared to the six months ended June 30, 2020 due to increased foreign taxes resulting from increased foreign income.

Comparison of Fiscal 2019 and Fiscal 2020

Revenue

	Year Ended December 31,			
	2019	2020	$ Change	% Change
	(in thousands, except percentages)			
Revenue	$ 68,442	$ 102,464	$ 34,022	50%

Revenue increased $34.0 million, or 50%, for fiscal 2020 compared to fiscal 2019. The increase in revenue was primarily due to growth of our paying customer base of 41% and revenue generated from our existing paying customers as reflected by our dollar-based net retention of 119% as of December 31, 2020.

Cost of Revenue and Gross Margin

	Year Ended December 31,			
	2019	2020	$ Change	% Change
	(in thousands, except percentages)			
Cost of revenue	$ 22,105	$ 30,483	$ 8,378	38%
Gross margin	68%	70%		

Cost of revenue increased $8.4 million, or 38%, for fiscal 2020 compared to fiscal 2019. The increase was primarily due to an increase of $6.0 million in third-party hosting costs as we increased capacity to support paying customer usage and growth of our paying customer base and $2.1 million in personnel and related expenses directly associated with an increase in headcount, including an increase in allocated overhead costs.

Our gross margin increased for fiscal 2020 compared to fiscal 2019 as we increased our revenue and more efficiently managed customer-related support costs.

Operating Expenses

	Year Ended December 31,			
	2019	2020	$ Change	% Change
	(in thousands, except percentages)			
Research and development	$ 19,036	$ 26,098	$ 7,062	37%
Sales and marketing	47,079	51,819	4,740	10%
General and administrative	14,553	18,067	3,514	24%
Total operating expenses	$ 80,668	$ 95,984	$ 15,316	19%

Research and Development

Research and development expenses increased $7.1 million, or 37%, for fiscal 2020 compared to fiscal 2019. The increase was primarily due to an increase of $4.0 million in personnel and related expenses directly associated with an increase in headcount, including an increase in allocated overhead costs. This increase also was attributable to $4.2 million in stock-based compensation expenses as a result of secondary sales of our common stock, increased headcount and increased value of stock-based awards. These increases were partially offset by $1.2 million capitalized into internal-use software costs.

Sales and Marketing

Sales and marketing expenses increased $4.7 million, or 10%, for fiscal 2020 compared to fiscal 2019. The increase was primarily due to an increase of $6.2 million in personnel and related expenses directly associated with an increase in headcount, including an increase in allocated overhead costs. This increase also was attributable to $2.1 million in stock-based compensation expenses as a result of secondary sales of our common stock, increased headcount, and increased value of stock-based awards. These increases were partially offset by a decrease of $2.4 million in travel-related expenses as a result of changes in sales and marketing travel due to travel restrictions resulting from the COVID-19 pandemic.

General and Administrative

General and administrative expenses increased $3.5 million, or 24%, for fiscal 2020 compared to fiscal 2019. The increase was primarily due to an increase of $2.7 million in stock-based compensation expense as a result of secondary sales of our common stock, increased headcount and increased value of stock-based awards. This increase was also attributed to an increase of $0.7 million in fees for professional services and an increase of $0.4 million in software subscriptions to support the growth of our business and related infrastructure.

Other Income (Expense), net

	Year Ended December 31,			
	2019	2020	$ Change	% Change
	(in thousands, except percentages)			
Other income (expense), net	$ 1,460	$ 269	$ (1,191)	(82%)

Other income (expense), net decreased $1.2 million, or 82%, for fiscal 2020 compared to fiscal 2019. The decrease is primarily related to a $1.1 million decrease in interest income resulting from lower interest rates on our cash and cash equivalents for the fiscal year.

Provision for Income Taxes

	Year Ended December 31,			
	2019	2020	$ Change	% Change
	(in thousands, except percentages)			
Provision for income taxes	$ 663	$ 833	$ 170	26%

Provision for income taxes increased $0.2 million, or 26%, for fiscal 2020 compared to fiscal 2019 due to increased foreign taxes resulting from increased foreign income.

Quarterly Results of Operations Data

The following tables set forth selected unaudited quarterly statements of operations data for each of the eight fiscal quarters ended June 30, 2021, as well as the percentage of revenue that each line item represents for each quarter. The information for each of these quarters has been prepared in accordance with U.S. GAAP on the same basis as our audited annual consolidated financial statements included elsewhere in this prospectus and includes, in the opinion of management, all adjustments, consisting only of normal recurring adjustments, necessary for the fair statement of the results of operations for these periods. This data should be read in conjunction with our consolidated financial statements included elsewhere in this prospectus. These quarterly results are not necessarily indicative of our results of operations to be expected for any future period.

	Three Months Ended							
	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021	June 30, 2021
	(in thousands)							
Revenue	$ 18,159	$ 20,094	$ 22,330	$ 23,692	$ 26,366	$ 30,076	$ 33,110	$ 39,254
Cost of revenue(1)	5,594	6,098	6,310	7,206	7,765	9,202	10,225	12,135
Gross profit	12,565	13,996	16,020	16,486	18,601	20,874	22,855	27,119
Operating expenses:								
Research and development(1)	4,450	4,587	5,655	8,486	5,586	6,371	6,985	8,544
Sales and marketing(1)	10,919	12,350	11,176	14,193	11,482	14,968	16,770	20,040
General and administrative(1)	3,807	3,547	4,144	5,354	3,918	4,651	5,250	8,282
Total operating expenses	19,176	20,484	20,975	28,033	20,986	25,990	29,005	36,866
Loss from operations	(6,611)	(6,488)	(4,955)	(11,547)	(2,385)	(5,116)	(6,150)	(9,747)
Other income (expense), net	339	274	175	51	18	25	(12)	32
Loss before provision for income taxes	(6,272)	(6,214)	(4,780)	(11,496)	(2,367)	(5,091)	(6,162)	(9,715)
Provision for income taxes	156	177	128	219	207	279	278	368
Net loss	$ (6,428)	$ (6,391)	$ (4,908)	$ (11,715)	$ (2,574)	$ (5,370)	$ (6,440)	$ (10,083)

(1) Amounts include stock-based compensation expense as follows:

	Three Months Ended							
	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021	June 30, 2021
	(in thousands)							
Cost of revenue	$ 87	$ 123	$ 129	$ 114	$ 167	$ 180	$ 236	$ 247
Research and development	286	314	312	3,675	513	1,082	910	1,154
Sales and marketing	1,060	397	389	3,316	495	2,312	823	866
General and administrative	297	270	262	2,290	263	1,054	609	752
Total stock-based compensation expense	$ 1,730	$ 1,104	$ 1,092	$ 9,395	$ 1,438	$ 4,628	$ 2,578	$ 3,019

Stock-based compensation expense for the second quarter 2019, second quarter 2020, and fourth quarter 2020 includes $2.2 million, $8.1 million, and $3.0 million, respectively, of compensation expense related to common stock sales by select executives, which sales were made above fair value and were facilitated by us. For

more information, refer to “Certain Relationships and Related Party Transactions” and Note 5 of our consolidated financial statements included elsewhere in this prospectus.

All values from the statements of operations data, expressed as a percentage of revenue, were as follows:

	Three Months Ended							
	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021	June 30, 2021
Revenue	100%	100%	100%	100%	100%	100%	100%	100%
Cost of revenue	31%	30%	28%	30%	29%	31%	31%	31%
Gross margin	69%	70%	72%	70%	71%	69%	69%	69%
Operating expenses:								
Research and development	25%	23%	25%	36%	21%	21%	21%	22%
Sales and marketing	60%	61%	50%	60%	44%	50%	51%	51%
General and administrative	21%	18%	19%	23%	15%	15%	16%	21%
Total operating expenses	106%	102%	94%	118%	80%	86%	88%	94%
Loss from operations	(36)%	(32)%	(22)%	(49)%	(9)%	(17)%	(19)%	(25)%
Other income (expense), net	2%	1%	1%	*	*	*	*	*
Loss before provision for income taxes	(35)%	(31)%	(21)%	(49)%	(9)%	(17)%	(19)%	(25)%
Provision for income taxes	1%	1%	1%	1%	1%	1%	1%	1%
Net loss	(35%)	(32%)	(22%)	(49%)	(10%)	(18%)	(19)%	(26)%

* less than 1%

Note: Certain figures may not sum due to rounding

Quarterly Trends

Revenue

Our quarterly revenue increased sequentially in each of the periods presented due primarily to the addition of new paying customers and revenue growth from expansion within our existing paying customer base. Our revenue growth was briefly slowed in the quarter ended June 30, 2020 due to the COVID-19 pandemic, however, customer retention and expansion improved resulting in increased revenue growth in subsequent quarters.

Cost of Revenue and Gross Margin

Cost of revenue increased sequentially in each of the quarters presented, primarily driven by increased third-party hosting-related costs due to expanded use of our platform by new and existing customers as well as increased headcount, which resulted in increased personnel expenses.

Our quarterly gross margins have fluctuated between 69% and 72% in each period presented. During the quarter ended March 31, 2020, gross margin increased primarily as a result of decreased third-party hosting services related to providing access to and supporting our platform due to decreased volumes. During the quarter ended June 30, 2020, gross margin decreased as a result of an increased third-party hosting fees and other services related to providing access to and supporting our platform as volumes increased compared to the previous quarter. These costs can fluctuate based on volume of data being used by new and existing customers.

Operating Expenses

Total operating expenses have increased sequentially in each quarter presented with the exception of the quarter ended September 30, 2020 as a result of $8.1 million in stock compensation expenses related to common

stock sales by select executives during the quarter ended June 30, 2020, which sales were made above fair value and were facilitated by us. For more information, refer to "Certain Relationships and Related Party Transactions" and Note 5 of our consolidated financial statements included elsewhere in this prospectus. Other sequential increases in total operating expenses were primarily due to increases in personnel-related expenses as a result of increased headcount and other related expenses to support the growth of our business and related infrastructure. General and administrative expenses during the quarter ended June 30, 2021 also increased due to professional services associated with preparing to be a public company, including $2.1 million of direct listing expenses.

Other Income (Expense), net

Other income (expense), net generally decreased each period presented primarily due to lower interest rates resulting in a decrease in interest income on our cash and cash equivalents.

Liquidity and Capital Resources

Since inception, we have financed operations primarily through the net proceeds we have received from the sales of our preferred stock and common stock as well as cash generated from the sale of subscriptions to our platform. We have generated losses from our operations as reflected in our accumulated deficit of $121.3 million as of June 30, 2021 and negative cash flows from operating activities for fiscal 2019 and fiscal 2020 as well as the six months ended June 30, 2020 and 2021. Our future capital requirements will depend on many factors, including revenue growth and costs incurred to support our platform, including growth in our customer base and customer usage, increased research and development expenses to support the growth of our business and related infrastructure, and increased general and administrative expenses to support being a publicly-traded company.

As of June 30, 2021, our principal sources of liquidity were cash and cash equivalents of $291.1 million and restricted cash of $1.9 million. Additionally, a substantial source of our cash provided by operating activities is our deferred revenue, which is included on our consolidated balance sheets as a liability. Deferred revenue consists of the unearned portion of billed fees for our subscriptions, which is recorded as revenue over the term of the subscription agreement. As of December 31, 2019 and 2020 and June 30, 2021, we had $29.8 million, $40.8 million, and $61.1 million of deferred revenue, respectively, all of which were recorded as a current liability. This deferred revenue will be recognized as revenue when or as the related performance obligations are met.

We assess our liquidity primarily through our cash on hand as well as the projected timing of billings under contract with our paying customers and related collection cycles. We believe our current cash and cash equivalents on hand will be sufficient to meet our working capital and capital expenditure requirements for at least the next 12 months. In the event that additional financing is required from outside sources, we may seek to raise additional funds at any time through equity, equity-linked arrangements, and debt. If we are unable to raise additional funds when desired and at reasonable rates, our business, results of operations, and financial condition would be adversely affected. See "Risk Factors—Risks Related to Our Business and Industry—We may require additional capital to support the growth of our business, and this capital might not be available on acceptable terms, if at all."

Cash Flows

The following table shows a summary of our cash flows for the periods presented:

	Year Ended December 31,		Six Months Ended June 30,	
	2019	2020	2020	2021
		(in thousands)	*(Unaudited)*	
Net cash used in operating activities	$ (16,036)	$ (10,392)	$ (9,942)	$ (5,523)
Net cash provided by (used in) investing activities	$ (648)	$ (5,908)	$ (4,429)	$ 339
Net cash provided by financing activities	$ 874	$ 54,245	$ 50,885	$ 179,313

Operating Activities

Our largest source of operating cash is cash collection from sales of subscriptions to our paying customers. Our primary uses of cash from operating activities are for personnel-related expenses, marketing expenses, and third-party hosting-related and software expenses. In the last several years, we have generated negative cash flows from operating activities and have supplemented working capital requirements through net proceeds from the sale of preferred stock and common stock.

Net cash used in operating activities of $5.5 million for the six months ended June 30, 2021 reflects our net loss of $16.5 million, adjusted by non-cash items such as stock-based compensation expense of $5.6 million and depreciation and amortization of $1.3 million as well as net cash provided by changes in our operating assets and liabilities of $4.1 million. The net cash provided by changes in operating assets and liabilities primarily consisted of a $7.8 million increase in prepaid expenses and other current and noncurrent assets related to an increase in prepayments made in advance for future services, an increase in deferred commissions of $5.5 million, and a $7.8 million increase in accounts receivable due to higher customer billings. These decreases were partially offset by an $20.2 million increase in deferred revenue, resulting from increased billings for subscriptions, and a $4.5 million increase in accrued expenses and accounts payable, resulting primarily from increases in accrued professional services, marketing, accrued payroll, and benefits due to an increase in the size of our operations.

Net cash used in operating activities of $9.9 million for the six months ended June 30, 2020 reflects our net loss of $16.6 million, adjusted by non-cash items such as stock-based compensation expense of $10.5 million and depreciation and amortization of $0.7 million partially offset by net cash used from changes in our operating assets and liabilities of $4.6 million. The net cash used from changes in operating assets and liabilities primarily consisted of an increase in deferred commissions of $1.9 million and a $1.2 million decrease in accrued expenses and accounts payable as well as a $0.8 million increase in prepaid expenses and other current and noncurrent assets related to an increase in prepayments made in advance for future services.

Net cash used in operating activities of $10.4 million for fiscal 2020 reflects our net loss of $24.6 million, adjusted by non-cash items such as stock-based compensation expense of $16.6 million and depreciation and amortization of $1.7 million as well as net cash used from changes in our operating assets and liabilities of $4.3 million. The net cash used from changes in operating assets and liabilities primarily consisted of a $7.2 million increase in prepaid expenses and other current and noncurrent assets related to an increase in prepayments made in advance for future services, an increase in deferred commissions of $7.2 million, and a $5.6 million increase in accounts receivable due to higher customer billings. These decreases were partially offset by an $11.0 million increase in deferred revenue, resulting from increased billings for subscriptions, and a $4.1 million increase in accrued expenses and accounts payable, resulting primarily from increases in accrued professional services, marketing, accrued payroll, and benefits due to an increase in the size of our operations.

Net cash used in operating activities of $16.0 million for fiscal 2019 reflects our net loss of $33.5 million, adjusted by non-cash items such as stock-based compensation expense of $7.3 million and depreciation and amortization of $0.7 million partially offset by net cash provided from changes in our operating assets and liabilities of $9.3 million. The net cash provided from changes in operating assets and liabilities primarily consisted of a $13.5 million increase in deferred revenue, resulting from increased billings for subscriptions, and a $3.2 million increase in accrued expenses and accounts payable, resulting primarily from increases in accrued professional services, marketing, accrued payroll, and benefits due to increase in the size of our operations. This increase was partially offset by an increase in deferred commissions of $5.8 million and a $1.2 million increase in accounts receivable due to higher customer billings. Additionally, there was a $0.7 million increase in prepaid expenses and other current and noncurrent assets related to an increase in prepayments made in advance for future services.

Investing Activities

Net cash provided by investing activities of $0.3 million for the six months ended June 30, 2021 consisted of $1.7 million in net cash acquired upon the acquisition of a privately-held company. The increases were partially offset by $0.7 million of capitalized internal-use software development costs and $0.7 million in purchases of property and equipment.

Net cash used in investing activities of $4.4 million for the six months ended June 30, 2020 consisted of $3.7 million in cash paid for an acquisition, $0.5 million of capitalized internal-use software development costs, and $0.3 million in purchases of property and equipment.

Net cash used in investing activities of $5.9 million for fiscal 2020 consisted of $3.7 million in cash paid for an acquisition, $1.2 million of capitalized internal-use software development costs, and $1.0 million in purchases of property and equipment.

Net cash used in investing activities of $0.6 million for fiscal 2019 consisted of $0.6 million in purchases of property and equipment.

Financing Activities

Net cash provided by financing activities of $179.3 million for the six months ended June 30, 2021 primarily consisted of $173.3 million in net proceeds from the sale and issuance of Series F preferred stock; and $6.0 million in proceeds from the exercise of stock options.

Net cash provided by financing activities of $50.9 million for the six months ended June 30, 2020 primarily consisted of $49.6 million in net proceeds from the sale and issuance of Series E preferred stock, $0.2 million in net proceeds from the sale and issuance of Series D preferred stock, and $1.0 million in proceeds from the exercise of stock options.

Net cash provided by financing activities of $54.2 million for fiscal 2020 primarily consisted of $49.6 million in net proceeds from the sale and issuance of Series E preferred stock, $0.2 million in net proceeds from the sale and issuance of Series D preferred stock, and $4.4 million in proceeds from the exercise of stock options.

Net cash provided by financing activities of $0.9 million for fiscal 2019 primarily consisted of $0.7 million in net proceeds from the sale and issuance of Series D preferred stock and $0.4 million in proceeds from the exercise of stock options.

Remaining Performance Obligations

Remaining performance obligations (“RPO”) as of December 31, 2019 and 2020 and the six months ended June 30, 2020 and 2021, including the expected timing of recognition is as follows:

	As of December 31,			As of June 30,		
	2019	2020	% Change	2020	2021	% Change
	(in thousands, except percentages) (Unaudited)					
Less than or equal to 12 months	$ 58,629	$ 85,706	46%	$ 66,459	$ 116,922	76%
Greater than 12 months	5,015	9,931	98%	10,917	21,955	101%
Total remaining performance obligations	$ 63,644	$ 95,637	50%	$ 77,376	$ 138,877	79%

Our remaining performance obligations represent the amount of contracted future revenue that has not yet been recognized, including both deferred revenue and non-cancelable contracted amounts that will be invoiced and recognized as revenue in future periods. RPO excludes performance obligations from overages. RPO is

influenced by a number of factors, including the timing of renewals, the timing of purchases, average contract terms, and seasonality. Due to these factors, it is important to review RPO in conjunction with product revenue and other financial metrics disclosed elsewhere in this prospectus.

Contractual Obligations and Commitments

As of December 31, 2020, the contractual commitment amounts in the table below are associated with agreements that are enforceable and legally binding. Purchase orders issued in the ordinary course of business are not included in the table below, as our purchase orders represent authorizations to purchase rather than binding agreements.

	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
			(in thousands)		
Operating lease and real estate-related commitments(1)	$ 5,954	$ 2,999	$ 1,273	$ 1,219	$ 463
Purchase commitments(2)	18,796	7,238	11,558	—	—
Total contractual obligations	$ 24,750	$ 10,237	$ 12,831	$ 1,219	$ 463

(1) Consists of future real estate-related non-cancelable minimum rental payments under operating leases and real estate commitments with substitution rights.
(2) Included in this commitment is a hosting arrangement with Amazon Web Services (AWS). In October 2019, we entered into a 36-month contract with AWS for hosting-related services. Pursuant to the terms of the contract, we are required to spend a minimum of $15 million within each contract year for three years. As of December 31, 2020, we had $17 million remaining on the commitment.

In May 2021, the Company entered into a new sublease agreement for its principal executive office located in San Francisco. As of June 30, 2021, the contractual commitment amounts were as follows:

	Total	Remainder of 2021	2022 –2023	2024 – 2025	After 2025
			(in thousands)		
Operating lease and real estate-related commitments(1)	$ 15,245	$ 636	$ 6,951	$ 7,195	$ 463
Purchase commitments(2)	17,287	4,339	12,948	—	—
Total contractual obligations	$ 32,532	$ 4,975	$ 19,899	$ 7,195	$ 463

(1) Consists of future real estate related non-cancelable minimum rental payments under operating leases and real estate commitments with substitution rights.
(2) Included in this commitment is a hosting arrangement with Amazon Web Services (AWS). In October 2019, we entered into a 36-month contract with AWS for hosting-related services. Pursuant to the terms of the contract, we are required to spend a minimum of $15 million within each contract year for three years. As of June 30, 2021, we had $15 million remaining on the commitment.

Indemnification Agreements

In the ordinary course of business, we enter into agreements of varying scope and terms pursuant to which we agree to indemnify customers, vendors, lessors, business partners, and other parties with respect to certain matters, including, but not limited to, losses arising out of the breach of such agreements, services to be provided by us, or from intellectual property infringement claims made by third parties. Additionally, in connection with the listing of our Class A common stock, we have entered into indemnification agreements with our directors and certain officers and employees that will require us, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors, officers, or employees. No demands have been made upon us to provide indemnification under such agreements, and there are no claims that we are aware of that could have a material effect on our financial position, results of operations, or cash flows.

Off-Balance Sheet Arrangements

For all periods presented, we did not have any relationships with unconsolidated organizations or financial partnerships, such as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

Our cash and cash equivalents consists of cash on hand. As of June 30, 2021, we had cash and cash equivalents of $291.1 million. We do not have any marketable securities and we do not enter into investments for trading or speculative purposes. Our investments are exposed to market risk due to fluctuations in interest rates, which may affect our interest income on cash and cash equivalents. However, an immediate 10% increase or decrease in interest rates would not have a material effect on the fair value of our portfolio. We therefore do not expect our operating results or cash flows to be materially affected by a sudden change in market interest rates.

Foreign Currency Risk

The vast majority of our subscription agreements are denominated in U.S. dollars, with a small number of subscription agreements denominated in foreign currencies. A portion of our operating expenses are incurred outside the United States, denominated in foreign currencies, and subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in the Euro, British Pound, Canadian Dollar, Singapore Dollar, and Japanese Yen. Additionally, fluctuations in foreign currency exchange rates may cause us to recognize transaction gains and losses in our consolidated statements of operations. As the impact of foreign currency exchange rates has not been material to our historical operating results, we have not entered into derivative or hedging transactions, but we may do so in the future if our exposure to foreign currency becomes more significant.

Inflation Risk

We do not believe that inflation has had a material effect on our business, results of operations, or financial condition. Nonetheless, if our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs. Our inability or failure to do so could harm our business, results of operations, or financial condition.

Critical Accounting Policies and Estimates

Revenue Recognition

We generate revenue primarily from sales of subscription services. Revenue is recognized when, or as, the related performance obligation is satisfied by transferring the control of the promised service to a customer. The amount of revenue recognized reflects the consideration that we expect to be entitled to receive in exchange for these services.

We account for revenue contracts with customers by applying the requirements of ASC 606, which includes the following steps:

- Identification of the contract, or contracts, with the 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
- Recognition of the revenue when, or as, a performance obligation is satisfied

Our SaaS subscription agreements with customers enable them to access and send event volume data to our platform. Subscription arrangements with customers do not provide the customer with the right to take possession of our software at any time. Instead, customers are granted continuous access to the platform over the contractual period. A time-elapsed method is used to measure progress because our obligation is to provide continuous service over the contractual period and control is transferred evenly over the contractual period. Accordingly, the fixed consideration related to subscription revenue is recognized ratably over the contract term beginning on the date access to the subscription product is provisioned. The typical subscription term is 12 months with various payment terms ranging from monthly to annual upfront payments. Most contracts are non-cancelable over the contractual term. Some customers have the option to purchase additional subscription services at a stated price. These options are evaluated on a case-by-case basis but generally do not provide a material right as they do not provide a discount to the customer that is incremental to the range of discounts typically given for the same services that are sold to a similar class of customers, even when the stand-alone selling price of the services subject to the option is highly variable.

Deferred Contract Acquisition Costs (Deferred Commissions)

We capitalize sales commissions that are recoverable and incremental due to the acquisition of customer contracts. We determine whether costs should be deferred based on its sales compensation plans, if the commissions are in fact incremental and would not have occurred absent the customer contract.

Commissions paid upon the initial acquisition of a contract are deferred and then amortized on a straight-line basis over a period of benefit, determined to be five years. The period of benefit is estimated by considering factors such as the expected life of our subscription contracts, historical customer attrition rates, technological life of our platform, as well as other factors. Sales commissions for renewal of a subscription contract are not considered commensurate with the commissions paid for the acquisition of the initial subscription contract given the substantive difference in commission rates between new and renewal contracts. We determine the period of benefit for renewal subscription contracts by considering the contractual term for renewal contracts.

Amounts anticipated to be recognized within 12 months of the balance sheet date are recorded as deferred commissions, current, with the remaining portion recorded as deferred commissions, noncurrent, in the consolidated balance sheets. Amortization of deferred commissions is included in sales and marketing expense in the consolidated statement of operations. We periodically review these deferred commissions to determine whether events or changes in circumstances have occurred that could impact recoverability or the period of benefit. There were no impairment losses recorded during the periods presented.

Stock-Based Compensation Expense

We measure and recognize compensation expense for all stock-based payment awards granted to employees, directors, and non-employees based on the estimated fair values on the date of the grant and vesting criteria. For options, vesting is typically over a four-year period and is contingent upon continued employment on each vesting date. In general, options granted to newly hired employees vest 25% after the first year of service and ratably each month over the remaining 36-month period.

The fair value of options granted are estimated on the grant date using the Monte Carlo simulation model. The determination of the grant date fair value is affected by the estimated fair value of our common stock as well as additional assumptions regarding a number of other subjective variables. These variables include expected stock price volatility over a contractual term, actual and projected employee stock option exercise behaviors, the risk-free interest rate for a contractual term, and expected dividends.

We recognize compensation expense for service-based stock-based awards as an expense over the employee’s or director’s requisite service period on a straight-line basis. We also have certain options and awards

that have performance-based vesting conditions upon certain liquidity events. As of December 31, 2019 and 2020 and June 30, 2020 and 2021, no such liquidity events have been achieved and therefore no expense has been recorded for performance-based awards. Forfeitures are accounted for as they occur. Stock-based compensation expense is allocated to cost of revenue and operating expenses on the consolidated statements of operations based on the associated employee's functional department.

The following assumptions and data inputs were used for each respective period to calculate our stock-based compensation:

	Year Ended December 31,		Six Months Ended June 30,	
	2019	2020	2020	2021
			(Unaudited)	
Fair value of common stock	$ 2.26 - $3.24	$ 3.16 - $5.32	$ 3.16 - $3.70	$ 7.48 - $21.75
Expected dividend yield	—%	—%	—	—
Risk-free interest rate	1.48% - 2.39%	0.70% - 0.90%	0.70%	1.40% - 1.70%
Expected volatility	61%	70% - 75%	72.5% - 75%	60% - 70%
Contractual term (years)	10.0	10.0	10.0	10.0

Determining Fair Value of Stock Options

The fair value of each grant of stock option was determined by us using the methods and assumptions discussed below. The determination of each of these inputs is subjective and generally requires a level of judgment.

Expected volatility – The expected stock price volatility assumption was determined by examining the historical volatilities of a group of industry peers over a period equal to the expected life of the options, as we did not have any trading history for our common stock.

Contractual term – The contractual term of stock options is used to model the expected exercise behavior of the option holders with a 10-year exercise period. This method utilizes a Monte Carlo simulation based on historical exercise data as the options are not considered to be plain-vanilla where a simplified method is allowed as certain holders have up until option expiration to exercise regardless of employment status. The Monte Carlo simulation models expected exercise behavior utilizing an estimated stock price at which the holder of the option would choose to exercise an option prior to the end of the stated term. For this assumption, we utilized a value multiple on the strike price of 4.0 times.

Expected dividend – The expected dividend assumption was based on our history and expectation that it will not declare dividend payout for the near future.

Risk free interest rate – The risk-free interest rate is based on the U.S. Treasury zero coupon issues in effect at the time of grant for periods corresponding with the contractual terms.

Fair value of common stock – The fair value of our common stock is determined by our board of directors, which intends all options granted to be exercisable at a price per share not less than the per share fair value of the common stock underlying those options on the date of grant. The valuations of our common stock are determined in accordance with the guidelines outlined in the American Institute of Certified Public Accountants Practice Aid, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*. The board of directors considered numerous objective and subjective factors to determine the fair value of our common stock at each meeting in which awards were approved. The factors considered included, but were not limited to:

(i) the results of contemporaneous independent third-party valuations of our common stock;

(ii) the prices, rights, preferences, and privileges of our redeemable convertible preferred stock relative to those of its common stock;

(iii) the lack of marketability of our common stock;

(iv) actual operating and financial results;

(v) current business conditions and projections;

(vi) the likelihood of achieving a liquidity event, such as an initial public offering, direct listing, or sale of our Company, given prevailing market conditions; and

(vii) precedent transactions involving our shares.

In valuing our common stock, the fair value of our business was determined using various valuation methods, including combinations of income and market approaches. The income approach estimates value based on the expectation of future cash flows that our company will generate. These future cash flows are discounted to their present values using a discount rate that is derived from an analysis of the cost of capital of comparable publicly-traded companies in our industry or similar business operations as of each valuation date and is adjusted to reflect the risks inherent in our cash flows. The market approach estimates value based on a comparison of our company to comparable public companies in a similar line of business and similar to us in economic drivers and operating characteristics. From the comparable companies, a representative market value multiple is determined and then applied to our prior financial results and future financial forecasts to estimate the value of our business. Concurrent with preferred stock financings, we also used the option pricing model to back solve the value of our common stock utilizing our most recent round of financing, which implies a total equity value as well as a per share common stock value.

For each valuation, the fair value of our business determined by the income and market approaches was then allocated to the common stock using either the option-pricing method ("OPM"), or a hybrid of the probability-weighted expected return method ("PWERM") and OPM methods.

Our valuations prior to March 31, 2021 were allocated based on the OPM. Beginning March 31, 2021, our valuations were allocated based on a hybrid method of the PWERM and the OPM. Using the PWERM, the value of our common stock is estimated based upon a probability-weighted analysis of varying values for our common stock assuming possible future events for our company, including a scenario assuming we become a publicly-traded company and a scenario assuming we continue as a privately-held company.

In addition, we also considered and included secondary transactions involving our capital stock in our valuations. In our evaluation of those transactions, we considered the facts and circumstances of each transaction to determine the extent to which they represented a fair value exchange. Factors considered include transaction volume, timing, whether the transactions occurred among willing and unrelated parties, and whether the transactions involved investors with access to our financial information.

Upon the listing of our Class A common stock, our Class A common stock will be publicly traded and will therefore be subject to potentially significant fluctuations in the market price. Increases and decreases in the market price of our common stock will also increase and decrease the fair value of our stock-based awards granted in future periods.

Recent Accounting Pronouncements

See Note 1 to our consolidated financial statements included elsewhere in this prospectus for more information regarding recent accounting pronouncements.

JOBS Act Accounting Election

We are an emerging growth company, as defined in the JOBS Act. The JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This provision allows an emerging growth company to delay the adoption of some accounting standards until those standards would otherwise apply to private companies. We have elected to use the extended transition period under the JOBS Act until the earlier of the date we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

A LETTER FROM OUR FOUNDERS

The ideas in this letter have passed through hundreds of digital products before making their way to you. Whether it's communication, entertainment, commerce, or business, digital products now shape the fabric of our lives and we can't imagine life without them. We love digital products.

In 2011, as programmers passionate about creating products, we set out to change the world by bringing voice control to every mobile phone via Sonalight. We wanted Sonalight to be a great product. We got close, but in the process made an important realization about digital products. They're so powerful, and yet, they still frustrate us with bad experiences: issues logging in, clunky interfaces, not being able to find what we're looking for.

We were shocked to find that the tools didn't exist to help us overcome that. We couldn't see the biggest issues our customers were having. We couldn't tell why people loved the product. We couldn't even be sure about whether the voice recognition technology was good enough. To answer these questions, we spent half of our time building our own analytics system. It was painful to spend so much time building infrastructure instead of innovating on product.

It made us wonder - why doesn't every product creator have this?

We started Amplitude to enable the world to build great digital products - *data driven products*. A decade in, our conviction has only grown stronger. As we bring Amplitude to the public markets, we hope you'll share in our enthusiasm.

Amplitude's Vision

Amplitude's purpose is **to help companies build better products**. We aspire to change the way they are built — *through data*.

The History of Products

For most of human history, products were exclusive and expensive. Each breakthrough in product development dramatically improved our standard of living. The *industrial revolution* brought down the cost of manufacturing goods. Products like clothing and cookware became widely available. The *digital revolution* brought forth digital products with zero marginal cost of production. Software like Microsoft Word could be written once and be used by millions. *The internet* reduced the cost of distribution of these digital products to zero. It became possible to get a product in the hands of billions of people for free. *Agile development* enabled the development process to merge with production and distribution. Software could continually improve while being used, hundreds of times per day.

The upshot is that product creators can produce, distribute, and improve products orders of magnitude faster and better than before. A small team can create an application today that hundreds of millions of people use tonight. The sum of these improvements has put us in a world of abundance. 500 million digital products have been built over the last 40 years and another 500 million will be built in the next 3 years.

What People Want

There is a last frontier that looms larger than ever: we don't know if we're building what people want. This has always been the central challenge of great product development. Every other part of the product development process has gone through transformational change except for this one.

The state of the art for knowing what people want hasn't changed for hundreds of years: either use the product yourself or ask users. Users are great at raising problems but often come up short on solutions. The reality is we don't know what people want when it comes to products. Experts don't. Companies don't. Markets don't.

Data Driven Products

Actions speak louder than words. What people do with a product is a far stronger signal of what they want than what they tell us. People are bad at knowing what they want and there's often a huge disconnect between what they say and what they do.

We're at the start of a fundamental shift in the product development process. Because of the rise of digital products, it's now possible to observe those actions. How people use a product is no longer a black box. This is why Amplitude exists.

This observation is a powerful tool in our arsenal to understand what people want. We can understand what motivates people to use a product, or what frustrates them and drives them away. We can uncover use cases that we had no idea were important. We can harness all of that data and use it to build better products. Facebook famously discovered that 7 friends was the key to great user engagement and redesigned its product experience around that. Calm learned that a huge part of their value was helping users build a habit around meditation through daily reminders. Peloton found that social interaction kept people coming back to classes and created leaderboards and high fives.

It doesn't stop there. We can feed the observations we have on users back into their product experience without manual intervention. We've seen early attempts at creating an automated understanding of what people want: recency lists, customized interfaces, and personalized recommendations to name a few. Imagine a world where this plays out, and every part of the product becomes better based on what a user has done before.

This all accelerates the rest of the product development process. As we continuously deploy new versions of a product, data driven product development allows us to directly measure what's working and what's not. We now have a continuous feedback loop for what we're building.

The last barrier in product development is knowing what people want. If we can knock it down through data driven products, we can close the distance between product creators and their users. We can live in a world where products are much more effective than they are today. We can get to a transformative end state where we know exactly what people want and exactly how to build products to suit their needs. That is the promise of *data driven products*.

From Mad Men to Moneyball

Product is not the first function in a company to become data driven. A lot of how marketing has changed in the last 20 years gives us clues to how it will play out.

Marketing teams used to be run by Mad Men, the characters in the AMC show about 1960's marketing executives. Success was about coming up with a creative advertising campaign that felt compelling to an expert. It was impossible to attribute what led to success in marketing: "Half the money I spend on advertising is wasted; the trouble is I don't know which half."

Over the last 20 years, the shift to data driven marketing has created an entirely new ecosystem. The internet made it possible to test, measure, and observe the success of marketing directly, and as a result, the martech ecosystem exploded. The marketing function grew in importance with the rise of the CMO. The demand generation function emerged, with quantitative evidence becoming commonplace in marketing decisions. Today, it's expected that every marketing team takes a data driven Moneyball approach.

The shift to data driven product development will be even bigger. The early examples are promising. Facebook became a dominant tech company because they figured out the power of the social network through data. Netflix creates content on the basis of what people watch and has become the newest media powerhouse. Data driven products are winning, and they're just getting started.

The Digital Optimization System

Our Digital Optimization System is the continuous feedback loop that powers data driven products. It connects what people want to the product experience they get. We've spent the last ten years taking the methodology and systems of the best product teams in the world and making them available to everyone. We've seen thousands of products flourish as a result of it.

And yet, it's still early. We're primitive in leveraging data today compared to the future. If we succeed, we have an opportunity to fundamentally change the most important part of building products: knowing what people want.

Building a Company

Culture

Culture is the most durable part of a company and our most powerful tool for creating long-term impact. We invest in Amplitude's "way of life" by consciously creating an environment that empowers people and teams to do great things.

Our cultural values are:

Humility. No ego. We operate from a place of empathy and openness and seek to understand many points of view.

Ownership. We take the initiative to solve problems that drive our shared company success.

Growth Mindset. We're tenacious in the face of challenges and seek input in order to grow ourselves and others.

It's not enough to just talk about them. These values are embedded in the company's operations and the incentive structures that drive the business. We interview for them, we promote people based on them, and we celebrate them regularly. We're intensely retrospective on our business performance and any weaknesses we have. Every team sees and understands the goals of every other team, and then we collectively invest in turning those weaknesses into strengths. The challenges we face will change over time, and culture is what enables us to overcome them at every step. It defines what it means to be Amplitude.

On Innovation

The problems we solve at Amplitude are hard in that we need to innovate from both a product (what) and engineering (how) perspective. Many companies have challenges in one of the two buckets, but the combination of the two is rare. We have thought carefully about how to create a product development organization that is exceptional at innovating on these types of problems.

These are our principles:

Ship early, ship often. Getting product in front of customers is the only time we learn whether what we have done is valuable. The velocity and number of iterations that we go through is the best predictor of product quality and success, not our ability to come up with some magic feature. We're always asking ourselves, "What is stopping us from shipping this today?"

Own the customer experience. The goal of both our business and our product is to solve customer pain. If we're not doing that, it doesn't matter how great the technology is. We expect everyone at Amplitude to have clarity on how their work solves customer pain and to challenge those around them (especially managers!) when it's not clear. We treat the customer as part of the team and become experts on the problems they face.

10x engineering. All of our most valuable innovations have come from when an engineer with deep technical expertise combines that with a deep understanding of the customer problem. Engineers make hundreds of micro-decisions as part of any project, and each one is more likely to be correct if they know the outcome they are trying to achieve. A top engineer that internalizes the problem context can easily create ten times the impact of an average engineer building towards a spec, and our processes and teams are built for those types of people.

Long term. As companies mature, priorities change and culture dilutes -- shipping fast, high ownership, and exceptionalness are met with stability concerns, organizational silos, and mediocrity. We don't accept that, because we're in this for the long term, and product innovation is the #1 priority for the long term. Not every potential employee or customer will agree with that, and that's fine. We want to work with you if you believe the future has yet to be created, and we are excited to help you create it.

Sales

There are so many amazing products that fail because their founding teams do not think about sales. Understanding the fundamental importance of sales has always been core to our success. In 2014 we wrote: "Engineering and sales are the biggest challenges today and will always be our biggest challenges as they determine whether we succeed or fail." It remains true today.

Prioritizing sales is pervasive in our culture. We regularly go on sales calls and we expect engineers to do the same. The two things we celebrate most are shipping features and closing deals. Everyone at Amplitude understands new bookings and net retention.

Efficiency and Hiring

We think a lot about creating a great long term business. Part of doing that is being efficient, especially with headcount. We operate with lean product development teams that have large scopes of ownership and product surface area. We believe in high-achieving sales teams and create opportunities for salespeople to have outsized success. We'd rather not hire people than lower the bar.

Corporate Governance

Future Shareholders

We have had great relationships with our shareholders as a private company and would like to continue this with our new shareholders as a public one.

We are interested in working with you if you have the same long term outlook on Amplitude that we do. We would love to drive results for you as a shareholder over the coming decades.

If you are not oriented towards the long term success of Amplitude or think we should sell, do not buy our stock. We cannot emphasize this enough.

Dual class shares

In order to maintain the long term orientation, we will be listing with a dual class share structure. We don't love dual class structures in principle because they divorce economic ownership from control. We would ideally

have a share structure that incentivizes maximizing the long term value of the stock instead of exploiting short term market inefficiencies in price. Absent that, a dual class structure allows us to focus on the long term in the face of activist investors or shareholders who are biased toward short term outcomes.

That said, we certainly welcome the perspective of other shareholders who are similarly long term oriented. So we are setting the vote multiple to a lower than standard ratio of 5:1.

Direct Listing

We're taking Amplitude public through a Direct Listing. We strongly encourage other CEOs to do the same for their companies.

The traditional IPO process systematically underprices the stock of companies who use it. From 1980 to 2020, companies going through the traditional IPO process have underpriced their stock by an average of 20% and left a collective $200 billion on the table. 2020 alone was even worse with an average of a 48% underpricing and $30 billion left on the table.

There are a lot of reasons companies use to convince themselves that underpricing is a good thing. Traditional thinking is that if the price is too high, no one will buy it. That thinking is backwards; high prices are a signal of lots of people wanting to buy. It reminds us of Yogi Berra's joke: "Nobody goes there anymore. It's too crowded."

We are fiduciaries to our current shareholders and have an obligation to get the best result for them. A Direct Listing is one of many ways we plan to do that. First, it allows us to get a market based price for our stock. Second, it provides an opportunity for all of our shareholders to participate without restrictions like lockups. We will continue to operate our company in a way that delivers these types of benefits and optimizes value for you as a future shareholder of Amplitude.

Long Term View

We are strong believers in the power of technology to improve lives. When you zoom out it's incredible to look at how much our lives are better than previous generations' thanks to technological progress. We hope for Amplitude to be a small part of the next wave of progress.

To make such an impact requires commitment on the order of decades. Many companies do not think beyond making their next quarter successful. We are now ten years into the journey and hope it is the first of many decades for Amplitude. We are personally committed no matter the ups and downs we face along the way.

We see an opportunity to build a company that enables the world to build *data driven products*. Bringing Amplitude to the public markets is the next step along that journey. We're excited to share that opportunity with you.

Spenser, Curtis, and Jeffrey



BUSINESS

Overview

We are pioneering a new category of software called Digital Optimization. Our Digital Optimization System serves as the command center for businesses to connect digital products to business outcomes. Digital optimization is emerging as a strategic investment for every company to survive in the digital-first world.

Digital products are embedded in every part of our daily lives. In 2020, U.S. adults spent nearly 8 hours on average per day on digital activities. Digital has become the primary way business is done, and the ability for companies to offer compelling digital products and services has become a matter of survival.

Digital products have become the center of how companies interact with customers. Digital-native companies like Twitter, DoorDash, PayPal, and Dropbox invest heavily in product innovation to fuel a product-led adoption model. It is not only the companies born in the past two decades that are betting it all on digital. Walmart, Disney, and IBM are reinventing their businesses around digital. Digital is the battleground and the businesses that fail to rise to the challenge and adapt to this new reality will face an existential crisis.

The way that companies build digital products is going through a fundamental change from being intuition-based to data-driven. Product teams have historically decided what to build based on qualitative gut feel and without a firm understanding of what will drive business results. Today, the best teams are those that build their strategy around product data, which connects the attributes of individual end users with their actual behavior. Product data has become the next untapped growth lever to transform how businesses build products, gain key insights into what features have the greatest business impact, and connect with customers.

The amount of time that consumers spend interacting with digital products has led to an explosion of both the quantity and diversity of data. Because products themselves are generators of data, for the first time, in-product behavior can now be analyzed. With product data, teams can gain insight from the specific actions end users take within digital products and answer important questions, such as where in the purchase journey do users experience friction, what are the top user paths between signup and trial conversion, and which features increase new customer retention.

Traditionally, businesses have spent billions of dollars on a patchwork of systems, including web and marketing analytics, business intelligence tools, and sentiment tools, to help understand how their digital product investments drive business outcomes. These tools were not built on product data and do not understand in-product behavior, nor were they built for the scale and complexity of digital products to provide actionable and real-time product-driven insights. Businesses today do not know if their strategic product decisions are the right ones, and they do not have the insights to help ensure they work.

The next evolution of digital transformation is the category-defining shift to digital optimization. The promise of digital optimization is connecting the dots between products and the business. It provides the breadth and depth of insights into customer behavior to understand what behaviors are linked to business impact. Digital optimization answers strategic questions such as what products to build, what digital bets to make, and which bets are working. It predicts which customers are likely to purchase or churn based on their behavior and automatically adapts products to each customer based on this intelligence to optimize the outcome.

While digital transformation is focused on building new digital products, digital optimization is focused on using product data to make strategic decisions and run a business, accelerate innovation, and increase the value of digital transformation efforts.

Product, data, engineering, and marketing teams are often forced to make business decisions in a vacuum and without understanding the linkage between product decisions and business outcomes. Digital optimization

leverages the power of data-driven products to create this linkage automatically. In addition, having a common lens into customer and product data helps every team transform their function, from launching brand-defining marketing campaigns to reimagining customer support. Bringing shared data and common visibility to every team will be a business-critical requirement in the digital optimization era.

How Amplitude Powers Digital Optimization

We built the first Digital Optimization System that brings together a new depth of customer understanding with the speed of action to optimize experiences. We power some of the most-beloved and iconic consumer and B2B digital products. We enable businesses, regardless of size, industry, or where they are in their digital maturity to unleash digital innovation and growth. Our system unifies product, marketing, data, and executive teams by giving them the common visibility to drive business outcomes with agility and confidence.

Our Digital Optimization System consists of the following integrated solutions:

- ***Amplitude Analytics.*** We are the #1 ranked product analytics solution, according to G2, a top independent software review site. We provide teams with fast, self-service insights into customer behavior.
- ***Amplitude Recommend.*** A no-code personalization solution that helps teams increase customer engagement by intelligently adapting digital products and campaigns to every user based on behavior.
- ***Amplitude Experiment.*** An integrated end-to-end experimentation solution that enables teams to determine and deliver the most impactful product experiences for their customers through A/B tests and controlled feature releases.

At the core of our Digital Optimization System is the Amplitude Behavioral Graph, a proprietary behavioral database purpose-built for complex, interactive behavioral queries, with novel approaches to normalizing, classifying, and partitioning behavioral data. The Behavioral Graph scales to look at every individual customer action taken in a digital product and identifies combinations of actions that lead to a desired outcome. The Behavioral Graph processed approximately 900 billion monthly behavioral data points during the quarter ended June 30, 2021, to help answer questions like why do users convert or drop off, which interactions predict likelihood to buy, and what are the most common paths users take.

We are Mission Critical to Our Customers

Today, we serve more than 1,200 paying customers globally, from the most ambitious startups to the largest global enterprises. We are the trusted source of customer and product insight for the world's leading data-driven, product-led digital companies and bring the same technology to the remaining companies that lack this expertise. We serve customers across every industry, including finance, media, retail, industrials, hospitality, healthcare, media, and telecom as well as companies in various stages of digital maturity. Digital optimization has become mission critical to companies of all sizes and in all industries to keep up with the pace of innovation required to survive in the digital-first world. Consequently, we believe the market for digital optimization represents a significant and underpenetrated market opportunity today, which we estimate to be approximately $37 billion in 2021. See "—Our Market Opportunity."

Our Digital Optimization System is mission critical to our customers' success. Within our largest customers, thousands of users leverage our system to drive better outcomes in their respective functional areas. The broad applicability and ease of use of our system results in significant commitments by our customers as part of their core technology stack. As of December 31, 2020 and June 30, 2021, we had 262 and 311 customers, respectively, that each represented greater than $100,000 in ARR and 15 and 22 customers, respectively, that each represented greater than $1 million in ARR, demonstrating how critical we are to our customers' success.

Our Efficient Business Model

We generate revenue through selling subscriptions to our platform. We reach customers through an efficient direct sales motion, solution partners, and product-led growth initiatives, including subscription plans to meet the needs of a diverse range of companies. Our pricing model is based on both the platform functionality required by our customers as well as committed event volume. Customers typically look to use our platform for an initial business use case they have identified, such as analytics on a digital product. As customers experience the value of our platform in helping to drive business outcomes in that initial use case, they frequently expand that initial use case, expand into new use cases, and expand into additional products. Our ability to expand successfully within our customer base is demonstrated by our strong dollar-based net retention rates. As of December 31, 2020 and June 30, 2021, our dollar-based net retention rate across paying customers was 119%.

For the years ended December 31, 2019 and 2020, our revenue was $68.4 million and $102.5 million, respectively, representing year-over-year growth of 50%. Our revenue was $46.0 million and $72.4 million for the six months ended June 30, 2020 and 2021, respectively, representing year-over-year growth of 57%. For the years ended December 31, 2019 and 2020 and six months ended June 30, 2020 and 2021, our net loss was $33.5 million, $24.6 million, $16.6 million, and $16.5 million, respectively. For the years ended December 31, 2019 and 2020 and six months ended June 30, 2020 and 2021, our net cash used in operating activities was $16.0 million, $10.4 million, $9.9 million, and $5.5 million, respectively, and our free cash flow was $(16.7) million, $(12.6) million, $(10.7) million, and $(6.1) million, respectively.

Industry Trends in Our Favor

Digital is the New Battlefield for Business Survival

Today, digital products are embedded in every part of our daily lives. From joining a morning exercise class on a Peloton, to managing project tasks in Atlassian, to streaming a favorite show on HBO, to paying business expenses in QuickBooks, to meditating at the end of the day using the Calm app, digital products are the primary way businesses connect with customers. The ability for companies to offer compelling digital products and services has become a matter of survival.

There are several mega-trends forcing companies to move to digital first:

- ***Mobile and Cloud are Sparking Disruption.*** The continued rise of mobile and cloud make it easier than ever for new entrants to disrupt existing markets through digital. For example, direct-to-consumer financial services upstarts now offer a full menu of financial products to be consumed from the convenience of a few taps on one's phone. As a result, traditional consumer banks can no longer rely on their large networks of local bank branches to maintain a competitive advantage of customer access and reach. Instead, they must shift to online and mobile apps to remain relevant. Digital laggards in every industry will need to adapt to a new playing field that is decidedly turning against them. IDC estimates that by 2023 over 500 million new digital apps and services will be deployed using cloud-native approaches, which is the same number of digital apps and services developed over the last 40 years. This expected growth demonstrates both the scale and rapid pace of innovation and disruption.
- ***The Digital Economy is the Path to Growth.*** Digital is no longer just an enabler of business, it is the business. Driving digital growth has become an imperative for every business, and its importance to the prospects of any company cannot be overstated. For example, large-box retailers, such as Walmart have looked with urgency to reinvent themselves and drive digital growth. For the pre-COVID-19 fiscal year ended January 31, 2020, Walmart's U.S. and Sam's Club segments collectively recorded 70% growth of eCommerce sales compared to only 2% for non-eCommerce sales. COVID-19 has only accelerated this trend with the same segments collectively recording growth of 160% and 5% for the same categories, respectively, for the fiscal year ended January 31, 2021. As digital continues to become a growing portion of the economy, every business will need to transform their business and drive digital growth to not be left behind.

- ***Businesses are Shifting Focus from Acquisition to Retention.*** Digital unlocks the ability of businesses to engage with customers more easily over time, shifting investment away from one-time purchases to building customer lifetime value. For example, DoorDash does not just focus on acquiring new customers – offering broad restaurant selection and services that increase order frequency and size is core to its strategy. Business models like Salesforce sell subscription licenses that prioritize recurring revenue and customer retention. And Match.com and Tinder have launched new digital products to keep users engaged when there are fewer in-person dates and/or even after they find love. As the costs to expand an existing customer relationship are significantly lower than acquiring a new one, this change in strategy has led to more efficient sales and marketing spend and more durable growth prospects.

On the new battlefield of digital innovation, there will be clear winners and losers. Digital products have become the center of how companies redesign their businesses and create new ways of delivering value for customers. Businesses that fail to rise to the challenge and adapt to this new reality will face an existential crisis.

The Revenue Center is Shifting from Sales and Marketing to Product

Once considered a cost center for the business, the digital product is now becoming the primary lever in a business to drive growth. Product-led growth is the strategy whereby a businesses' digital product serves as the main vehicle to acquire, activate, and retain customers. The growing importance of product-led growth to a company's survival has fundamentally shifted how companies go to market and invest in innovation:

- In 2020, PepsiCo launched two direct-to-consumer websites where customers are now able to order snacks and beverages directly from the brand, curating new experiences and growing a direct relationship with customers;
- Companies like Atlassian, HubSpot, Datadog, and Slack have transformed the way products are purchased through "try before you buy" and subscription models and invested heavily in product innovation to fuel a bottom-up, viral adoption model;
- Gaming companies have innovated by leveraging their immersive in-game experiences to turn in-app purchases into their primary source of revenue; and
- Traditional media companies have launched consumer subscription streaming services, moving away from ad-driven models.

The revenue center of a business is shifting away from acquisition-focused marketing and sales to retention and expansion through sustained customer engagement within digital products. User engagement, user behavior, customer retention rate, and customer lifetime value have become the new standard metrics to measure the productivity and efficiency of any business. Additionally, as heightened user and data privacy concerns move to limit the type of data app developers and advertisers can use or sell to target customers, it will become increasingly difficult for businesses to acquire their way to growth through traditional marketing and advertising initiatives.

The Approach to Building Digital Products is Being Reinvented — From Mad Men to Moneyball

The way that companies build digital products is going through a fundamental shift from being intuition-based to data-driven. Even today, like a scene out of AMC's 'Mad Men,' it is not uncommon for a group of executives to gather in a room and brainstorm about what digital products to build based on nothing more than their intuition or beliefs of what customers want or need. This approach may result in a stunning website, an app with a slick design, or a cool new feature, but gets them no closer to achieving their desired business outcomes and wastes significant time and money along the way.

However, in the same way that the Moneyball movement (popularized by the 2003 eponymous book by Michael Lewis) reinvented Major League Baseball, today there is a fundamental shift to using data derived from the digital product itself to make decisions. Data-driven products are characterized by the following key pillars:

Data-Driven Products are Centered in Behavioral Data

The amount of time that consumers spend interacting with digital products has led to an explosion of both the quantity and diversity of data. In 2020, U.S. adults spent nearly 8 hours on average per day on digital activities across multiple devices. Because the digital products themselves are generators of data, this means that in-product behavior can be observed and analyzed for the first time. Behavioral data represents the specific actions users take when interacting with digital products and can help to answer important questions, such as where in the purchase journey did users experience friction, what are the top user paths between signup and trial conversion, and which features increase retention in new customers.

Behavioral data is unique in its scale and complexity, and its instrumentation becomes a critical step to unlocking its value, which requires sophisticated data collection, normalizing, classifying, and partitioning data by users in order to achieve data fidelity. Data-driven digital companies understand the value of behavioral data to feed back into their digital products and drive innovation. Digital laggards, on the other hand, have continued to rely on the wrong forms of data, such as page views, app store downloads, customer service tickets, post-transaction surveys, and user demographic data to make critical product decisions. While this data may be more straightforward on the surface, it is the wrong type of data to make the existential business decisions such as what products and features to design and build to maximize customer engagement.

Data-Driven Products Adapt to the Customer

In a world of abundant choice, the expectations of consumers for businesses to deliver highly personalized digital product experiences continues to be on the rise. The best-in-class digital companies, such as Netflix and Amazon, leverage product data to build robust recommendation engines based on AI and ML algorithms to deliver highly differentiated experiences at scale. Personalization has become part of their organizational DNA and the de-facto standard by which other companies and entire industries are measured.

Data-Driven Products Leverage Data Democratization and Common Visibility

Between product management, engineering, design, marketing, sales, customer success, business operations, and executive teams, there may be thousands of people in an organization who rely on data as part of their daily responsibilities. Marketing and centralized data teams have traditionally been tasked with the responsibility of aggregating data from various data silos. They analyze data to extract insights and distribute regularly scheduled or ad-hoc reports to various stakeholders. This operating model creates significant barriers for making the data accessible to all who need it, relying on teams of data scientists to serve as intermediaries and tools that require SQL expertise. Even simple data requests can at times lead to weeks or months of cycle time, reducing the agility for business owners to get the data they need to make critical business and product decisions.

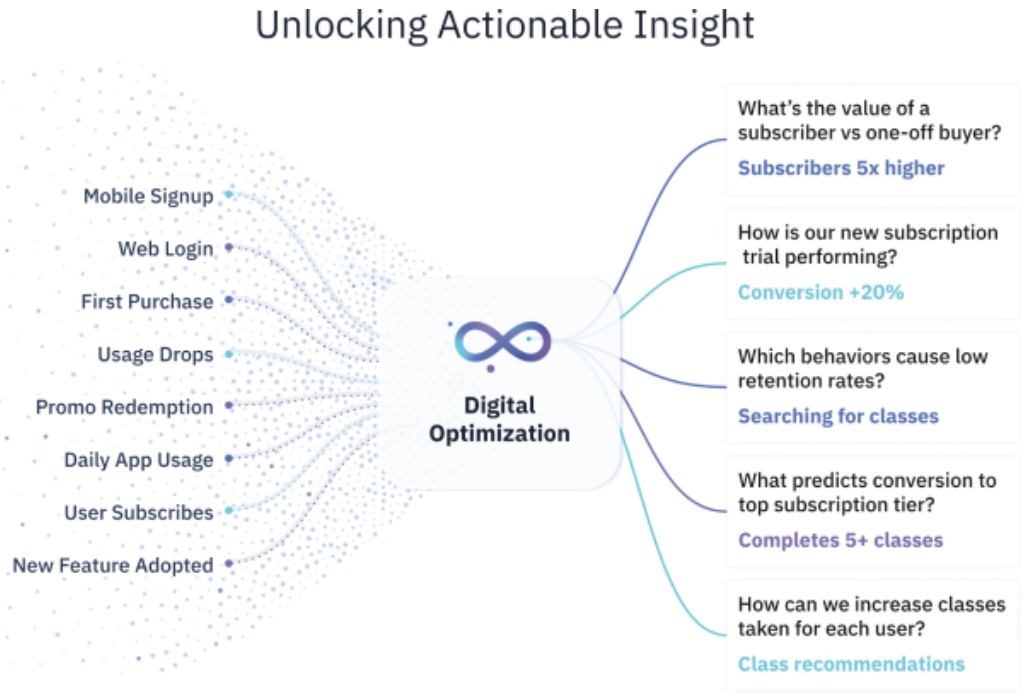
Data and insights are only valuable if they can be leveraged by cross-functional stakeholders jointly responsible for making decisions. When product data acts as a single source of truth, every team has access to the same common data to explore and reach alignment on shared goals and actions plans. Data-driven organizations that make data both accessible and actionable enable their teams to expedite the decision making process, thereby iterating on and improving their digital products with greater agility. The faster organizations are able to iterate, the stronger their systematic advantages are against competitors that lack such expertise. With digital products becoming the revenue center of business, a new generation of digital leaders that span across all functions within an organization is required. These leaders will need to lead with a data-driven mindset and evolve their approaches to be product-first to succeed.

The Next Frontier of Digital Transformation Brings the Imperative of Digital Optimization

While digital transformation is focused on building web-enabled customer experiences, the next evolution of digital transformation is the category-defining shift to digital optimization. Digital optimization moves beyond building new digital products and is focused on using product data to make strategic decisions to run the business, accelerate product innovation, and increase the value of digital transformation efforts.

The promise of digital optimization is connecting the dots between products and the business through data. Product, data, engineering, and marketing teams are too often forced to make business decisions in a vacuum and without understanding the linkage between product decisions and business outcomes. Digital optimization leverages the power of data-driven products to create this linkage automatically and answer the fundamental question: how does digital product drive one's business?

Digital optimization provides a new breadth and depth of insights into customer behavior to understand what drives business impact. It tells companies what products to build, what digital bets to make to accelerate innovation, what product changes to make based on the features or actions that correlate to impact, when a business initiative is not working in order to stop wasting time and resources, and provides insight to adapt digital product experiences to each customer to maximize engagement, retention, and lifetime value. Having a common lens into customer and product data helps every team transform their function, from launching brand-defining marketing campaigns to reimagining customer support. Bringing shared data and common visibility to every team will be a business-critical requirement in the digital optimization era.



For instance, a team looking to increase their subscription user base and revenue can identify common behaviors that lead to higher subscription conversions, and use that data to power personalized product experiences with tailored recommendations.

Digital optimization will be a strategic business imperative as digital transformation continues at an accelerated pace. Digital optimization will be needed to make sense of the exponential increase in digital product and user behavioral data to help ensure businesses are making the right product bets and to maximize their impact.

Businesses Need a Fundamentally New Approach to Drive Digital Optimization

Businesses have spent billions of dollars on a patchwork of systems to help understand how their digital product investments drive business outcomes. However, these systems were not built for insight on product data in real time and at scale, leveraging the wrong data and undertaking a misguided approach.

Why is product data different?

1. **Complexity.** Digital products are complex, which means that product data operates at a qualitatively different scale than transactional or digital marketing data. For example, there may be thousands of different actions a user can take when interacting with a digital product (e.g. features, links, gestures). Understanding how each of these events relate to each other and why or if they are relevant to driving a specific outcome is extremely difficult to piece together. As a result, even for a relatively simple digital product there is significant complexity.
2. **Non-Linear.** Unlike traditional marketing funnels where the goal is strictly increasing the conversion rate to the next step, users do not take a linear journey through a digital product. Based on our customer data, we estimate that on average, there are approximately 2,500 distinct events that can be measured within each digital product. Each user therefore navigates through an application across multiple devices in a random walk that is unique from every other user. Journeys can be across devices or channels and be quick or intermittent over an extended period of time. When no two journeys are alike, even basic metrics of measurement, such as taking the average of a particular metric across all users, loses relevance. This effect makes it much harder to understand what is happening in the aggregate and generate insights at scale.
3. **Scale.** Combining the number of digital product users a company may have and the amount of engagement per user can result in billions of potential events per product. This scale presents near-insurmountable challenges for any business looking to optimize their digital products to drive outcomes on both a micro and macro level.

The sum of all this complexity means existing categories of software fail to understand product data and were not designed to adequately address the needs of today's digital optimization era:

- ***Web and Marketing Analytics.*** These solutions focus on using web and demographic data to analyze target users and advertising spend. They were most relevant for the Web 1.0 era, when marketers focused on pageviews, campaign sources, clicks, and other surface-level metrics. They were not built for in-product and in-app behavior, deep personalization based on AI/ML, multi-platform end-user journeys, and modern digital measurements. Moreover, many of these solutions are built on a pre-computation data framework – whereby queries are completed in advance and cached versus performed on the fly – which prohibits flexibility for real-time analysis. This data approach is incompatible with fast moving, collaborative teams that need easy-access data to find, ask, and answer in an iterative fashion and use data to power product experiences at the moment a user engages.
- ***Business Intelligence.*** These solutions are horizontally focused and built for reporting on object level data and transactional data, not behavioral data. The implementation of these systems can often take years and requires significant investments in the form of teams specializing in data and analytics to deploy, maintain, and use. Oftentimes built on large data lakes of structured and unstructured data, data teams must scrub, clean, instrument, and canonicalize the data, and then use complex SQL queries to answer even the most basic questions. This process is cumbersome and slow because SQL queries are

not designed for user-joins, which connect disparate end-user actions together and are the key to understanding end-user behavior in product, and leads to product and business teams being bottlenecked as they wait for answers. Even when these "blank canvas" environments have been custom built for non-technical users, they are often inflexible and disconnected from their workflows – leaving teams without answers or the ability to act.

- ***Sentiment / Survey-based Solutions.*** These solutions are focused on uncovering and understanding customer sentiment to improve customer experiences – often non-digital – and include qualitative measurements such as surveys. They are not designed to generate product insight and analyze behavioral data, limiting the applicability outside of customer service, researchers, and marketing teams. They are helpful at looking at things from a customer-experience lens and generating related metrics such as Net Promoter Score, but look to customers to tell teams how they feel after the fact versus capturing actual in-product behavior. Relying on sentiment data in a silo provides an imprecise and incomplete picture of the customer and does not close the loop from insight to action.

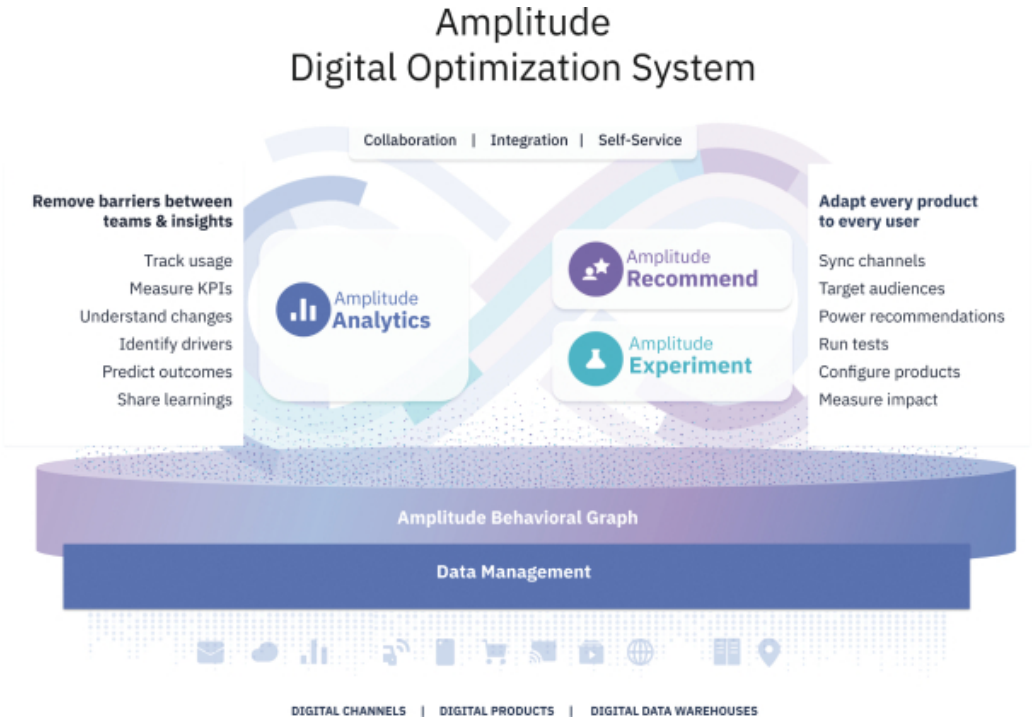
A comprehensive system that empowers digital optimization and enables cross-functional teams to understand how their digital products drive business outcomes must encompass the following key requirements:

- ***Behavioral-based, cross-platform.*** Capture and make sense of what users do – their actual behaviors and the non-linear paths they take across multiple devices, products, and marketing channels during the entire customer lifecycle – from acquisition to activation to engagement to retention. Handle complex distributed user-joins and separate data by users, which makes the data accessible and allows teams to natively ask questions about the user journey in a dynamic way.
- ***Complete, trustworthy data.*** Unify disparate data sources through data integrations and pipelines, create a single view of the end user with identity resolution technology, and improve data quality with data governance tools. Normalize data programmatically with high fidelity to serve as the critical data layer that makes comprehensive product analytics and personalization possible.
- ***Real-time, intelligent insight.*** Provide analytics that meets the needs of data-driven teams – empowering them to ask questions and return answers in seconds on data that is streamed directly from the product in real time.
- ***Collaborative & self-service.*** Eliminate barriers to insights and unify organizations around common data by using intuitive, no-code user interfaces with collaboration tools embedded throughout. Built for easy adoption and use for cross-functional teams – no matter their analytical skill level.
- ***Closed-loop insight to action.*** Connect data and insights with automatically triggered actions that optimize an outcome, such as revenue or engagement. Enable personalization, which includes segmentation, predictions, and experimentation, that is integrated with analytics to assess the performance of experiences in real time.
- ***Enterprise scalability.*** Scale with the complexity of behavioral data and requirements around user privacy and enterprise access, and be elastic, secure, and ready-made to eliminate operational overhead of managing data infrastructure.
- ***Integrated and open.*** Connect to and power the technology ecosystem used across various digital teams, including data warehouses, customer data platforms, and customer engagement, collaboration, and workflow tools.

The Amplitude Digital Optimization System

We built the first Digital Optimization System that brings together a new depth of customer understanding with the speed of action to optimize experiences in the moment. It is the only unified system that answers the question: "How do your digital products drive your business?" We power the most-beloved digital products and teams with actionable data and insights – regardless of size, industry, or digital maturity – so they can unleash

digital innovation and growth. Amplitude makes critical data accessible and actionable to every team – allowing product, marketing, engineering, analytics, customer success, and executive teams to align around common visibility and to drive business outcomes with greater speed, agility, and confidence.



In today's digital-first world, we believe every organization must transform into data-driven teams and products that create competitive advantages and long-term value for both their customers and businesses. A Digital Optimization System is essential in this new reality – helping businesses understand how their customers use their products, make better decisions, build personalized experiences that engage and retain customers, and measure performance. With Amplitude, teams have access to a fully integrated, self-service system for data, analytics, and personalization – with intelligence and collaboration built in to help teams innovate faster and smarter.

For instance, Amplitude helped a leader in online food delivery answer, "What is the most profitable delivery model that also maximizes order frequency and size?" A popular meditation app discovered the answer to, "How can we redesign our content and app to increase user retention?" And a software company aligned thousands of users across the organization around key metrics and explored questions like, "Why do certain marketing channels show high engagement but low downstream user conversions and revenue?"

Our Digital Optimization System consists of the following integrated components:

- ***Amplitude Analytics.*** We are the #1 ranked product analytics solution. We provide teams with fast, self-service insights into customer behavior.
- ***Amplitude Recommend.*** A no-code personalization solution that helps teams increase customer engagement by intelligently adapting digital products and marketing channels to every user – with behavioral and predictive segmentation to build and sync audiences to marketing tools and a self-serve recommendation engine to instantly enable in-product personalization.

- ***Amplitude Experiment.*** An integrated end-to-end solution that allows teams to better control feature releases, configure product experiences for different end users, and run the end-to-end feature experimentation process from generating a hypothesis to targeting users, rolling out A/B tests, and measuring results.
- ***Amplitude Behavioral Graph.*** A purpose-built proprietary database for deep, real-time interactive behavioral analysis and behavior-driven personalization – instantly joining, analyzing, and correlating any customer actions to outcomes – like engagement, growth, and loyalty.
- ***Data Management.*** A real-time data layer for planning, integrating, and managing data sources to create a complete, trustworthy foundation with identity resolution, enterprise-level security, and privacy solutions embedded throughout.

We power digital optimization for our customers through the following key platform capabilities:

- ***Behavioral Data at the Core.*** We designed data and machine-learning infrastructure purpose-built to understand cross-device and cross-product end-user data – enabling businesses to see, analyze, and act on behavioral data. Our infrastructure is structured around user-joins and partitioned by end users, which is the key to understanding end user behavior in-product. The Amplitude Behavioral Graph processed approximately 900 billion monthly behavioral data points during the quarter ended June 30, 2021, to help answer questions like why users convert or drop off, which interactions predict likelihood to buy, and what are the most common paths end users take.
- ***Built-In Data Management.*** Our system includes a comprehensive, built-in data integration and governance suite to plan, integrate, and manage large, distributed data sources in real time. The foundational data management layer ingests data from a variety of sources and systems, including websites, apps, customer data platforms, server to server, and software-development kits (“SDKs”). It automatically resolves user identities, normalizes and transforms data into one stream, and governs data quality, consistency, and access across organizations of any size, which is critical for analytics and personalization initiatives.
- ***Real-time Analytics and Insight.*** We provide the market leading product analytics solution that enables teams to access out-of-the-box reporting to instantly answer both simple and complex questions about product and customer behaviors in minutes. Teams can measure baseline metrics and answer questions they never thought to ask before, monitor change and proactively spot anomalies in conversions in real time, forecast growth, and predict future end-user behaviors. Teams can easily analyze any end-user path across multiple devices, products, and channels from an aggregate to individual end-user level to understand the context behind every end-user action and identify opportunities to improve the digital product experience.
- ***Easy Adoption and Collaboration.*** Our system provides an easy-to-use interface that allows for viral adoption and democratization of insights within an organization, regardless of technical abilities. Within minutes a new customer on our system can start generating insights relevant to their respective functional areas and engaging with collaborative dashboards, reports, and tools that allow a broad spectrum of people in an organization to participate in data-driven decision making. This ease of use fuels cross-functional adoption that can scale to thousands of active users surfacing insights and sharing findings.
- ***Powering Data-Driven Action.*** Our system allows teams to directly turn end-user insight into action with personalized, Netflix-like product experiences in a few clicks and without requiring technical expertise. We use sophisticated identity resolution and targeting to reach the right end user, machine-learning recommendations to decide the right content, and real-time integrations with systems our customers already use for delivery at the right time. Additionally, our customers can deploy and test new experiences using the first experimentation and feature management solution powered by behavioral data and product analytics. For example, our system can predict the likelihood a customer will churn based on their behavior and of

those statistically similar, and the system will automatically test which campaign or in-product experience is best optimized to drive retention. To date, our system has powered more than 3 trillion targeted experiences.

- ***Enterprise-grade Platform.*** Our customers are among the largest, fastest growing, and most dynamic digital products and organizations in the world – and our platform is architected to handle a scale qualitatively different from what is capable by existing customer engagement and experience tools. We offer top-tier security and reliability as our platform is SOC2 Type-2 and ISO 27001 certified, offers SSO support and user permissioning, is a recognized AWS Partner for Digital Customer Experience, and has delivered a 100% data ingestion uptime SLA with 99.97% data durability for the last 12 months as of August 2021.

Key Benefits to Our Customers

Our system provides the following key benefits to our customers:

- ***Enable the Right Product Bets and Accelerate Innovation.*** We enable our customers to answer the critical questions about how their end users are using their digital products and what behaviors lead to better business outcomes. Every click, every interaction, and every event we collect is input from end users that help to inform what actions teams can take to optimize digital products in real time. Our customers are able to analyze behaviors, track engagement, spot friction in the buying process, and understand the drivers of conversion. These insights allow teams to make the right product bets, assess and measure the impact of those decisions, feed learnings back into the system, and rapidly iterate to resolve potential problems before they impact customer acquisition, retention, and lifetime value.
- ***Unify Teams with Common Visibility.*** We bring a common set of user behavior and in-product engagement data to every team, from product, to marketing, to data science, and beyond. Out-of-the-box dashboards and analytics reports provide common visibility leveraging the same data, while teams can easily click into each report to get as much granularity as required to inform actions and recommendations. Dashboards allow teams to also solve use cases specific to their area of responsibility, for example, understanding what behavior drives conversions to optimize marketing campaigns. This visibility results in better decisions, faster actions, better outcomes, and transformed customer experiences. Our system represents a single source of truth about in-product customer user behavior, and a common place where teams can share results, learn from each other, and plan action together.
- ***Maximize Value of Product Investments.*** The ability of our system to attribute revenue to specific product investments transforms what has traditionally been viewed as a cost center into a revenue center. This ability unleashes a much more powerful way to operate when companies can make investments with confidence and drive product-led growth. Additionally, our system generates additional return on investment ("ROI") for companies by reinvesting data scientist and analyst times to more productive tasks that require their expertise, accelerate innovation, and help mitigate research and development risks. According to a 2020 study that we engaged with Nucleus Research to perform, on average, companies using Amplitude saw a 655% ROI.

Using the Digital Optimization System, our customers have been able to accelerate innovation and make the right digital product bets to drive tangible results for their business:

- ***CARE.COM.*** At Care.com, one of the world's largest online destination for care, teams across the organization are tasked with thinking about customer needs and measuring the impact of strategic decisions. To do this, they must be able to build and iterate on digital products that create loyal customers. More than 400 Care.com employees leverage Amplitude's insights to see how customers interact with the Care.com product at a moment-by-moment level. Driven by insights from data, they create premium experiences that are tailored specifically to individual customers.

- ***IBM.*** With more than 1,000 monthly active Amplitude users, IBM makes high-velocity, data-informed decisions about product strategy with a holistic understanding of their B2B user and account journeys across a portfolio of dozens of products. “It gives us a shared version of truth and enables our cross-functional teams to work together,” says Nilanjan Adhya, IBM Chief Digital Officer.

- ***INSTACART.*** As a leading online grocery platform in North America, Instacart offers grocery delivery and pickup services to millions of customers from more than 600 retailers and nearly 55,000 stores. The company chose Amplitude for Product Analytics, and uses our offering to help inform product strategy and experiments designed to make online grocery shopping effortless for customers.

- ***INTUIT.*** With Amplitude, product managers, marketers, data scientists, and executives across Intuit’s product suite are able to drill into any uptick or drop-off in product usage and customer retention in seconds, rather than the traditional timeline of days, allowing them to make decisions that accelerate product innovation and maximize customer benefits.

- ***SOFI.*** If a marketing campaign is not performing as well as they would like, SoFi’s marketing and product teams know immediately. Before Amplitude, they only saw surface-level data like who clicked on an ad and visited a webpage. Now, hundreds of employees at SoFi track how early customer actions impact downstream outcomes, creating an instant feedback loop between the digital products and campaigns they build and the business impact they drive.

- ***SQUARESPACE.*** The customers that use Squarespace to build their websites and run their online businesses are wildly diverse. Squarespace needed analytics that help them understand these different users and how to best serve them – so they tested a new feature in onboarding for customers to classify themselves, measured adoption in Amplitude, and then used Amplitude to group customers by their classifications and analyze key metrics like which types of customers retained or converted in from free trials to paid subscriptions. Amplitude redefined how they talk about their customers – giving Squarespace a common language to talk about users across all teams.

- ***VIMEO.*** Product engineering and marketing teams at Vimeo, the world’s leading all-in-one video software solution, use Amplitude to answer their most strategic questions around monetization — like discovering the features that cause free users to upgrade to paid subscription plans and using that insight to design web and mobile experiences that increase conversion. Now, more cross-functional teams can make data-driven product decisions that drive revenue while increasing the capacity of data science teams to work on more advanced projects.

Our Market Opportunity

The ability for businesses to understand how their digital products predictably drive business outcomes has never been more important. IDC estimates that by 2023 over 500 million new digital apps and services will be deployed using cloud-native approaches, which is the same number of digital apps and services deployed over the last 40 years. Digital optimization has become mission critical to companies of all sizes and in all industries to keep up with the pace of innovation required to survive in the digital-first world. Consequently, we believe the market for digital optimization represents a significant and underpenetrated market opportunity today, which we estimate to be approximately $37 billion in 2021.

We calculate our market opportunity by first estimating the total number of organizations globally based on employee size – specifically businesses with less than 100 employees, businesses between 100 and 1,000 employees, and businesses with greater than 1,000 employees – by referencing third-party industry data. For each respective cohort of organizations segmented by size, we apply an estimated potential penetration rate based on internal estimates of our ability to service these organizations based on a variety of factors. These factors include a business' digital maturity, the industry in which it operates, and our belief of spend potential, among other factors. For example, while we believe our Digital Optimization System has applicability for businesses of all sizes, we have included only a very small fraction of the business with less than 100 employees in our current addressable market to account for the fact that many businesses of this size may not be representative of our core target customers.

We then apply to each cohort an ARR value calculated using internally generated data of our customers' actual spend by size and industry. For each respective cohort we calculate the median ARR of all current customers. This ARR primarily reflects customer spend on our analytics offering and does not reflect the potential spend on additional products, Recommend and Experiment, recently released in 2021, which we believe are integral to powering digital optimization. To reflect this, we use a conservative attach-rate and an assumed uplift multiple on each ARR by cohort based on internal estimates of potential additional spend. We then multiply the calculated ARR and number of organizations by cohort, and the aggregate value across all these segments represent our estimated total addressable market in 2021.

What Sets Us Apart

Our competitive strengths include the following:

- ***#1 Market Leader in Product Analytics.*** We have consistently been ranked as the #1 product analytics solution, as well as a top 50 software product of 2021 across all categories. Amplitude was built from the ground up to meet the needs of the digital optimization era, where robust and real-time product analytics would be a requirement to succeed. As of December 31, 2020 and June 30, 2021, we had more than 1,000 and 1,200 paying customers, respectively. As of December 31, 2020 and June 30, 2021, we had 262 and 311 customers, respectively, that each represented greater than $100,000 in ARR and 15 and 22 customers, respectively, that each represented greater than $1 million in ARR, demonstrating how critical we are to our customers' success.
- ***Behavioral Graph.*** The Amplitude Behavioral Graph is our proprietary behavioral database that delivers actionable results from complex distributed user-joins quickly so that teams can explore questions about behavioral data in an iterative fashion. Our data model is purpose-built from the ground up using state-of-the-art columnar storage techniques and is vertically focused on behavioral data compared to alternative data and analytics systems. We invented a fundamentally new way of joining and making sense of complex end-user and product data to enable the speed and depth of insight our customers demand. Powered by the Behavioral Graph, our products equip any Amplitude user with instant, actionable insight into the entire user journey across devices, channels, and products. The Behavioral Graph is also the foundational infrastructure that has enabled Amplitude to become an innovation leader – allowing teams to develop powerful new capabilities faster than the competition.

Our Behavioral Graph operates at a scale qualitatively different from alternative data analytics systems, processing approximately 900 billion monthly behavioral data points during the quarter ended June 30, 2021, powering the depth and breadth of insights that make digital optimization possible.

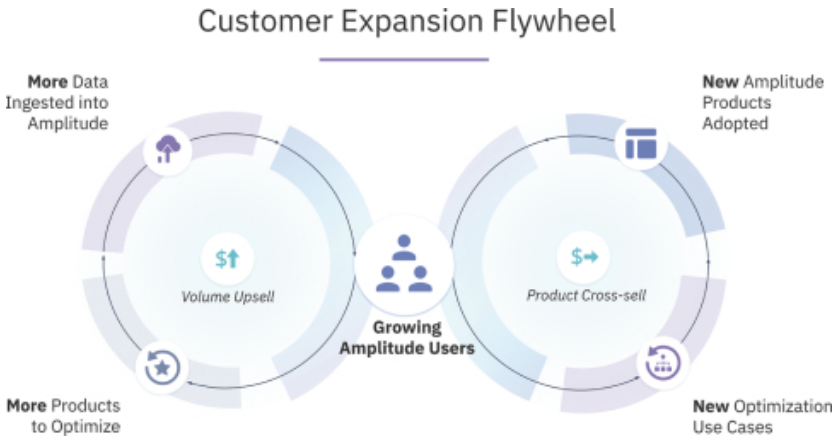
- ***Single System to Drive Digital Optimization End-to-End.*** Our Digital Optimization System is a one-stop-shop where teams can bridge from data to insights, and drive action all from the same intuitive and easy-to-use interface. Our solutions align to the lifecycle of how teams develop data-driven products and customer engagement – from identifying opportunities and hypotheses, to testing and delivering optimized product experiences and campaigns, to measuring the impact and iterating. It meets the needs of all the teams responsible for optimizing digital products and campaigns – product, marketing, engineering, analysts and data scientists, executives and customer experience teams – enabling them to find answers to the right questions and collaborate together and rapidly develop and iterate on new functionality and more relevant products. Our customers also choose Amplitude for their end-to-end digital needs because of the trust and convenience knowing the same technical infrastructure underlying our leading Analytics offering powers our Recommend and Experiment products as well.
- ***Bringing the Best of Product-Led Growth to the Masses.*** We serve some of the most beloved, digital-native consumer and B2B products from companies like Shopify, Instacart, and Peloton. These companies are among the 1% of companies who lead with a product-led growth mindset, and who trust us to help them build data-driven products for competitive advantage. We bring the same infrastructure, tools, and techniques that power these digital leaders to the 99% of businesses today that are not digital natives – companies aggressively moving digital-first such as Ford and Capital One. We appeal to a wide range of customers in various industries, such as finance, media, retail, industrials, hospitality, healthcare, media, and telecom, that are finding their digital footing and are looking for a proven system to democratize data access for their employees and turbo-charge their digital efforts.
- ***Powerful, Self-Reinforcing Loop.*** Our system benefits from a strong self-reinforcing loop that results in continual learning, optimization, and more usage as it delivers increasing value to our customers. Our customers typically begin to use our system for an initial use case and expand that use case as they realize the value it delivers. These actionable insights are often shared across additional teams within the organization, which leads to expansion of both that initial use case as well as into new use cases, such as new digital products and the cross-functional teams responsible for them. This leads to more data being instrumented on our platform to power these use cases and enhances the value of all the data already on it. More data deepen insights and predictive abilities and fuel our recommendation engine to better optimize the digital product experience for end users and drive more digital product usage, thereby continuing the self-reinforcing loop. As we become the digital product command center, tracking key performance indicators (“KPIs”) organizational-wide, and generating analytics used to run and measure the business, our platform becomes incredibly sticky and hard to replace.
- ***Rapid Time to Value.*** We have designed our offerings to be intuitive and easy to use, and to appeal across a broad number of personas within an organization to drive rapid time to value for our customers. Our customers can begin with one use case and scale rapidly according to their needs. Team members across sales, marketing, product management, customer success, and more can all run queries through a point-and-click dashboard interface to answer questions about the product and receive insights in minutes. Our purpose-built infrastructure allows for seamless data ingestion from a multitude of disparate sources, and we have made it easy for technical users to instrument data that unlocks the value of the data and is leveraged to power each of the applications on our platform.

Our Growth Strategies

We intend to pursue the following growth strategies:

- ***Acquire New Customers Across Every Industry.*** We believe that our Digital Optimization System is applicable to businesses across industries, company size, and stage of digital maturity. We plan to invest to capture the significant market opportunity we believe is only in its early innings. We have experienced rapid growth in our customer base since our inception and now have over 1,200 paying customers and 26 of the Fortune 100, which demonstrates both our successful traction to date as well as our significant opportunity to continue to penetrate the largest global organizations. We believe we have an efficient and productive go-to-market motion that will allow us to continue to acquire new customers and grow our customer base. Additionally, as more companies and industries continue their transformation into digital-first companies, we believe our immediate potential customer base grows as we help these companies address their digital optimization needs. We are focused on winning key reference accounts among industries and emerging use cases to establish ourselves as the system of choice for the next wave of digital innovation.
- ***Expand Across Our Existing Customer Base.*** We believe that there are significant opportunities to continue to expand our relationships with our existing customers. Our pricing model, based on platform functionality and committed event volume, allows us to grow as our customers grow. We employ a land and expand business model designed to land with an initial use case and expand through onboarding additional functional teams, products, and use cases.
    - *Promote Upsell:* Once a customer is on our platform there are many ways we can promote upsell opportunities. Customers can expand an initial use case by adding additional events or functionality to generate deeper analytics. They can also expand into additional functional teams who are looking to address a related use case or bring new digital products on our platform, both of which require additional data to be instrumented. As the strategic value of our platform grows as more data is instrumented and insights generated and shared, it becomes easier to find additional upsell opportunities across digital products, use cases, and teams.
    - *Drive Cross-sell:* Our platform delivers end-to-end optimization that allows our customers to expand beyond analytics and layer on additional products, such as Recommend and Experiment, and we offer to optimize the digital product experiences of their customers. In 2021, we expanded our product suite and released Recommend and Experiment. While it is still early, we have been encouraged by customer reception of these products and believe they present a significant growth opportunity for us going forward.

Within our largest customers, we have demonstrated our ability to grow our reach to include thousands of users across their organization who leverage our system to drive business outcomes. Our dollar-based net retention rate as of December 31, 2020 and June 30, 2021 was 119% for paying customers. As of December 31, 2020 and June 30, 2021, we had 262 and 311 customers, respectively, that each represented greater than $100,000 in ARR and 15 and 22 customers, respectively, that each represented greater than $1 million in ARR, demonstrating how critical we are to our customers' success.

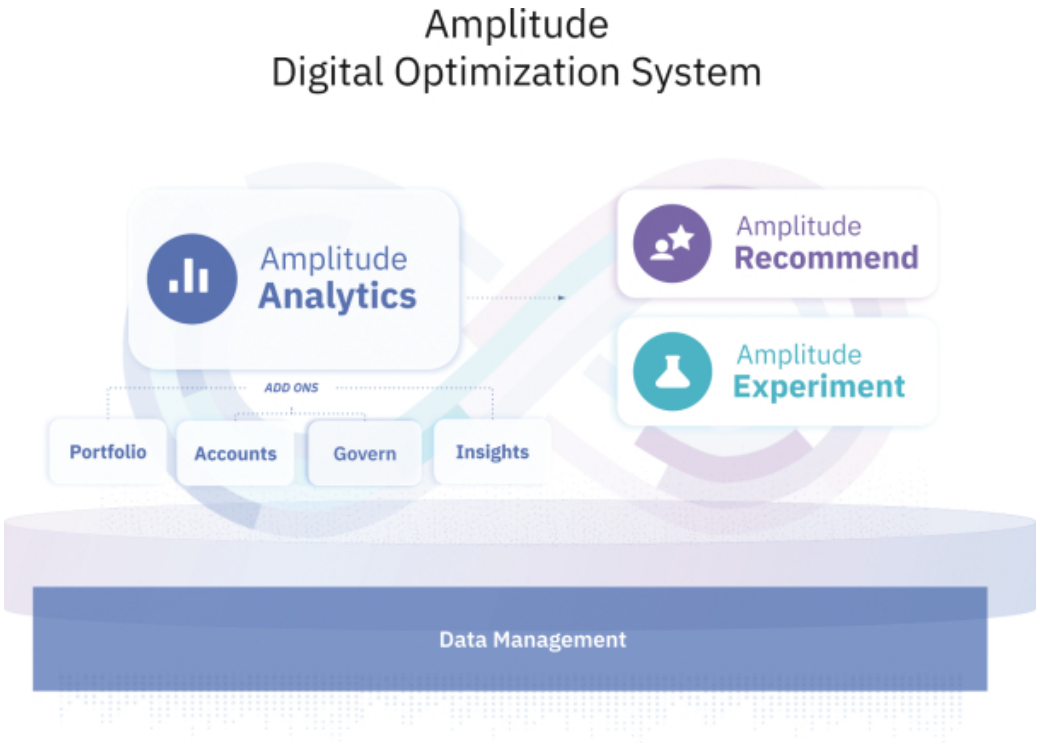


- ***Extend Product Leadership with Continued Investment in Our Platform.*** We see significant opportunities to leverage the same data stream powering our core analytics suite to layer on additional products that address adjacent high-value use cases desired by our customers. In 2021, we expanded into digital personalization with products powering real-time recommendations and experimentations with the release of Recommend and Experiment. We intend to continue to invest in and extend our platform capabilities into adjacent areas. We have also looked to acquire differentiated technologies to accelerate the development of our platform. In 2020, we acquired ClearBrain to deepen our capabilities in predictive analytics, and, in 2021, we acquired Iteratively to strengthen our data management capabilities that power our platform for customers. As a product-led company, the valuable feedback loop we have established with our own customers helps us identify product and platform enhancements best aligned to drive our future growth.
- ***Expand our Global and Partnership Reach.*** We believe there is significant potential to continue to grow our business in international markets because of the universal nature of the problem we help to solve. For the year ended December 31, 2020 and six months ended June 30, 2021, 36% of our revenue was generated outside of the United States. We have established a strong presence in several key markets such as the United Kingdom, Germany, India, Japan, and Korea, and we expect to enter new geographies in the future as well as continue to expand our footprint in existing markets. As our domestic customers expand outside of the United States, we are committed to helping them drive digital optimization on a global scale. Additionally, we plan to continue to invest in our partner network to strengthen our ecosystem and extend our reach. We have partnerships with many of the leading system integrators and digital agencies to supplement our direct selling motion. We also have established partnerships with key technology providers across the ecosystem to maximize the value of our system with deeper integrations into tools they already use.

Our Products

Amplitude Digital Optimization System

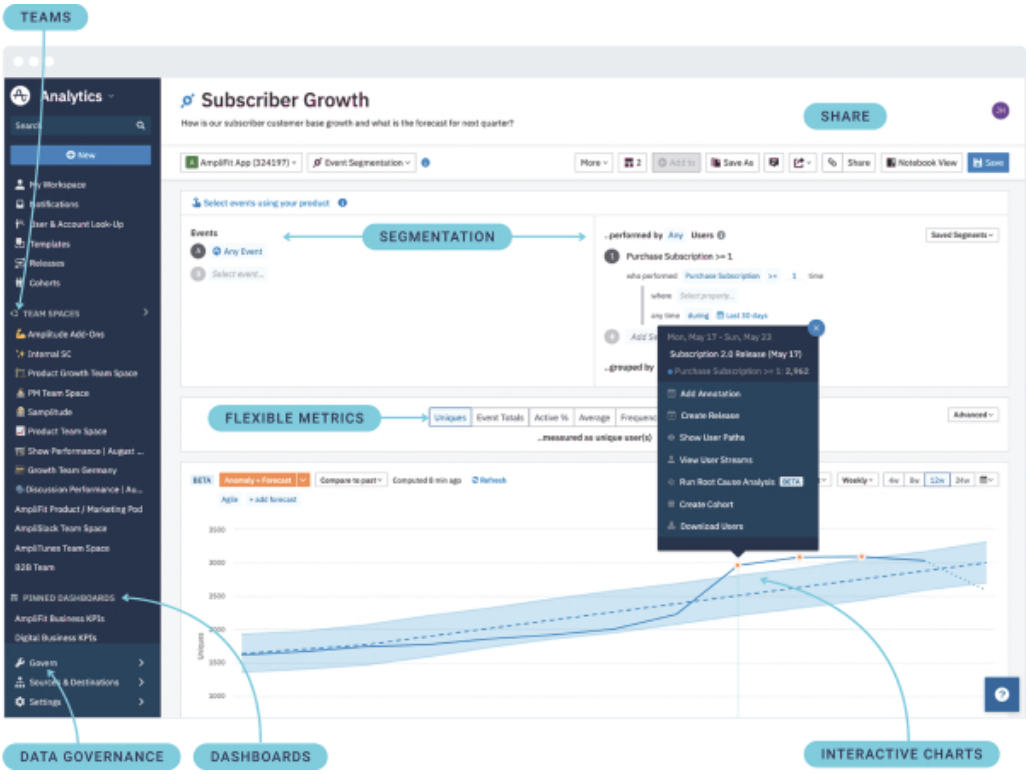
Amplitude offers the first Digital Optimization System that brings together a new depth of customer understanding with the speed of action to optimize experiences in the moment. The system unifies digital teams and businesses with visibility and speed to make quick decisions and act on them together.



Our Digital Optimization System consists of our flagship product analytics offering as well as additional products and add-on applications that complement each other to form the basis of the Digital Optimization System.

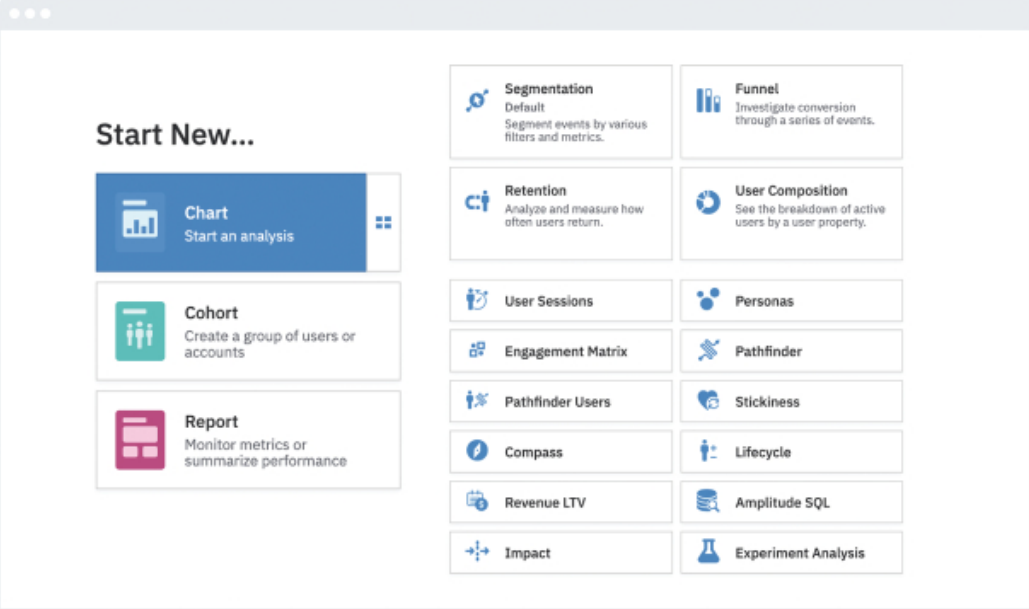
Amplitude Analytics

Amplitude Analytics enables companies to measure and understand end-user behavior to quickly generate insights to optimize digital products and campaigns. We empower non-technical teams to instantly answer the questions that matter to them – ranging from understanding how end-users interact with a product, to identifying what causes an end-user to churn, to measuring the impact of the latest campaign or release. The product is designed with a collaboration-first end-user experience to easily share learnings across the organization, which enables teams to confidently make decisions about how to improve their digital products and evaluate the results afterwards.



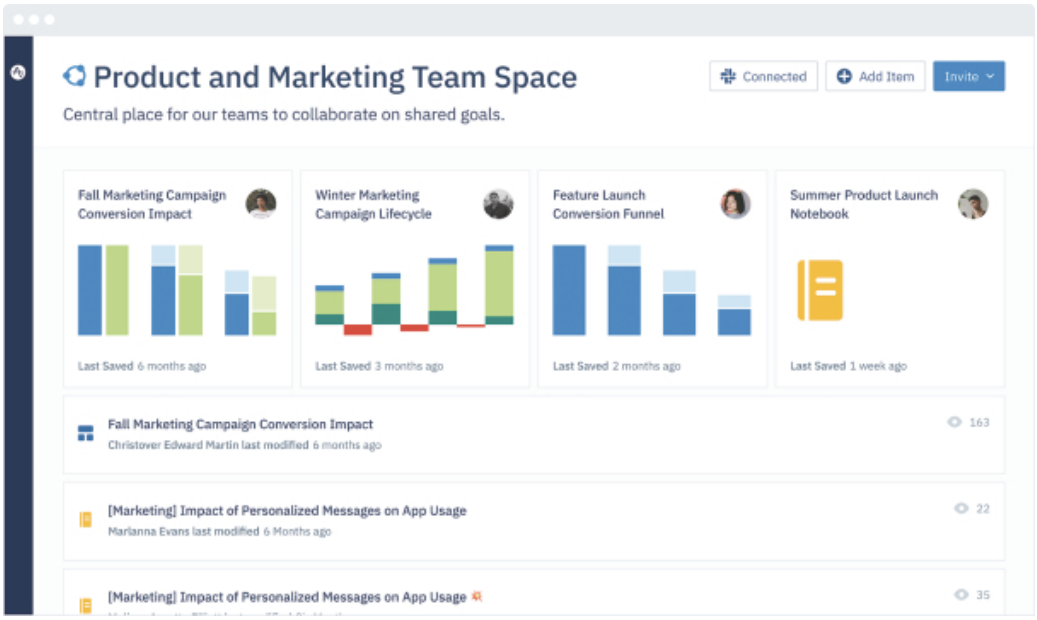
Key capabilities include:

- ***Intuitive interface for guided exploration.*** At the center of exploration in Amplitude is our chart interface. Every analysis uses a consistent set of controls to guide our users to discover their insight. It starts with selecting the event (behavior) they want to analyze, the set of end users they want to segment by, and the metric they want to measure. Non-technical users can perform detailed analyses such as a signup funnel analysis, slicing out a cohort of end users to investigate further, or pivoting the analysis to understand lifetime value, all with a point and click interface. During June 2021, over 4.9 million average weekly queries were run by our users.



- ***Cohorts based on user behavior.*** Using our Behavioral Cohorts feature, our customers have simple ways to identify cohorts of end users based on their behavior. They can specify behavioral criteria through a guided, point and click interface or directly extract a cohort from any other analysis, allowing for seamless use of these cohorts across our various products and features, including Recommend and Experiment.

- ***Collaboration and storytelling built in.*** Sharing and searching charts is the primary workflow within our system, enabling teams to build a repository of knowledge and learn from each other. We provide customers with tools to create Team Spaces to allow easy onboarding of team members. Dashboards can be built to show KPIs to executives, while Amplitude Notebooks are created to share the path to an insight. Amplitude is home to approximately 4.5 million saved charts, 550,000 Dashboards, and 80,000 Notebooks, and a single customer can have hundreds of teammates asking questions every week.



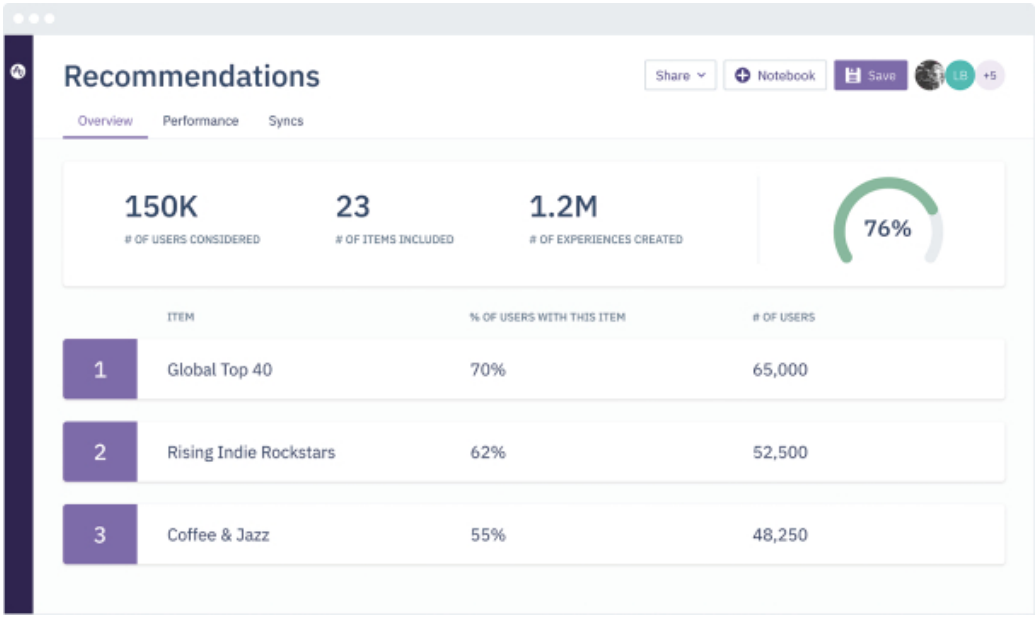
In addition, we offer the following add-on applications to our core analytics offering:

- ***Portfolio*** – ***Analytics for Multi-Product Companies.*** We give our customers a unified view of how their end users navigate across multiple products and platforms. For example, how do end users navigate between one product to another? How does a new product affect the engagement of other products in the portfolio?
- ***Insights*** – ***Monitor Changes in Real Time.*** Our smart alerting application monitors behavioral patterns and automatically notifies customers when there are anomalies, giving our customers peace of mind that we will proactively identify significant changes to their product metrics. Our models look at historical trends – including seasonal behavioral patterns and holidays – to maximize the signal-to-noise ratio. By identifying unintended deviations in product behavior as soon as they are shipped, we help protect revenue streams for our customers.
- ***Accounts*** – ***Understanding B2B Customers.*** We offer account-level analytics for B2B companies looking to understand growth trends and opportunities within accounts based on product usage and user behavior. This solution includes integrations into CRM systems to enrich the existing product usage data which enables customers to answer questions like: how quickly are new accounts onboarding, or which accounts have the right level of activity to be product qualified leads?
- ***Govern*** – ***Proactively Improve Data Quality*****.** Our code-less data management functionality enables teams to plan, validate, and transform their data in Amplitude. And our centralized schema registry gives customers a centralized source of truth for their event data, with automatic code generation to

enable faster instrumentation. These two capabilities lead to a high-quality, trustworthy dataset that is easy to instrument and maintain over time.

Amplitude Recommend

Amplitude Recommend equips teams with the ability to deliver personalized experiences through machine learning and product analytics. Customers are able to tailor campaigns based on an end user's predicted likelihood to engage or suggest next best actions based on historical behavior made by similar users. It is built on top of AutoML feature extraction in our Behavioral Graph so that, without any technical or coding requirements, customers can build prediction and recommendation models that optimize their end user's product experience.

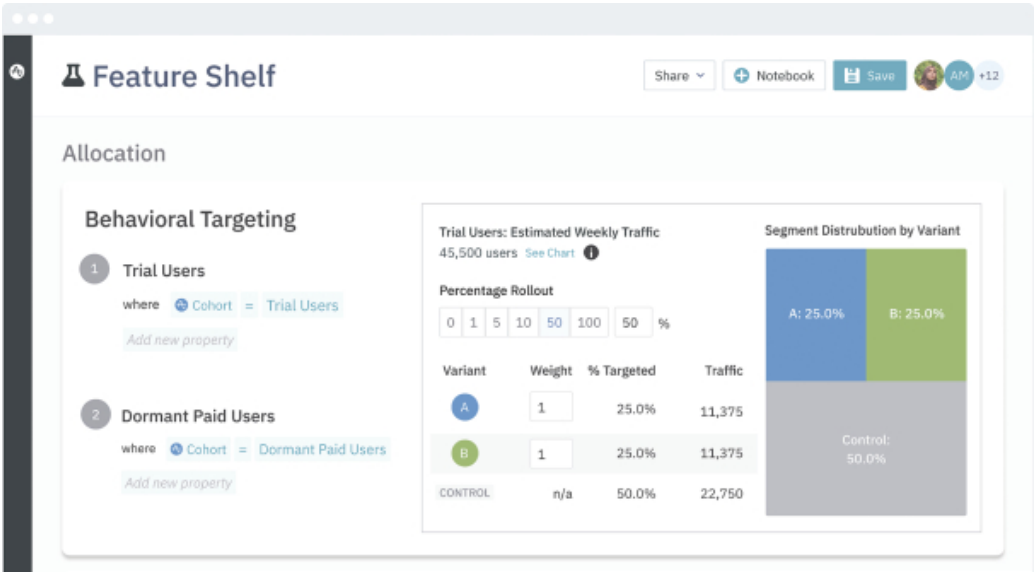


Key capabilities include:

- ***No-code behavioral targeting.*** We offer flexible segmenting and integrations that allow customers to customize their products, messages, and content to end users based on their behavior. Integrations to email, messaging, advertising, and feature flagging platforms coupled with automated syncing capabilities ensure that customers deliver the right message at the right time. Recommend also enables our customers to target with attributes computed in real time – such as last viewed item, average order value or number of videos watched.
- ***Predictive segmentation.*** Our customers can specify desired outcomes for their end users and immediately build predictive models to estimate the propensity of users to achieve the outcome. This functionality allows them to tailor customer interactions, such as using the likelihood of an end user to buy to provide the right incentive to purchase, or likelihood to churn to trigger a message to drive re-engagement.
- ***Self-serve recommendation engine.*** We enable customers to build end-to-end personalized recommendation models, which drive in-product experiences like showing users items they are likely to purchase or content they are likely to consume. With minimal engineering effort, they can set up a recommendation, serve it to their users, and feed the results back into Amplitude to form a continuously learning pipeline.

Amplitude Experiment

Amplitude Experiment is a data-driven experimentation and feature management solution that embeds analytics and customer behavior into A/B testing and rollout workflows so teams learn faster and adapt experiences for key segments. Customers are able to rapidly design, launch, manage, and measure product experiments with a fraction of the technical resources typically required. It is designed to give teams flexibility to target and customize experiences like testing a new loyalty program targeted to power end users, or running a discount optimization campaign across web and mobile platforms. With a robust experimentation framework teams can make decisions on the effectiveness of product changes.



Key capabilities include:

- ***Data-configured experiences.*** Our system guides customers through the process of building end-to-end experimentation programs, whether they are managing feature rollouts or delivering personalized experiences. It uses the identity and cohorting capabilities of our Data Management and Behavioral Graph to give customers flexibility and confidence in using data to configure the user experience. The experiment assignment data is fed back into Amplitude to close the loop on evaluating the results.
- ***Automated statistical testing.*** We provide a robust set of statistical tests to determine experiment success, combined with automatic monitoring of secondary and guardrail metrics, so that customers can quickly determine winners. We proactively scan through hundreds of other metrics to identify trends and new opportunities for optimization.

Digital Optimization System-wide Capabilities

While our customers see a lot of success using our individual products, the true power of the Digital Optimization System is how all components work together to complete the learning loop for our customers – as Amplitude suggests and tests new experiences, data is generated, which is fed into our Behavioral Graph and leads to new insights, kicking off another iteration of the loop. We have built our system to serve enterprises and their needs from a security, privacy, and integration perspective.

Key capabilities include:

- ***Natively integrated.*** Analytics, Recommend, and Experiment are built to be integrated with each other natively. They share the same identity resolution, user cohorting, and schema management capabilities, providing an efficient, consistent, and seamless experience in the entire learning loop.
- ***Enterprise-grade security and compliance.*** We are committed to the security and privacy of our customers' data. Data sent to Amplitude by authorized users is considered confidential, protected in transit across public networks, and encrypted at rest. Additionally, we have continued to pursue independent third-party assessments and validations of our security and compliance capabilities, including industry-standard reports like SOC 2 Type II.
- ***Privacy-first.*** Privacy is of the utmost importance for our customers in the modern digital product era. We include first-class tools and APIs for both ensuring that customers are sending only the necessary data and complying with privacy regulations like GDPR.
- ***Dozens of turnkey integrations.*** Our Digital Optimization System has dozens of turnkey integrations with other parts of the digital product stack that make up the broader ecosystem. We enable bi-directional integration by ingesting data from other tools in the ecosystem and exporting our data to these tools to support enterprise use cases. We integrate with a variety of technologies, including customer data platforms, data warehouses, messaging platforms, marketing automation and attribution tools, and experimentation tools. We also enable the embedding of Amplitude charts into communication and workflow tools.

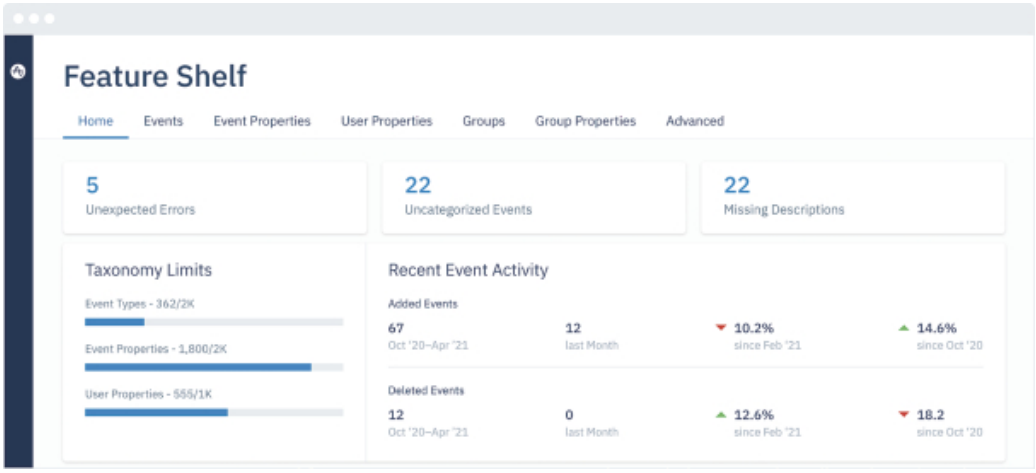
Our Platform and Technology

Data gets into our system through many sources, including our SDKs, server side, and integration with our partner systems. It then goes through the processing and cleanup stage before being stored in our behavioral graph which is a user-oriented distributed columnar data store. Our Behavioral Graph powers the analytics, collaboration, prediction, and recommendation platform.

We have designed a system that can process large amounts of data and provide an interactive query/response model. Instead of building a general purpose data storage and processing system similar to data warehouses that would require our users to know SQL and wait a long time to get answers to their analytics-oriented join-heavy queries, we have built a brand new system from the ground up focused on end-user behavior analysis that is optimized to ingest, process, and store it in a specific format, and structure to power low latency query/response.

Real-time Data Management

The underpinning of the Digital Optimization System is our real-time Data Management layer. This layer includes our core data platform that offers our customers a number of tools and capabilities for ingesting data to Amplitude, resolving identity to create a consistent and unique identity, and managing customer and product data.



Key differentiators include:

- ***Structured, event-based schema.*** Amplitude ingests and processes event data. Each event represents an interaction that an end user or device performed on our customers' products. Event data has information about the event as well as the end user and device that has performed the event, and it follows a specific but flexible schema. As event data enters our platform, it gets ingested, sanitized, enriched, and canonicalized and is stored in an optimized format in our behavioral graph to enable low latency query/response.
- ***Breadth and scale of digital sources.*** Amplitude has a number of tools and offerings such as several client-side and server-side SDKs, APIs, and integration with customer storage systems such as Amazon S3 and data warehouses that allows us to ingest from a number of sources, including mobile applications, websites, and backend services.
- ***Identity resolution for a multi-platform world.*** In the multi-platform world, end users interact with our customers' products through many devices; it is logged in at times and anonymous at other times. Amplitude's identity resolution service automatically captures one consistent view of the customer's usage across platforms through continuous event streaming as users log in and out of customers' products, browse anonymously, and use multiple devices.

Amplitude Behavioral Graph

Event data is fed into the Amplitude Behavioral Graph, which is purpose-built to handle the scale, speed, and complexity of user behavior in digital products. It is the foundation of all of the analytics and personalization applications as part of the Digital Optimization System.

Key differentiators include:

- ***Complex distributed joins.*** The most important user behavior questions involve looking at many different points in a user's journey to answer, traditionally referred to as "joins" in SQL-based systems. At scale, this must be done in a distributed manner, and the more sophisticated the product the more complex the questions become. We built a database from the ground up using state-of-the-art columnar storage techniques and embedded it at every layer with knowledge of behavioral data and questions –for example pre-partitioning data by user and caching partial, reusable computations. We can express the varied semantics of product questions while running at the speed of native code, allowing us to answer customers' questions in seconds.

- ***Real-time data observation.*** We built our database to match the speed at which digital products evolve. We use a lambda architecture with separate real-time and batch processing layers so that data is not only available for querying within seconds, but also optimized for long-term trend analysis.
- ***Multi-tenancy and scale.*** In 2020, we processed over 7 trillion user actions for our customers, the vast majority of them being query-able to this day. At any point in time, there are hundreds of queries running simultaneously on our database, each of varying cost and complexity. We use a multi-tenant architecture to achieve economies of scale, and we have designed a differentiated throttling mechanism in order to isolate the effects of customers' queries on each other.
- ***AutoML.*** Using our structured, event-based schema and database that is embedded with an understanding of behavioral data, we have automated the most challenging part of machine learning pipelines and feature extraction. Our Behavioral Graph can generate a meaningful and robust set of thousands of features for each user in the system, which is used for a variety of applications. By having this automation with little to no customer input, we can offer truly self-service machine learning via AutoML.

Our Customers

Our Digital Optimization System is used globally by organizations of all sizes and across a vast range of industries. As of December 31, 2020 and June 30, 2021, we had over 1,000 and 1,200 paying customers, respectively, representing a year-over-year growth rate of 41% and 51%, respectively, and 25 and 26 of the Fortune 100, respectively. We believe that our Digital Optimization System can help organizations of all sizes, from the smallest startups to the largest global organizations, unleash the power of digital optimization to drive business outcomes and deliver value to customers.

The following is a representative list of our customers by industry vertical:

Consumer Tech
Baron App, Inc. (aka Cameo)
Maplebear Inc. (aka Instacart)
OkCupid
Squarespace, Inc.

Enterprise Software
Box, Inc.
Cloudflare, Inc.
HubSpot, Inc.
Notion Labs, Inc. (aka Notion)
Shopify Inc.

Financial Services
Capital One Financial Corporation
The Goldman Sachs Group, Inc.
Social Finance, Inc. (aka SoFi)
The Western Union Company

Retail
Glossier, Inc.
Overstock.com, Inc.
PepsiCo, Inc.

Healthcare & Wellness
Athenahealth, Inc.
Care.com
GoodRx Holdings, Inc.
WebMD Health Corp.

Media & Entertainment
Canal+ Group
Le Monde Group
Schibsted Media
The Slate Group LLC (aka Slate)
The Walt Disney Company

Automotive / IoT
General Motors Company (Cruise)
Peloton Interactive, Inc.
Whoop, Inc.

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How Amplitude Powers Product Velocity as the Digital Optimization Standard for Atlassian

Answered with Amplitude

- How can we understand the user journey, use cases, and pain points better?
- How do we reduce friction in user flows and navigation?
- How do we get better visibility of cross-sell dynamics?

INSIGHT

Atlassian unleashes the potential of every team with a suite of products that help plan, collaborate, and code. Over the course of our five year partnership, Amplitude has become the digital product optimization standard across the full suite of Atlassian products and for cross-functional teams throughout the company. Atlassian began its partnership with Amplitude in its mobile Jira & Confluence apps. The Atlassian team discovered that a single source of truth for product analytics was a powerful way to streamline operations, give every employee a common view and language, and answer strategic business questions across the full product suite. Today, Amplitude powers digital product optimization across every Atlassian product and for employees across product, engineering, and data science teams.

ACTION

The Atlassian teams rely on Amplitude to observe user behavior, measure the impact of product iterations, and roll out new features to improve the user experience. Amplitude's real-time behavioral data has helped Atlassian teams roll out new user-friendly navigations and product improvements to grow adoption of key features. With every new update or feature release, everyone from an engineer to an executive can see the impact on their important metrics – like average user task completion rates. Atlassian uses this knowledge to decide where to pull back product features, and where to double down.

OUTCOME

The expansion of Amplitude and Atlassian's relationship over time has driven operational efficiency, led to a streamlined data model, and accelerated product adoption across the suite of products. Atlassian wants to provide a product customers love to use, and Amplitude helps the team prioritize their product roadmap and constantly improve their offerings.

> *"Building software is a highly collaborative effort. Having a deep understanding of how users interact with and collaborate through our products help us prioritize our product roadmap and constantly improve our offerings. It helps us have a common goal. Amplitude enables us to stay on that path towards providing a product that customers love."*
>
> Ivan Galea
> **VP, Head of Analytics and Data Science | Atlassian**

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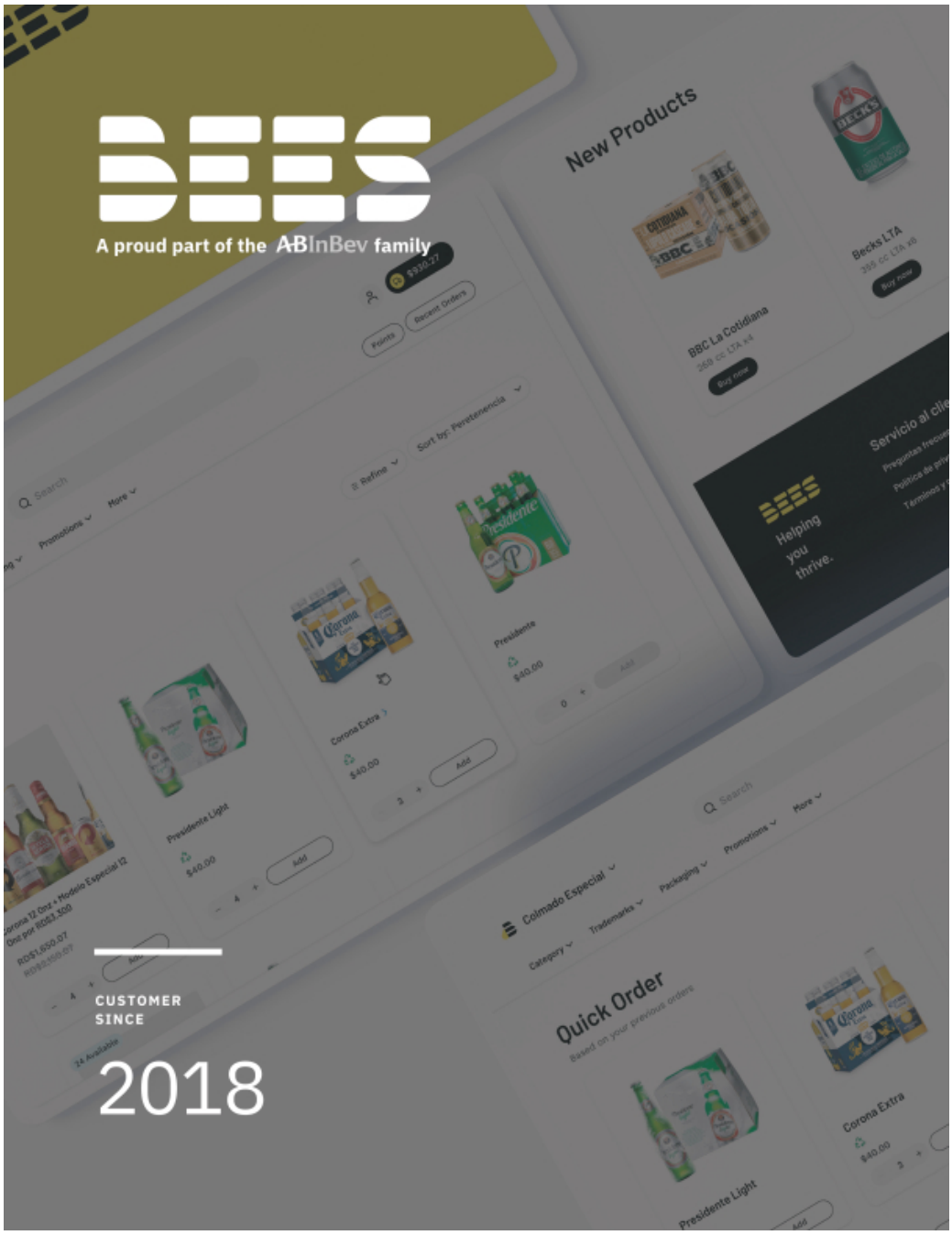

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How the World's Largest Brewer Transformed the Traditional Consumer Packaged Goods Sales Model

Answered with Amplitude

- How do we increase e-commerce sales and customer engagement?
- Which products are most popular in each region?
- When and where do retailers make purchases?

INSIGHT

Developing a world-class product for retailers is the #1 priority for BEES, an e-commerce and SaaS company created by Anhesuer-Busch Inbev. With BEES, retailers can browse for products, place orders, earn rewards*, arrange deliveries, manage invoices, and access business insights — all from one platform. Amplitude was implemented so that business units around the world can understand every interaction across the customer journey — from signing up a new account to browsing products, checking inventory, and purchasing. With customer and product insights democratized across global teams, BEES' is able to scale data-driven decision making during product development and tailor each customer's digital interaction with the exact information they need.

ACTION

Amplitude's Digital Optimization System has empowered BEES' product, sales, data science, and customer experience teams to improve the recurring order experience as well as surface popular consumer items in specific countries, regions, cities, or even neighborhoods. For example, BEES found that retailers browse on mobile devices during the day and add products to their carts, but typically don't checkout until the evening, or even later that same week. Using these insights, their teams design personalized in-app marketing messages that match each end-user's purchase habits.

OUTCOME

Transforming the traditional sales model with real-time digital business analytics has allowed BEES to put customers at the heart of every decision. Every user receives daily personalized recommendations powered by AI models; these recommendations help customers stock the right assortment for their retail establishment based on what products are selling best to consumers in their area.

> *"AB InBev proudly serves six million small- to medium-sized retailers worldwide. Prior to BEES, we were having trouble understanding our customers at scale — with a physical and offline distribution model. But now, with customers engaging with BEES and teams utilizing Amplitude, not only can we understand our customers in a much more robust way, but we can also personalize every experience to truly help them thrive."*
>
> Jason Lambert
> **Global VP of Product | BEES**

**Regulatory obligations may impact availability of this feature in certain markets.*

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How Dropbox Maximizes Product-led Growth with Deep Customer Insight

Answered with Amplitude

- How do we increase annual recurring revenue (ARR)?
- How can we create more paying users?
- What can we do to increase conversion of registered users to our paid subscription plans?

INSIGHT

Dropbox is a pioneer of product-led growth and now has hundreds of millions of users and a suite of digital products. With Amplitude, all of their cross-functional teams can analyze end-to-end product experiences, run measurable experiments faster than ever before, and ultimately understand what product bets and customer behaviors will increase free-paid conversions & increase average revenue per user.

ACTION

Dropbox used Amplitude for ad-hoc analysis of new product performance in order to drive iteration and a "ship to learn" approach. Following the success of those new product integrations, Dropbox is standardizing on Amplitude for product development across the company.

OUTCOME

This has changed how Dropbox is prioritizing and building out use cases. With more than 700 million registered users across 180 countries, the Dropbox team can use Amplitude to dig into customer behavior and pinpoint cohorts for marketing campaigns.

> *"With Amplitude, our cross-functional teams can analyze end-to-end product experiences, run measurable experiments faster than ever before, and understand what product bets and customer behaviors will increase free-paid conversions and average revenue per user."*
>
> Timothy Young
> **President | Dropbox**

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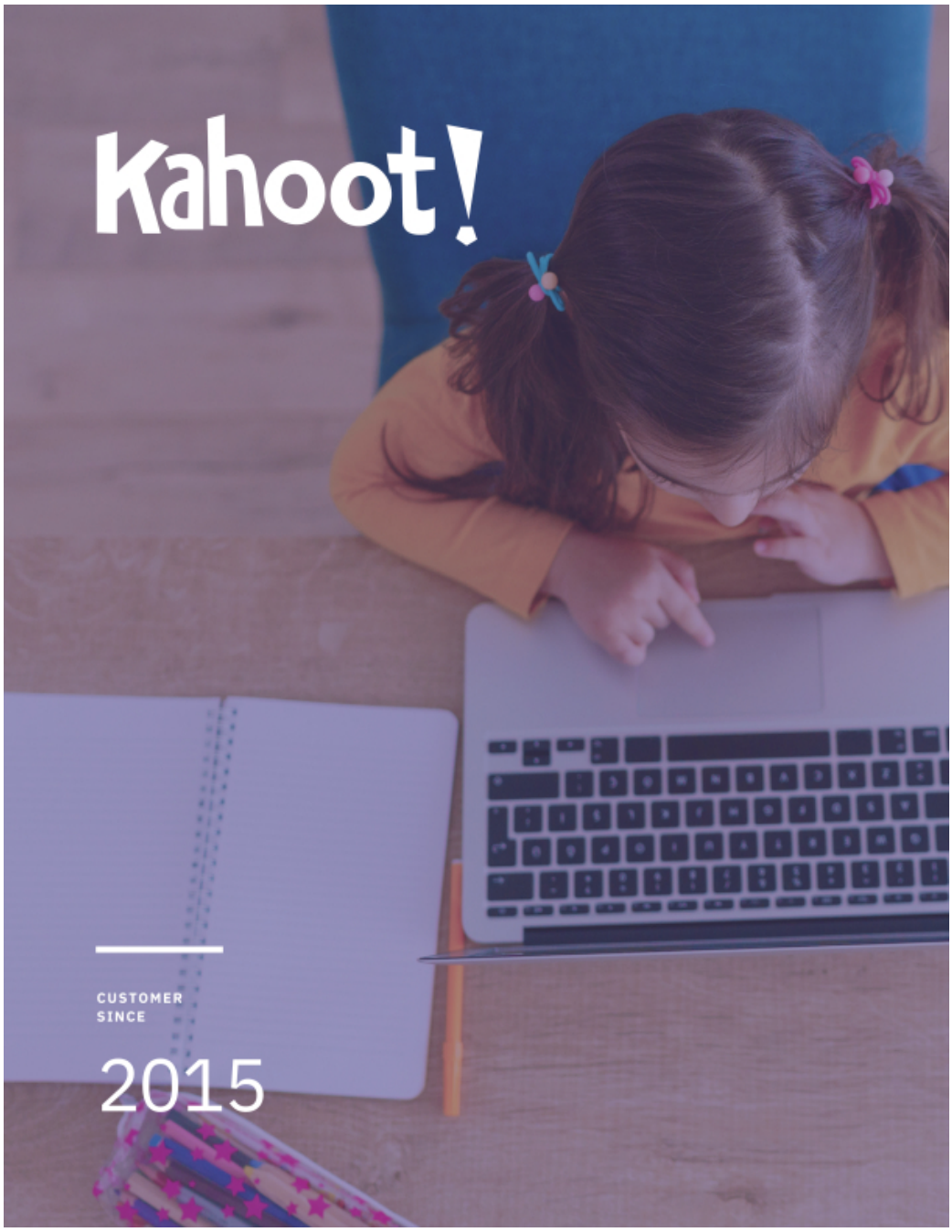

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How Kahoot! Utilized Amplitude to Reduce Customer Churn by 20%

Answered with Amplitude

- How can we utilize cohorts to understand user behavior?
- What can we do to increase onboarding conversion?
- What are the ways we can reduce churn?

INSIGHT

Over the last year, Kahoot!, a learning platform, has hosted more than 300 million games with over 1.8 billion participating players in 200 countries. Kahoot! serves over 933,000 paying users.

Kahoot! has seen a period of phenomenal growth and throughout this time, Amplitude has provided critical support, helping the team understand their data and use those insights to rapidly scale.

OUTCOME

More than half of all teachers and students in the United States hosted or played a Kahoot! throughout the pandemic, and 97% of Fortune 500 companies use Kahoot! for training, onboarding, presentations, and events. Because of this growth, the Kahoot! team has gone from having a small number of interactions to working with a massive, comprehensive data set. It's quickly become imperative that everyone can access and use data with Amplitude.

ACTION

Leveraging Amplitude's anomaly detection and forecasting features, product managers and engineers can quickly find out when something is broken and track metrics around releases. Amplitude's approach toward self-service product analytics has removed the data team's burden by 80%. Data analysts now have time to focus on the other 20% of requests, which are much more complex queries — like creating a churn model and testing it in Amplitude. That model resulted in a 20% drop in churn.

Additionally, Amplitude can help customer success and support teams to understand customer behavior and needs, for example by providing insights on the conversion rate of pricing pages, and run A/B tests to improve conversion rates. The customer support team can take customer complaint analysis to the next level by looking at Amplitude to see exactly which actions on the platform prompted a complaint.

> *"It's impossible to overemphasize the importance of self-service analytics in all of these cases. We've removed that classic data bottleneck you see at so many companies, where it takes two weeks for someone to receive a report. The immediacy of insights sparks further curiosity. People want to take a deeper dive into the results, which means our Amplitude users become more competent in the field of data analysis."*
>
> Martí Colominas
> **Head of Data | Kahoot!**

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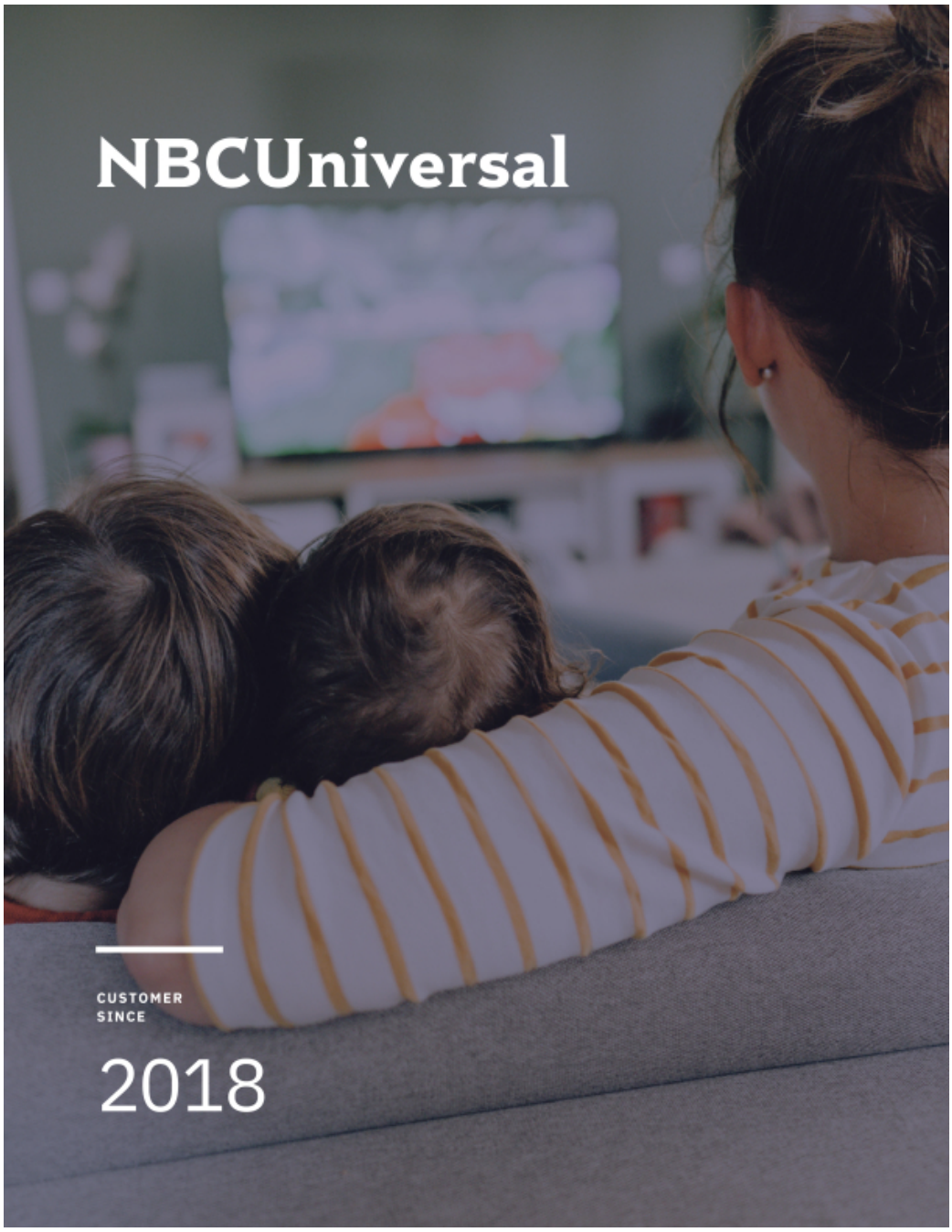

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How NBCUniversal® Used Product Analytics to Drive Retention by 2x

Answered with Amplitude

- How do we turn viewers into highly engaged paying customers?
- How can we increase the velocity of decision-making internally?
- How can we increase the rate of experimentation internally?
- For our users, how do we increase total minutes watched?
- How do we continue to drive retention for our content?

INSIGHT

In 2018, the product leadership team at NBC's entertainment network decided to empower more individuals and teams with user insights and reduce reliance on singular data scientists. With "data science in a box," Amplitude allows teams to move faster, experiment quicker, and understand users better to take more immediate action to improve customer experience.

ACTION

The NBCUniversal team created a "scalable framework for experimentation," which included tailoring its app homepage to user history and trying new app preview features.

OUTCOME

Amplitude has given data analysts 25% of their day back. The scalable framework for experimentation has enabled strategic business decisions around app homepage changes and a video preview feature, which improved viewership by 10%, Day 7 retention by 2x, and video-start conversions by 36%. Today, Amplitude has become the standard for measurement for product, data science, and marketing teams across NBCUniversal's portfolio of streaming entertainment and digital news products.

> *"[Amplitude] allows us to move faster, experiment quicker, and understand our users better to take more immediate action to improve our customer experience."*
>
> Josh Snow
> **Senior Vice President of Product & Design | NBCU Direct-to-Consumer Group**

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How Twitter Used Amplitude to Improve Time-to-Insight

Answered with Amplitude

How do we better understand behavior throughout the customer journey?

INSIGHT

Twitter is continually building new products and iterating on existing ones to give people new ways to join the conversation on Twitter. Their team uses Amplitude to understand feature adoption and how behaviors impact downstream metrics like user growth and retention.

ACTION

Twitter prioritizes product development and iterates on new product experiences as they see how people engage with new features. A single, self-service analytics solution creates internal alignment, alleviates inefficiency from tool fragmentation, and enables proactive troubleshooting of data issues.

OUTCOME

With easily accessible behavioral insights in the hands of product managers, designers, and engineers, Twitter's time to insight greatly improved, allowing the team to make product adjustments in real-time. Troubleshooting data challenges also improved, freeing up engineering resources.

Amplitude helps drive decisions around innovation, de-risking future investments, and accelerating time to market.

> *"Amplitude allows our team to better understand how people use Twitter, which helps us work smarter and give us key insights we need in our mission to serve the public conversation."*
>
> Kayvon Beykpour
> **Head of Consumer Product | Twitter**

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How Walmart Leverages Amplitude to Understand Omnichannel Customer Behavior

Answered with Amplitude

- How do we increase the number of omni-channel customers who make purchases over time?
- What levers can we pull to increase the lifetime value (LTV) of our digital shoppers?
- How do we activate in-store shoppers on digital and vice versa?

INSIGHT

Walmart product and marketing teams have insight into how various users interact across the digital customer experience — customers who shop online, schedule recurring or same-day pick-ups, engage with marketing campaigns, check product availability, and shop in-store. When Walmart merged multiple apps into a single product, their teams monitored cohorts throughout the migration, allowing for critical real-time reporting.

ACTION

Amplitude was a critical driver of the effort to consolidate multiple apps into a single product. By seeing how different audiences engaged across products and devices, Walmart's teams developed a product grounded in deep customer understanding and product usage data. Once the apps merged, teams monitored cohorts throughout the migration, allowing them to build a powerful set of in-store tools for scanning products, price checking, grocery pick-up, checking product availability, and more.

OUTCOME

Predictions based on historical key moments now feed into the Walmart teams' assumptions for the future and help determine when growth spikes will happen, how key moment events play into long-term retention assumptions, and how they can plan retention strategy and timing. Now, various teams throughout the organization can make mission-critical decisions based on this data — including planning engagement strategies for those who may be at risk of churn.

> *"Amplitude is a powerful addition to our analytics stack because of its high-speed mobile-specific, behavioral aspects. Between the computing power, metrics, and flexibility, it has made our analysis of customer data much easier. The depth and breadth of capabilities helps us pull a deeper behavioral understanding of our customer and what drives value for them in-app."*
>
> Sherry Thomas-Zon
> **Director of Mobile Marketing | Walmart**

Amplitude

Sales and Marketing

Our sales and marketing efforts focus on landing customer accounts by addressing an initial digital optimization use case across one or more digital products and expanding those relationships over time as we deliver ongoing value and meet a greater portion of our customers' digital optimization needs. We have been successful in driving growth through acquiring new customers across industries and stages of digital maturity as well as driving expansion of our Digital Optimization System in those organizations to include additional functional teams, use cases, and digital products. As of December 31, 2020 and June 30, 2021, we had 262 and 311 customers, respectively, that each represented ARR greater than $100,000 and 15 and 22 customers, respectively, that each represented ARR greater than $1 million, which we believe represents our ability to both successfully target and acquire customers who present attractive opportunities for our business.

We employ an efficient, multi-pronged go-to-market strategy combining direct sales, including field and inside sales, product-led growth initiatives, including subscription plans to meet the needs of a diverse range of companies, and marketing initiatives to supplement our sales efforts. Our field sales personnel focus on attracting new customers as well as expanding usage within our existing customer base. Our sales team is supported by business and sales development professionals and solution consultants who facilitate the sales process through identifying use cases based on customer needs, assessing requirements, addressing security and technical questions, consulting on customers' data stacks, and finding additional expansion use cases.

In accordance with our ethos to empower companies of all sizes to unleash digital optimization to drive their business, we offer a variety of free and paid plans depending on our customers' needs. For startups, we offer a *Scholarship* plan, which consists of a self-serve, free one-year subscription to our *Growth* plan, to help them turbo-charge their digital optimization efforts. For larger commercial companies and organizations, we offer both free and paid plans. Our free, self-serve *Starter* plan allows access to a limited set of core offerings, including our leading Analytics offering, and serves as effective brand marketing and a low friction model for getting a single team started with Amplitude, which can also create a glide path to conversion into one of our paid plans. Our paid *Growth* and *Enterprise* plans provide access to additional capabilities, functionality, and event volume to meet the needs of larger and more complex use cases.

Our professional services team helps customers design and execute their digital optimization, product-led growth, analytics, and personalization projects. We offer our customers implementation, training, and related services to help them realize the full benefits of our Digital Optimization System. We also work closely with our partner ecosystem to help them deploy our solutions and build our technology into their services offerings, providing opportunities for us to increase the breadth and depth of our deployment within new and existing customers.

We have more than 40 partners in the Amplitude partner ecosystem program, which provides solutions to help accelerate our customers' digital optimization initiatives. Our ecosystem consists of the following:

- ***Solutions partners,*** including global systems integrators, consultancies, and digital agencies, partner with Amplitude to provide business transformation strategy, best practices, and support.
- ***Technology partners,*** who integrate their software with the Digital Optimization System to build and deliver end-to-end enterprise technology solutions. Amplitude has dozens of technology integrations and partners across more than 15 software categories, including marketing automation, attribution tools, data warehouses, and customer data platforms, to name a few.

Our marketing efforts focus on driving our go-to-market demand generation engine across all market segments and across both new and existing customers, as well as raising our brand profile globally. To do this, we utilize a combination of online and offline marketing programs such as online advertising, blogs, public relations, social media, educational white papers and webinars, product demos, workshops, roundtables, and customer case studies. A key part of our growth strategy is our annual user conference, Amplify, which drew

nearly 10,000 registrations in 2020. These gatherings focus on attracting a broad mix of prospects and customers to focus on digital optimization and Amplitude product education, and the sharing of customer success stories and best practices.

As of June 30, 2021, we had 245 employees in our sales and marketing organization.

Our Culture and Employees

We believe that our company culture enables us to achieve our mission, is a core driver of our business success, and is a significant reason why people choose to build their careers at Amplitude. We are pioneers in this field who endeavor to make product, business, and people decisions that allow us to carry out our mission while staying true to our values. We believe Diversity, Equity, and Inclusion is rooted in the fabric of our culture. We advance our culture of belonging–in which Humility, Ownership, and Growth Mindset are at the center–by coming together to make a collective impact in our work and our communities. Through strategic initiatives and partnerships, policy development and stewardship, innovation and education, our DEI-embedded culture shapes Amplitude's future to one where all employees can fully realize their potential.

- ***Humility.*** No ego – we operate from a place of empathy and openness and seek to understand many points of view.
- ***Ownership.*** We take the initiative to solve problems that drive our shared company success.
- ***Growth Mindset.*** We're tenacious in the face of challenges and seek input in order to grow ourselves and others.

We use our values as the cornerstone for setting the tone for how we show up with one another and our customers. We are intentional about embedding them as the lens through which we operate. We are deliberate in operationalizing our values through our selection of talent, recognizing, rewarding, and how we celebrate. We regularly recognize and celebrate those who are exemplary models of our values through our Quarterly Values Awards. We believe that it is this focus on our values that is what sets us apart in building a culture of empathy and accountability.

In 2021, we were recognized by San Francisco Business Times and Built In as "Best Places to Work in the Bay Area" and "Best Midsize Places to Work in the Bay Area," respectively. Additionally, Business Insider has included us in their "Startups to bet your career on" list.

In 2020, together with four of our ecosystem partners, we announced the launch of a joint-initiative called Tech for Black Founders. Our mission is to create an ecosystem that provides resources and technology to empower Black-founded businesses and level the playing field for underserved founders. Our shared goal is to help Black-founded businesses accelerate growth and scale as rapidly and efficiently as possible. In the last year, Amplitude received nearly 200 applications, with 75 companies currently in the program.

We operate from a place of openness, taking initiative to drive our shared company success, while seeking input in order to grow ourselves and our customers. Our values fuel our growth, guiding us as we learn, succeed, and celebrate together.

As of June 30, 2021, we had a total of 490 employees, including 100 employees located outside the United States. None of our employees is represented by a labor union or covered by collective bargaining agreements. We have not experienced any work stoppages. We consider our relationship with our employees to be good.

Research and Development

Our research and development efforts are focused on continued innovation, enhancing our platform features and functionalities, and expanding the services we offer to increase market penetration and deepen our

relationships with our customers. We believe the timely development of new, and the enhancement of our existing platform features and services, is essential to maintaining our competitive position. We continually incorporate feedback and new cases from our customers into our platform. As of June 30, 2021, we had 101 employees in our research and development organization. We intend to continue to invest in our research and development capabilities to extend our platform. Research and development expenses totaled $19.0 million, $26.1 million, $14.1 million, and $15.5 million in fiscal years 2019 and 2020 and for the six months ended June 30, 2020 and 2021, respectively.

Competition

The market for digital optimization is new and evolving. Businesses have used a range of point solutions built for other use cases in an effort to address their needs, but none of which offer the breadth and depth of capabilities offered by our Digital Optimization System. However, we do compete with a number of companies, ranging from large and diversified businesses to smaller start-ups, that offer certain solutions and functionality similar to aspects of our platform. These competitors include the following:

- product analytics point tools such as Pendo, Mixpanel, and Heap;
- web and marketing analytics vendors such as Adobe Experience Cloud and Google Analytics; and
- business intelligence solutions such as Looker and Tableau.

The principal competitive factors for companies in our industry are:

- powerful and flexible infrastructure that can ingest and manage a broad variety and large volume of data;
- platform functionality, including speed, scale, and breadth and depth of insights;
- size of end-user base and level of customer adoption;
- enterprise-grade technology that is secure and reliable;
- self-service offerings;
- ability to enable collaboration across numerous teams;
- ease of integration and deployment with existing IT infrastructure;
- mindshare with line of business and non-technical teams;
- ability to address a variety of evolving customer needs and use cases;
- price and total cost of ownership;
- brand awareness and reputation;
- quality of professional services and customer support;
- strength of sales and marketing efforts; and
- adherence to industry standards and certifications.

On the basis of the factors above, we believe that we compare favorably to our competitors. However, some of our actual and potential competitors have advantages over us, such as substantially greater financial, technical, and other resources, such as larger sales forces and marketing budgets, greater brand recognition, broader distribution networks and global presence, longer operating histories, more established relationships with current or potential customers and commercial partners, and more mature intellectual property portfolios. They may be able to leverage these resources to gain market share and prevent potential customers from purchasing our products. Additionally, we expect the industry to attract new entrants, who could compete with our business and introduce new offerings. As we scale and expand our business, we may enter new markets and encounter additional competition.

Intellectual Property

Our intellectual property is an important part of our business. We rely on patent, copyright, trade secret, and trademark laws, as well as confidentiality agreements, license agreements, intellectual property assignment agreements, and similar contracts, to establish and protect our proprietary rights. We maintain a policy requiring our employees, contractors, consultants, and other third parties to enter into confidentiality and proprietary rights agreements to control access to our proprietary information. However, these laws, agreements, and policies provide only limited protection, and our intellectual property rights and other proprietary rights may still be challenged, invalidated, infringed, or misappropriated in the United States and in foreign jurisdictions. The laws of certain jurisdictions do not protect proprietary rights to the same extent as the laws of the United States, and it may therefore be difficult, impossible, or otherwise not commercially reasonable to protect our proprietary rights in certain jurisdictions. In addition, we use software components licensed from third parties under open-source software licenses, which licenses generally do not contain warranties or indemnifications from the licensors with respect to infringement, security vulnerabilities, or other issues. As a result, we would not have contractual protections if our use of the open-source software licensed from third parties infringes third-party intellectual property rights or if we encounter other issues with respect to our use of third-party open-source software. We also publicly license our SDK and certain other components to third parties pursuant to open-source licenses. The value of the software we publicly license to third parties pursuant to open-source licenses may be diminished given that such licenses grant those third parties broad rights to modify and distribute such software and could allow a competitor to more easily develop a competing product by examining our software.

As of June 18, 2021, we had four U.S. patent applications pending. We continually review our development efforts to assess the existence and patentability of new intellectual property. We pursue the registration of our domain names, trademarks, and service marks in the United States and in certain locations outside the United States. As of June 18, 2021, we had four registered trademarks in the United States and one trademark application pending in the United States.

Data Privacy & Security

Numerous state, federal, and foreign laws and regulations, including consumer protection laws and regulations, including data breach notification laws, govern the collection, dissemination, processing, use, access to, confidentiality, and security of personal information and could apply to our operations or the operations of our partners. In particular, certain state and non-U.S. laws, such as the CCPA, the CPRA, and the GDPR, set strict standards for maintaining the privacy and security of personal information. Many of these laws differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts. Failure to comply with these laws, where applicable, can result in the imposition of significant civil and/or criminal penalties and private litigation. In sum, privacy and security laws, regulations, and other obligations are constantly evolving, may conflict with each other, and can result in investigations, proceedings, or actions that lead to significant civil and/or criminal penalties and restrictions on data processing.

Our Facilities

Our principal executive office is located in San Francisco and consists of approximately 57,530 square feet of space under a sublease that expires on September 30, 2025. We also lease three additional offices in Amsterdam, Paris, and Singapore. We lease all of our facilities and do not own any real property. We intend to procure additional space in the future as we continue to add employees and expand geographically. We believe our facilities are adequate and suitable for our current needs and that, should it be needed, suitable additional or alternative space will be available to accommodate our operations.

Legal Proceedings

From time to time, we may be subject to legal proceedings and claims in the ordinary course of business. We are not presently a party to any legal proceedings that, if determined adversely to us, would individually or

taken together have a material adverse effect on our business, results of operations, financial condition, or cash flows. We have received, and may in the future continue to receive, claims from third parties asserting, among other things, infringement of their intellectual property rights. Future litigation may be necessary to defend ourselves, our partners, and our customers by determining the scope, enforceability, and validity of third-party proprietary rights, or to establish our proprietary rights. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors.

MANAGEMENT

The following table sets forth information regarding our executive officers and directors as of August 10, 2021:

Name	Age	Position(s)
Executive Officers		
Spenser Skates	33	Chief Executive Officer and Director
Matt Heinz	45	Chief Revenue Officer
Jennifer Johnson	47	Chief Marketing and Strategy Officer
Curtis Liu	32	Chief Technology Officer and Director
Hoang Vuong	44	Chief Financial Officer
Non-Employee Directors		
Neeraj Agrawal(1)	48	Director
Ron Gill(1)(2)	55	Director
Pat Grady(1)	38	Director
Erica Schultz(3)	47	Director
Elisa Steele(3)	54	Director
Eric Vishria(2)	42	Director
Catherine Wong(2)	45	Director

(1) Member of our audit committee.

(2) Member of our compensation committee.

(3) Member of our nominating and corporate governance committee.

Executive Officers

Spenser Skates is our co-founder and has served as our Chief Executive Officer and as a member of our board of directors since 2011. Mr. Skates previously worked as an algorithmic trader at DRW Trading Group, a diversified trading firm, from July 2010 to March 2011. He received a B.S. in Bioengineering from the Massachusetts Institute of Technology. While at MIT, he won MIT's largest programming competition, Battlecode, in 2009 and 2010. We believe that Mr. Skates is qualified to serve on our board of directors due to the valuable expertise and perspective he brings in his capacity as our Chief Executive Officer and because of his extensive experience and knowledge of our industry.

Matt Heinz has served as our Chief Revenue Officer since October 2019. He previously held a variety of sales leadership positions at Marketo, Inc., a software company, from January 2011 to October 2019, most recently serving as Head of Enterprise, Americas following Marketo's acquisition by Adobe Inc. in 2018. Prior to that, Mr. Heinz was Regional Vice President of Sales, West Region at Benesyst, a benefits outsourcing company, from August 2009 to January 2011. He previously served as Director of Sales at WageWorks Inc., a benefits provider, from June 2005 to July 2009. Mr. Heinz received a B.A. in Political Science from the University of California, Los Angeles.

Jennifer Johnson has served as our Chief Marketing and Strategy Officer since September 2020. From February 2017 to September 2020, Ms. Johnson served as Chief Marketing Officer at Tenable, Inc., a cybersecurity company. Prior to joining Tenable, Ms. Johnson was a Category Design Advisor for Play Bigger Advisors, LLC, a management consulting firm, from October 2016 to January 2017. Ms. Johnson was previously Chief Marketing Officer at Tanium Inc., a cybersecurity and systems management company, from November 2014 to August 2016, and a Partner of Andreessen Horowitz LLC, a venture capital firm, from January 2014 to November 2014. From July 2009 to January 2014, she served as Chief Marketing Officer at Coverity, Inc., a software development company, prior to its acquisition by Synopsys Inc. Since November 2020, Ms. Johnson has served on the board of directors of Illumio, Inc., a cybersecurity company. Ms. Johnson received a B.S.B.A. in Marketing from the University of San Francisco and an M.B.A. from Santa Clara University.

Curtis Liu is our co-founder and has served as our Chief Technology Officer and as a member of our board of directors since 2011. Mr. Liu previously worked as a Software Engineer at Google LLC, a technology company, from August 2010 to August 2011. He received a B.S. in Electrical Engineering and Computer Science from the Massachusetts Institute of Technology. While at MIT, he won MIT's largest programming competition, Battlecode, in 2010. We believe that Mr. Liu is qualified to serve on our board of directors due to his perspective, experience, and leadership as our Chief Technology Officer.

Hoang Vuong has served as our Chief Financial Officer since April 2019. He previously served as Chief Operating Officer and Chief Financial Officer at GoFundMe, Inc., a crowdfunding platform, from June 2015 to May 2019. From May 2012 to September 2014, Mr. Vuong held various leadership positions at Demandforce, Inc., an automated marketing and communications provider then owned by Intuit, Inc., a software company, most recently serving as Vice President and General Manager. He served as Chief Financial Officer at Demandforce prior to its acquisition by Intuit, from October 2011 to May 2012. Since October 2013, he has served on the board of directors of Revinate, Inc., a software company. Mr. Vuong received a B.S. in Accounting from the University of Southern California.

Non-Employee Directors

Neeraj Agrawal has served as a member of our board of directors since June 2016. Mr. Agrawal is a General Partner of Battery Ventures, a technology-focused investment firm that he joined in August 2000. He serves on the boards of directors of numerous privately-held technology companies, including Braze, Inc., Catchpoint Systems, Inc., Clubhouse Software Inc., Dataiku Inc., Kustomer, Inc., LogRocket, Inc., Pendo.io, Inc., Reify Health, Inc., Repeat, Inc., Sprinklr, Inc., Tealium Inc., Thundra, Inc., Workato, Inc., Wunderkind Corporation (formerly BounceX) and Yesware, Inc. He previously served on the boards of directors of multiple publicly-held companies, including Coupa Software, Inc., a software company, from January 2014 to February 2018, Wayfair Inc., a furniture and home goods e-commerce company, from June 2011 to January 2018, and Marketo, Inc., a software company, from November 2011 to June 2016. Mr. Agrawal received a B.S. in Computer Science from Cornell University and an M.B.A. from Harvard Business School. We believe that Mr. Agrawal is qualified to serve on our board of directors due to his extensive experience in the venture capital industry and his service as a board member of other technology companies.

Ron Gill has served as a member of our board of directors since June 2019. Mr. Gill has served as an Operating Partner of Lead Edge Capital, a growth equity investment firm, since June 2018. From August 2007 to March 2017, Mr. Gill held multiple financial leadership positions at NetSuite, Inc., a cloud computing company, most recently serving as Chief Financial Officer from July 2010 to March 2017, including through NetSuite's acquisition by Oracle Corporation in 2016. He previously held a variety of financial positions with several technology companies, including Hyperion Solutions, SAP SE, Dell Inc., and Sony Group Corporation. Mr. Gill has served on the boards of directors of HubSpot, Inc., a publicly-held customer relationship management software company, since June 2012. Mr. Gill received a B.A. in Finance and Economics from Baylor University and an M.I.B. in International Business from the University of South Carolina. We believe that Mr. Gill is qualified to serve on our board of directors due to his extensive experience as a senior executive at public technology companies and his deep financial expertise.

Pat Grady has served as a member of our board of directors since November 2018. Mr. Grady is a Partner of Sequoia Capital, a technology-focused venture capital firm that he joined in March 2007. He has served on the board of directors of Okta, Inc., a publicly-held identity and access management company, since May 2014. He also serves on the boards of directors of numerous privately-held technology companies, including Attentive Mobile, Inc., Cribl, Inc., Drift.com, Inc., Embark Trucks Inc., Namely, Inc., and Pilot.com, Inc. He previously served on the boards of directors of MarkLogic Corporation, a data integration provider, from March 2013 to October 2020, and Prosper Marketplace, Inc., a peer-to-peer lending marketplace, from January 2013 to May 2020. Mr. Grady received a B.S. in Economics from Boston College. We believe that Mr. Grady is qualified to serve on our board of directors due to his extensive experience in the venture capital industry and his knowledge of scaling technology companies.

Erica Schultz has served as a member of our board of directors since December 2020. Since October 2019, Ms. Schultz has served as President of Field Operations at Confluent, Inc., a data solutions provider. She also serves as a Limited Partner and Fund Advisor at Operator Collective, a venture capital fund that she joined in January 2019. Prior to joining Confluent, Ms. Schultz held various leadership positions at New Relic, Inc., a cloud-based software company, from June 2014 to October 2019, most recently serving as Chief Revenue Officer. She previously served as Executive Vice President of Global Sales, Services and Field Operations at LivePerson, Inc., a digital engagement company, from May 2013 to March 2014, after serving as Executive Vice President of Global Sales from February 2012 to May 2013. From November 1995 to January 2012, Ms. Schultz served in various roles at Oracle Corporation, a computing infrastructure and software company. She received a B.A. in Spanish and Latin American Studies from Dartmouth College, where she has served as a member of the Board of Trustees since June 2016. We believe that Ms. Schultz is qualified to serve on our board of directors due to her sales expertise and extensive management experience as a senior executive at enterprise technology companies.

Elisa Steele has served as a member of our board of directors since March 2021. Ms. Steele previously served as Chief Executive Officer of Namely, Inc., a human resources software company, from August 2018 to July 2019, and as a director of Namely, Inc. since August 2017, including as chair since July 2019. From January 2014 to July 2017, Ms. Steele held various leadership positions at Jive Software, Inc., a collaboration software company acquired by Aurea Software, Inc., most recently serving as Chief Executive Officer and President. Ms. Steele has also previously held executive leadership positions at Microsoft Corporation, Skype Inc., Yahoo! Inc., and NetApp, Inc. She currently serves on the boards of directors of multiple publicly-held technology companies, including Bumble Inc., since July 2020, JFrog Ltd., since March 2020, Procore Technologies, Inc., since February 2020, and Splunk Inc., since September 2017. Ms. Steele previously served as chair of the board of directors of Cornerstone OnDemand, Inc., a publicly-held human capital management software company, from June 2018 to June 2021 and as a member of the board of directors of Jive Software from February 2015 to June 2017. Ms. Steele received a B.S. in Business Administration from the University of New Hampshire and an M.B.A. from San Francisco State University. We believe that Ms. Steele is qualified to serve on our board of directors due to her marketing expertise and her extensive experience as a public and private company chief executive officer and as a board member of publicly-held technology companies.

Eric Vishria has served as a member of our board of directors since December 2014. Since July 2014, Mr. Vishria has served as a General Partner of Benchmark Capital, a venture capital firm, where he focuses on early-stage infrastructure and enterprise software investments. From August 2013 to August 2014, Mr. Vishria was Vice President, Digital Magazines and Verticals at Yahoo! Inc., a web services provider. He currently serves on the board of directors of Confluent, Inc., a publicly-held data solutions company, and on the boards of directors of numerous privately-held technology companies, including AcuityMD, Inc., Airplane Labs, Inc., Benchling, Inc., Blue Hexagon Inc., Cerebras Inc., Commerce Layer, Inc., and Contentful Global, Inc. He received a B.S. in Mathematical and Computational Science from Stanford University. We believe that Mr. Vishria is qualified to serve on our board of directors due to his extensive operational and marketing expertise and his service as a board member of other technology companies.

Catherine Wong has served as a member of our board of directors since June 2021. Since November 2015, Ms. Wong has served as Chief Product Officer and Executive Vice President, Engineering at Domo, Inc., a cloud-based business intelligence platform, after serving as Senior Vice President, Engineering from September 2013 to November 2015. Prior to joining Domo, Ms. Wong was Vice President, Engineering at Adobe Inc., a software company, from August 2009 to August 2013, and previously held various roles at Omniture, Inc., an online marketing and web analytics company, prior to its acquisition by Adobe. She currently serves as a member of the board of directors of the Women Tech Council. Ms. Wong received a B.S. in Computer Science from Brigham Young University. We believe that Ms. Wong is qualified to serve on our board of directors due to her extensive experience as a senior engineering executive at enterprise technology companies and her deep knowledge of our industry.

Composition of our Board of Directors

Our board of directors is currently composed of nine members. Our restated certificate of incorporation will provide that the number of directors of our board shall be established from time to time by our board. Mr. Skates will serve as the chairperson of the board of directors.

Director Independence

Our board of directors has undertaken a review of the independence of our directors and considered whether any director has a material relationship with us that could compromise that director's ability to exercise independent judgment in carrying out that director's responsibilities. Our board of directors has affirmatively determined that each of our directors, other than Mr. Liu and Mr. Skates, is an "independent director," as defined under Nasdaq rules. In making these determinations, our board of directors considered the current and prior relationships that each director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each director and the transactions involving them described in "Certain Relationships and Related Party Transactions." In addition to determining whether each director satisfies the director independence requirements set forth in Nasdaq rules, in the case of members of the audit committee and compensation committee, our board of directors made an affirmative determination that such members also satisfy separate independence requirements and current standards imposed by the SEC and Nasdaq.

There are no family relationships among any of our directors or executive officers.

Classified Board of Directors

In accordance with our restated certificate of incorporation, as it will be in effect following the effectiveness of the registration statement of which this prospectus forms a part, our board of directors will be divided into three classes with staggered three-year terms. At each annual general meeting of stockholders, the successors to directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following election. Our directors will be divided among the three classes as follows:

- The Class I directors will be Mr. Agrawal, Ms. Schultz, and Mr. Skates, and their terms will expire at the annual meeting of stockholders to be held in 2022;
- The Class II directors will be Mr. Grady, Mr. Liu, and Ms. Steele, and their terms will expire at the annual meeting of stockholders to be held in 2023; and
- The Class III directors will be Mr. Gill, Mr. Vishria, and Ms. Wong, and their terms will expire at the annual meeting of stockholders to be held in 2024.

We expect that any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control.

Voting Arrangements

The election of the members of our board of directors is governed by the amended and restated voting agreement that we entered into with certain holders of our common stock and certain holders of our redeemable convertible preferred stock and the related provisions of our restated certificate of incorporation. Pursuant to our amended and restated voting agreement, the following directors were designated as directors to our board of directors:

- Eric Vishria was designated by Benchmark Capital Partners VIII, L.P. and elected by the holders of a majority of the shares of our Series A redeemable convertible preferred stock;

- Neeraj Agrawal was designated by Battery Ventures XI-A, L.P., Battery Ventures XI-B, L.P., and Battery Partners XI, LLC and elected by the holders of a majority of the shares of our Series B redeemable convertible preferred stock;
- Pat Grady was designated by Sequoia Capital U.S. Growth Fund VIII, L.P. and elected by the holders of a majority of the shares of our Series D redeemable convertible preferred stock;
- Spenser Skates was designated as our then-current Chief Executive Officer and elected by the holders of a majority of the shares of our common stock;
- Curtis Liu was designated and elected by the holders of a majority of the shares of our common stock;
- Ron Gill was designated and elected by the holders of a majority of the shares of our common stock and redeemable convertible preferred stock, other than shares of Series F Preferred Stock, voting together as a single class on an as-converted basis;
- Erica Schultz was designated and elected by the holders of a majority of the shares of our common stock and redeemable convertible preferred stock, other than shares of Series F Preferred Stock, voting together as a single class on an as-converted basis; and
- Elisa Steele was designated and elected by the holders of a majority of the shares of our common stock and redeemable convertible preferred stock, other than shares of Series F Preferred Stock, voting together as a single class on an as-converted basis.

The holders of our common stock and redeemable convertible preferred stock who are parties to our voting agreement are obligated to vote for such designees indicated above. The provisions of this voting agreement will terminate upon the effectiveness of the registration statement of which this prospectus forms a part and our restated certificate of incorporation will be amended and restated, after which there will be no further contractual obligations or charter provisions regarding the election of our directors. Our directors hold office until their successors have been elected and qualified or appointed, or the earlier of their death, resignation, or removal.

Leadership Structure of the Board

Our amended and restated bylaws and corporate governance guidelines to be adopted immediately following the effectiveness of the registration statement of which this prospectus forms a part will provide our board of directors with flexibility to combine or separate the positions of chairperson of the board of directors and Chief Executive Officer and to implement a lead director in accordance with its determination regarding which structure would be in the best interests of our company.

Our board of directors has concluded that our current leadership structure is appropriate at this time. However, our board of directors will continue to periodically review our leadership structure and may make such changes in the future as it deems appropriate.

Role of Board in Risk Oversight Process

Risk assessment and oversight are an integral part of our governance and management processes. Our board of directors encourages management to promote a culture that incorporates risk management into our corporate strategy and day-to-day business operations. Management discusses strategic and operational risks at regular management meetings, and conducts specific strategic planning and review sessions during the year that include a focused discussion and analysis of the risks we face. Throughout the year, senior management reviews these risks with the board of directors at regular board meetings as part of management presentations that focus on particular business functions, operations, or strategies, and presents the steps taken by management to mitigate or eliminate such risks.

Our board of directors does not have a standing risk management committee, but rather administers this oversight function directly through our board of directors as a whole, as well as through various standing

committees of our board of directors that address risks inherent in their respective areas of oversight. While our board of directors is responsible for monitoring and assessing strategic risk exposure, our audit committee is responsible for overseeing our major financial and cybersecurity risk exposures and the steps our management has taken to monitor and control these exposures. The audit committee also approves or disapproves any related person transactions. Our nominating and corporate governance committee monitors the effectiveness of our corporate governance guidelines. Our compensation committee assesses and monitors whether any of our compensation policies and programs has the potential to encourage excessive risk-taking.

Committees of the Board of Directors

Our board of directors will have an audit committee, a compensation committee, and a nominating and corporate governance committee, each of which will have the composition and responsibilities described below.

Audit Committee

Our audit committee will be responsible for, among other things:

- appointing, compensating, retaining, evaluating, terminating, and overseeing our independent registered public accounting firm;
- discussing with our independent registered public accounting firm its independence from management;
- reviewing with our independent registered public accounting firm the scope and results of their audit;
- approving all audit and permissible non-audit services to be performed by our independent registered public accounting firm;
- overseeing the financial reporting process and discussing with management and our independent registered public accounting firm the quarterly and annual financial statements that we file with the SEC;
- overseeing our financial and accounting controls and compliance with legal and regulatory requirements;
- reviewing our policies on risk assessment, risk management, and risk oversight, including responsibility for oversight of risks and exposures associated with major financial and cybersecurity risks;
- reviewing related person transactions; and
- establishing procedures for the confidential, anonymous submission of concerns regarding questionable accounting, internal controls, or auditing matters.

Our audit committee will consist of Neeraj Agrawal, Ron Gill, and Pat Grady, with Mr. Gill serving as chair. Rule 10A-3 under the Exchange Act and Nasdaq rules require that our audit committee have at least one independent member upon the listing of our Class A common stock, have a majority of independent members within 90 days of the date of this prospectus, and be composed entirely of independent members within one year of the date of this prospectus. Our board of directors has affirmatively determined that Mr. Agrawal, Mr. Gill, and Mr. Grady each meet the definition of “independent director” for purposes of serving on the audit committee under Rule 10A-3 under the Exchange Act and Nasdaq rules. Each member of our audit committee also meets the financial literacy requirements of Nasdaq rules. In addition, our board of directors has determined that Mr. Gill will qualify as an “audit committee financial expert,” as such term is defined in Item 407(d)(5) of Regulation S-K. Our board of directors will adopt a written charter for the audit committee, to be effective in connection with the effectiveness of the registration statement of which this prospectus forms a part, which will be available on our principal corporate website at www.amplitude.com. The information contained on, or that can be accessed through, our website is deemed not to be incorporated in this prospectus or to be part of this prospectus.

Compensation Committee

Our compensation committee will be responsible for, among other things:

- reviewing and approving the compensation of our directors, Chief Executive Officer, and other executive officers;
- reviewing and approving the terms of any employment agreements, severance arrangements, change in control protections, and any other compensatory arrangements for our executive officers;
- overseeing our compensation and employee benefit plans; and
- appointing and overseeing any compensation consultants.

Our compensation committee will consist of Ron Gill, Eric Vishria, and Catherine Wong, with Mr. Vishria serving as chair. Our board has determined that Mr. Gill, Mr. Vishria, and Ms. Wong each meet the definition of "independent director" for purposes of serving on the compensation committee under Nasdaq rules. All members of our compensation committee are "non-employee directors" as defined in Rule 16b-3 under the Exchange Act. Our board of directors will adopt a written charter for the compensation committee, to be effective in connection with the effectiveness of the registration statement of which this prospectus forms a part, which will be available on our principal corporate website at www.amplitude.com. The information contained on, or that can be accessed through, our website is deemed not to be incorporated in this prospectus or to be part of this prospectus.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee will be responsible for, among other things:

- identifying individuals qualified to become members of our board of directors, consistent with criteria approved by our board of directors;
- evaluating the overall effectiveness of our board of directors and its committees; and
- reviewing developments in corporate governance compliance and developing and recommending to our board of directors a set of corporate governance guidelines.

Our nominating and corporate governance committee will consist of Erica Schultz and Elisa Steele, with Ms. Steele serving as chair. Our board has determined that Ms. Schultz and Ms. Steele each meet the definition of "independent director" for purposes of serving on the nominating and corporate governance committee under Nasdaq rules. Our board of directors will adopt a written charter for the nominating and corporate governance committee, to be effective in connection with the effectiveness of the registration statement of which this prospectus forms a part, which will be available on our principal corporate website at www.amplitude.com. The information contained on, or that can be accessed through, our website is deemed not to be incorporated in this prospectus or to be part of this prospectus.

Our board of directors may, from time to time, establish other committees.

Compensation Committee Interlocks and Insider Participation

None of the members of our compensation committee is or has been one of our officers or employees. None of our executive officers currently serves, or in the past year has served, as a member of the board of directors or compensation committee (or other committee performing equivalent functions) of any entity that has one or more executive officers serving on our board of directors or compensation committee.

Indemnification and Insurance

We maintain directors' and officers' liability insurance. Our restated certificate of incorporation and amended and restated bylaws will include provisions limiting the liability of directors and officers and

indemnifying them under certain circumstances. We have entered into indemnification agreements with all of our directors to provide our directors and certain of their affiliated parties with additional indemnification and related rights. See "Description of Capital Stock—Limitation on Liability of Directors and Indemnification."

Code of Conduct and Ethics

We will adopt a written code of business conduct and ethics that applies to our directors, officers, and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. In connection with the effectiveness of the registration statement of which this prospectus forms a part, our code of business conduct and ethics will be posted on our principal corporate website at www.amplitude.com. In addition, we intend to post on our website all disclosures that are required by law or Nasdaq rules concerning any amendments to, or waivers from, any provision of the code.

2020 Non-Employee Director Compensation

Historically, we have not had a formalized non-employee director compensation program. However, we reimburse our non-employee directors for travel and other necessary business expenses incurred in the performance of their services for us. In fiscal year 2020, none of our non-employee directors received any cash compensation or similar compensation. However, in December 2020, we granted Ms. Schultz an option to purchase 176,000 shares of Class B common stock under our 2014 Plan. The option vests as to 1/48th of the shares on each month commencing January 10, 2021, subject to Ms. Schultz's continued service through the applicable vesting date. We intend to approve and implement a compensation policy for our non-employee directors to be effective in connection with the effectiveness of the registration statement of which this prospectus forms a part.

The following table sets forth information concerning the compensation earned by our non-employee directors for fiscal year 2020.

Name	Fees Earned or Paid in Cash ($)	Option Awards(1)($)	Total ($)
Neeraj Agrawal	—	—	—
Eric Vishria	—	—	—
Pat Grady	—	—	—
Ron Gill	—	—	—
Erica Schultz	—	455,840	455,840
Elisa Steele(2)	—	—	—
Catherine Wong(3)	—	—	—

(1) Amounts shown represent the grant date fair value of options for Class B common stock granted during fiscal year 2020 as calculated in accordance with ASC Topic 718. See Note 5 of the audited consolidated financial statements included in this registration statement for the assumptions used in calculating this amount.

(2) Ms. Steele joined our board of directors in March 2021.

(3) Ms. Wong joined our board of directors in June 2021.

The table below shows the aggregate numbers of option awards (exercisable and unexercisable) for Class B common stock held as of December 31, 2020 by each non-employee director.

Name	Options Outstanding as of December 31, 2020
Neeraj Agrawal	—
Eric Vishria	—
Pat Grady	—
Ron Gill	310,000
Erica Schultz	176,000
Elisa Steele	—
Catherine Wong	—

EXECUTIVE COMPENSATION

The following is a discussion and analysis of compensation arrangements of our named executive officers ("NEOs"). This discussion contains forward looking statements that are based on our current plans, considerations, expectations, and determinations regarding future compensation programs. Actual compensation programs that we adopt may differ materially from currently planned programs as summarized in this discussion. As an "emerging growth company" as defined in the JOBS Act, we are not required to include a Compensation Discussion and Analysis section and have elected to comply with the scaled disclosure requirements applicable to emerging growth companies.

We seek to ensure that the total compensation paid to our executive officers is reasonable and competitive. Compensation of our executives is structured around the achievement of individual performance and near-term corporate targets as well as long-term business objectives.

Our NEOs for fiscal year 2020 were as follows:

- Spenser Skates, our Chief Executive Officer;
- Curtis Liu, our Chief Technology Officer; and
- Jennifer Johnson, our Chief Marketing and Strategy Officer.

Ms. Johnson commenced services with us in September 2020 as our Chief Marketing and Strategy Officer.

2020 Summary Compensation Table

The following table sets forth total compensation paid to our named executive officers for the fiscal year 2020.

Name and Principal Position	Year	Salary ($)	Bonus(1) ($)	Option Awards(2) ($)	All Other Compensation ($)	Total ($)
Spenser Skates						
Chief Executive Officer	2020	275,000	—	6,253,300	—	6,528,300
Curtis Liu						
Chief Technology Officer	2020	275,000	—	3,126,650	—	3,401,650
Jennifer Johnson(3)						
Chief Marketing and Strategy Officer	2020	90,000	8,333	3,113,750	—	3,212,083

(1) The amount reported represents Ms. Johnson's guaranteed bonus for fiscal year 2020 under her offer letter with us. Please see the descriptions of the bonuses paid to Ms. Johnson under "2020 Bonuses" below, including target amounts.

(2) Amounts shown represent the grant date fair value of options for Class B common stock granted during fiscal year 2020 as calculated in accordance with ASC Topic 718. See Note 5 of the audited consolidated financial statements included in this registration statement for the assumptions used in calculating this amount.

(3) Ms. Johnson commenced services with us as our Chief Marketing and Strategy Officer in September 2020.

Narratives to 2020 Summary Compensation Table

2020 Salaries

Our NEOs each receive a base salary to compensate them for services rendered to our company. The base salary payable to each NEO is intended to provide a fixed component of compensation reflecting the executive's skill set, experience, role, and responsibilities.

For fiscal year 2020, Messrs. Skates and Liu and Ms. Johnson had an annual base salary of $275,000, $275,000, and $360,000, respectively.

Our board of directors and compensation committee may adjust base salaries from time to time in their discretion.

2020 Bonuses

Under her offer letter, Ms. Johnson is entitled to a target bonus of $100,000, paid quarterly, under our annual variable compensation plan. For fiscal year 2020, Ms. Johnson's bonus was $8,333 based on her pro-rated service with us commencing in September 2020 and beginning with fiscal year 2021, the annual bonus will be based on a formula agreed upon between Ms. Johnson and our Chief Executive Officer.

Equity-Based Compensation

In November 2020, we granted Ms. Johnson an option to purchase 1,325,000 shares of our Class B common stock (the "Johnson Option"). The option vests as to 25% of the shares on the one year anniversary of the vesting commencement date and vests as to 1/48th of the shares monthly thereafter, such that all awards will be fully vested on the four year anniversary of the vesting commencement date, subject to Ms. Johnson continuing to provide services to the Company through such vesting date. In the event Ms. Johnson's employment is terminated for cause or she resigns for good reason within 12 months after a sale event, the vesting of the options will be fully accelerated.

In December 2020, we granted Messrs. Skates and Liu each an option to purchase 2,342,060 and 1,171,030 shares, respectively, of our Class B common stock. 50% of the options vest as to 1/48th of the shares on each monthly anniversary of the vesting commencement date, such that all awards will be fully vested on the four year anniversary of the vesting commencement date, subject to the holder continuing to provide services to the Company through such vesting date. The remaining 50% of the options vest as to 1/24th of the shares on each monthly anniversary of the date of effectiveness of the registration statement of which this prospectus forms a part, such that the options will be fully vested on the two year anniversary of the date of effectiveness of the registration statement of which this prospectus forms a part, subject to the holder continuing to provide services to the Company through such vesting date.

As described below under "Description of Capital Stock — Equity Award Amendment," in connection with this listing, our board of directors will amend outstanding equity awards granted under our 2014 Plan so that such awards will settle in shares of Class A common stock instead of Class B common stock in connection with and after this listing. Holders of Class A common stock received as a result of the Equity Award Amendment will have the one-time right to exchange such shares of Class A common stock for an equal number of shares of Class B common stock until such time as the Class A common stock is transferred. Where references are made to options to purchase Class B common stock or RSUs settling in Class B common stock in this "Executive Compensation" section, they refer to our historical practice of granting equity awards that settle in shares of Class B common stock.

In connection with this listing, we intend to adopt a 2021 Incentive Award Plan, referred to below as the 2021 Plan, in order to facilitate the grant of cash and equity incentives to directors, employees (including our NEOs), and consultants of our company and certain of its affiliates and to enable us to obtain and retain services of these individuals, which is essential to our long-term success. We expect that the 2021 Plan will be effective on the day prior to the first public trading date of our common stock, subject to approval of such plan by our stockholders. For additional information about the 2021 Plan, please see "—Narrative to 2020 Summary Compensation Table and Outstanding Equity Awards at 2020 Fiscal Year End—Equity Compensation Plans" below.

Other Elements of Compensation

Retirement Savings and Health and Welfare Benefits

The Company currently maintains a 401(k) retirement savings plan for our employees, including our NEOs, who satisfy certain eligibility requirements. Our NEOs are eligible to participate in the 401(k) plan on the same terms as other full-time employees. In fiscal year 2020, we did not provide for any matching contributions under our 401(k) plan.

All of our full-time employees, including our NEOs, are eligible to participate in our health and welfare plans, including medical, dental, and vision benefits; medical and dependent care flexible spending accounts; short-term and long-term disability insurance; and life and AD&D insurance.

Perquisites and Other Personal Benefits

We did not provide any perquisites to our NEOs in fiscal year 2020, but our compensation committee may from time to time approve them in the future when our compensation committee determines that such perquisites are necessary or advisable to fairly compensate or incentivize our employees.

Outstanding Equity Awards at 2020 Fiscal Year End

The following table lists all outstanding equity awards held by our NEOs as of December 31, 2020.

		Option Awards				Stock Awards	
Name	Vesting Commencement Date	Number of Securities Underlying Unexercised Options (#) Exercisable(5)	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)(6)
Spenser Skates	01/01/2021(1)	991,700	119,330	4.19	12/27/2030	—	—
	01/01/2021(2)	—	1,171,030	4.19	12/27/2030	—	—
	01/01/2021(3)	—	—	—	—	60,000	319,200
Curtis Liu	01/01/2021(1)	377,852	107,663	4.19	12/27/2030	—	—
	01/01/2021(2)	—	585,515	4.19	12/27/2030	—	—
	01/01/2021(3)	—	—	—	—	100,000	532,000
Jennifer Johnson	09/30/2020(4)	—	1,325,000	4.19	11/09/2030	—	—

(1) The options vest as to 1/48th of the shares on each month following the vesting commencement date, such that all awards will be fully vested on the four year anniversary of the vesting commencement date, subject to the holder continuing to provide services to the Company through such vesting date.

(2) The options vest as to 1/24th of the shares on each monthly anniversary of the date of effectiveness of the registration statement of which this prospectus forms a part, such that the options will be fully vested on the two year anniversary of the date of effectiveness of the registration statement of which this prospectus forms a part, subject to the holder continuing to provide services to the Company through such vesting date.

(3) The shares of restricted stock acquired upon early exercise of an option vest and become no longer subject to a risk of forfeiture as to 1/48th of the shares on each month following the vesting commencement date, such that all awards will be fully vested on the four year anniversary of the vesting commencement date, subject to the holder continuing to provide services to the Company through such vesting date.

(4) The options vest as to 25% of the shares on the one year anniversary of the vesting commencement date and vest as to 1/48th of the shares monthly thereafter, such that all awards will be fully vested on the four year anniversary of the vesting commencement date, subject to the holder continuing to provide services to the Company through such vesting date. In the event the holder's employment is terminated for cause or resigns for good reason within 12 months after a sale event, as each term is defined in the 2014 Plan, the vesting of the options will be fully accelerated.

(5) The options in this column represent options that are exercisable by the holder prior to vesting.

(6) The market value of shares that have not vested is based on the fair market value of our Class B common stock as of December 31, 2020 which our board of directors determined to be $5.32 per share.

Additional Narratives to 2020 Summary Compensation Table and Outstanding Equity Awards at 2020 Fiscal Year End

Executive Compensation Arrangements

We have not entered into formal employment agreements with our NEOs, except for Ms. Johnson.

In July 2020, we entered into an offer letter with Ms. Johnson, pursuant to which she serves as our Chief Marketing and Strategy Officer. Pursuant to the offer letter, Ms. Johnson is entitled to an annual base salary of $360,000 and a target bonus of $100,000, paid quarterly, under our annual variable compensation plan. For fiscal year 2020, Ms. Johnson's bonus was guaranteed at $8,333 and, beginning with fiscal year 2021, the annual bonus will be based on a formula agreed upon between Ms. Johnson and our Chief Executive Officer.

In the event of Ms. Johnson's termination of employment by us without "Cause" or her resignation for "Good Reason" (as those terms are defined in the 2014 Plan), Ms. Johnson is entitled to receive severance in the amount of 6 months of her annual base salary (in effect as of the termination date) and reimbursement of 6 months of any COBRA premiums for continued health care coverage for her and her dependents, subject to her execution of a release of claims in favor of the company.

Additionally, in the event Ms. Johnson's employment is terminated for Cause or she resigns for Good Reason in connection with or within 12 months after a "Sale Event" (as such term is defined in the 2014 Plan), the vesting of the Johnson Option will be fully accelerated.

Further, in the event Ms. Johnson's employment is terminated by us without Cause or she resigns for Good Reason, the vesting schedule applicable to the Johnson Option will accelerate such that she will receive an additional six months of vesting as of her termination date (the "Acceleration Benefit"), provided that if Ms. Johnson is terminated without Cause or she resigns for Good Reason within six months after her commencement of employment with us, then the Johnson Option will vest monthly for each month of service she has provided to us since her start date in addition to receiving the Acceleration Benefit.

Ms. Johnson has also executed our standard confidential information and intellectual property assignment agreement.

Equity Compensation Plans

The following summarizes the material terms of the long-term incentive compensation plan in which our named executive officers will be eligible to participate following the listing of our Class A common stock as well as our 2014 Stock Option and Grant Plan, as amended (the "2014 Plan"), under which we have previously made periodic grants of equity and equity-based awards to our NEOs and other key employees.

2021 Incentive Award Plan

We intend to adopt the 2021 Plan, which will be effective on the day prior to the effectiveness of the registration statement of which this prospectus forms a part. The principal purpose of the 2021 Plan is to attract, retain, and motivate selected employees, consultants, and directors through the granting of stock-based compensation awards and cash-based performance bonus awards. The material terms of the 2021 Plan, as it is currently contemplated, are summarized below.

Share Reserve. Under the 2021 Plan, shares of our Class A common stock will be initially reserved for issuance pursuant to a variety of stock-based compensation awards, including stock options, stock appreciation rights ("SARs"), restricted stock awards, restricted stock unit awards, and other stock-based awards. The number of shares initially reserved for issuance or transfer pursuant to awards under the 2021 Plan will be increased by (i) the number of shares represented by awards outstanding under our 2014 Plan ("Prior Plan

Awards") that become available for issuance under the counting provisions described below following the effective date and (ii) an annual increase on the first day of each fiscal year beginning in 2022 and ending in 2031, equal to the lesser of (A) % of the shares of our Class A common stock outstanding (on an as-converted basis) on the last day of the immediately preceding fiscal year and (B) such smaller number of shares of stock as determined by our board of directors; provided, however, that no more than shares of stock may be issued upon the exercise of incentive stock options.

The following counting provisions will be in effect for the share reserve under the 2021 Plan:

- to the extent that an award (including a Prior Plan Award) terminates, expires, or lapses for any reason or an award is settled in cash without the delivery of shares, any shares subject to the award at such time will be available for future grants under the 2021 Plan;
- to the extent shares are tendered or withheld to satisfy the grant, exercise price, or tax withholding obligation with respect to any award under the 2021 Plan or Prior Plan Award, such tendered or withheld shares will be available for future grants under the 2021 Plan;
- to the extent shares subject to stock appreciation rights are not issued in connection with the stock settlement of stock appreciation rights on exercise thereof, such shares will be available for future grants under the 2021 Plan;
- to the extent that shares of our common stock are repurchased by us prior to vesting so that shares are returned to us, such shares will be available for future grants under the 2021 Plan;
- the payment of dividend equivalents in cash in conjunction with any outstanding awards or Prior Plan Awards will not be counted against the shares available for issuance under the 2021 Plan; and
- to the extent permitted by applicable law or any exchange rule, shares issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form of combination by us or any of our subsidiaries will not be counted against the shares available for issuance under the 2021 Plan.

In addition, the sum of the grant date fair value of all equity-based awards and the maximum that may become payable pursuant to all cash-based awards to any individual for services as a non-employee director during any calendar year may not exceed $.

Administration. The compensation committee of our board of directors is expected to administer the 2021 Plan unless our board of directors assumes authority for administration. The compensation committee must consist of at least two members of our board of directors, each of whom is intended to qualify as a "non-employee director" for purposes of Rule 16b-3 under the Exchange Act and an "independent director" within the meaning of the rules of the applicable stock exchange, or other principal securities market on which shares of our Class A common stock are traded. The 2021 Plan provides that the board of directors or compensation committee may delegate its authority to grant awards to employees other than executive officers and certain senior executives of the company to a committee consisting of one or more members of our board of directors or one or more of our officers, other than awards made to our non-employee directors, which must be approved by our full board of directors.

Subject to the terms and conditions of the 2021 Plan, the administrator has the authority to select the persons to whom awards are to be made, to determine the number of shares to be subject to awards and the terms and conditions of awards, and to make all other determinations and to take all other actions necessary or advisable for the administration of the 2021 Plan. The administrator is also authorized to adopt, amend, or rescind rules relating to administration of the 2021 Plan. Our board of directors may at any time remove the compensation committee as the administrator and revest in itself the authority to administer the 2021 Plan. The full board of directors will administer the 2021 Plan with respect to awards to non-employee directors.

Eligibility. Stock options, SARs, restricted stock, and all other stock-based and cash-based awards under the 2021 Plan may be granted to individuals who are then our officers, employees, or consultants or are the officers, employees, or consultants of certain of our subsidiaries. Such awards also may be granted to our directors. Only employees of our company or certain of our subsidiaries may be granted incentive stock options ("ISOs").

Awards. The 2021 Plan provides that the administrator may grant or issue stock options, SARs, restricted stock, restricted stock units, other stock- or cash-based awards, and dividend equivalents, or any combination thereof. Each award will be set forth in a separate agreement with the person receiving the award and will indicate the type, terms, and conditions of the award.

- *Nonstatutory Stock Options* ("NSOs"), will provide for the right to purchase shares of our Class A common stock at a specified price which may not be less than fair market value on the date of grant, and usually will become exercisable (at the discretion of the administrator) in one or more installments after the grant date, subject to the participant's continued employment or service with us and/or subject to the satisfaction of corporate performance targets and individual performance targets established by the administrator. NSOs may be granted for any term specified by the administrator that does not exceed ten years.
- *Incentive Stock Options* will be designed in a manner intended to comply with the provisions of Section 422 of the Code and will be subject to specified restrictions contained in the Code. Among such restrictions, ISOs must have an exercise price of not less than the fair market value of a share of Class A common stock on the date of grant, may only be granted to employees, and must not be exercisable after a period of ten years measured from the date of grant. In the case of an ISO granted to an individual who owns (or is deemed to own) at least 10% of the total combined voting power of all classes of our capital stock, the 2021 Plan provides that the exercise price must be at least 110% of the fair market value of a share of Class A common stock on the date of grant and the ISO must not be exercisable after a period of five years measured from the date of grant.
- *Restricted Stock* may be granted to any eligible individual and made subject to such restrictions as may be determined by the administrator. Restricted stock, typically, may be forfeited for no consideration or repurchased by us at the original purchase price if the conditions or restrictions on vesting are not met. In general, restricted stock may not be sold or otherwise transferred until restrictions are removed or expire. Purchasers of restricted stock, unlike recipients of options, will have voting rights and will have the right to receive dividends, if any, prior to the time when the restrictions lapse, however, extraordinary dividends will generally be placed in escrow, and will not be released until restrictions are removed or expire.
- *Restricted Stock Units* may be awarded to any eligible individual, typically without payment of consideration, but subject to vesting conditions based on continued employment or service or on performance criteria established by the administrator. Like restricted stock, restricted stock units may not be sold, or otherwise transferred or hypothecated, until vesting conditions are removed or expire. Unlike restricted stock, stock underlying restricted stock units will not be issued until the restricted stock units have vested, and recipients of restricted stock units generally will have no voting or dividend rights prior to the time when vesting conditions are satisfied.
- *Stock Appreciation Rights* may be granted in connection with stock options or other awards, or separately. SARs granted in connection with stock options or other awards typically will provide for payments to the holder based upon increases in the price of our Class A common stock over a set exercise price. The exercise price of any SAR granted under the 2021 Plan must be at least 100% of the fair market value of a share of our Class A common stock on the date of grant. SARs under the 2021 Plan will be settled in cash or shares of our Class A common stock, or in a combination of both, at the election of the administrator.

- *Other Stock or Cash Based Awards* are awards of cash, fully vested shares of our Class A common stock and other awards valued wholly or partially by referring to, or otherwise based on, shares of our Class A common stock. Other stock or cash based awards may be granted to participants and may also be available as a payment form in the settlement of other awards, as standalone payments and as payment in lieu of base salary, bonus, fees or other cash compensation otherwise payable to any individual who is eligible to receive awards. The plan administrator will determine the terms and conditions of other stock or cash based awards, which may include vesting conditions based on continued service, performance, and/or other conditions.
- *Dividend Equivalents* represent the right to receive the equivalent value of dividends paid on shares of our Class A common stock and may be granted alone or in tandem with awards other than stock options or SARs. Dividend equivalents are credited as of dividend payments dates during the period between a specified date and the date such award terminates or expires, as determined by the plan administrator. In addition, dividend equivalents with respect to shares covered by a performance award will only be paid to the participant at the same time or times and to the same extent that the vesting conditions, if any, are subsequently satisfied and the performance award vests with respect to such shares.

Any award may be granted as a performance award, meaning that the award will be subject to vesting and/or payment based on the attainment of specified performance goals.

Change in Control. In the event of a change in control, unless the plan administrator elects to terminate an award in exchange for cash, rights, or other property, or cause an award to accelerate in full prior to the change in control, such award will continue in effect or be assumed or substituted by the acquirer, provided that any performance-based portion of the award will be subject to the terms and conditions of the applicable award agreement. In the event the acquirer refuses to assume or replace awards granted, prior to the consummation of such transaction, awards issued under the 2021 Plan will be subject to accelerated vesting such that 100% of such awards will become vested and exercisable or payable, as applicable. The administrator may also make appropriate adjustments to awards under the 2021 Plan and is authorized to provide for the acceleration, cash-out, termination, assumption, substitution, or conversion of such awards in the event of a change in control or certain other unusual or nonrecurring events or transactions.

Adjustments of Awards. In the event of any stock dividend or other distribution, stock split, reverse stock split, reorganization, combination or exchange of shares, merger, consolidation, split-up, spin-off, recapitalization, repurchase, or any other corporate event affecting the number of outstanding shares of our common stock or the share price of our Class A common stock that would require adjustments to the 2021 Plan or any awards under the 2021 Plan in order to prevent the dilution or enlargement of the potential benefits intended to be made available thereunder, the administrator will make appropriate, proportionate adjustments to: (i) the aggregate number and type of shares subject to the 2021 Plan; (ii) the number and kind of shares subject to outstanding awards and terms and conditions of outstanding awards (including, without limitation, any applicable performance targets or criteria with respect to such awards); and (iii) the grant or exercise price per share of any outstanding awards under the 2021 Plan.

Amendment and Termination. The administrator may terminate, amend, or modify the 2021 Plan at any time and from time to time. However, we must generally obtain stockholder approval to the extent required by applicable law, rule, or regulation (including any applicable stock exchange rule). Notwithstanding the foregoing, an option may be amended to reduce the per share exercise price below the per share exercise price of such option on the grant date and options may be granted in exchange for, or in connection with, the cancellation or surrender of options having a higher per share exercise price without receiving additional stockholder approval.

No incentive stock options may be granted pursuant to the 2021 Plan after the tenth anniversary of the effective date of the 2021 Plan, and no additional annual share increases to the 2021 Plan's aggregate share limit will occur from and after such anniversary. Any award that is outstanding on the termination date of the 2021 Plan will remain in force according to the terms of the 2021 Plan and the applicable award agreement.

2014 Stock Option and Grant Plan

We currently maintain the 2014 Plan, which was adopted by our board of directors on December 5, 2014 and was most recently amended on June 29, 2021. We have previously granted stock options to our NEOs and some members of our board directors under the 2014 Plan, as described in more detail above. The principal purpose of the 2014 Plan is to encourage and enable officers, employees, directors, consultants, and other key persons of the Company and its subsidiaries, upon whose judgment, initiative, and efforts the Company largely depends for the successful conduct of its business, to acquire a proprietary interest in the Company.

As described below under "Description of Capital Stock — Equity Award Amendment," in connection with this listing, our board of directors will amend outstanding equity awards granted under our 2014 Plan so that such awards will settle in shares of Class A common stock instead of Class B common stock in connection with and after this listing. Holders of Class A common stock received as a result of the Equity Award Amendment will have the one-time right to exchange such shares of Class A common stock for an equal number of shares of Class B common stock until such time as the Class A common stock is transferred.

Following the effectiveness of the registration statement of which this prospectus forms a part, we will not make any further grants under the 2014 Plan. As discussed above, upon the effectiveness of the registration statement of which this prospectus forms a part, any shares of our common stock that are available for issuance immediately prior to the effectiveness of the registration statement of which this prospectus forms a part under the 2014 Plan will become available for issuance under the 2021 Plan. However, the 2014 Plan will continue to govern the terms and conditions of the outstanding awards granted under the 2014 Plan which, as of the date of this prospectus, constitute all of our outstanding stock options and restricted stock awards.

Types of Awards. The 2014 Plan provides for the grant of non-qualified options, restricted stock, unrestricted stock, restricted stock units to employees, non-employee members of the board of directors, and consultants. The 2014 Plan provides for the grant of ISOs to employees.

Share Reserve. We have reserved an aggregate of 42,406,328 shares of our common stock for issuance under the 2014 Plan. As of December 31, 2020, options to purchase a total of 31,016,699 shares of our common stock were issued and outstanding, a total of 10,238,529 shares of common stock had been issued upon the exercise of options or pursuant to other awards granted under the 2014 Plan and were outstanding, and 1,151,100 shares remained available for future grants.

Administration. Our board of directors or a committee appointed by our board of directors administers the 2014 Plan. The administrator has the authority to select the employees to whom awards will be granted under the 2014 Plan, to determine the time or times of grant, to determine the number of shares to be covered by any award and the price, exercise price, conversion ratio, or other price relating thereto, to determine and to modify from time to time the terms and conditions, including restrictions, of any award, to approve the form of award agreements, to accelerate at any time the exercisability or vesting of all or any portion of any award, to impose any limitations on awards, including limitations on transfers, repurchase provisions, and the like, and to exercise repurchase rights or obligations and to extend at any time the period in which options may be exercised. In addition, the administrator has the authority at any time to adopt, alter, and repeal such rules, guidelines, and practices for administration of the 2014 Plan and for its own acts and proceedings as it shall deem advisable, to interpret the terms and provisions of the 2014 Plan and any award, to make all determinations it deems advisable for the administration of the 2014 Plan, to decide all disputes arising in connection with the 2014 Plan, and to otherwise supervise the administration of the 2014 Plan.

Payment. The exercise price of options or purchase price of restricted stock under the 2014 Plan may be paid in such form as determined by the administrator, including, without limitation, cash, check, promissory note, other shares of the Company that have a fair market value on the date of surrender equal to the aggregate exercise price, or purchase price of the shares as to which such award relates, by irrevocable instructions to a broker to promptly deliver the Company cash or check payable and acceptable to the Company for the purchase price,

surrender of shares then issuable upon exercise of the award that have a fair market value equal to the aggregate exercise price or purchase price of the shares as to which such award relates, or any combination of the foregoing methods of payment.

Transfer. The 2014 Plan does not allow for the transfer of awards other than by will or the laws of descent and distribution, except as otherwise approved by our board of directors.

Certain Events. In the event of a dividend, recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, or other change in the corporate structure of the Company affecting shares occurs, the administrator may make appropriate adjustments to the number of shares available reserved for issuance under the 2014 Plan, the number of shares covered by each outstanding award agreement, and/or the exercise price or repurchase price applicable to each outstanding award. In the event of a merger or sale event, options and restricted stock units will terminate in connection with such event, unless assumed or continued by the successor entity.

Amendment; Termination. Our board of directors may amend or terminate the 2014 Plan or any portion thereof at any time; an amendment of the 2014 Plan shall be subject to the approval of our stockholders only to the extent required by applicable laws. No awards may be granted under our 2014 Plan after it is terminated.

2021 Employee Stock Purchase Plan

We intend to adopt and ask our stockholders to approve the 2021 Employee Stock Purchase Plan, which we refer to as our ESPP, which will be effective upon the day prior to the effectiveness of the registration statement of which this prospectus forms a part. The ESPP is designed to allow our eligible employees to purchase shares of our Class A common stock, at semi-annual intervals, with their accumulated payroll deductions. The ESPP is intended to qualify as an "employee stock purchase plan" under Section 423 of the Code. The material terms of the ESPP, as it is currently contemplated, are summarized below.

Administration. Subject to the terms and conditions of the ESPP, our compensation committee will administer the ESPP. Our compensation committee can delegate administrative tasks under the ESPP to the services of an agent and/or employees to assist in the administration of the ESPP. The administrator will have the discretionary authority to administer and interpret the ESPP. Interpretations and constructions of the administrator of any provision of the ESPP or of any rights thereunder will be conclusive and binding on all persons. We will bear all expenses and liabilities incurred by the ESPP administrator.

Share Reserve. The maximum number of shares of our Class A common stock which will be authorized for sale under the ESPP is equal to the sum of (a) shares of Class A common stock and (b) an annual increase on the first day of each fiscal year beginning in 2022 and ending in 2031, equal to the lesser of (i) % of the shares of our Class A common stock outstanding (on an as-converted basis) on the last day of the immediately preceding fiscal year and (ii) such number of shares of Class A common stock as determined by our board of directors; provided, however, no more than shares of our Class A common stock may be issued under the ESPP. The shares reserved for issuance under the ESPP may be authorized but unissued shares or reacquired shares.

Eligibility. Employees eligible to participate in the ESPP for a given offering period generally include employees who are employed by us or one of our subsidiaries on the first day of the offering period, or the enrollment date. Our employees (and, if applicable, any employees of our subsidiaries) who customarily work less than five months in a calendar year or are customarily scheduled to work less than 20 hours per week will not be eligible to participate in the ESPP. Finally, an employee who owns (or is deemed to own through attribution) 5% or more of the combined voting power or value of all our classes of stock or of one of our subsidiaries will not be allowed to participate in the ESPP.

Participation. Employees will enroll under the ESPP by completing a payroll deduction form permitting the deduction from their compensation of at least 1% of their compensation but not more than the lesser of 15% of their compensation or $50,000. Such payroll deductions may be expressed as either a whole number percentage or a fixed dollar amount, and the accumulated deductions will be applied to the purchase of shares on each purchase date. However, a participant may not purchase more than 15,000 shares in each offering period and may not subscribe for more than $25,000 in fair market value of shares of our Class A common stock (determined at the time the option is granted) during any calendar year. The ESPP administrator has the authority to change these limitations for any subsequent offering period.

Offering. Under the ESPP, participants are offered the option to purchase shares of our Class A common stock at a discount during a series of successive offering periods, the duration and timing of which will be determined by the ESPP administrator. However, in no event may an offering period be longer than 27 months in length.

The option purchase price will be the lower of 85% of the closing trading price per share of our Class A common stock on the first trading date of an offering period in which a participant is enrolled or 85% of the closing trading price per share on the purchase date, which will occur on the last trading day of each offering period.

Unless a participant has previously canceled his or her participation in the ESPP before the purchase date, the participant will be deemed to have exercised his or her option in full as of each purchase date. Upon exercise, the participant will purchase the number of whole shares that his or her accumulated payroll deductions will buy at the option purchase price, subject to the participation limitations listed above.

A participant may cancel his or her payroll deduction authorization at any time prior to the end of the offering period. Upon cancellation, the participant will have the option to either (i) receive a refund of the participant's account balance in cash without interest or (ii) exercise the participant's option for the current offering period for the maximum number of shares of Class A common stock on the applicable purchase date, with the remaining account balance refunded in cash without interest. Following at least one payroll deduction, a participant may also decrease (but not increase) his or her payroll deduction authorization once during any offering period. If a participant wants to increase or decrease the rate of payroll withholding, he or she may do so effective for the next offering period by submitting a new form before the offering period for which such change is to be effective.

A participant may not assign, transfer, pledge or otherwise dispose of (other than by will or the laws of descent and distribution) payroll deductions credited to a participant's account or any rights to exercise an option or to receive shares of our Class A common stock under the ESPP, and during a participant's lifetime, options in the ESPP shall be exercisable only by such participant. Any such attempt at assignment, transfer, pledge, or other disposition will not be given effect.

Adjustments upon Changes in Recapitalization, Dissolution, Liquidation, Merger, or Asset Sale. In the event of any increase or decrease in the number of issued shares of our common stock resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of the common stock, or any other increase or decrease in the number of shares of Class A common stock effected without receipt of consideration by us, we will proportionately adjust the aggregate number of shares of our common stock offered under the ESPP, the number and price of shares which any participant has elected to purchase under the ESPP, and the maximum number of shares which a participant may elect to purchase in any single offering period. If there is a proposal to dissolve or liquidate us, then the ESPP will terminate immediately prior to the consummation of such proposed dissolution or liquidation, and any offering period then in progress will be shortened by setting a new purchase date to take place before the date of our dissolution or liquidation. We will notify each participant of such change in writing at least ten business days prior to the new exercise date. If we undergo a merger with or into another corporation or sell all or substantially all of our assets, each outstanding option will be assumed or an equivalent option substituted by the successor corporation or the parent or subsidiary of the successor corporation. If the

successor corporation refuses to assume the outstanding options or substitute equivalent options, then any offering period then in progress will be shortened by setting a new purchase date to take place before the date of our proposed sale or merger. We will notify each participant of such change in writing at least ten business days prior to the new exercise date.

Amendment and Termination. Our board of directors may amend, suspend, or terminate the ESPP at any time. However, the board of directors may not amend the ESPP without obtaining stockholder approval within 12 months before or after such amendment to the extent required by applicable laws.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

In addition to the director and executive officer compensation arrangements discussed above in the section entitled "Executive Compensation," this section describes transactions, or series of related transactions, since January 1, 2018 to which we were a party or will be a party, in which:

- the amount involved exceeded or will exceed $120,000; and
- any of our directors, executive officers, or beneficial owners of more than 5% of our capital stock, or any members of the immediate family of, or person sharing the household with, or any entity affiliated with any such person, had or will have a direct or indirect material interest.

Redeemable Convertible Preferred Stock Financings

Series D Redeemable Convertible Preferred Stock Financing

In November 2018, we entered into a Series D preferred stock purchase agreement with various investors, pursuant to which we issued and sold an aggregate of 9,313,611 shares of Series D redeemable convertible preferred stock at a purchase price of $8.5681 per share for gross proceeds of $79.8 million in multiple closings. The first closing occurred in November 2018, at which time we issued 9,208,572 shares of Series D redeemable convertible preferred stock for gross proceeds of $78.9 million. The second closing occurred in January 2019, at which time we issued 58,355 shares of Series D redeemable convertible preferred stock for gross proceeds of $499,991. The third closing occurred in November 2019, at which time we issued 23,342 shares of Series D redeemable convertible preferred stock for gross proceeds of $199,996. The fourth closing occurred in March 2020, at which time we issued 23,342 shares of Series D redeemable convertible preferred stock for gross proceeds of $199,996.

The table below sets forth the number of shares of our Series D redeemable convertible preferred stock purchased by our executive officers, directors, holders of more than 5% of our capital stock and their affiliated entities, or immediate family members.

Name(1)	Shares of Series D Preferred Stock	Aggregate Purchase Price ($)
Entities affiliated with Sequoia Capital(2)	5,835,599	49,999,996
Entities affiliated with Battery Ventures(3)	1,167,118	9,999,984
Benchmark Capital Partners VIII, L.P.(4)	11,671	99,998
Entities affiliated with Institutional Venture Partners(5)	735,285	6,299,995

(1) For additional information regarding these stockholders and their equity holdings, see "Principal and Registered Stockholders."

(2) Sequoia Capital U.S. Growth Fund VIII, L.P., for itself and as nominee, and Sequoia Capital Global Growth Fund III – Endurance Partners, L.P., for itself and as nominee, collectively beneficially own more than 5% of our outstanding capital stock. Pat Grady is currently a member of our board of directors. Mr. Grady was designated by Sequoia Capital U.S. Growth Fund VIII, L.P. Mr. Grady is a partner of Sequoia Capital.

(3) Battery Ventures XI-A, L.P., Battery Ventures XI-B, L.P., Battery Ventures XI-A Side Fund, L.P., Battery Ventures XI-B Side Fund, L.P., Battery Investment Partners XI, LLC, Battery Ventures Select Fund I, L.P., and Battery Investment Partners Select Fund I, L.P. collectively beneficially own more than 5% of our outstanding capital stock. Neeraj Agrawal is currently, and was at the time of the Series D redeemable convertible preferred stock financing, a member of our board of directors. Mr. Agrawal was designated to serve as a member of our board of directors by entities affiliated with Battery Ventures. Mr. Agrawal is a general partner of Battery Ventures.

(4) Benchmark Capital Partners VIII, L.P., for itself and as nominee for Benchmark Founders' Fund VIII, L.P. and Benchmark Founders' Fund VIII-B, L.P., beneficially owns more than 5% of our outstanding capital stock. Eric Vishria is currently, and was at the time of the Series D redeemable convertible preferred stock financing, a member of our board of directors. Mr. Vishria was designated to serve as a member of our board of directors by Benchmark Capital Partners VIII, L.P. Mr. Vishria is a general partner of Benchmark Capital.

(5) Institutional Venture Partners XV, L.P. and Institutional Venture Partners XV Executive Fund, L.P. collectively beneficially own more than 5% of our outstanding capital stock.

Series E Redeemable Convertible Preferred Stock Financing

In April 2020, we entered into a Series E preferred stock purchase agreement with various investors, pursuant to which we issued and sold an aggregate of 5,213,607 shares of Series E redeemable convertible preferred stock at a purchase price of $9.5498 per share for gross proceeds of $49.8 million.

The table below sets forth the number of shares of our Series E redeemable convertible preferred stock purchased by our executive officers, directors, holders of more than 5% of our capital stock and their affiliated entities, or immediate family members.

Name(1)	Shares of Series E Preferred Stock	Aggregate Purchase Price ($)
Entities affiliated with Sequoia Capital(2)	387,442	3,699,994
Entities affiliated with Battery Ventures(3)	261,784	2,499,985
Benchmark Capital Partners VIII, L.P.(4)	5,235	49,993
Entities affiliated with Institutional Venture Partners(5)	403,939	3,857,537
Jasmine Ventures Pte. Ltd.(6)	3,141,427	30,000,000

(1) For additional information regarding these stockholders and their equity holdings, see “Principal and Registered Stockholders.”

(2) Sequoia Capital U.S. Growth Fund VIII, L.P., for itself and as nominee, and Sequoia Capital Global Growth Fund III – Endurance Partners, L.P., for itself and as nominee, collectively beneficially own more than 5% of our outstanding capital stock. Pat Grady is currently, and was at the time of the Series E redeemable convertible preferred stock financing, a member of our board of directors. Mr. Grady was designated by Sequoia Capital U.S. Growth Fund VIII, L.P. Mr. Grady is a partner of Sequoia Capital.

(3) Battery Ventures XI-A, L.P., Battery Ventures XI-B, L.P., Battery Ventures XI-A Side Fund, L.P., Battery Ventures XI-B Side Fund, L.P., Battery Investment Partners XI, LLC, Battery Ventures Select Fund I, L.P., and Battery Investment Partners Select Fund I, L.P. collectively beneficially own more than 5% of our outstanding capital stock. Neeraj Agrawal is currently, and was at the time of the Series E redeemable convertible preferred stock financing, a member of our board of directors. Mr. Agrawal was designated to serve as a member of our board of directors by entities affiliated with Battery Ventures. Mr. Agrawal is a general partner of Battery Ventures.

(4) Benchmark Capital Partners VIII, L.P., for itself and as nominee for Benchmark Founders’ Fund VIII, L.P. and Benchmark Founders’ Fund VIII-B, L.P., beneficially owns more than 5% of our outstanding capital stock. Eric Vishria is currently, and was at the time of the Series E redeemable convertible preferred stock financing, a member of our board of directors. Mr. Vishria was designated to serve as a member of our board of directors by Benchmark Capital Partners VIII, L.P. Mr. Vishria is a general partner of Benchmark Capital.

(5) Institutional Venture Partners XV, L.P. and Institutional Venture Partners XV Executive Fund, L.P. collectively beneficially own more than 5% of our outstanding capital stock.

(6) Jasmine Ventures Pte. Ltd., an affiliate of GIC Private Limited, beneficially owns more than 5% of our outstanding capital stock.

Series F Redeemable Convertible Preferred Stock Financing

In May 2021, we entered into a Series F preferred stock purchase agreement with various investors, pursuant to which we issued and sold an aggregate of 6,246,111 shares of Series F redeemable convertible preferred stock at a purchase price of $32.0199 per share for gross proceeds of $200.0 million in multiple closings. The first closing occurred in May 2021, at which time we issued 3,154,287 shares of Series F redeemable convertible preferred stock for gross proceeds of $101.0 million. The second closing occurred in June 2021, at which time we issued 312,305 shares of Series F redeemable convertible preferred stock for gross proceeds of $10.0 million. The third closing occurred in June 2021, at which time we issued 1,171,146 shares of Series F redeemable convertible preferred stock for gross proceeds of $37.5 million. The fourth closing occurred in June 2021, at which time we issued 780,764 shares of Series F redeemable convertible preferred stock for gross proceeds of $25.0 million. The fifth closing occurred in July 2021, at which time we issued 46,845 shares

of Series F redeemable convertible preferred stock for gross proceeds of $1.5 million. The sixth closing occurred in August 2021, at which time we issued 780,764 shares of Series F redeemable convertible preferred stock for gross proceeds of $25 million.

The table below sets forth the number of shares of our Series F redeemable convertible preferred stock purchased by our executive officers, directors, holders of more than 5% of our capital stock and their affiliated entities, or immediate family members.

Name(1)	Shares of Series F Preferred Stock	Aggregate Purchase Price ($)
Entities affiliated with Sequoia Capital(2)	3,123,057	99,999,973
Entities affiliated with Battery Ventures(3)	312,305	9,999,975
Entities affiliated with Institutional Venture Partners(4)	31,230	999,981
Jasmine Ventures Pte. Ltd.(5)	1,171,146	37,499,978

(1) For additional information regarding these stockholders and their equity holdings, see “Principal and Registered Stockholders.”

(2) Sequoia Capital U.S. Growth Fund VIII, L.P., for itself and as nominee, and Sequoia Capital Global Growth Fund III – Endurance Partners, L.P., for itself and as nominee, collectively beneficially own more than 5% of our outstanding capital stock. Pat Grady is currently, and was at the time of the Series F redeemable convertible preferred stock financing, a member of our board of directors. Mr. Grady was designated by Sequoia Capital U.S. Growth Fund VIII, L.P. Mr. Grady is a partner of Sequoia Capital.

(3) Battery Ventures XI-A, L.P., Battery Ventures XI-B, L.P., Battery Ventures XI-A Side Fund, L.P., Battery Ventures XI-B Side Fund, L.P., Battery Investment Partners XI, LLC, Battery Ventures Select Fund I, L.P., and Battery Investment Partners Select Fund I, L.P. collectively beneficially own more than 5% of our outstanding capital stock. Neeraj Agrawal is currently, and was at the time of the Series F redeemable convertible preferred stock financing, a member of our board of directors. Mr. Agrawal was designated to serve as a member of our board of directors by entities affiliated with Battery Ventures. Mr. Agrawal is a general partner of Battery Ventures.

(4) Institutional Venture Partners XV, L.P. and Institutional Venture Partners XV Executive Fund, L.P. collectively beneficially own more than 5% of our outstanding capital stock.

(5) Jasmine Ventures Pte. Ltd., an affiliate of GIC Private Limited, beneficially owns more than 5% of our outstanding capital stock.

Promissory Note and Pledge Agreement

In June 2018, we entered into two pledge agreements with Matt Althauser who, at that time, was our Chief Operating Officer. Contemporaneously with the pledge agreements, we made two loans to Mr. Althauser, evidenced by promissory notes, each in the amount of $565,271.30. The proceeds of these loans were used by Mr. Althauser to purchase an aggregate of 813,340 shares of our common stock, pursuant to the terms of those certain stock option agreements between us and Mr. Althauser. The aggregate principal amount outstanding under the promissory notes of $886,480.84, together with accrued interest of $57,580.81, was paid in full in May 2020 in accordance with the terms of the notes.

Relationship with Confluent, Inc.

Erica Schultz, a member of our board of directors, is currently the President of Field Operations at Confluent, Inc., and Eric Vishria, a member of our board of directors, is a member of the board of directors of Confluent. Confluent has been our customer since July 2020. Pursuant to our customer agreements with Confluent, Confluent made payments to us of $60,000 during the fiscal year ended December 31, 2020. Since January 1, 2021, Confluent has made payments to us under these agreements of $3,000, and we anticipate that Confluent will make additional payments to us of approximately $65,000 and $80,000 during the fiscal years ending December 31, 2021 and 2022, respectively. Our agreements with Confluent are negotiated in the ordinary course of business.

Stock Transfers

The following secondary stock transfer transactions involving certain of our existing officers, directors and/or investors were facilitated by us concurrently with our Series E redeemable convertible preferred stock financing.

We entered into a Stock Transfer Agreement with Jasmine Ventures Pte. Ltd. and Spenser Skates, our Chief Executive Officer and a member of our board of directors, dated as of April 30, 2020, pursuant to which Mr. Skates sold 258,707 shares of our outstanding common stock to Jasmine Ventures Pte. Ltd. for an aggregate purchase price of $2.1 million.

We entered into a Stock Transfer Agreement with Jasmine Ventures Pte. Ltd. and Curtis Liu, our Chief Technology Officer and a member of our board of directors, dated as of April 30, 2020, pursuant to which Mr. Liu sold 258,707 shares of our outstanding common stock to Jasmine Ventures Pte. Ltd. for an aggregate purchase price of $2.1 million.

We entered into a Stock Transfer Agreement with Jasmine Ventures Pte. Ltd. and Jeffrey Wang, a current employee, dated as of April 30, 2020, pursuant to which Mr. Wang sold 147,831 shares of our outstanding common stock to Jasmine Ventures Pte. Ltd. for an aggregate purchase price of $1.2 million.

We entered into a Stock Transfer Agreement with SCP Amplitude Investment, LLC and Mr. Skates, dated as of April 30, 2020, pursuant to which Mr. Skates sold 148,517 shares of our outstanding common stock to SCP Amplitude Investment, LLC for an aggregate purchase price of $1.2 million.

We entered into a Stock Transfer Agreement with SCP Amplitude Investment, LLC and Mr. Liu, dated as of April 30, 2020, pursuant to which Mr. Liu sold 148,517 shares of our outstanding common stock to SCP Amplitude Investment, LLC for an aggregate purchase price of $1.2 million.

We entered into a Stock Transfer Agreement with entities affiliated with Battery Ventures and Mr. Skates, dated as April 30, 2020, pursuant to which Mr. Skates sold an aggregate of 23,954 shares of our outstanding common stock to entities affiliated with Battery Ventures for an aggregate purchase price of $194,442.

We entered into a Stock Transfer Agreement with entities affiliated with Battery Ventures and Mr. Liu, dated as of April 30, 2020, pursuant to which Mr. Liu sold an aggregate of 23,954 shares of our outstanding common stock to entities affiliated with Battery Ventures for an aggregate purchase price of $194,442.

We entered into a Stock Transfer Agreement with entities affiliated with Battery Ventures and Mr. Wang, dated as of April 30, 2020, pursuant to which Mr. Wang sold an aggregate of 13,687 shares of our outstanding common stock to entities affiliated with Battery Ventures for an aggregate purchase price of $111,101.

Investors' Rights Agreement

We are party to an amended and restated investors' rights agreement with the purchasers of our outstanding redeemable convertible preferred stock and certain holders of our common stock, including certain of our directors and executive officers, holders of more than 5% of our capital stock, and entities with which certain of our directors are affiliated. Upon the effectiveness of the registration statement of which this prospectus forms a part, the holders of approximately million shares of our common stock, including shares of our common stock issuable upon the conversion of our outstanding redeemable convertible preferred stock, are entitled to rights with respect to the registration of their shares under the Securities Act. For a more detailed description of these registration rights, see "Description of Capital Stock—Registration Rights."

Voting Agreement

We are party to an amended and restated voting agreement with the purchasers of our outstanding redeemable convertible preferred stock and certain holders of our common stock and options, warrants, or other rights to acquire our common stock, including certain of our directors and executive officers, holders of more

than 5% of our capital stock, and entities with which certain of our directors are affiliated. Upon the effectiveness of the registration statement of which this prospectus forms a part, the amended and restated voting agreement will terminate. For a description of the amended and restated voting agreement, see "Management—Voting Arrangements."

First Refusal and Co-Sale Agreement

We are party to an amended and restated first refusal and co-sale agreement with the purchasers of our outstanding redeemable convertible preferred stock and certain holders of our common stock, including certain of our directors and executive officers, holders of more than 5% of our capital stock, and entities with which certain of our directors are affiliated. This agreement provides for rights of first refusal and co-sale relating to the shares of our common stock held by certain parties to the agreement. Upon the effectiveness of the registration statement of which this prospectus forms a part, the amended and restated first refusal and co-sale agreement will terminate.

Employment Agreements

We have entered into offer letter agreements with our executive officers that, among other things, provide for certain compensatory and change in control benefits, as well as severance benefits. For a description of these agreements with our named executive officers, see "Executive Compensation—Narrative to 2020 Summary Compensation Table and Outstanding Equity Awards at 2020 Fiscal Year End—Executive Compensation Arrangements."

Indemnification Agreements

Our restated certificate of incorporation will provide that we will indemnify our directors and executive officers to the fullest extent permitted by law. In addition, in connection with the effectiveness of the registration statement of which this prospectus forms a part, we expect to enter into indemnification agreements with all of our directors and executive officers. See "Description of Capital Stock—Limitation on Liability of Directors and Indemnification."

Our Policy Regarding Related Party Transactions

Our board of directors recognizes the fact that transactions with related persons present a heightened risk of conflicts of interest (or the perception thereof). Our board of directors will adopt a written policy on transactions with related persons that is in conformity with the requirements for companies having common stock that is listed on Nasdaq. This policy covers any transaction, arrangement, or relationship, or any series of similar transactions, arrangements, or relationships, that meets the disclosure requirements set forth in Item 404 under the Securities Act, in which we were or are to be a participant and in which a "related person," as defined in Item 404, had, has, or will have a direct or indirect material interest. In reviewing and approving any such transactions, our audit committee is tasked to consider all relevant facts and circumstances, including but not limited to whether the transaction is on terms comparable to those that could be obtained in an arm's length transaction with an unrelated third party and the extent of the related person's interest in the transaction. All of the transactions described in this section occurred prior to the adoption of this policy.

PRINCIPAL AND REGISTERED STOCKHOLDERS

The following table sets forth:

- certain information with respect to the beneficial ownership of our Class A and Class B common stock as of August 10, 2021 for:
  - each of our executive officers;
  - each of our directors;
  - all of our directors and executive officers as a group; and
  - each person known by us to be the beneficial owner of more than 5% of our outstanding shares of Class A common stock or Class B common stock; and
- the number of shares of Class A common stock and Class B common stock held by the Registered Stockholders and registered as Class A common stock for resale by means of this prospectus.

This prospectus registers for resale shares of Class A common stock that are held by certain Registered Stockholders that include (i) our affiliates and certain other stockholders with "restricted" securities under the applicable securities laws and regulations who, because of their status as affiliates of us pursuant to Rule 144 or because they acquired their capital stock from an affiliate or from us within the prior 12 months from the date of any proposed sale, would otherwise be unable to sell their securities pursuant to Rule 144 until we have been subject to the reporting requirements of Section 13 or Section 15(d) of the Exchange Act for a period of at least 90 days, and (ii) our current and former non-executive officer and non-director service providers who acquired shares from us within the prior 12 months from the date of any proposed sale under Rule 701 and hold "restricted" securities under the applicable securities laws and regulations. See "Shares Eligible for Future Sale" for further information regarding sales of such "restricted" securities if not sold pursuant to this prospectus.

Information concerning the Registered Stockholders may change from time to time and any changed information will be set forth in supplements to this prospectus, if and when necessary. Because the Registered Stockholders who hold Class B common stock may convert their shares of Class B common stock into Class A common stock at any time and the Registered Stockholders may sell all, some, or none of the shares of Class A common stock covered by this prospectus, we cannot determine the number of such shares of Class A common stock that will be sold by the Registered Stockholders, or the amount or percentage of shares of common stock, either as Class A common stock or Class B common stock, that will be held by the Registered Stockholders upon consummation of any particular sale. In addition, the Registered Stockholders listed in the table below may have sold, transferred or otherwise disposed of, or may sell, transfer or otherwise dispose of, at any time and from time to time, our shares of Class A common stock or Class B common stock in transactions exempt from the registration requirements of the Securities Act, after the date on which they provided the information set forth in the table below. See "Management" and "Certain Relationships and Related Party Transactions" for further information regarding the Registered Stockholders.

After the listing of our Class A common stock on the Nasdaq Global Select Market, certain of the Registered Stockholders are entitled to registration rights with respect to their shares of Class A common stock or Class B common stock, as described in "Description of Capital Stock—Registration Rights."

We currently intend to use our reasonable efforts to keep the registration statement of which this prospectus forms a part effective for a period of 90 days after the effectiveness of the registration statement. As a result, registered shares also include shares of Class A common stock subject to outstanding options and issuable pursuant to outstanding RSUs held by our directors and executive officers that may vest, be exercised, and be settled, as applicable, and be sold during the period we intend to keep the Registration Statement effective. We are not party to any arrangement with any Registered Stockholder or any broker-dealer with respect to sales of shares of our Class A common stock by the Registered Stockholders. However, we have engaged financial advisors with respect to certain other matters relating to our listing of our Class A common stock on the Nasdaq Global Select Market. See "Plan of Distribution."

We have determined beneficial ownership in accordance with the rules of the SEC, and thus it represents sole or shared voting or investment power with respect to our securities. Unless otherwise indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all shares that they beneficially owned, subject to community property laws where applicable. The information does not necessarily indicate beneficial ownership for any other purpose, including for purposes of Sections 13(d) and 13(g) of the Exchange Act.

We have based percentage ownership of our common stock on no shares of our Class A common stock and 100,041,239 shares of our Class B common stock outstanding as of August 10, 2021, after giving effect to the Reclassification and the Existing Preferred Stock Conversion. We have deemed shares of our Class B common stock subject to stock options that are currently exercisable or exercisable within 60 days of August 10, 2021 or issuable pursuant to RSUs which are subject to vesting and settlement conditions expected to occur within 60 days of August 10, 2021 to be outstanding and to be beneficially owned by the person holding the stock option or RSU for the purpose of computing the percentage ownership of that person. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person.

In connection with this listing, our board of directors will amend all awards outstanding under our 2014 Plan to settle into Class A common stock (the "Equity Award Amendment"). Holders of Class A common stock received as a result of the Equity Award Amendment will have the one-time right to exchange such shares of Class A common stock for an equal number of shares of Class B common stock until such time as the Class A common stock is transferred. The table below does not give effect to the Equity Award Amendment. See "Description of Capital Stock—Equity Award Amendment."

Unless otherwise indicated, the business address of each such beneficial owner is c/o Amplitude, Inc., 201 Third Street, Suite 200, San Francisco, California 94103.

	Beneficial Ownership Prior to the Effectiveness of the Registration Statement					
	Number of Shares Beneficially Owned					
	Class A		Class B+			
Name of Beneficial Owner	Shares	%	Shares	%	Percentage of Total Voting Power†	Shares of Class A Common Stock Being Registered
Executive Officers and Directors:						
Spenser Skates(1)	—	—	8,796,386	8.7%	8.7%	
Matt Heinz(2)	—	—	1,300,000	1.3%	1.3%	
Jennifer Johnson(3)	—	—	331,250	*	*	
Curtis Liu(4)	—	—	7,738,378	7.7%	7.7%	
Hoang Vuong(5)	—	—	1,713,646	1.7%	1.7%	
Neeraj Agrawal(6)	—	—	13,984,637	14.0%	14.0%	
Ron Gill(7)	—	—	310,000	*	*	
Pat Grady(8)	—	—	7,995,999	8.0%	8.0%	
Erica Schultz(9)	—	—	212,000	*	*	
Elisa Steele(10)	—	—	212,000	*	*	
Eric Vishria(11)	—	—	15,264,298	15.3%	15.3%	
Catherine Wong(12)	—	—	7,812	*	*	
All current directors and executive officers as a group (12 persons)(13)	—	—	57,866,406	55.2%	55.2%	
Other 5% Stockholders:						
Entities affiliated with Battery Ventures(14)	—	—	13,984,637	14.0%	14.0%	
Benchmark Capital Partners VIII, L.P.(15)	—	—	15,264,298	15.3%	15.3%	
Entities affiliated with Institutional Venture Partners(16)	—	—	8,762,355	8.8%	8.8%	
Entities affiliated with Sequoia Capital(17)	—	—	7,829,314	7.8%	7.8%	
Jasmine Ventures Pte. Ltd.(18)	—	—	4,977,818	5.0%	5.0%	

Name of Beneficial Owner	Beneficial Ownership Prior to the Effectiveness of the Registration Statement					
	Number of Shares Beneficially Owned				Percentage of Total Voting Power†	Shares of Class A Common Stock Being Registered
	Class A		Class B+			
	Shares	%	Shares	%		
Other Registered Stockholders:						
Non-Executive Officer and Non-Director Current and Former Service Providers						
All Other Registered Stockholders						

* Indicates beneficial ownership of less than 1% of the outstanding shares of our common stock.

\+ The Class B common stock is convertible at any time by the holder into shares of Class A common stock on a share-for-share basis, such that each holder of Class B common stock beneficially owns an equivalent number of shares of Class A common stock.

† Percentage of total voting power represents voting power with respect to all shares of our Class A common stock and Class B common stock, as a single class. Shares of our Class A common stock entitle the holder to one vote per share and shares of our Class B common stock entitle the holder to five votes per share. For additional information regarding our Class A common stock and Class B common stock, see "Description of Capital Stock."

(1) Consists of (a) 7,780,820 shares of Class B common stock and (b) 1,015,566 shares of Class B common stock issuable upon the exercise of stock options that are exercisable within 60 days of August 10, 2021.

(2) Consists of (a) 44,247 shares of Class B common stock and (b) 1,255,753 shares of Class B common stock issuable upon the exercise of stock options that are exercisable within 60 days of August 10, 2021.

(3) Consists of 331,250 shares of Class B common stock issuable upon the exercise of stock options that are exercisable within 60 days of August 10, 2021.

(4) Consists of (a) 7,465,526 shares of Class B common stock and (b) 272,852 shares of Class B common stock issuable upon the exercise of stock options that are exercisable within 60 days of August 10, 2021.

(5) Consists of (a) 195,876 shares of Class B common stock and (b) 1,517,770 shares of Class B common stock issuable upon the exercise of stock options that are exercisable within 60 days of August 10, 2021.

(6) Consists of shares listed in footnote 14 below held of record by entities affiliated with Battery Ventures. Mr. Agrawal, one of our directors, is a general partner of Battery Ventures and, therefore, may be deemed to share voting and dispositive power with respect to such shares. Mr. Agrawal disclaims beneficial ownership of all such shares except to the extent of his pecuniary interest therein.

(7) Consists of 310,000 shares of Class B common stock.

(8) Consists of (a) 166,685 shares of Class B common stock and (b) shares listed in footnote 17 below held of record by entities affiliated with Sequoia Capital. Mr. Grady, one of our directors, is a partner of Sequoia Capital and, therefore, may be deemed to exercise voting and investment discretion with respect to the shares listed in footnote 17 below. Mr. Grady disclaims beneficial ownership of all such shares.

(9) Consists of (a) 100,000 shares of Class B common stock and (b) 112,000 shares of Class B common stock issuable upon the exercise of stock options that are exercisable within 60 days of August 10, 2021.

(10) Consists of 212,000 shares of Class B common stock issuable upon the exercise of stock options that are exercisable within 60 days of August 10, 2021.

(11) Consists of shares listed in footnote 15 below held of record by Benchmark Capital Partners VIII, L.P.

(12) Consists of 7,812 shares of Class B common stock issuable pursuant to RSUs which are subject to vesting and settlement conditions expected to occur within 60 days of August 10, 2021.

(13) Consists of (a) 53,141,403 shares of Class B common stock and (b) 4,725,003 shares of Class B common stock issuable upon the exercise of stock options that are exercisable within 60 days of August 10, 2021.

(14) Consists of (a) 244,579 shares of Class B common stock held of record by Battery Investment Partners XI, LLC ("BIP XI"), (b) 5,277,254 shares of Class B common stock held of record by Battery Ventures XI-A, L.P. ("BV XI-A"), (c) 5,482,741 shares of Class B common stock held of record by Battery Ventures XI-A Side Fund, L.P. ("BV XI-A SF"), (d) 1,394,368 shares of Class B common stock held of record by Battery Ventures XI-B, L.P. ("BV XI-B"), (e) 1,188,883 shares of Class B common stock held of record by Battery Ventures XI-B Side Fund, L.P. ("BV XI-B SF"), (f) 361,099 shares of Class B common stock held of record by Battery Ventures Select Fund I, L.P. ("BV Select I"), and (g) 35,713 shares of Class B common stock held of record by Battery Investment Partners Select Fund I, L.P.

("BIP Select I"). The sole general partner of BV XI-A and BV XI-B is Battery Partners XI, LLC ("BP XI"). The sole general partner of BV XI-A SF and BV XI-B SF is Battery Partners XI Side Fund, LLC ("BP XI SF"). The sole managing member of BIP XI is BP XI. The sole general partner of BV Select I is Battery Partners Select Fund I, L.P., whose sole general partner is Battery Partners Select Fund I GP, LLC ("BP Select I"). The general partner of BIP Select I is BP Select I. The investment adviser of BP XI, BP XI SF, and BP Select I is Battery Management Corp. (together with BP XI, BP XI SF, and BP Select I, the "Battery Companies"). The managing members and officers of the Battery Companies who share voting and dispositive power with respect to such shares are Neeraj Agrawal, one of our directors, Michael Brown, Morad Elhafed, Jesse Feldman, Russell Fleischer, Roger Lee, Itzik Parnafes, Chelsea Stoner, Dharmesh Thakker, and Scott Tobin. Each of the foregoing persons disclaims beneficial ownership of these shares except to the extent of his or her pecuniary interest therein. The address for each of these entities is One Marina Park Drive, Suite 1100, Boston, Massachusetts 02210.

(15) Consists of 15,264,298 shares of Class B common stock held of record by Benchmark Capital Partners VIII, L.P. ("Benchmark VIII") Benchmark Capital Management Co. VIII, L.L.C., the general partner of Benchmark VIII, may be deemed to have sole voting and investment power over shares held by Benchmark VIII. Eric Vishria, one of our directors, along with Matthew R. Cohler, Peter H. Fenton, J. William Gurley, An-Yen Hu, Mitchell H. Lasky, Chetan Puttagunta, Steven M. Spurlock, and Sarah E. Tavel are the managing members of Benchmark Capital Management Co. VIII, L.L.C. The address for each of these entities is 2965 Woodside Road, Woodside, California 94062.

(16) Consists of (a) 8,716,001 shares of Class B common stock held of record by Institutional Venture Partners XV, L.P. and (b) 46,354 shares of Class B common stock held of record by Institutional Venture Partners XV Executive Fund, L.P. Institutional Venture Management XV, LLC is the general partner of Institutional Venture Partners XV, L.P. and Institutional Venture Partners XV Executive Fund, L.P. Todd C. Chaffee, Somesh Dash, Norman A. Fogelsong, Stephen J. Harrick, Eric Liaw, Jules A. Maltz, J. Sanford Miller, and Dennis B. Phelps are the managing directors of Institutional Venture Management XV, LLC and share voting and dispositive power over the shares held by Institutional Venture Partners XV, L.P. and Institutional Venture Partners XV Executive Fund, L.P. The address for each of these entities is c/o Institutional Venture Partners, 3000 Sand Hill Road, Building 2, Suite 250, Menlo Park, California 94062.

(17) Consists of (a) 5,330,200 shares of Class B common stock held of record by Sequoia Capital U.S. Growth Fund VIII, L.P. ("GF VIII") and (b) 2,499,114 shares of Class B common stock held of record by Sequoia Capital Global Growth Fund III – Endurance Partners, L.P. ("GGF III"). SC US (TTGP), Ltd. is (i) the general partner of SCGGF III – Endurance Partners Management, L.P., which is the general partner of GGF III, and (ii) the general partner of SC U.S. Growth VIII Management, L.P., which is the general partner of GF VIII. As a result, SC US (TTGP), Ltd. may be deemed to share voting and dispositive power with respect to the shares held by GF VIII and GGF III. The directors and stockholders of SC US (TTGP), Ltd. who exercise voting and investment discretion with respect to GF VIII include Pat Grady, one of our directors. In addition, the directors and stockholders of SC US (TTGP), Ltd. who exercise voting and investment discretion with respect to GGF III are Douglas M. Leone and Roelof Botha. As a result, and by virtue of the relationships described in this paragraph, Messrs. Leone and Botha may be deemed to share voting and dispositive power with respect to the shares held by GGF III. Mr. Grady expressly disclaims beneficial ownership of all such shares held by these entities. The address for each of these entities is 2800 Sand Hill Road, Suite 101, Menlo Park, California 94025.

(18) Consists of 4,977,818 shares of Class B common stock held of record by Jasmine Ventures Pte. Ltd. Jasmine Ventures Pte. Ltd. shares the power to vote and dispose of these shares with GIC Special Investments Pte. Ltd. and GIC Private Limited, both of which are private limited companies incorporated in Singapore. GIC Special Investments Pte. Ltd. is wholly owned by GIC Private Limited and is the private equity investment arm of GIC Private Limited. GIC Private Limited is wholly owned by the Government of Singapore and was set up with the sole purpose of managing Singapore's foreign reserves. The Government of Singapore disclaims beneficial ownership of these shares. The address for Jasmine Ventures Pte. Ltd. is 168 Robinson Road, #37-01 Capital Tower, Singapore 068912.

DESCRIPTION OF CAPITAL STOCK

General

The following description summarizes certain important terms of our capital stock, as they are expected to be in effect in connection with the effectiveness of the registration statement of which this prospectus forms a part. We expect to adopt a restated certificate of incorporation and an amended and restated bylaws that will become effective in connection with the effectiveness of the registration statement of which this prospectus forms a part, and this description summarizes the provisions that are expected to be included in such documents. Because it is only a summary, it does not contain all the information that may be important to you. For a complete description of the matters set forth in this section titled "Description of Capital Stock," you should refer to our restated certificate of incorporation, amended and restated bylaws, and our amended and restated investors' rights agreement, which are included as exhibits to the registration statement of which this prospectus forms a part, and to the applicable provisions of Delaware law.

Following the effectiveness of the registration statement of which this prospectus forms a part, after giving effect to the filing and effectiveness of our restated certificate of incorporation and the adoption of our amended and restated bylaws, our authorized capital stock will consist of:

- shares of Class A common stock, par value $0.00001 per share;
- shares of Class B common stock, par value $0.00001 per share; and
- shares of undesignated preferred stock, par value $0.00001 per share.

Assuming the Existing Preferred Stock Conversion, the Reclassification, and the RSU Settlement, which will occur in connection with our direct listing, as of June 30, 2021, there were shares of our Class A common stock outstanding, held by stockholders of record, shares of our Class B common stock outstanding, held by stockholders of record, and no shares of our preferred stock outstanding. Pursuant to our restated certificate of incorporation, our board of directors will have the authority, without stockholder approval except as required by Nasdaq rules, to issue additional shares of our capital stock.

Common Stock

Following the effectiveness of the registration statement of which this prospectus forms a part, we will have two classes of authorized common stock: Class A common stock and Class B common stock. The rights of the holders of Class A common stock and Class B common stock are identical, except with respect to voting and conversion rights.

Voting rights

Shares of our Class A common stock are entitled to one vote per share and shares of our Class B common stock are entitled to five votes per share. The holders of our Class A common stock and the holders of our Class B common stock will generally vote together as a single class on all matters submitted to a vote of our stockholders, unless otherwise required by Delaware law or our restated certificate of incorporation. Delaware law could require either holders of our Class A common stock or holders of our Class B common stock to vote separately in the following circumstances:

- if we were to seek to amend our restated certificate of incorporation to increase or decrease the par value of a class of our capital stock, then that class would be required to vote separately to approve the proposed amendment; and
- if we were to seek to amend our restated certificate of incorporation in a manner that alters or changes the powers, preferences, or special rights of a class of our capital stock in a manner that would affect its holders adversely, then that class would be required to vote separately to approve the proposed amendment.

Our restated certificate of incorporation that will become effective in connection with the effectiveness of the registration statement of which this prospectus forms a part will provide that stockholders are not entitled to cumulative voting for the election of directors. As a result, the holders of a majority of our voting power can elect all of the directors then standing for election.

Conversion rights

Each outstanding share of our Class B common stock is convertible at any time at the option of the holder into one share of our Class A common stock. Each share of our Class B common stock will convert automatically into one share of our Class A common stock upon any transfer, whether or not for value, except for certain permitted transfers described in our restated certificate of incorporation. In addition, each share of our Class B common stock held by Curtis Liu, Spenser Skates, and Jeffrey Wang, whom we refer to as our founders (or any of such founder's affiliates), will convert automatically into one share of our Class A common stock on the date that is six months following the date on which such founder is no longer an employee or director of our company, including by reason of death or disability (unless such founder has rejoined our company during such six-month period). Each outstanding share of our Class B common stock will also convert automatically into one share of our Class A common stock on the date that is six months following the date on which no founder is an employee or director of our company (unless a founder has rejoined our company during such six-month period). In addition, any transfer by a founder (or such founder's affiliates) to one or more of the other founders (or such founders' affiliates) will not result in the automatic conversion of such shares of Class B common stock to Class A common stock. Once converted into Class A common stock, the Class B common stock may not be reissued.

Economic rights

Dividends. Any dividend or distribution paid or payable to the holders of shares of Class A common stock and Class B common stock shall be paid pro rata, on an equal priority, *pari passu* basis, unless different treatment of the shares of each such class is approved by the affirmative vote of the holders of a majority of the outstanding shares of the applicable class of stock treated adversely, each voting separately as a class; provided, however, that if a dividend or distribution is paid in the form of Class A common stock or Class B common stock (or rights to acquire shares of Class A common stock or Class B common stock), then the holders of the Class A common stock shall receive Class A common stock (or rights to acquire shares of Class A common stock) and holders of Class B common stock shall receive Class B common stock (or rights to acquire shares of Class B common stock).

Liquidation. In the event of our liquidation, dissolution, or winding-up and upon the completion of the distributions required with respect to any series of redeemable convertible preferred stock that may then be outstanding, our remaining assets legally available for distribution to stockholders shall be distributed on an equal priority, pro rata basis to the holders of Class A common stock and Class B common stock.

Change of Control Transactions. In the event of certain mergers, consolidations, business combinations, or other similar transactions, shares of our Class A common stock or Class B common stock will be treated equally, identically, and will share ratably, on a per share basis, in any consideration related to such transaction, unless different treatment of the shares of each class is approved by the affirmative vote of the holders of a majority of the outstanding shares of Class A common stock and by the affirmative vote of the holders of a majority of the outstanding shares of Class B common stock, each voting separately as a class. In the event that the holders of shares of Class A common stock or Class B common stock are granted rights to elect to receive one of two or more alternative forms of consideration in connection with such transaction, the foregoing will be satisfied if holders of shares of Class A common stock and the holders of Class B common stock are granted identical election rights.

Subdivisions and Combinations. If we subdivide or combine in any manner outstanding shares of Class A common stock or Class B common stock, then the outstanding shares of the other class will be subdivided or combined in the same proportion and manner, unless different treatment of the shares of each class is approved

by the affirmative vote of the holders of a majority of the outstanding shares of Class A common stock and by the affirmative vote of the holders of a majority of the outstanding shares of Class B common stock, each voting separately as a class.

No preemptive or similar rights

Holders of shares of our common stock do not have preemptive, subscription, or redemption rights. There will be no redemption or sinking fund provisions applicable to our common stock.

Fully paid and non-assessable

All of our outstanding shares of Class A common stock and Class B common stock are fully paid and non-assessable.

Preferred Stock

In connection with the effectiveness of the registration statement of which this prospectus forms a part, no shares of our redeemable convertible preferred stock will be outstanding. Under the terms of our restated certificate of incorporation that will become effective in connection with the effectiveness of the registration statement of which this prospectus forms a part, our board of directors is authorized to direct us to issue shares of preferred stock in one or more series without stockholder approval, unless required by law or by any stock exchange. Our board of directors has the discretion to determine the rights, preferences, privileges, and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges, and liquidation preferences, of each series of preferred stock.

Our board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of Class A common stock and Class B common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring, or preventing a change in control of our company that may otherwise benefit holders of our Class A and Class B common stock and may adversely affect the market price of the Class A common stock and the voting and other rights of the holders of Class A and Class B common stock. We have no current plans to issue any shares of preferred stock.

Stock Options

As of June 30, 2021, 28,806,581 shares of Class A common stock were issuable upon the exercise of outstanding stock options, at a weighted-average exercise price of $3.33 per share. In addition, 67,134 shares of Class A common stock are issuable upon the exercise of stock options granted after June 30, 2021, at a weighted-average exercise price of $21.75 per share. For additional information regarding terms of our equity incentive plans, see “Executive Compensation—Narrative to 2020 Summary Compensation Table and Outstanding Equity Awards at 2020 Fiscal Year End—Equity Compensation Plans.”

Equity Award Amendment

Equity awards granted under our 2014 Plan generally settle in shares of Class B common stock. Class B common stock automatically converts to Class A common stock upon transfer unless transferred to a permitted transferee. In connection with this listing, our board of directors will amend all awards outstanding under our 2014 Plan to settle into Class A common stock (the “Equity Award Amendment”). Holders of Class A common stock received as a result of the Equity Award Amendment will have the one-time right to exchange such shares of Class A common stock for an equal number of shares of Class B common stock until such time as the Class A common stock is transferred. There are no pre-defined time period or other restrictions related to the holder’s right to exchange such shares of Class A common stock. Holders may only elect to exchange all, and not a portion, of such shares of Class A common stock. Such right will transfer to a permitted transferee.

As of June 30, 2021, outstanding options to purchase shares of Class B common stock and outstanding RSUs representing shares of Class B common stock will be impacted by the Equity Award Amendment. These awards are referenced in this prospectus as options to purchase Class A common stock and RSUs representing Class A common stock, respectively, unless indicated otherwise.

We expect to issue shares of our Class A common stock instead of Class B common stock due to the Equity Award Amendment, upon the vesting and settlement of RSUs for which the time-based vesting condition was satisfied as of June 30, 2021, and for which the performance-based vesting condition will be satisfied upon the listing of our Class A common stock on the Nasdaq Global Select Market (after withholding an aggregate of shares of our Class A common stock subject to such RSUs to satisfy tax withholding obligations at an assumed tax rate of %, with an equivalent number of shares of our Class A common stock as the shares that were withheld become available for issuance under our 2014 Plan).

Restricted Stock Units

As of June 30, 2021, 479,481 shares of Class A common stock were issuable upon settlement of RSUs outstanding as of June 30, 2021, for which the time-based vesting condition had not been satisfied as of such date. In addition, 143,579 shares of Class A common stock are issuable upon settlement of RSUs granted after June 30, 2021, for which the time-based vesting condition had not been satisfied as of such date.

Warrant

As of June 30, 2021, 7,000 shares of Class B common stock were issuable upon the exercise of an outstanding warrant at an exercise price of $1.39 per share. The warrant expires on November 22, 2027.

Choice of Forum

Our restated certificate of incorporation and our amended and restated bylaws will provide that: (i) unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if such court does not have subject matter jurisdiction thereof, the federal district court of the State of Delaware) will, to the fullest extent permitted by law, be the sole and exclusive forum for: (A) any derivative action or proceeding brought on our behalf, (B) any action asserting a claim for or based on a breach of a fiduciary duty owed by any of our current or former directors, officers, other employees, agents, or stockholders to us or our stockholders, including without limitation a claim alleging the aiding and abetting of such a breach of fiduciary duty, (C) any action asserting a claim against us or any of our current or former directors, officers, other employees, agents, or stockholders arising pursuant to any provision of the Delaware General Corporation Law (the "DGCL") or our certificate of incorporation or bylaws or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, or (D) any action asserting a claim related to or involving us that is governed by the internal affairs doctrine; (ii) unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America will, to the fullest extent permitted by law, be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act and the rules and regulations promulgated thereunder; (iii) the exclusive forum provisions are intended to benefit and may be enforced by us, our officers and directors, the financial advisors to any offering giving rise to such complaint, and any other professional or entity whose profession gives authority to a statement made by that person or entity and who has prepared or certified any part of the documents underlying the offering; (iv) any person or entity purchasing or otherwise acquiring or holding any interest in our shares of capital stock will be deemed to have notice of and consented to these provisions; and (v) failure to enforce the foregoing provisions would cause us irreparable harm, and we will be entitled to equitable relief, including injunctive relief and specific performance, to enforce the foregoing provisions. Nothing in our restated certificate of incorporation or amended and restated bylaws precludes stockholders that assert claims under the Exchange Act from bringing such claims in federal court, to the extent that the Exchange Act confers exclusive federal jurisdiction over such claims, subject to applicable law.

Although our restated certificate of incorporation and amended and restated bylaws will contain the choice of forum provision described above, it is possible that a court could find that such a provision is inapplicable for a particular claim or action or that such provision is unenforceable. For more information on the risks associated with our choice of forum provision, see "Risk Factors—Risks Related to Ownership of Our Class A Common Stock—Our restated certificate of incorporation and amended and restated bylaws will provide for an exclusive forum in the Court of Chancery of the State of Delaware for certain disputes between us and our stockholders, and that the federal district courts of the United States will be the exclusive forum for the resolution of any complaint asserting a cause of action under the Securities Act."

Anti-Takeover Provisions

Our restated certificate of incorporation and amended and restated bylaws will contain provisions that may delay, defer, or discourage another party from acquiring control of us. We expect that these provisions, which are summarized below, will discourage coercive takeover practices or inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors, which we believe may result in an improvement of the terms of any such acquisition in favor of our stockholders. However, they also give our board of directors the power to discourage acquisitions that some stockholders may favor. See "Risk Factors—Risks Related to Ownership of Our Class A Common Stock—Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of our company 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."

Multi-Class Stock

As described above in "—Common Stock—Voting rights," our restated certificate of incorporation will provide for a multi-class common stock structure, pursuant to which holders of our Class B common stock, including our current investors, executives, and employees, will have the ability to control the outcome of matters requiring stockholder approval, even if such holders own significantly less than a majority of the shares of the shares of our outstanding Class A common stock and Class B common stock, including the election of directors and significant corporate transactions, such as a merger or other sale of our company or its assets.

Stockholder Action and Special Meetings of Stockholders

Our restated certificate of incorporation will provide that any action required or permitted to be taken by our stockholders must be effected at a duly called annual or special meeting of our stockholders and may not be effected by any consent in writing by our stockholders. Our restated certificate of incorporation will further provide that special meetings of our stockholders may be called only by a majority of our board of directors, the chairperson of our board of directors, or our Chief Executive Officer, thus prohibiting a stockholder from calling a special meeting. These provisions might delay the ability of our stockholders to force consideration of a proposal or for stockholders to take any action, including the removal of directors.

Advance Notice Requirements for Stockholder Proposals and Director Nominations

Our amended and restated bylaws will provide advance notice procedures for stockholders seeking to bring business before our annual meeting of stockholders or to nominate candidates for election as directors at our annual meeting of stockholders. Our amended and restated bylaws will also specify certain requirements regarding the form and content of a stockholder's notice. These provisions might preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our annual meeting of stockholders if the proper procedures are not followed. We expect that these provisions might also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company.

Classified Board; Election and Removal of Directors; Filling Vacancies

Our board of directors will be divided into three classes, divided as nearly as equal in number as possible. The directors in each class will serve for a three-year term, one class being elected each year by our stockholders, with staggered three-year terms. Only one class of directors will be elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms. Because our stockholders do not have cumulative voting rights, our stockholders holding a majority of the shares of our voting shares will be able to elect all of our directors. Our restated certificate of incorporation will provide for the removal of any of our directors only for cause and requires a stockholder vote by the holders of at least a 66 2/3% of the voting power of the then outstanding voting stock. For more information on the classified board, see "Management—Classified Board of Directors." Furthermore, any vacancy on our board of directors, however occurring, including a vacancy resulting from an increase in the size of the board, may only be filled by a resolution of the board of directors unless the board of directors determines that such vacancies shall be filled by the stockholders. This system of electing and removing directors and filling vacancies may tend to discourage a third party from making a tender offer or otherwise attempting to obtain control of us because it generally makes it more difficult for stockholders to replace a majority of the directors.

Supermajority Requirements for Amendments of our Restated Certificate of Incorporation and Amended and Restated Bylaws

Certain amendments to our restated certificate of incorporation and our amended and restated bylaws will require the approval of 66⅔% of the outstanding voting power of our capital stock.

Authorized but Unissued Shares

The authorized but unissued shares of our common stock and our preferred stock are available for future issuance without stockholder approval, subject to any limitations imposed by Nasdaq rules. These additional shares may be used for a variety of corporate finance transactions, acquisitions, and employee benefit plans. The existence of authorized but unissued and unreserved common stock and preferred stock could make more difficult or discourage an attempt to obtain control of us by means of a proxy contest, tender offer, merger, or otherwise.

Section 203 of the DGCL

We will be subject to the provisions of Section 203 of the DGCL. This statute prevents certain Delaware corporations, under certain circumstances, from engaging in a "business combination" with an "interested stockholder." In general, Section 203 defines an "interested stockholder" as an entity or person who, together with the person's affiliates and associates, beneficially owns 15% or more of the outstanding voting stock of the corporation.

A "business combination" includes a merger or sale of more than 10% of our assets. However, the above provisions of Section 203 of the DGCL do not apply if:

- the business combination takes place more than three years after the interested stockholder became an "interested stockholder;"
- our board of directors approves the transaction that made the stockholder an "interested stockholder" prior to the date of the transaction;
- after the completion of the transaction that resulted in the stockholder becoming an interested stockholder, that stockholder owned at least 85% of our voting stock outstanding, other than statutorily excluded shares of common stock; or
- on or subsequent to the date of the transaction, the business combination is approved by our board of directors and authorized at a meeting of our stockholders, and not by written consent, by an affirmative vote of at least two-thirds of the outstanding voting stock not owned by the interested stockholder.

Limitation on Liability of Directors and Indemnification

Our restated certificate of incorporation will provide that our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation is not permitted under the DGCL, as may be amended, or for liability:

- for any breach of the director's duty of loyalty to us or our stockholders;
- for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- pursuant to Section 174 of the DGCL; or
- for any transaction from which the director derived an improper personal benefit.

Our amended and restated bylaws will provide that we must indemnify our directors and officers to the fullest extent permitted by law. We will also be expressly authorized to advance certain expenses (including attorneys' fees) to our directors and officers and carry directors' and officers' insurance providing indemnification for our directors and officers for some liabilities. We believe that these indemnification provisions and insurance are useful to attract and retain qualified directors and executive officers. In addition, in connection with the effectiveness of the registration statement of which this prospectus forms a part, we intend to enter into separate indemnification agreements with each of our directors and executive officers.

Registration Rights

We are party to an amended and restated investors' rights agreement that provides that certain holders of our capital stock have certain registration rights as set forth below. The registration of shares of our Class A common stock by the exercise of registration rights described below would enable the holders to sell these shares without restriction under the Securities Act when the applicable registration statement is declared effective.

The registration rights set forth in the amended and restated investors' rights agreement will terminate (i) five years following the effectiveness of the registration statement of which this prospectus forms a part or (ii) with respect to any particular stockholder, the earliest of when such stockholder is able to sell all of its shares pursuant to Rule 144(b)(1)(i) of the Securities Act or holds 1% or less of our outstanding Class A common stock, which includes shares of Class B common stock convertible into Class A common stock, and is able to sell all of its registrable shares pursuant to Rule 144 of the Securities Act during any three month period. We will pay the registration expenses (other than underwriting discounts and commissions) of the holders of the shares registered pursuant to the registrations described below, including the reasonable fees of one counsel for the selling holders. In an underwritten offering, the underwriters have the right, subject to specified conditions, to limit the number of shares such holders may include.

Demand Registration Rights

After the effectiveness of the registration statement of which this prospectus forms a part, the holders of up to shares of our Class A common stock and Class B common stock will be entitled to certain demand registration rights. At any time beginning six months after the effectiveness of the registration statement of which this prospectus forms a part, holders of at least 50% of these shares of registrable securities can request that we register the offer and sale of their shares. We are obligated to effect only one such registration. Such request for registration must cover securities the anticipated aggregate offering price of which is at least $15.0 million. We will not be required to effect a demand registration during the period beginning 60 days prior to our good faith estimate of the date of the filing of, and ending on a date 180 days following the effectiveness of, a registration statement relating to the public offering of our Class A common stock. If we determine that it would be seriously detrimental to us and our stockholders to effect such a demand registration, we have the right to defer such registration, not more than once in any 12-month period, for a period of up to 90 days.

Piggyback Registration Rights

After the effectiveness of the registration statement of which this prospectus forms a part, in the event that we propose to register any of our securities under the Securities Act, either for our own account or for the account of other security holders, the holders of up to shares of our Class A common stock and Class B common stock will be entitled to certain "piggyback" registration rights allowing the holders to include their shares in such registration, subject to certain marketing and other limitations. As a result, whenever we propose to file a registration statement under the Securities Act, other than with respect to (i) a demand registration, (ii) a registration relating solely to the sale of securities of participants in our stock plan, (iii) a registration relating to a corporate reorganization or transaction under Rule 145 of the Securities Act, (iv) a registration on any registration form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of such shares, or (v) a registration in which the only shares being registered are shares issuable upon conversion of debt securities that are also being registered, the holders of such shares are entitled to notice of the registration and have the right, subject to certain limitations, to include their shares in the registration.

S-3 Registration Rights

After the effectiveness of the registration statement of which this prospectus forms a part, the holders of up to shares of our Class A common stock and Class B common stock will be entitled to certain Form S-3 registration rights. The holders of at least 30% of these shares of registrable securities may make a request that we register the offer and sale of their shares on a registration statement on Form S-3, if we are eligible to file a registration statement on Form S-3 and so long as the request covers securities the anticipated aggregate public offering price of which is at least $10.0 million, net of any underwriters' discounts, or commissions. These stockholders may make an unlimited number of requests for registration on Form S-3; however, we will not be required to effect a registration on Form S-3 if we have effected two such registrations within the 12-month period preceding the date of the request. Additionally, if we determine that it would be seriously detrimental to us and our stockholders to effect such a registration, we have the right to defer such registration, not more than once in any 12-month period, for a period of up to 90 days.

Transfer Agent and Registrar

The transfer agent and registrar for our Class A common stock and Class B common stock will be American Stock Transfer & Trust Company, LLC. The transfer agent and registrar's address is 6201 15th Avenue, Brooklyn, New York 11219, and its telephone number is (718) 921-8124.

Listing

We have applied to list our Class A common stock on the Nasdaq Global Select Market under the symbol "AMPL."

SHARES ELIGIBLE FOR FUTURE SALE

Prior to the listing of our Class A common stock on the Nasdaq Global Select Market, there has been no public market for our Class A common stock, and we cannot predict the effect, if any, that sales of shares of our Class A common stock or the availability of shares of our Class A common stock for sale will have on the market price of our Class A common stock prevailing from time to time. Future sales of our Class A common stock in the public market, or the availability of such shares for sale in the public market, could adversely affect market prices prevailing from time to time. Sales of substantial amounts of our Class A common stock in the public market following our listing on the Nasdaq Global Select Market or the perception that such sales could occur, could adversely affect the public price of our Class A common stock and may make it more difficult for you to sell your Class A common stock at a time and price that you deem appropriate. We will have no input if and when any Registered Stockholder may, or may not, elect to sell its shares of Class A common stock or the prices at which any such sales may occur. Future sales of our Class A common stock in the public market, or the availability of such shares for sale in the public market, could adversely affect the trading prices of shares of our Class A common stock prevailing from time to time.

Upon the effectiveness of the registration statement of which this prospectus forms a part, based on the number of shares of our capital stock outstanding as of June 30, 2021, we will have a total of shares of Class A common stock and shares of Class B common stock outstanding, after giving effect to the Existing Preferred Stock Conversion, the Reclassification, and the RSU Settlement.

Shares of our Class A common stock and Class B common stock will be deemed "restricted securities" (as defined in Rule 144 under the Securities Act). Restricted securities may be sold in the public market only if they are registered or if they qualify for an exemption from registration under Rule 144 or Rule 701 under the Securities Act, which rules are summarized below. Following the listing of our Class A common stock on the Nasdaq Global Select Market, shares of our Class A common stock may be sold either by the Registered Stockholders pursuant to this prospectus or by our other existing stockholders in accordance with Rule 144 of the Securities Act.

As further described below, until we have been a reporting company for at least 90 days, only non-affiliates who have beneficially owned their shares of Class A common stock for a period of at least one year will be able to sell their shares of Class A common stock under Rule 144, which is expected to include approximately shares of Class A common stock issuable upon conversion of outstanding shares of Class B common stock, immediately after the effectiveness of the registration statement of which this prospectus forms a part.

Rule 144

In general, under Rule 144 as currently in effect, once we have been subject to the public company reporting requirements of Section 13 or Section 15(d) of the Exchange Act for at least 90 days, a person who is not deemed to have been one of our affiliates for purposes of the Securities Act at any time during the 90 days preceding a sale and who has beneficially owned the shares proposed to be sold for at least six months, including the holding period of any prior owner other than our affiliates, is entitled to sell those shares without complying with the manner of sale, volume limitation, or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than our affiliates, then that person would be entitled to sell those shares without complying with any of the requirements of Rule 144.

In general, under Rule 144, as currently in effect, our affiliates or persons selling shares on behalf of our affiliates are entitled to sell, within any three-month period, a number of shares of Class A common stock that does not exceed the greater of:

- 1% of the number of shares of our Class A common stock then outstanding; and
- the average weekly trading volume of our Class A common stock on the Nasdaq Global Select Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to that sale.

Sales under Rule 144 by our affiliates or persons selling shares of our Class A common stock on behalf of our affiliates are also subject to certain manner-of-sale provisions and notice requirements and to the availability of current public information about us.

Rule 701

In general, under Rule 701, any of our employees, directors, officers, consultants, or advisors who purchases shares of capital stock from us in connection with a compensatory stock option plan or other written agreement before the effective date of the registration statement of which this prospectus forms a part is entitled to sell such shares 90 days after such effective date in reliance on Rule 144.

The SEC has indicated that Rule 701 will apply to typical stock options granted by a company before it becomes subject to the reporting requirements of the Exchange Act, along with the shares acquired upon exercise of such options, including exercises after a company becomes subject to the reporting requirements of the Exchange Act.

Registration Rights

The holders of approximately shares of our Class A common stock and Class B common stock, or their transferees, are entitled to certain rights with respect to the registration of those shares under the Securities Act. For a description of these registration rights, see “Description of Capital Stock—Registration Rights” and “Certain Relationships and Related Party Transactions—Investors’ Rights Agreement.” If these shares are registered, in most cases they will be freely tradable without restriction under the Securities Act and a large number of shares may be sold into the public market.

Registration Statement on Form S-8

We intend to file one or more registration statements on Form S-8 under the Securities Act to register shares of our Class A common stock and Class B common stock subject to outstanding stock options and RSUs outstanding, as well as shares of our Class A common stock reserved for future issuance, under our 2021 Plan and ESPP. We expect to file these registration statements as soon as permitted under the Securities Act. However, the shares registered on Form S-8 may be subject to the volume limitations and the manner of sale, notice, and public information requirements of Rule 144. See “Executive Compensation—Narrative to 2020 Summary Compensation Table and Outstanding Equity Awards at 2020 Fiscal Year End—Equity Compensation Plans—2021 Incentive Award Plan” for a description of our 2021 Plan and “Executive Compensation—Narrative to 2020 Summary Compensation Table and Outstanding Equity Awards at 2020 Fiscal Year End—Equity Compensation Plans—2021 Employee Stock Purchase Plan” for a description of our ESPP.

SALE PRICE HISTORY OF OUR CAPITAL STOCK

We have applied to list our Class A common stock on the Nasdaq Global Select Market. Prior to the listing of our Class A common stock on the Nasdaq Global Select Market, there has been no public market for our Class A common stock. However, our common stock has a history of trading in private purchases. The table below shows the high and low sales prices for our common stock in private transactions by our stockholders, for the indicated periods, as well as the volume-weighted-average price per share, based on information available to us. During 2019 and 2020, we facilitated secondary transactions with select executives in which our common stock was sold above fair value. The table below excludes sales of our redeemable convertible preferred stock for the indicated periods, but includes such shares on an as-converted to common stock basis in the number of shares outstanding. This information may have little or no relation to broader market demand for our Class A common stock and thus the opening public price and subsequent public price of our Class A common stock on the Nasdaq Global Select Market. As a result, you should not place undue reliance on these historical private sales prices as they may differ materially from the opening public price and subsequent public price of our Class A common stock on the Nasdaq Global Select Market. See "Risk Factors—Risks Related to Ownership of Our Class A Common Stock—Our stock price may be volatile, and could decline significantly and rapidly."

	Per Share Sale Price		Number of Shares Sold in the Period	Volume-Weighted-Average Price (VWAP)	Number of Shares Outstanding (Period End)
	High	Low			
Annual					
Year Ended December 31, 2020	$ 20.00	$ 8.12	2,465,793	$ 8.94	89,641,703
Quarterly					
Year Ended December 31, 2020					
First Quarter	$ —	$ —	—	$ —	81,000,105
Second Quarter	$ 8.12	$ 8.12	1,724,709	$ 8.12	86,843,175
Third Quarter	$ 20.00	$ 9.65	170,000	$ 10.74	87,375,015
Fourth Quarter	$ 20.00	$ 9.55	571,084	$ 10.88	89,641,703
Year Ended December 31, 2021					
First Quarter	$ 20.00	$ 20.00	100,000	$ 20.00	90,867,292
Second Quarter	$ 25.00	$ 21.00	146,328	$ 22.70	99,045,616
Third Quarter	$	$		$	

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS

The following discussion is a summary of the material U.S. federal income tax consequences to Non-U.S. Holders (as defined below) generally applicable to the ownership and disposition of our Class A common stock by a Non-U.S. Holder (as defined below) that acquires our Class A common stock and holds our Class A common stock as a capital asset (generally, property held for investment), but does not purport to be a complete analysis of all potential tax effects. The effects of other U.S. federal tax laws, such as estate and gift tax laws, and any applicable state, local, or non-U.S. tax laws are not discussed. This discussion is based on the Code, Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the IRS, in each case in effect as of the date hereof. These authorities may change or be subject to differing interpretations. Any such change or differing interpretation may be applied retroactively in a manner that could adversely affect a Non-U.S. Holder. We have not sought and will not seek any rulings from the Internal Revenue Service (IRS) regarding the matters discussed below. There can be no assurance that the IRS or a court will not take a contrary position to that discussed below regarding the tax consequences of the ownership and disposition of our Class A common stock.

This discussion does not address all U.S. federal income tax consequences relevant to a Non-U.S. Holder's particular circumstances, including the impact of the Medicare contribution tax on net investment income and the alternative minimum tax or subject to special rules, including, without limitation:

- U.S. expatriates and former citizens or long-term residents of the United States;
- persons holding our Class A common stock as part of a hedge, straddle, or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- banks, insurance companies, and other financial institutions;
- brokers, dealers, or traders in securities;
- "controlled foreign corporations," "passive foreign investment companies," and corporations that accumulate earnings to avoid U.S. federal income tax;
- partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes (and investors therein);
- tax-exempt organizations or governmental organizations;
- persons deemed to sell our Class A common stock under the constructive sale provisions of the Internal Revenue Code;
- persons who hold or receive our Class A common stock pursuant to the exercise of any employee stock option or otherwise as compensation;
- tax-qualified retirement plans; and
- "qualified foreign pension funds" as defined in Section 897(l)(2) of the Internal Revenue Code and entities all of the interests of which are held by qualified foreign pension funds.

If an entity treated as a partnership for U.S. federal income tax purposes holds our Class A common stock, the tax treatment of a partner in the partnership will depend on the status of the partner, the activities of the partnership, and certain determinations made at the partner level. Accordingly, partnerships holding our Class A common stock and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. INVESTORS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS

ANY TAX CONSEQUENCES OF THE OWNERSHIP AND DISPOSITION OF OUR CLASS A COMMON STOCK ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL, OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

Definition of a Non-U.S. Holder

For purposes of this discussion, a "Non-U.S. Holder" is any beneficial owner of our Class A common stock that is neither a "U.S. person" nor an entity treated as a partnership for U.S. federal income tax purposes. A U.S. person is any person that, for U.S. federal income tax purposes, is or is treated as any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized under the laws of the United States, any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (i) is subject to the primary supervision of a U.S. court and all substantial decisions of which are subject to the control of one or more "United States persons" (within the meaning of Section 7701(a)(30) of the Code), or (ii) has a valid election in effect to be treated as a United States person for U.S. federal income tax purposes.

Distributions

As described in the section titled "Dividend Policy," we do not currently anticipate paying dividends on our Class A common stock. However, if we do make distributions of cash or property on our Class A common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts not treated as dividends for U.S. federal income tax purposes will constitute a return of capital and first be applied against and reduce a Non-U.S. Holder's adjusted tax basis in its Class A common stock, but not below zero. Any excess will be treated as capital gain and will be treated as described under the subsection titled "—Sale or Other Taxable Disposition" below.

Subject to the discussion below regarding effectively connected income, dividends paid to a Non-U.S. Holder will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends (or such lower rate specified by an applicable income tax treaty, provided the Non-U.S. Holder furnishes a valid IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) certifying qualification for the lower treaty rate). A Non-U.S. Holder that does not timely furnish the required documentation, but that qualifies for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under any applicable tax treaties.

If dividends paid to a Non-U.S. Holder are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such dividends are attributable), the Non-U.S. Holder will be exempt from the U.S. federal withholding tax described above. To claim the exemption, the Non-U.S. Holder must furnish to the applicable withholding agent a valid IRS Form W-8ECI, certifying that the dividends are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States.

Any such effectively connected dividends will be subject to U.S. federal income tax on a net income basis at the regular rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected dividends, as adjusted for certain items. Non-U.S. Holders should consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

Sale or Other Taxable Disposition

A Non-U.S. Holder will not be subject to U.S. federal income tax on any gain realized upon the sale or other taxable disposition of our Class A common stock unless:

- the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such gain is attributable);
- the Non-U.S. Holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met; or
- our Class A common stock constitutes a U.S. real property interest (USRPI) by reason of our status as a U.S. real property holding corporation (USRPHC) for U.S. federal income tax purposes.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular rates applicable to U.S. persons. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected gain, as adjusted for certain items.

A Non-U.S. Holder described in the second bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on gain realized upon the sale or other taxable disposition of our Class A common stock, which may be offset by certain U.S. source capital losses of the Non-U.S. Holder (even though the individual is not considered a resident of the United States), provided the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.

With respect to the third bullet point above, we believe we currently are not, and do not anticipate becoming, a USRPHC. Because the determination of whether we are a USRPHC depends, however, on the fair market value of our USRPIs relative to the fair market value of our non-U.S. real property interests and our other business assets, there can be no assurance we currently are not a USRPHC or will not become one in the future. Even if we are or were to become a USRPHC, gain arising from the sale or other taxable disposition of our Class A common stock by a Non-U.S. Holder will not be subject to U.S. federal income tax if our Class A common stock is "regularly traded," as defined by applicable Treasury Regulations, on an established securities market, and such Non-U.S. Holder owned, actually and constructively, 5% or less of our Class A common stock throughout the shorter of the five-year period ending on the date of the sale or other taxable disposition or the Non-U.S. Holder's holding period.

Non-U.S. Holders should consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

Information Reporting and Backup Withholding

Payments of dividends on our Class A common stock will not be subject to backup withholding, provided the Non-U.S. Holder certifies its non-U.S. status, such as by furnishing a valid IRS Form W-8BEN, W-8BEN-E, or W-8ECI, or otherwise establishes an exemption. However, information returns are required to be filed with the IRS in connection with any distributions on our Class A common stock paid to the Non-U.S. Holder, regardless of whether such distributions constitute dividends or whether any tax was actually withheld. In addition, proceeds of the sale or other taxable disposition of our Class A common stock within the United States or conducted through certain U.S.-related brokers generally will not be subject to backup withholding or information reporting if the applicable withholding agent receives the certification described above or the Non-U.S. Holder otherwise establishes an exemption. Proceeds of a disposition of our Class A common stock conducted through a non-U.S. office of a non-U.S. broker that does not have certain enumerated relationships with the United States generally will not be subject to backup withholding or information reporting.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides or is established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Additional Withholding Tax on Payments Made to Foreign Accounts

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code (such Sections commonly referred to as the Foreign Account Tax Compliance Act (FATCA)) on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends on, or (subject to the proposed Treasury Regulations discussed below) gross proceeds from the sale or other disposition of, our Class A common stock paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (i) the foreign financial institution undertakes certain diligence and reporting obligations, (ii) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (iii) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (i) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends on our Class A common stock. While withholding under FATCA would have applied also to payments of gross proceeds from the sale or other disposition of our Class A common stock beginning on January 1, 2019, proposed Treasury Regulations eliminate FATCA withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued.

Prospective investors should consult their tax advisors regarding the potential application of withholding under FATCA to their investment in our Class A common stock.

PLAN OF DISTRIBUTION

The Registered Stockholders, and their pledgees, donees, transferees, assignees, or other successors in interest may sell their shares of Class A common stock covered hereby pursuant to brokerage transactions on the Nasdaq Global Select Market, or other public exchanges or registered alternative trading venues, at prevailing market prices at any time after the shares of Class A common stock are listed for trading. We are not party to any arrangement with any Registered Stockholder or any broker-dealer with respect to sales of shares of Class A common stock by the Registered Stockholders, except we have engaged financial advisors with respect to certain other matters relating to the registration of shares of our Class A common stock and listing of our Class A common stock, as further described below. As such, we do not anticipate receiving notice as to if and when any Registered Stockholder may, or may not, elect to sell their shares of Class A common stock or the prices at which any such sales may occur, and there can be no assurance that any Registered Stockholders will sell any or all of the shares of Class A common stock covered by this prospectus.

We will not receive any proceeds from the sale of shares of Class A common stock by the Registered Stockholders. We will recognize costs related to this direct listing and our transition to a publicly-traded company consisting of professional fees and other expenses. We will expense these amounts in the period incurred and not deduct these costs from net proceeds to the issuer as they would be in an initial public offering.

We engaged Morgan Stanley as our financial advisor to advise and assist us with respect to certain matters relating to our listing. These matters include assisting us in defining our objectives with respect to the filing of the registration statement of which this prospectus forms a part, our preparation of the registration statement of which this prospectus forms a part, our preparation of investor communications and presentations in connection with investor education, and being available to consult with Nasdaq, including on the day that our shares of Class A common stock are initially listed on the Nasdaq Global Select Market.

In addition, Morgan Stanley will determine when our shares of Class A common stock are ready to trade and to approve proceeding with the opening of trading at the Current Reference Price (as defined below). However, Morgan Stanley and the other financial advisors have not been engaged to participate in investor meetings or to otherwise facilitate or coordinate price discovery activities or sales of our Class A common stock in consultation with us, except as described herein.

On the day that shares of our Class A common stock are initially listed on the Nasdaq Global Select Market, Nasdaq will begin accepting, but not executing, pre-opening buy and sell orders and will begin to continuously generate the indicative Current Reference Price on the basis of such accepted orders. During a ten-minute "Display Only" period, market participants may enter quotes and orders in Class A common stock in Nasdaq's systems and such information is disseminated, along with other indicative imbalance information, to Morgan Stanley and other market participants (including the other financial advisors) by Nasdaq on its NOII and BookViewer tools. Following the "Display Only" period, a "Pre-Launch" period begins, during which Morgan Stanley, in its capacity as our designated financial advisor to perform the functions under Nasdaq Rule 4120(c)(8), must notify Nasdaq that our shares are "ready to trade." Once Morgan Stanley has notified Nasdaq that shares of our Class A common stock are ready to trade, Nasdaq will calculate the Current Reference Price (as defined below) for shares of our Class A common stock, in accordance with Nasdaq's rules. If Morgan Stanley then approves proceeding at the Current Reference Price, Nasdaq will conduct a price validation test in accordance with Nasdaq Rule 4120(c)(8). As part of conducting such price validation test, Nasdaq may consult with Morgan Stanley, if the price bands need to be modified, to select the new price bands for purposes of applying such test iteratively until the validation tests yield a price within such bands. Upon completion of such price validation checks the applicable orders that have been entered will then be executed at such price and regular trading of shares of our Class A common stock on the Nasdaq Global Select Market will commence.

Under Nasdaq's rules, the "Current Reference Price" means: (i) the single price at which the maximum number of orders to buy or sell shares of our Class A common stock can be matched; (ii) if more than one price

exists under clause (i), then the price that minimizes the number of shares of our Class A common stock for which orders cannot be matched; (iii) if more than one price exists under clause (ii), then the entered price (i.e. the specified price entered in an order by a customer to buy or sell) at which shares of our Class A common stock will remain unmatched (i.e. will not be bought or sold); and (iv) if more than one price exists under clause (iii), a price determined by Nasdaq after consultation with Morgan Stanley in its capacity as financial advisor. Morgan Stanley will exercise any consultation rights only to the extent that it may do so consistent with the anti-manipulation provisions of the federal securities laws, including Regulation M (to the extent applicable), or applicable relief granted thereunder. In determining the Current Reference Price, Nasdaq's algorithms will match orders that have been entered into and accepted by Nasdaq's system. This occurs with respect to a potential Current Reference Price when orders to buy shares of our Class A common stock at an entered bid price that is greater than or equal to such potential Current Reference Price are matched with orders to sell a like number of shares of our Class A common stock at an entered asking price that is less than or equal to such potential Current Reference Price.

To illustrate, as a hypothetical example of the calculation of the Current Reference Price, if Nasdaq's algorithms matched all accepted orders as described above, and two limit orders remained — a limit order to buy 500 shares of our Class A common stock at an entered bid price of $10.01 per share and a limit order to sell 200 shares of our Class A common stock at an entered asking price of $10.00 per share — the Current Reference Price would be determined as follows:

- Under clause (i), if the Current Reference Price is $10.00, then the maximum number of additional shares that can be matched is 200. If the Current Reference Price is $10.01, then the maximum number of additional shares that can be matched is also 200, which means that the same maximum number of additional shares would be matched at the price of either $10.00 or $10.01.
- Because more than one price under clause (i) exists, under clause (ii), the Current Reference Price would be the price that minimizes the imbalance between orders to buy or sell (i.e. minimizes the number of shares that would remain unmatched at such price). Selecting either $10.00 or $10.01 as the Current Reference Price would create the same imbalance in the limit orders that cannot be matched, because at either price 300 shares would not be matched.
- Because more than one price under clause (ii) exists, then under clause (iii), the Current Reference Price would be the entered price at which orders for shares of our Class A common stock at such entered price will remain unmatched. In such case, choosing $10.01 would cause 300 shares of the 500 share limit order with the entered price of $10.01 to remain unmatched, compared to choosing $10.00, where all 200 shares of the limit order with the entered price of $10.00 would be matched, and no shares at such entered price remain unmatched. Thus, Nasdaq would select $10.01 as the Current Reference Price because orders for shares at such entered price will remain unmatched.

The above example (including the prices) is provided solely by way of illustration.

Morgan Stanley, as the designated financial advisor under Nasdaq Rule 4120(c)(8), will determine when shares of our Class A common stock are ready to trade and approve proceeding at the Current Reference Price primarily based on consideration of volume, timing, and price. In particular, Morgan Stanley will determine, based primarily on pre-opening buy and sell orders, when a reasonable amount of volume will cross on the opening trade such that sufficient price discovery has been made to open trading at the Current Reference Price. If Morgan Stanley does not approve proceeding at the Current Reference Price (for example, due to the absence of adequate pre-opening buy and sell interest), Morgan Stanley will request that Nasdaq delay the open until such a time that sufficient price discovery has been made to ensure a reasonable amount of volume crosses on the opening trade.

Similar to a Nasdaq-listed underwritten initial public offering, in connection with the listing of shares of our Class A common stock, the financial advisors and buyers and sellers (or their brokers) who have subscribed will

have access to the Nasdaq Stock Market's Order Imbalance Indicator (sometimes referred to as the Net Order Imbalance Indicator), a widely available, subscription-based data feed, prior to submitting buy or sell orders. Nasdaq's electronic trading platform simulates auctions every second to calculate a Current Reference Price, the number of shares that can be paired off the Current Reference Price, the number of shares that would remain unexecuted at the Current Reference Price and whether a buy-side or sell-side imbalance exists, or whether there is no imbalance, in order to disseminate that information continuously to buyers and sellers via the Order Imbalance Indicator data feed.

However, because this is not an underwritten initial public offering, there will be no "book building" process (i.e., an organized process pursuant to which buy and sell interest is coordinated in advance to some prescribed level – the "book"). Moreover, prior to the opening trade, there will not be a price at which underwriters initially sold shares of our Class A common stock to the public as there would be in an underwritten initial public offering. This lack of an initial public offering price could impact the range of buy and sell orders collected by the Nasdaq Global Select Market from various broker-dealers. Consequently, the public price of shares of our Class A common stock may be more volatile than in an underwritten initial public offering and could, upon listing on the Nasdaq Global Select Market, decline significantly and rapidly. See "Risk Factors—Risks Related to Ownership of Our Class A Common Stock."

In addition, in order to list on the Nasdaq Global Select Market, we are also required to have at least three registered and active market makers. We understand that Morgan Stanley, and intend (but are not obligated) to act as registered and active market makers, although any such market-making, if commenced, may be discontinued at any time. Further, our financial advisors may assist interested registered stockholders with the establishment of brokerage accounts.

In addition to sales made pursuant to this prospectus, the shares of Class A common stock covered by this prospectus may be sold by the Registered Stockholders in individually negotiated transactions exempt from the registration requirements of the Securities Act. Under the securities laws of some states, shares of Class A common stock may be sold in such states only through registered or licensed brokers or dealers.

A Registered Stockholder may from time to time transfer, distribute (including distributions in kind by registered stockholders that are investment funds), pledge, assign, or grant a security interest in some or all the shares of Class A common stock owned by it and, if it defaults in the performance of its secured obligations, the transferees, distributees, pledgees, assignees, or secured parties may offer and sell the shares of Class A common stock from time to time under this prospectus, or under an amendment to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act amending the list of the Registered Stockholders to include the transferee, distributee, pledgee, assignee, or other successors in interest as Registered Stockholders under this prospectus. The Registered Stockholders also may transfer the shares in other circumstances, in which case the transferees, distributes, pledgees, or other successors in interest will be the registered beneficial owners for purposes of this prospectus.

A Registered Stockholder that is an entity may elect to make an in-kind distribution of Class A common stock or warrants to its members, partners, or stockholders pursuant to the registration statement of which this prospectus forms a part by delivering a prospectus.

If any of the Registered Stockholders utilize a broker-dealer in the sale of the shares of Class A common stock being offered pursuant to this prospectus, such broker-dealer may receive commissions in the form of discounts, concessions, or commissions from such Registered Stockholder or commissions from purchasers of the shares of Class A common stock for whom they may act as agent or to whom they may sell as principal.

LEGAL MATTERS

Latham & Watkins LLP is our legal advisor. Goodwin Procter LLP is legal advisor to the financial advisors.

EXPERTS

The consolidated financial statements of Amplitude, Inc. and subsidiaries as of December 31, 2019 and 2020, and for each of the years in the two-year period ended December 31, 2020, have been included herein and in the registration statement of which this prospectus forms a part in reliance upon the report of KPMG LLP, independent registered public accounting firm, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act, with respect to the shares of Class A common stock covered by this prospectus. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits and schedules to the registration statement. Please refer to the registration statement and exhibits for further information with respect to the Class A common stock covered by this prospectus. Statements contained in this prospectus regarding the contents of any contract or other document are only summaries. With respect to any contract or document that is filed as an exhibit to the registration statement, you should refer to the exhibit for a copy of the contract or document, and each statement in this prospectus regarding that contract or document is qualified by reference to the exhibit. The SEC maintains a website that contains reports, proxy and information statements, and other information regarding companies, like us, that file documents electronically with the SEC. The address of that website is www.sec.gov.

Immediately upon the effectiveness of this registration statement of which this prospectus forms a part, we will become subject to the information and reporting requirements of the Exchange Act, and, in accordance with this law, will be required to file periodic reports, proxy statements, and other information with the SEC. These periodic reports, proxy statements, and other information will be available at the website of the SEC referred to above. We also maintain a website at www.amplitude.com, at which you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. The information contained on, or that can be accessed through, these websites is not a part of this prospectus. We have included these website addresses in this prospectus solely as inactive textual references.

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AMPLITUDE, INC.

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To the Stockholders and Board of Directors
Amplitude, Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Amplitude, Inc. and subsidiaries (the "Company") as of December 31, 2019 and 2020, the related consolidated statements of operations, redeemable convertible preferred stock and stockholders' deficit, and cash flows for each of the years in the two-year period ended December 31, 2020, and the related notes (collectively, the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2020, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements 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 and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits 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. We believe that our audits provide a reasonable basis for our opinion.

/s/ KPMG LLP

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

San Francisco, California
June 21, 2021

Financial Statements

AMPLITUDE, INC.
Consolidated Balance Sheets
(In thousands, except share and per share amounts)

	As of December 31, 2019	As of December 31, 2020	As of June 30, 2021 (unaudited)
ASSETS			
Current assets:			
Cash and cash equivalents	$ 79,839	$ 117,783	$ 291,062
Restricted cash, current	—	1,080	1,080
Accounts receivable, net of allowance for doubtful accounts of $257, $162 and $20 as of December 31, 2019, December 31, 2020, and June 30, 2021 (unaudited), respectively	12,086	17,396	25,242
Prepaid expenses and other current assets	5,388	6,857	11,981
Deferred commissions, current	3,325	5,563	7,016
Total current assets	100,638	148,679	336,381
Property and equipment, net	1,410	2,673	3,523
Intangible assets, net	—	1,955	4,554
Goodwill	—	1,000	3,694
Restricted cash, noncurrent	1,079	—	850
Deferred commissions, noncurrent	8,935	13,877	17,941
Other noncurrent assets	1,179	6,898	9,589
Total assets	$ 113,241	$ 175,082	$ 376,532
LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT			
Current liabilities:			
Accounts payable	$ 2,003	$ 4,417	$ 3,751
Accrued expenses	5,732	8,110	14,803
Deferred revenue	29,750	40,797	61,050
Total current liabilities	37,485	53,324	79,604
Noncurrent liabilities	644	1,067	1,504
Total liabilities	38,129	54,391	81,108
Commitments and contingencies (Note 9)			
Redeemable convertible preferred stock:			
Redeemable convertible preferred stock, $0.00001 par value. 56,544,742, 61,739,599, and 67,963,609 shares authorized as of December 31, 2019, December 31, 2020, and June 30, 2021 (unaudited), respectively; 56,480,549, 61,717,498, and 67,136,000 shares issued and outstanding as of December 31, 2019, December 31 2020, and June 30, 2021 (unaudited), respectively; aggregate liquidation preference of $142,086, $192,074, and $365,574 as of December 31, 2019, December 31, 2020, and June 30, 2021 (unaudited), respectively	137,991	187,811	361,113
Stockholders' deficit:			
Common stock, $0.00001 par value. 110,500,000, 118,600,000 and 135,100,000 shares authorized as of December 31, 2019, December 31, 2020, and June 30, 2021 (unaudited), respectively; 24,645,572, 27,924,205, and 31,909,616 issued and outstanding as of December 31, 2019, December 31, 2020 and June 30, 2021 (unaudited), respectively	—	—	—
Additional paid-in capital	17,378	37,704	55,657
Accumulated deficit	(80,257)	(104,824)	(121,346)
Total stockholders' deficit	(62,879)	(67,120)	(65,689)
Total liabilities, redeemable convertible preferred stock and stockholders' deficit	$ 113,241	$ 175,082	$ 376,532

See accompanying notes to consolidated financial statements.

AMPLITUDE, INC.
Consolidated Statements of Operations
(In thousands)

	Year Ended December 31, 2019	Year Ended December 31, 2020	Six Months Ended June 30, 2020	Six Months Ended June 30, 2021
			(unaudited)	
Revenue	$ 68,442	$ 102,464	$ 46,022	$ 72,364
Cost of revenue	22,105	30,483	13,516	22,390
Gross profit	46,337	71,981	32,506	49,974
Operating expenses:				
Research and development	19,036	26,098	14,141	15,529
Sales and marketing	47,079	51,819	25,369	36,810
General and administrative	14,553	18,067	9,498	13,531
Total operating expenses	80,668	95,984	49,008	65,870
Other income (expense), net	1,460	269	227	20
Loss before provision for income tax	(32,871)	(23,734)	(16,275)	(15,876)
Provision for income taxes	663	833	348	646
Net loss	$ (33,534)	$ (24,567)	$ (16,623)	$ (16,522)
Net loss per share attributable to common stockholders:				
Basic and diluted	(1.38)	(0.98)	(0.68)	(0.57)
Weighted-average shares used in computing net loss per share attributable to common stockholders:				
Basic and diluted	24,322,351	25,059,958	24,550,162	28,808,081

See accompanying notes to consolidated financial statements.

AMPLITUDE, INC.
Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Deficit
(In thousands, except share amounts)

	Redeemable convertible preferred stock		Common stock		Additional paid-in capital	Accumulated deficit	Total stockholders' deficit
	Shares	Amount	Shares	Amount			
Balance at December 31, 2018	56,398,852	$137,294	24,558,982	$ —	$ 9,665	$ (46,723)	$ (37,058)
Issuance of redeemable convertible preferred stock, net of issuance costs of $3	81,697	697	—	—	—	—	—
Stock-based compensation expense	—	—	—	—	7,334	—	7,334
Exercise of stock options	—	—	824,682	—	346	—	346
Vesting of early exercised stock options	—	—	—	—	33	—	33
Donation of common stock and repurchase of unvested stock options	—	—	(741,092)	—	—	—	—
Issuance of restricted stock awards	—	—	3,000	—	—	—	—
Net loss	—	—	—	—	—	(33,534)	(33,534)
Balance at December 31, 2019	56,480,549	$137,991	24,645,572	$ —	$ 17,378	$ (80,257)	$ (62,879)
Issuance of redeemable convertible preferred stock, net of issuance costs of $169	5,236,949	49,820	—	—	—	—	—
Stock-based compensation expense	—	—	—	—	16,553	—	16,553
Exercise of stock options	—	—	3,648,389	—	3,637	—	3,637
Vesting of early exercised stock options	—	—	—	—	136	—	136
Donation of common stock and repurchase of unvested stock options	—	—	(369,756)	—	—	—	—
Net loss	—	—	—	—	—	(24,567)	(24,567)
Balance at December 31, 2020	61,717,498	$187,811	27,924,205	$ —	$ 37,704	$ (104,824)	$ (67,120)

See accompanying notes to consolidated financial statements.

AMPLITUDE, INC.
Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Deficit
(In thousands, except share amounts)

	Redeemable convertible preferred stock		Common stock		Additional paid-in capital	Accumulated deficit	Total stockholders' deficit
	Shares	Amount	Shares	Amount			
Balance at December 31, 2019	56,480,549	$137,991	24,645,572	$ —	$ 17,378	$ (80,257)	$ (62,879)
Issuance of redeemable convertible preferred stock, net of issuance costs of $0	23,342	200	—	—	—	—	—
Stock-based compensation expense	—	—	—	—	1,091	—	1,091
Exercise of stock options	—	—	38,250	—	43	—	43
Vesting of early exercised stock options	—	—	—	—	7	—	7
Donation of common stock and repurchase of unvested stock options	—	—	(187,608)	—	(2)	—	(2)
Net loss	—	—	—	—	—	(4,908)	(4,908)
Balance at March 31, 2020 (unaudited)	56,503,891	$138,191	24,496,214	$ —	$ 18,517	$ (85,165)	$ (66,648)
Issuance of redeemable convertible preferred stock, net of issuance costs of $169	5,213,607	49,620	—	—	—	—	—
Stock-based compensation expense	—	—	—	—	9,395	—	9,395
Exercise of stock options	—	—	811,611	—	1,020	—	1,020
Vesting of early exercised stock options	—	—	—	—	5	—	5
Donation of common stock and repurchase of unvested stock options	—	—	(182,148)	—	—	—	—
Net loss	—	—	—	—	—	(11,716)	(11,716)
Balance at June 30, 2020 (unaudited)	61,717,498	$187,811	25,125,677	$ —	$ 28,937	$ (96,881)	$ (67,944)

See accompanying notes to consolidated financial statements.

AMPLITUDE, INC.
Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Deficit
(In thousands, except share amounts)

	Redeemable convertible preferred stock		Common stock		Additional paid-in capital	Accumulated deficit	Total stockholders' deficit
	Shares	Amount	Shares	Amount			
Balance at December 31, 2020	61,717,498	$187,811	27,924,205	$ —	$ 37,704	$ (104,824)	$ (67,120)
Stock-based compensation expense	—	—	—	—	2,628	—	2,628
Exercise of stock options	—	—	1,225,589	—	1,488	—	1,488
Vesting of early exercised stock options	—	—	—	—	179	—	179
Net loss	—	—	—	—	—	(6,439)	(6,439)
Balance at March 31, 2021 (unaudited)	61,717,498	$187,811	29,149,794	$ —	$ 41,999	$ (111,263)	$ (69,264)
Issuance of redeemable convertible preferred stock, net of issuance costs of $198	5,418,502	173,302	—	—	—	—	—
Stock-based compensation expense	—	—	—	—	3,085	—	3,085
Exercise of stock options	—	—	1,689,957	—	2,691	—	2,691
Vesting of early exercised stock options	—	—	—	—	480	—	480
Issuance of common stock in connection with an acquisition	—	—	1,069,865	—	7,402	—	7,402
Net loss	—	—	—	—	—	(10,083)	(10,083)
Balance at June 30, 2021 (unaudited)	67,136,000	$361,113	31,909,616	$ —	$ 55,657	$ (121,346)	$ (65,689)

See accompanying notes to consolidated financial statements

AMPLITUDE, INC.
Consolidated Statements of Cash Flows
(In thousands)

	Year Ended December 31, 2019	Year Ended December 31, 2020	Six Months Ended June 30, 2020	Six Months Ended June 30, 2021
			(unaudited)	
Cash flows from operating activities:				
Net loss	$ (33,534)	$ (24,567)	$ (16,623)	$ (16,522)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation and amortization	720	1,690	689	1,337
Stock-based compensation expense	7,334	16,553	10,486	5,596
Allowance for doubtful accounts, net of recoveries	130	251	114	(25)
Changes in operating assets and liabilities:				
Accounts receivable	(1,174)	(5,561)	(375)	(7,805)
Prepaid expenses and other current assets	351	(1,469)	1,031	(5,088)
Deferred commissions	(5,799)	(7,180)	(1,886)	(5,517)
Other noncurrent assets	(1,028)	(5,719)	(1,863)	(2,691)
Accounts payable	486	2,414	(3)	(699)
Accrued expenses	2,680	1,726	(1,219)	5,227
Deferred revenue	13,519	11,047	(326)	20,226
Noncurrent liabilities	279	423	33	438
Net cash used in operating activities	(16,036)	(10,392)	(9,942)	(5,523)
Cash flows from investing activity:				
Purchase of property and equipment	(648)	(984)	(262)	(655)
Cash paid for acquisitions, net of cash acquired	—	(3,700)	(3,700)	1,725
Capitalization of internal-use software costs	—	(1,224)	(467)	(731)
Net cash provided by (used in) investing activities	(648)	(5,908)	(4,429)	339
Cash flows from financing activity:				
Proceeds from issuance of redeemable convertible preferred stock, net	697	49,820	49,821	173,302
Proceeds from the exercise of stock options	379	4,427	1,066	6,011
Repurchase of unvested stock options	(202)	(2)	(2)	—
Net cash provided by financing activities	874	54,245	50,885	179,313
Net increase (decrease) in cash, cash equivalents, and restricted cash	(15,810)	37,945	36,514	174,129
Cash, cash equivalents, and restricted cash at beginning of year	96,728	80,918	80,918	118,863
Cash, cash equivalents, and restricted cash at end of year	$ 80,918	$ 118,863	$ 117,432	$ 292,992
Supplemental disclosure of cash flow information:				
Cash paid for income taxes	$ 62	$ 221	$ 77	$ 125
Noncash investing and financing activity:				
Purchases of property and equipment included in liabilities	$ 69	$ 48	$ 4	$ 33
Vesting of early exercised options	$ 33	$ 136	$ 12	$ 659

See accompanying notes to consolidated financial statements.

AMPLITUDE, INC.
Notes to the Consolidated Financial Statements

(1) Summary of Business and Significant Accounting Policies

Description of Business

Amplitude, Inc. (the "Company") was incorporated in the state of Delaware in 2011 and is headquartered in San Francisco, California. The Company provides a Digital Optimization System that helps companies analyze their customer behavior within digital products. The Company delivers its application over the Internet as a subscription service using a software-as-a-service ("SaaS") model. The Company's arrangements with customers do not provide the customer with the right to take possession of the software supporting the cloud-based application service at any time. The Company also offers customer support related to initial implementation setup, ongoing support services, and application training.

Segment Information

The Company has a single operating and reportable segment. The Company's chief operating decision maker is its Chief Executive Officer, who reviews financial information presented on a consolidated basis for purposes of making operating decisions, assessing financial performance, and allocating resources. Long-lived assets outside of the United States are immaterial. For information regarding the Company's revenue by geographic area, see the *Disaggregation of Revenue* section below.

Basis of Presentation and Principles of Consolidation

The consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles and include the accounts of Amplitude, Inc. and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation. The reporting currency of the Company is the United States dollar. The functional currency of the Company's foreign subsidiaries is also the United States dollar.

Foreign Currency

The reporting currency of the Company is the United States dollar. The functional currency of the Company's foreign subsidiaries is also the United States dollar. Foreign currency transaction gains and losses are recognized in other income (expense), net in the consolidated statements of operations, and have not been material for any of the periods presented.

Reclassification

Certain amounts in the prior period financial statements have been reclassified to conform to the presentation of the current period financial statements. These reclassifications had no effect on the previously reported net loss.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. These estimates are based on information available as of the date of the financial statements and may involve subjective or significant judgment by the Company; therefore, actual results could differ from the Company's estimates. Items subject to such estimates and assumptions include, but are not limited to the:

- Expected period of benefit for deferred commissions
- Useful lives of long-lived assets

- Valuation of the Company's common stock and stock based awards
- Valuation of goodwill and intangible assets
- The recognition, measurement, and valuation of deferred tax assets and income tax uncertainties

While the duration and extent of the COVID-19 pandemic depends on future developments that cannot be accurately predicted at this time, such as the extent and effectiveness of containment actions, it has already had an adverse effect on the global economy and the lasting effects of the pandemic continue to be unknown. The Company may experience customer losses, including due to bankruptcy or customers ceasing operations, which may result in delays in collections or an inability to collect accounts receivable from these customers. The extent to which COVID-19 may continue to impact the Company's financial condition, results of operations, or liquidity continues to remain uncertain, and as of the date of issuance of these financial statements, the Company is not aware of any specific event or circumstance that would require an update to its estimates or judgments or an adjustment to the carrying value of the Company's assets or liabilities. These estimates may change, as new events occur and additional information is obtained, which will be recognized in the consolidated financial statements as soon as they become known. Actual results could differ from those estimates, and any such differences may be material to the Company's financial statements.

Revenue Recognition

The Company derives revenue primarily from sales of subscription services. Revenue is recognized when, or as, the related performance obligation is satisfied by transferring the control of the promised service to a customer. The amount of revenue recognized reflects the consideration that the Company expects to be entitled to receive in exchange for these services.

To achieve the core principle of this new standard, the Company applies the following steps:

(i) Identification of the contract, or contracts, with the customer

The Company considers the terms and conditions of the contract in identifying the contracts. The Company determines a contract with a customer to exist when the contract is approved, each party's rights regarding the services to be transferred can be identified, the payment terms for the services can be identified, it has been determined the customer has the ability and intent to pay, and the contract has commercial substance. At contract inception, the Company will evaluate whether two or more contracts should be combined and accounted for as a single contract and whether the combined or single contract includes more than one performance obligation. The Company applies judgment in determining the customer's ability and intent to pay, which is based on a variety of factors, including the customer's historical payment experience or, in the case of a new customer, credit, and financial information pertaining to the customer.

(ii) Identification of the performance obligations in the contract

Performance obligations promised in a contract are identified based on the services that will be transferred to the customer that are both capable of being distinct, whereby the customer can benefit from the service either on its own or together with other resources that are readily available from third parties or from the Company and are distinct in the context of the contract, whereby the transfer of the services and the products is separately identifiable from other promises in the contract. The Company's performance obligations consist of (1) core subscription services and (2) professional and other services.

(iii) Determination of the transaction price

The transaction price is determined based on the consideration to which the Company expects to be entitled in exchange for transferring services to the customer. The transaction price includes SaaS subscription fees based on the contracted usage as well as variable consideration associated with overage fees on exceeded volume

limits. Variable consideration is included in the transaction price if, in the Company's judgment, it is probable that a significant future reversal of cumulative revenue under the contract will not occur. None of the Company's contracts contain a significant financing component.

(iv) Allocation of the transaction price to the performance obligations in the contract

Contracts that contain multiple performance obligations require an allocation of the transaction price to each performance obligation based on each performance obligation's relative standalone selling price ("SSP"). Contracts typically have one performance obligation of providing access to the core subscription service. On occasion, contracts include professional services to customers, which are separate performance obligations. Professional services revenue has historically not been significant.

(v) Recognition of the revenue when, or as, a performance obligation is satisfied

Revenue is recognized at the time the related performance obligation is satisfied by transferring the control of the promised service to a customer. For subscription services, revenue is recognized as the customer is given access to the core subscription service, in an amount that reflects the consideration that the Company expects to receive in exchange for access to the services. With respect to professional services, the Company recognizes revenue as services are delivered. The Company generates all its revenue from contracts with customers.

Subscription revenue

The Company generates revenue from SaaS subscriptions to customers that enable them to access and send event volume data to the Company's cloud-based platform. Subscription 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 platform over the contractual period. A time-elapsed method is used to measure progress because the Company's obligation is to provide continuous service over the contractual period and control is transferred evenly over the contractual period. Accordingly, the fixed consideration related to subscription revenue is recognized ratably over the contract term beginning on the date access to the subscription product is provisioned. The typical subscription term is 12 months with various payment terms ranging from monthly to annual up-front payments. Most contracts are non-cancelable over the contractual term. Some customers have the option to purchase additional subscription services at a stated price. These options are evaluated on a case-by-case basis but generally do not provide a material right as they do not provide a discount to the customer that is incremental to the range of discounts typically given for the same services that are sold to a similar class of customers, even when the stand-alone selling price of the services subject to the option is highly variable.

Remaining performance obligations

The Company's contracts with customers generally include one combined performance obligation, its core subscription offering, which is a series of distinct services transferred to the customer ratably over the respective obligation's term. Other performance obligations that may be identified in contracts include professional services. As of December 31, 2020 and June 30, 2021 (unaudited), the unrecognized transaction price related to remaining performance obligations was $95.6 million and $138.9 million, respectively.

The Company's remaining performance obligations as of December 31, 2020 and June 30, 2021 are expected to be recognized as follows (in thousands):

	December 31, 2020	June 30, 2021 (unaudited)
Less than or equal to 12 months	$ 85,706	$ 116,922
Greater than 12 months	9,931	21,955
Total remaining performance obligations	$ 95,637	$ 138,877

Disaggregation of Revenue

The following table shows the Company's disaggregation of revenue by geographic areas, as determined based on the billing address of its customers (in thousands):

	Year Ended December 31,		Six Months Ended June 30,	
	2019	2020	2020	2021
			(unaudited)	
United States ("US")	$ 43,823	$ 65,189	$ 29,378	$ 46,361
EMEA	13,656	19,091	8,585	13,452
APAC	6,458	12,500	5,532	8,666
Americas other than US	4,505	5,684	2,527	3,885
Total revenue	$ 68,442	$ 102,464	$ 46,022	$ 72,364

Accounts Receivable, Net

Accounts receivable primarily comprise of cash due from customers and are recorded at the invoiced amount, net of an allowance for doubtful accounts. The allowance for doubtful accounts is based on the Company's assessment of the collectability of accounts. The Company regularly reviews the adequacy of the allowance for doubtful accounts based on a combination of factors. The Company records an allowance for doubtful accounts to reserve for potentially uncollectible receivables related to specific customers. This allowance is based on the review of the Company's accounts receivable by aging category to identify specific customers with known disputes or collectability issues. Accounts receivable deemed uncollectible are charged against the allowance for doubtful accounts when identified. The Company maintained an allowance of $0.3 million, $0.2 million and less than $0.1 million for doubtful accounts as of December 31, 2019 and 2020 and as of June 30, 2021 (unaudited), respectively.

Concentration of Risk and Significant Customers

Financial instruments that subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, restricted cash, and accounts receivable. Although the Company deposits its cash with high-quality credit rated financial institutions, the deposits, at times, may exceed federally insured limits. The Company has not experienced any losses on its deposits of cash and cash equivalents.

No customer accounted for 10% or more of total revenue for the years ended December 31, 2019 and 2020. As of the year ended December 31, 2019, two customers represented 15% and 10% of accounts receivable, respectively. As of the year ended December 31, 2020, two customers represented 14% and 13% of accounts receivable, respectively.

No customer accounted for 10% or more of total revenue for the six months ended June 30, 2020 and 2021 (unaudited). As of June 30, 2021 (unaudited), two customers represented 15% and 11% of accounts receivable, respectively.

Deferred Revenue

Deferred revenue consists of billings of payments received in advance of revenue recognition and is recognized when, or as, performance obligations are satisfied. The Company generally invoices its customers annually or in monthly, quarterly, or semi-annual installments. Accordingly, the deferred revenue balance does not represent the total contract value of annual non-cancelable subscription agreements. The amount of revenue recognized in the years ended December 31, 2019 and 2020 that was included in deferred revenue at the beginning of the period was $16.2 million and $28.2 million, respectively.

The amount of revenue recognized in the six months ended June 30, 2021 (unaudited) that was included in deferred revenue as of December 31, 2020 was $31.2 million.

Deferred Commissions

The Company capitalizes sales commissions that are recoverable and incremental due to the acquisition of customer contracts. The Company determines whether costs should be deferred based on its sales compensation plans, if the commissions are in fact incremental and would not have occurred absent the customer contract.

Commissions paid upon the initial acquisition of a contract are deferred and then amortized on a straight-line basis over a period of benefit, determined to be five years. The period of benefit is estimated by considering factors such as the expected life of our subscription contracts, historical customer attrition rates, technological life of our platform, as well as other factors. Sales commissions for renewal of a subscription contract are not considered commensurate with the commissions paid for the acquisition of the initial subscription contract given the substantive difference in commission rates between new and renewal contracts. The Company determines the period of benefit for renewal subscription contracts by considering the contractual term for renewal contracts.

Amounts anticipated to be recognized within 12 months of the balance sheet date are recorded as deferred commissions, current, with the remaining portion recorded as deferred commissions, noncurrent, in the consolidated balance sheets. Amortization of deferred commissions is included in sales and marketing expense in the consolidated statement of operations. The Company periodically reviews these deferred commissions to determine whether events or changes in circumstances have occurred that could impact recoverability or the period of benefit. There were no impairment losses recorded during the periods presented.

The following table represents a rollforward of the Company's deferred commissions as of December 31, 2019, December 31, 2020, and June 30, 2021 (unaudited) (in thousands):

	Year Ended December 31,		Six Months Ended June 30,	
	2019	2020	2020	2021
			(unaudited)	
Beginning balance	$ 6,461	$ 12,260	$12,260	$19,440
Additions to deferred commissions	8,085	11,221	3,662	8,504
Amortization of deferred commissions	(2,286)	(4,041)	(1,776)	(2,987)
Ending balance	12,260	19,440	14,146	24,957
Deferred commissions, current portion	3,325	5,563	4,054	7,016
Deferred commissions, net of current portion	8,935	13,877	10,092	17,941
Total deferred commissions	$ 12,260	$ 19,440	$14,146	$24,957

Cost of Revenue

Cost of revenue primarily consists of costs related to third-party hosting costs; employee-related expenses, including salaries, stock-based compensation and benefits for operations and support personnel; software license fees; certain developed technology amortization; and allocated overhead.

Research and Development Expense

The Company's costs related to research, design, maintenance, and minor enhancements of the Company's platform are expensed as incurred. These costs consist primarily of personnel and related expenses, including allocated overhead costs, contractor and consulting fees related to the design, development, testing, and

enhancements of the Company's platform, and software, hardware, and cloud infrastructure fees for staging and development related to research and development activities necessary to support growth in the Company's employee base and in the adoption of its platform.

Advertising Costs

The Company expenses all advertising costs as incurred as a component of sales and marketing expenses. Advertising expenses of $1.4 million and $2.0 million were incurred during the years ended December 31, 2019 and 2020, respectively.

Advertising expenses of $0.7 million and $2.2 million were incurred during the six months ended June 30, 2020 and 2021 (unaudited), respectively.

Stock-Based Compensation

The Company measures and recognizes compensation expense for all stock-based payment awards granted to employees, directors, and non-employees based on the estimated fair values on the date of the grant and vesting criteria. For options, vesting is typically over a four-year period and is contingent upon continued employment on each vesting date. In general, options granted to newly hired employees vest 25% after the first year of service and ratably each month over the remaining 36-month period.

The fair value of options granted are estimated on the grant date using the Monte Carlo simulation model. The determination of the grant date fair value is affected by the estimated fair value of the Company's common stock as well as additional assumptions regarding a number of other subjective variables. These variables include expected stock price volatility over a contractual term, actual and projected employee stock option exercise behaviors, the risk-free interest rate for a contractual term, and expected dividends.

The Company recognizes compensation expense for service-based stock-based awards as an expense over the employee's or director's requisite service period on a straight-line basis. The Company also has certain options and awards that have performance-based vesting conditions upon certain liquidity events. As of December 31, 2019 and 2020 and June 30, 2020 and 2021 (unaudited), no such liquidity events have been achieved and therefore no expense has been recorded for performance-based awards. Forfeitures are accounted for as they occur. Stock-based compensation expense is allocated to cost of revenue and operating expenses on the consolidated statements of operations based on where the associated employee's functional department is located.

Taxes

Income taxes are accounted for under the asset-and-liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income or loss in the years 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 income in the period that includes the enactment date. Valuation allowances are established for deferred tax assets to the extent it is more likely than not that the deferred tax assets may not be realized.

The Company evaluates uncertain tax positions taken or expected to be taken in the course of preparing its tax return to determine whether the tax positions are more likely than not of being sustained upon challenge by the applicable tax authority. The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

Cash, Cash Equivalents, and Restricted Cash

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents are stated at fair value. Restricted cash of $1.1 million represents cash held to collateralize lease obligations and is recorded as non-current assets as of December 31, 2019 and current assets as of December 31, 2020 as the related lease ends in 2021. The following table represents our cash, cash equivalents, and restricted cash at each period end (in thousands):

	As of December 31,		As of June 30,	
	2019	2020	2020	2021
			(unaudited)	
Cash and cash equivalents	$ 79,839	$ 117,783	$ 116,352	$ 291,062
Restricted cash, current	—	1,080	—	1,080
Restricted cash, noncurrent	1,079	—	1,080	850
Total cash, cash equivalents, and restricted cash	80,918	118,863	117,432	292,992

Fair Value Measurement

The Company determines fair value based upon the exit price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, as determined by either the principal market or the most advantageous market. Inputs used in the valuation techniques to derive fair values are classified based on a three-level hierarchy. These levels are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date for assets or liabilities; the fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date; the fair value hierarchy gives the lowest priority to Level 3 inputs.

Observable inputs are based on market data obtained from independent sources. The fair value of cash and cash equivalents, restricted cash, accounts receivable, accounts payable, and accrued liabilities approximated their carrying values as of December 31, 2019 and 2020 due to their short-term nature. The fair values of all of these instruments are categorized as Level 1 in the fair value hierarchy.

Business Combinations

The Company applies a screen test to evaluate if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets to determine whether a transaction is accounted for as an asset acquisition or business combination. When the Company acquires a business, the purchase consideration is allocated to the tangible assets acquired, liabilities assumed, and intangible assets acquired based on their estimated respective fair valued based on the acquisition method of accounting. The excess of the fair value of purchase consideration over the values of these identifiable assets and liabilities is recorded as goodwill. When determining the fair value of assets acquired and liabilities assumed, management makes significant estimates and assumptions, particularly to acquired intangible assets. These assumptions include, but are not limited to, reproduction costs and appropriate discount rates. Management's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. Acquisition costs, such as legal and

consulting fees, are expensed as incurred. During the measurement period, the Company may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period, any subsequent adjustments are recorded in the consolidated statement of operations.

Goodwill and Other Acquired Intangible Assets

Goodwill represents the excess of the purchase price over the fair value of net assets acquired in connection with business combinations accounted for using the acquisition method of accounting. The Company has one reporting unit and performs testing of goodwill in the fourth quarter of each year, or as events occur or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. These triggering events that may indicate impairment include, but are not limited to, a significant adverse change in customer demand or business climate that could affect the value of goodwill or a significant decrease in expected cash flows. The Company's test for goodwill impairment starts with a qualitative assessment to determine whether it is necessary to perform the quantitative goodwill impairment test. If the Company determines, based on the qualitative factors, that the fair value of the reporting unit is more likely than not less than the carrying amount, then a quantitative goodwill impairment test is required. There were no impairments of goodwill recorded for the years ended December 31, 2019 and 2020 and for the six months ended June 30, 2020 and 2021 (unaudited). There were no other changes in goodwill other than additions from acquisitions during the years ended December 31, 2019 and 2020 and for the six months ended June 30, 2020 and 2021 (unaudited) as detailed in Note 3.

Intangible assets consist of developed technology resulting from the Company's acquisitions. Acquired intangible assets are recorded at cost, net of accumulated amortization. Intangible assets are amortized on a straight-line basis over their estimated useful lives, which was determined to be 3 years for all developed technology acquired. Amortization costs were included within cost of revenue in the consolidated statements of operations upon the related product release date. Long-lived assets, including intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. There was no impairment of intangible assets recorded for the years ended December 31, 2019 and 2020 and for the six months ended June 30, 2020 and 2021 (unaudited).

Property and Equipment, Net

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

Property	Useful Life
Office equipment	3 years
Furniture and fixtures	3 years
Leasehold improvements	Shorter of remaining lease term or 5 years
Software including internal-use software	3 years

Maintenance and repairs are charged to expense as incurred and improvements are capitalized. When assets are retired or otherwise disposed of, the cost and accumulated depreciation is removed from the accounts and any resulting gain or loss is reflected in the statements of operations for the period realized.

Capitalized Internal-Use Software Costs

The Company capitalizes development costs related to its platform and certain other projects for internal use. The Company considered the guidance set forth in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Subtopic 350-40-15, *Accounting for the Cost of Computer Software Developed or Obtained for Internal Use*, which requires companies to capitalize qualifying computer software costs that are incurred during the application development stage, and then amortize them over the software's estimated useful life.

Costs related to preliminary project activities and post-implementation activities are expensed as incurred. Internal-use software is amortized on a straight-line basis over its estimated useful life into cost of revenue within the consolidated statements of operation. Amortization of internal-use software costs included in cost of revenue in the consolidated statements of operations was immaterial for the years ended December 31, 2019 and 2020 and for the six months ended June 30, 2020 and 2021 (unaudited). All software development costs prior to capitalization have been recorded in research and development expense in the consolidated statements of operations. There were no impairments to capitalized internal-use software costs during the years ended December 31, 2019 and 2020 and for the six months ended June 30, 2020 and 2021 (unaudited).

Impairment of Long-Lived Assets

The Company evaluates long-lived assets or asset groups for impairment whenever events indicate that the carrying value of an asset or asset group may not be recoverable based on expected future cash flows attributable to that asset or asset group. Recoverability of assets held and used is measured by comparison of the carrying amount of an asset or an asset group to estimated undiscounted future net cash flows expected to be generated by the asset or asset group. If the carrying amount of an asset or asset group exceeds estimated undiscounted future cash flows, then an impairment charge would be recognized based on the excess of the carrying amount of the asset or asset group over its fair value. No impairment loss on long-lived assets was recognized in the years ended December 31, 2019 and 2020 and for the six months ended June 30, 2020 and 2021 (unaudited).

Leases and Asset Retirement Obligations

The Company categorizes leases at their inception as either operating or capital leases. The Company leases real estate facilities under operating leases. For leases that contain rent escalation or rent concession provisions, including rent holidays and other incentives, the Company records the total rent expense during the lease term on a straight-line basis over the term of the lease. The Company records the difference between the rent paid and the straight-line rent expense as a deferred rent liability within accrued expenses and other noncurrent liabilities on the consolidated balance sheets. The Company recognizes lease costs once control of the space is achieved, without regard to deferred payment terms such as rent holidays that defer the commencement date of required payments. Additionally, incentives received are treated as a reduction of costs over the term of the agreement.

The Company establishes assets and liabilities for the present value of estimated future costs to retire long-lived assets at the termination or expiration of a lease. Such assets are depreciated over the lease period into operating expense, and the recorded liabilities are accreted to the future value of the estimated retirement costs to the extent that they are material.

Net Loss Per Share

Basic and diluted net loss per share attributable to common stockholders is computed in conformity with the two-class method required for participating securities. The Company considered all series of its redeemable convertible preferred stock to be participating securities as the holders of such stock have the right to receive nonforfeitable dividends on a ratable basis in the event that a dividend is paid on common stock. Under the two-class method, the net loss attributable to common stockholders is not allocated to the redeemable convertible preferred stock as the preferred stockholders do not have a contractual obligation to share in the Company's losses.

Basic net loss per share is computed by dividing net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period. Diluted net loss per share is computed by giving effect to all potentially dilutive common stock equivalents to the extent they are dilutive. For purposes of this calculation, redeemable convertible preferred stock, stock options, early exercised stock options, RSUs, and common stock warrants have been excluded from the calculation of diluted net loss per share attributable to common stockholders as their effect is anti-dilutive for all periods presented.

Indemnifications

The Company delivers its applications over the internet as a subscription service using a SaaS model. Each subscription is subject to the terms of the contractual arrangement with the customer and often includes certain provisions for holding the customer harmless against and indemnifying the customer from costs, damages, losses, liabilities, and expenses arising from claims that the Company's software infringes upon a copyright, trademark, or other trade secret rights, and third-party claims arising from the Company's breach of the contract. Customers also indemnify the Company for claims relating their improper use of the service or intellectual property claims originating from customer actions or content.

The Company has not incurred any expense in defense or reimbursement of any of its customers for losses related to indemnification provisions, and no material claims against the Company are outstanding as of December 31, 2019, December 31, 2020, and June 30, 2021 (unaudited). The Company's exposure under these indemnification provisions is often capped at a fixed amount in many customer agreements and uncapped in others. Due primarily to the lack of history of prior indemnification claims and the unique facts and circumstances involved in each particular contractual arrangement, the Company has determined that potential costs related to indemnification are not probable or estimable and, as such, has not recorded a reserve for the years ended December 31, 2019 and 2020 and the six months ended June 30, 2020 and 2021 (unaudited).

In addition, in the ordinary course of business, the Company may provide indemnifications of varying scope and terms to vendors, directors, officers, and other parties with respect to certain matters. The Company has not incurred any material costs as a result of such indemnifications and have not accrued any liabilities related to such obligations in its consolidated financial statements.

Warranties

For certain customers, the Company provides a performance warranty for accessibility to the Company's platform as identified in an order form during the order duration. The Company's software products are generally warranted for certain customers to substantially conform to the specifications set forth in the related customer contract and published documentation. In the event there is a failure of such warranties, the Company generally will correct the problem or provide a reasonable workaround or replacement product. The Company has the standard 30-day cure period for failures that amount to a material breach, and no warranted time frame for nonmaterial failures. If the Company cannot correct or provide a workaround or replacement product for material failures within the cure period, then the customer's remedy is generally limited to termination of the contractual arrangement related to the nonconforming product services with a pro rata refund of the related fees paid. The Company has not incurred significant expense under these service warranties, nor does it expect that any future expense is probable. Accordingly, the Company has determined that potential costs related to warranties are not probable or estimable and, as such, has not recorded a reserve as of December 31, 2019 and 2020 and June 30, 2021 (unaudited).

Recently Issued Accounting Pronouncements

Leases: In February 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-02, *Leases (Topic 842)*, which requires companies to recognize lease liabilities and corresponding right-of-use leased assets on the balance sheets and to disclose key information about leasing arrangements. Qualitative and quantitative disclosures will be enhanced to better understand the amount, timing, and uncertainty of cash flows arising from leases. ASU No. 2016-02 is effective for annual periods beginning after December 15, 2021, with early adoption permitted. Based on the Company's initial assessment of its current and future leases, the Company anticipates the adoption of this guidance to have a material impact on its financial position as the Company will be required to recognize a right-of-use asset and corresponding liability related to its operating leases on its consolidated balance sheets.

Additionally, in 2018 and 2019, the FASB issued the following Topic 842–related ASUs:

- 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*, which clarifies the applicability of Topic 842 to land easements and provides an optional transition practical expedient for existing land easements;
- 2018-10, *Codification Improvements to Topic 842, Leases*, which makes certain technical corrections to Topic 842;
- 2018-11, *Leases (Topic 842): Targeted Improvements*, which allows companies to adopt Topic 842 without revising comparative period reporting or disclosures and provides an optional practical expedient to lessors to not separate lease and non-lease components of a contract if certain criteria are met; and
- 2019-01, *Leases (Topic 842): Codification Improvements*, which provides guidance for certain lessors on determining the fair value of an underlying asset in a lease and on the cash flow statement presentation of lease payments received; ASU No. 2019-01 also clarifies disclosures required in interim periods after adoption of ASU No. 2016-02 in the year of adoption.

Financial Instruments - Credit Losses: In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments (Topic 326).* This standard revises current GAAP methodology by requiring measurement and immediate recognition of expected credit losses on in-scope financial instruments, including trade receivables. ASU No. 2016-13 is effective for annual periods beginning after December 15, 2022, with early adoption permitted in fiscal years beginning after December 31, 2018. The Company is currently in the process of evaluating the impact of adoption on its consolidated financial statements.

Intangibles – Goodwill: In January 2017, the FASB issued No. ASU 2017-04, *Intangibles—Goodwill and Other (Topic 350)*, which eliminates step 2 from the goodwill impairment test. Step 2 measures a goodwill impairment loss by comparing the implied fair value of a reporting unit's goodwill with the carrying amount of that goodwill. Instead, entities will record an impairment charge based on the excess of a reporting unit's carrying amount over its fair value (i.e., measure the charge based on today's Step 1). This update is effective for annual and interim impairment tests performed in periods beginning after December 15, 2022. Early adoption of the standard is permitted. The Company is currently evaluating the new guidance and assessing the potential impact on our consolidated financial statements.

(2) Balance Sheet Components

The following tables show the Company's financial statement details as of December 31, 2019 and 2020 and June 30, 2021 (unaudited).

Prepaid Expenses and Other Current Assets

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

	As of December 31, 2019	As of December 31, 2020	As of June 30, 2021 (unaudited)
Prepaid hosting	$ 2,555	$ 4,677	$ 7,286
Other prepaid expenses and other assets	2,833	2,180	4,695
Total prepaid expense and other current assets	$ 5,388	$ 6,857	$ 11,981

Property and Equipment, Net

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

	As of December 31, 2019	As of December 31, 2020	As of June 30, 2021 (unaudited)
Office equipment	$ 1,653	$ 2,058	$ 2,646
Furniture and fixtures	520	583	605
Leasehold improvements	437	814	826
Software	33	13	13
Internal-use software	—	1,224	2,071
Total property and equipment	2,643	4,692	6,161
Less accumulated depreciation and amortization	(1,233)	(2,019)	(2,638)
Property and equipment, net	$ 1,410	$ 2,673	$ 3,523

Depreciation and amortization expense related to property and equipment for the years ended December 31, 2019 and 2020 and the six months ended June 30, 2020 and 2021 (unaudited) was $0.7 million, $1.0 million, $0.4 million, and $0.7 million, respectively.

Accrued Expenses

Accrued expenses consisted of the following (in thousands):

	As of December 31, 2019	As of December 31, 2020	As of June 30, 2021 (unaudited)
Accrued commission	$ 2,831	$ 3,273	$ 6,233
Accrued payroll	601	1,123	1,581
Accrued sales tax	164	256	753
Liability from early exercised stock options	241	894	2,068
Other accrued liabilities	1,895	2,564	4,168
Total accrued expenses	$ 5,732	$ 8,110	$ 14,803

(3) Acquisitions, Intangible Assets, and Goodwill

Acquisitions

During the fiscal year ended December 31, 2020, the Company acquired certain assets from a privately-held company for $3.7 million in cash. The Company has accounted for this transaction as a business combination. In allocating the aggregate purchase price based on the estimated fair values, the Company recorded $2.7 million as a developed technology intangible asset to be amortized over an estimated useful life of three years. The excess of purchase consideration over the fair value of net assets acquired was recorded as goodwill in the amount of $1.0 million. During the six months ended June 30, 2021 (unaudited), the Company completed an acquisition of a privately-held company for an aggregate of $9.5 million, consisting of $2.1 million of cash and $7.4 million of equity consideration through the issuance of 0.7 million shares of its common stock. The Company has accounted for this transaction as a business combination. In allocating the aggregate purchase price based on the estimated fair values, the Company recorded $3.8 million of cash, $2.85 million as a developed technology intangible asset, and $0.4 million as a customer related intangible asset, both of which to be amortized over estimated useful lives of three years. The excess of purchase consideration over the fair value of net assets

acquired was recorded as goodwill in the amount of $2.7 million. As part of the acquisition, the Company also agreed to retention agreements with key employees in which 0.4 million shares are restricted and vest over a service period of four years. As of June 30, 2021, total unrecognized stock-based compensation expense related to these restricted shares was $4.1 million which is expected to be recognized over the weighted average remaining vesting period 3.8 years. The Company believes the goodwill balances associated with these acquisitions represent the synergies expected from expanded market opportunities when integrating the acquired developed technologies with the Company's offerings as well as acquiring an assembled workforce. Related goodwill is deductible for income tax purposes.

Aggregate acquisition-related costs associated with these business combinations were not material for all periods presented and were included in general and administrative expenses in the consolidated statements of operations. The results of operations of these business combinations have been included in the Company's consolidated financial statements from the acquisition date. These business combinations did not have a material impact on the Company's consolidated financial statements. Therefore, historical results of operations prior to the acquisition dates and pro forma results of operations have not been presented.

Intangible Assets Other Than Goodwill

Intangible assets, net consisted of the following:

	As of December 31, 2019	As of December 31, 2020	As of June 30, 2021 (unaudited)
Developed technology	$ —	$ 1,955	$ 4,179
Customer related	—	—	375
Intangible assets, net	$ —	$ 1,955	$ 4,554

Amortization expense of intangible assets was zero, $0.7 million, $0.3 million, and $0.6 million for the years ended December 31, 2019 and 2020 and the six months ended June 30, 2020 and 2021 (unaudited), respectively.

As of December 31, 2020, future amortization expense is expected to be as follows (in thousands):

	2020
2021	900
2022	900
2023	155
2024	—
2025	—
Total	1,955

As of June 30, 2021, future amortization expense is expected to be as follows (in thousands):

	Amount (unaudited)
Remainder of 2021	1,000
2022	1,983
2023	1,239
2024	332
2025	—
Total	4,554

(4) Redeemable Convertible Preferred Stock

Redeemable convertible preferred stock was carried at its issuance price, net of issuance costs.

During the year ended December 31, 2019, the Company issued 81,697 shares of Series D redeemable convertible preferred stock.

During the year ended December 31, 2020, the Company issued 23,342 shares of Series D redeemable convertible preferred stock and 5,213,607 shares of Series E redeemable convertible preferred stock.

Redeemable convertible preferred stock ("preferred stock") consisted of the following as of December 31, 2019 (in thousands, except share data):

	Shares authorized	Shares issued and outstanding	Carrying value, net of costs	Liquidation preference
Series A(1)	24,504,272	24,504,272	$ 11,363	15,166
Series B	14,334,638	14,334,638	15,809	15,900
Series C	8,351,370	8,351,370	31,344	31,420
Series D	9,354,462	9,290,269	79,475	79,600
	56,544,742	56,480,549	$ 137,991	142,086

(1) Includes the conversion of convertible notes with underlying principal and accrued interest of $2.1 million into 8,341,090 shares of Series A preferred stock

Redeemable convertible preferred stock consisted of the following as of December 31, 2020 (in thousands, except share data):

	Shares authorized	Shares issued and outstanding	Carrying value, net of costs	Liquidation preference
Series A(1)	24,504,272	24,504,272	$ 11,363	15,166
Series B	14,334,638	14,334,638	15,809	15,900
Series C	8,351,370	8,351,370	31,344	31,420
Series D	9,313,611	9,313,611	79,675	79,800
Series E	5,235,708	5,213,607	49,620	49,789
	61,739,599	61,717,498	$ 187,811	192,074

(1) Includes the conversion of convertible notes with underlying principal and accrued interest of $2.1 million into 8,341,090 shares of Series A preferred stock

During the six months ended June 30, 2021 (unaudited), the Company issued 5,418,502 shares of Series F redeemable convertible preferred stock.

Redeemable convertible preferred stock consisted of the following as of June 30, 2021 (unaudited) (in thousands, except share data):

	Shares authorized	Shares issued and outstanding	Carrying value, net of costs	Liquidation preference
Series A(1)	24,504,272	24,504,272	$ 11,363	15,166
Series B	14,334,638	14,334,638	15,809	15,900
Series C	8,351,370	8,351,370	31,344	31,420
Series D	9,313,611	9,313,611	79,675	79,800
Series E	5,213,607	5,213,607	49,620	49,789
Series F	6,246,111	5,418,502	173,302	173,500
	67,963,609	67,136,000	$ 361,113	365,574

The rights, preferences, and privileges of the Company's preferred stockholders are as follows:

Dividends

Dividends are payable on the preferred stock when, as, and if declared by the board of directors out of any assets at the time legally available. No dividend or distribution are to be paid on shares of common stock unless in such fiscal year there has been dividends paid, or amounts set aside for dividend payments in such fiscal year, at the rate per share per annum for each outstanding share of $0.0495, $0.0888, $0.3010, $0.6854, $0.7640 and $2.5616 per share of Series A preferred stock, Series B preferred stock, Series C preferred stock, Series D preferred stock, Series E preferred stock, and Series F preferred stock (together, the "Preferred Stock"), respectively. Preferred Stock dividends are non-cumulative. No dividends have been declared by the board of directors as of December 31, 2019 and 2020 and as of June 30, 2021 (unaudited).

Conversion

Each share of preferred stock was convertible, at the option of the holder thereof, at any time after the date of issuance of such share, into such number of fully paid and nonassessable shares of common stock as is determined by dividing the original issue price applicable to such share by the conversion price at the time in effect for such share conversion. The initial original issue price per share in effect as of December 31, 2019 and 2020 was $0.6189 for shares of Series A preferred stock, $1.1092 for shares of Series B preferred stock, $3.7623 for shares of Series C preferred stock, $8.5681 for shares of Series D preferred stock, and $9.5498 for shares of Series E preferred stock, which is consistent with the conversion price of such shares as of December 31, 2019 and 2020, as applicable. The initial original issue price per share in effect as of June 30, 2021 (unaudited) for shares of Series F preferred stock was $32.0199, which is consistent with its conversion price as of June 30, 2021. The conversion price may be adjusted for stock splits, stock dividends, reverse splits or combinations, and dilutive issuances consistent with the Company's restated certificate of incorporation.

Each share of Preferred Stock automatically converts into shares of common stock at the conversion price at the time in effect for such share immediately upon the earlier of:

- The date specified by the vote or written consent of the holders of a majority of the then-outstanding shares of Preferred Stock voting together as a single class;
- Immediately upon the closing of the Company's common stock in a firm commitment underwritten public offering pursuant to a registration statement on Form S-1 under the Securities Act of 1933, as amended, with aggregate proceeds in excess of $50 million; or
- Immediately upon the effectiveness of a registration statement under the Securities Act of 1933, as amended, that registered shares of capital stock of the Company, provided that all stockholders that are affiliates or beneficially own in excess of 10% of the Company's capital stock are provided the right to include all or a portion of their shares on such registration statement on a pro rata basis with all other affiliates and 10% stockholders, subject to compliance with applicable securities laws (together with the second bullet above, a "QPO").

Voting

Each holder of preferred stock is entitled to the number of votes equal to the number of shares of common stock into which the shares of preferred stock held by such holder could be converted as of the record date.

Liquidation Preference

Upon any liquidation, dissolution, or winding up of the Company, either voluntary or involuntary, including a change in control, (a "Liquidation Event") the holders of Preferred Stock are entitled to receive, prior and in

preference to any distribution of any of the assets of the Company to the holders of common stock, an amount equal to the greater of (i) the original issue price per share (as adjusted for stock splits changes, dividends, and combinations), plus declared but unpaid dividends of each holder of Preferred Stock; or (ii) the amount of cash, securities, or other property to which such redeemable convertible preferred stockholders would be entitled to receive if such shares had been converted to common stock immediately prior to the Liquidation Event. If the assets of the Company are insufficient to make payment in full of these preferred stock liquidation preferences, then such assets will be distributed among the holders of Preferred Stock at the time outstanding, ratably in proportion to the full amounts to which they would have otherwise be respectively entitled.

After the Preferred Stock liquidation preferences are paid in full, the remaining assets of the Company available for distribution to stockholders shall be distributed among the holders of common stock.

Classification

Each series of the convertible preferred stock was contingently redeemable upon certain change in control liquidation events such as a merger or sale of substantially all the assets of the Company. The convertible preferred stock was not mandatorily redeemable, but since a deemed liquidation event would constitute a redemption event outside of the Company's control, all shares of redeemable convertible preferred stock were presented outside of permanent equity in mezzanine equity on the consolidated balance sheets.

(5) Stockholders' Deficit and Equity Incentive Plans

Common Stock

The Company's restated certificate of incorporation authorized the Company to issue 110.5 million, 118.6 million, and 135.1 million shares of common stock at a par value of $0.00001 as of December 31, 2019 and 2020 and as of June 30, 2021 (unaudited), respectively. As of December 31, 2019 and 2020 and June 30, 2021 (unaudited), approximately 24.6 million, 27.9 million, and 31.9 million shares of common stock were issued and outstanding, respectively.

Each share of common stock is entitled to one vote. The holders of common stock are also entitled to receive dividends whenever funds are legally available and when and if declared by the board of directors, subject to the prior rights of holders of all classes of stock outstanding. As of December 31, 2019 and 2020, and June 30, 2021 (unaudited), no dividends had been declared.

On November 15, 2018, the Company effected a two-for-one stock split of its common and preferred stock to shareholders of record as of November 15, 2018.

The Company has reserved shares of its common stock as follows:

	As of December 31, 2019	As of December 31, 2020	As of June 30, 2021 (unaudited)
Redeemable convertible preferred stock	56,480,549	61,717,498	67,136,000
Warrants	7,000	7,000	7,000
Non-plan stock options	36,062	36,062	36,062
Amended and Restated 2014 Stock Option and Grant Plan:			
Equity plan stock options outstanding	21,294,017	28,445,269	28,770,519
RSUs outstanding	2,571,430	2,571,430	3,050,911
Shares available for future issuance	571,128	1,151,100	1,430,823
Total reserved shares	80,960,186	93,928,359	100,431,315

Equity Incentive Plans

In December 2014, the Company adopted its stock option plan (the "2014 Plan") in which shares of the Company's common stock were reserved for the issuance of stock options (incentive and non-statutory) and restricted stock to employees, directors, and consultants under terms and provisions established by the board of directors and approved by the Company's stockholders. During 2019 and 2020 and the six months ended June 30, 2021 (unaudited), the Company expanded the pool available for the 2014 Plan by 3,014,871, 11,374,153, and 4,000,000 shares, respectively.

Under the terms of the 2014 Plan, options may be granted at an exercise price not less than fair market value. For employees holding more than 10% of the voting rights of all classes of stock, the exercise prices for incentive stock options may not be less than 110% of fair market value, as determined by the board of directors.

Most awards have 10-year terms and vest and become exercisable at a rate of 25% on the first anniversary of the vesting commencement date and 1/48 each month thereafter. The terms of options granted under the 2014 Plan may not exceed 10 years. To date, options granted vest in a range from one to four years, and the 2014 Plan contains certain change of control provisions.

In December 2014, the 2014 Plan was amended, allowing employees to exercise a stock option in exchange for cash before the requisite service is provided (e.g., before the award is vested under its original terms). Such arrangements permit the Company to subsequently repurchase such shares at the exercise price if the vesting conditions are not satisfied. Early exercised shares totaled 136,238, 275,794, and 627,740 as of December 31, 2019 and 2020 and June 30, 2021 (unaudited), respectively. The liability related to the early exercised shares was $0.2 million, $0.9 million, and $2.1 million as of December 31, 2019 and 2020 and June 30, 2021 (unaudited), respectively.

Stock Option Awards

A summary of the stock option activity under the 2014 Plan for the year ended December 31, 2020 and six months ended June 30, 2021 (unaudited) is as follows. Options issued outside of the 2014 Plan were immaterial and therefore not discussed further below.

	Outstanding stock options	Weighted-average exercise price	Weighted-average remaining contractual life (years)	Aggregate intrinsic value (in thousands)
Balances as of December 31, 2019	21,294,017	$ 1.59	8.47	$ 20,169
Granted	12,632,901	3.76		
Exercised	(3,648,389)	1.20		
Cancelled/forfeited	(1,833,260)	2.19		
Balances as of December 31, 2020	28,445,269	$ 2.56	8.50	78,450
Granted (unaudited)	4,268,856	7.55		
Exercised (unaudited)	(2,915,546)	2.06		
Cancelled/forfeited (unaudited)	(1,028,060)	3.19		
Balances as of June 30, 2021 (unaudited)	28,770,519	$ 3.33	8.30	529,915

	Outstanding stock options	Weighted-average exercise price	Weighted-average remaining contractual life (years)	Aggregate intrinsic value (in thousands)
Exercisable as of December 31, 2020(2)	18,715,783	$ 1.98	7.88	62,575
Vested and expected to vest as of December 31, 2020(3)	26,688,724	$ 2.45	8.40	76,465
Exercisable as of June 30, 2021 (unaudited)(2)	17,198,861	$ 2.22	7.57	335,859
Vested and expected to vest as of June 30, 2021 (unaudited)(3)	27,013,974	$ 3.28	8.22	499,070

(2) Exercisable shares include vested options as well as unvested shares that can be early exercised
(3) Amounts exclude options subject to performance conditions that are not considered probable of achievement as of December 31, 2020 and June 30, 2021 (unaudited). As no forfeitures are estimated due to our adoption of ASU No. 2016-09, no estimated forfeitures were considered in these amounts

During December 2020, the Company granted 1,756,545 stock options to two executives which contain both a service condition and a performance condition. Based on the terms of the options, the vesting commencement date is defined as the date in which a Form S-1 filed with the Securities and Exchange Commissions (“SEC”) becomes effective (a “QPO Event”). Subsequent to an QPO Event, the options vest 1/24 each month thereafter. As the QPO Event was determined to not be probable as of December 31, 2020, no stock-based compensation was recognized related to these options. The unrecognized stock-based compensation expense was $4.7 million as of December 31, 2020. In the quarter in which a QPO Event occurs, we will begin recording stock-based compensation expense based on the grant date fair value of the performance options using the accelerated attribution method. There were no material options with performance conditions as of December 31, 2019.

The aggregate intrinsic values of options outstanding are calculated as the difference between the exercise price of the options and the market price for shares of the Company’s common stock as of each period-end. The total intrinsic value of options exercised for the years ended December 31, 2019 and 2020 was $1.5 million and $15.0 million, respectively. The total intrinsic value of options exercised for the six months ended June 30, 2020 and 2021 (unaudited) was $2.1 million and $57.4 million, respectively.

Stock options granted during the years ended December 31, 2019 and 2020 had a weighted-average grant date fair value of $1.10 and $2.27 per share, respectively. With the exception of the performance options detailed above, the fair value is being expensed over the vesting period of the options on a straight-line basis as the services are being provided. The total fair value of shares vested during the years ended December 31, 2019 and 2020, was $4.3 million and $5.1 million, respectively. No tax benefits were realized from options during the periods.

Stock options granted during the six months ended June 30, 2020 and 2021 (unaudited) had a weighted average grant date fair value of $1.61 and $5.07 per share, respectively. With the exception of the performance options detailed above, the fair value is being expensed over the vesting period of the options on a straight-line basis as the services are being provided. The total fair value of shares vested during the years ended six months ended June 30, 2020 and 2021 (unaudited) was $2.3 million and $3.2 million, respectively. No tax benefits were realized from options during the periods.

As of December 31, 2019 and 2020, total unrecognized stock-based compensation expense was $12.9 and $33.4 million, respectively. This unrecognized expense as of December 31, 2019 and 2020 is expected to be recognized over the weighted-average remaining vesting period of 3.0 years and 3.4 years, respectively. As of December 31, 2019 and 2020, the Company had 955,036 shares and 1,081,036 shares of non-employee stock options outstanding under the 2014 Plan, respectively.

As of June 30, 2021 (unaudited), total unrecognized stock-based compensation expense was $43.1 million. This unrecognized expense as of June 30, 2021 (unaudited) is expected to be recognized over the weighted average remaining vesting period of 3.3 years. As of June 30, 2021 (unaudited), the Company had 919,036 shares of non-employee stock options outstanding under the 2014 Plan.

Based on the nature of the underlying option, the fair value of each option granted to employees is estimated on the date of grant using the Monte Carlo simulation model that incorporates various assumptions, including fair value of common stock expected stock price volatility, contractual term, risk-free interest rates, and dividend yield. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant. The Company has never declared or paid any cash dividends.

The following range of assumptions and data inputs were used in the Monte Carlo simulation model to estimate the fair value of the options:

	Year Ended December 31, 2019	Year Ended December 31, 2020	Six Months Ended June 30, 2020	Six Months Ended June 30, 2021
			(unaudited)	
Fair value of common stock	$ 2.26 - $3.24	$ 3.16 - $5.32	$ 3.16 - $3.70	$ 7.48 - $21.75
Expected dividend yield	—	—	—	—
Risk-free interest rate	1.48% -2.39%	0.70% - 0.90%	0.70%	1.40% - 1.70%
Expected volatility	61%	70% - 75%	72.5% - 75%	60% - 70%
Contractual term (years)	10.0	10.0	10.0	10.0

Determining Fair Value of Stock Options

The fair value of each grant of stock option was determined by the Company using the methods and assumptions discussed below. The determination of each of these inputs is subjective and generally requires a level of judgment.

Expected volatility – The expected stock price volatility assumption was determined by examining the historical volatilities of a group of industry peers over a period equal to the expected life of the options, as the Company did not have any trading history for the Company's common stock.

Contractual term – The contractual term of stock options is used to model the expected exercise behavior of the option holders with a 10-year exercise period. This method utilizes a Monte Carlo simulation based on historical exercise data as the options are not considered to be plain-vanilla where a simplified method is allowed as certain holders have up until option expiration to exercise regardless of employment status. The Monte Carlo simulation models expected exercise behavior utilizing an estimated stock price at which the holder of the option would choose to exercise an option prior to the end of the stated term. For this assumption, the Company utilized a value multiple on the strike price of 4.0 times.

Expected dividend – The expected dividend assumption was based on the Company's history and expectation that it will not declare dividend payout for the near future.

Risk-free interest rate – The risk-free interest rate is based on the U.S. Treasury zero coupon issues in effect at the time of grant for periods corresponding with the contractual terms.

Fair value of common stock – The fair value of the Company's common stock is determined by its board of directors, which intends all options granted to be exercisable at a price per share not less than the per share fair value of the common stock underlying those options on the date of grant. The valuations of the Company's common stock are determined in accordance with the guidelines outlined in the American Institute of Certified Public Accountants Practice Aid, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*. The board of directors considered numerous objective and subjective factors to determine the fair

value of the Company's common stock at each meeting in which awards were approved. The factors considered included, but were not limited to:

- the results of contemporaneous independent third-party valuations of the Company's common stock;
- the prices, rights, preferences, and privileges of the Company's redeemable convertible preferred stock relative to those of its common stock;
- the lack of marketability of the Company's common stock;
- actual operating and financial results;
- current business conditions and projections;
- the likelihood of achieving a liquidity event, such as an initial public offering or sale of the Company, given prevailing market conditions; and
- precedent transactions involving the Company's shares.

Restricted Stock Units

In June 2018, the Company issued 2,571,430 RSUs. The RSUs vest according to a service condition as well as a performance condition, through a liquidity event, including (i) a change in control of the Company or (ii) the initial public offering of the Company's equity securities, following which, the securities shall be publicly-traded, which includes a direct listing. The grant date fair value of the RSUs is $3.7 million. Compensation cost for the awards will be recognized on a tranche-by-tranche basis. No RSUs were granted during the years ended December 31, 2019 and 2020. As of December 31, 2019 and 2020 and June 30, 2021, no stock-based compensation expense had been recognized as the Company evaluated the performance condition being met as not probable during any of the periods.

RSU activity during the six months ended June 30, 2021 (unaudited) was as follows:

	Restricted stock units	Weighted-average grant date fair value per share
Balance as of December 31, 2020	2,571,430	$ 1.42
Granted (unaudited)	479,481	21.59
Balance as of June 30, 2021 (unaudited)	3,050,911	$ 4.59

Stock-based compensation expense, net of actual forfeitures is reflected in the statement of operations (in thousands):

	Year Ended December 31, 2019	Year Ended December 31, 2020	Six Months Ended June 30, 2020	Six Months Ended June 30, 2021
			(unaudited)	
Cost of revenue	$ 358	$ 590	$ 243	$ 483
Research and development	1,419	5,582	3,986	2,063
Sales and marketing	4,429	6,512	3,705	1,689
General and administrative	1,128	3,869	2,552	1,361
Total stock-based compensation expense	$ 7,334	$ 16,553	$ 10,486	$ 5,596

During 2019 and 2020, the Company facilitated secondary transactions with select executives in which common stock was sold above fair value. Therefore, the Company has recorded $2.2 million and $11.1 million as compensation expense included in the above table in the years ended December 31, 2019 and 2020, respectively. During the six months ended June 30, 2020 and 2021 (unaudited), the Company recorded $8.1 million and zero stock-based compensation expense, respectively, related to secondary transactions with select executives in which common stock was sold above fair value.

During 2019, the Company accelerated the vesting of 693,952 shares of stock options related to four grantees, which resulted in an additional incremental compensation expense of $1.2 million as included in the above table.

(6) Debt

In November 2017, the Company entered into a revolving credit facility and term loan agreement with Pacific Western Bank (“Bank”), each limited to $6.0 million, but in aggregate, to not exceed $10.0 million. Both the revolving credit facility and term loan were secured by certain tangible and intangible assets and bore interest at a rate based on the Bank’s most recently announced prime rate, plus 0.25%. The revolving credit facility and term loan were terminated in January 2020 prior to their scheduled maturity dates of May 22, 2020 and March 31, 2021, respectively.

As part of the related agreement previously in place, the Company was required to comply with financial covenants relating to minimum cash and revenue balances. As of December 31, 2019, the Company was in compliance with all financial covenants associated with this agreement and the Company had $10.0 million available to be drawn upon.

In connection with the credit facility, the Company entered into a warrant agreement to issue 7,000 warrants to the Bank upon close and an additional 20,000 warrants to the Bank if the Company draws down the facility in excess of $7.5 million. The value of the warrants is immaterial to the Company and the Company did not draw down on either the revolver or term loan prior to termination.

(7) Employee Benefit Plans

The Company has established a savings and retirement plan for employees that permits participants to make contributions by salary deductions pursuant to Section 401(k) of the Internal Revenue Code. The plan is available to all regular employees on the Company’s U.S. payroll. The Company does not currently match employees’ contributions.

(8) Income Taxes

Pre-tax book loss has been recorded in the following jurisdictions (in thousands):

	Year Ended December 31, 2019	Year Ended December 31, 2020
United States	$ (35,641)	$ (26,758)
Foreign	2,770	3,024
Worldwide pre-tax loss	$ (32,871)	$ (23,734)

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

	Year Ended December 31, 2019	Year Ended December 31, 2020
Current:		
Federal	$ —	$ —
State	27	12
Foreign	156	353
Total Current	$ 183	$ 365
Deferred:		
Federal	$ —	$ —
State	—	—
Foreign	480	468
Total Provision	$ 663	$ 833

The provision for income taxes differs from the amount computed by applying the federal income tax rate of 21% to pre-tax loss for the years ended December 31, 2019 and 2020 from operations as a result of the following:

	As of December 31, 2019	As of December 31, 2020
Statutory federal income tax rate	21.00%	21.00%
State income taxes, net of federal tax benefits	3.89%	4.12%
Permanent differences	(1.56)%	(1.14)%
Tax credits	2.40%	14.53%
Foreign rate differential	(0.24)%	(0.78)%
Stock-based compensation	(1.39)%	(11.60)%
Other	0.30%	(1.07)%
Valuation allowance	(26.40)%	(28.57)%
Tax provision	(2.00)%	(3.51)%

The tax effects of temporary differences that give rise to significant portions of the Company's deferred tax assets and liabilities as of December 31, 2019 and 2020 related to the following (in thousands):

	As of December 31, 2019	As of December 31, 2020
Deferred tax assets:		
NOL carryforwards	$ 18,991	$ 23,493
Credit carryforwards	1,749	5,199
Stock-based compensation	965	1,061
Accruals and reserves	275	326
Fixed assets	33	73
Intangibles	—	168
Other	21	37
Gross tax assets	22,034	30,357
Valuation allowance	(19,504)	(26,286)
Realizable deferred tax assets	2,530	4,071

	As of December 31, 2019	As of December 31, 2020
Deferred tax liabilities:		
Deferred commission costs	$ (3,006)	$ (4,727)
Internal-use software	—	(277)
Intangibles	—	(14)
Other	(4)	(1)
Gross deferred liabilities	(3,010)	(5,019)
Net deferred tax assets (liabilities)	$ (480)	$ (948)

Income taxes are accounted for under the asset-and-liability method. Deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforward. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to the taxable income or loss in the future years in which those temporary differences are expected to be recovered or settled. The effect on the deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Valuation allowances are established for deferred tax assets to the extent it is more likely than not that the deferred tax assets may not be realizable.

The Company evaluates uncertain tax positions taken or expected to be taken in the course of preparing its tax return to determine whether the tax positions are more likely than not of being sustained upon challenge by the applicable taxing authority. The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or remeasurement are reflected in the period in which the change in judgment occurs.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion of all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent on the generation of future taxable income during the periods in which those temporary differences become deductible. Based on the levels of historical taxable income and projections for future taxable income over the period in which temporary differences are deductible, the Company has recorded a valuation allowance for substantially all of its deferred tax assets, except to the extent of deferred tax liabilities, as it is unable to conclude that it is more likely than not that the deferred tax assets in excess of deferred tax liabilities will be realizable.

At December 31, 2020, the Company had approximately $93.2 million and $60.2 million of net operating loss carryforwards available to offset future federal and state taxable income, respectively. If realized, none of the net operating loss carryforwards will be recognized as a benefit through additional paid-in capital. If not realized, federal carryforward losses of $25.4 million will expire beginning in 2032 and $67.8 million of carryforward losses will carryforward indefinitely. State carryforwards will expire beginning 2030.

At December 31, 2020, the Company had tax credit carryforwards of $2.8 million, net of reserves to offset future federal tax and $3.0 million of tax credit carryforwards, net of reserves to offset state income tax. The carryforwards will expire in various amounts for federal purposes beginning 2033. The California R&D credits will not expire but the California competes tax credits will expire beginning 2026.

Utilization of net operating loss carryforwards and credits may be subject to substantial annual limitation due to ownership change limitations provided by the Internal Revenue Code of 1986, as amended, and similar state provisions. The annual limitations may result in the expiration of the net operating losses before utilization.

As of December 31, 2020, the Company had unrecognized income tax benefits of $1.2 million. The increase in the Company's unrecognized tax benefit was primarily attributable to current year credit activities. A reconciliation of the beginning and ending amount of unrealized tax benefit (excluding interest and penalties) is as follows (in thousands):

	As of December 31, 2019	As of December 31, 2020
Beginning balance	$ 230	$ 766
Increases related to tax positions taken during a prior year	536	460
Decreases related to tax positions taken during a prior year	—	—
Increases related to tax positions taken during the current year	—	—
Ending balance	$ 766	$ 1,226

The total unrecognized tax benefit, if recognized, would not affect the Company's effective tax rate as the tax benefit would increase the deferred tax asset, which is currently offset with a full valuation allowance. The Company does not anticipate that the amount of existing unrecognized tax benefit will significantly increase or decrease within the next 12 months. Accrued interest and penalties related to the unrecognized tax benefits are recorded in income tax expense. No interest, penalties, or tax benefits were recognized during the year ended December 31, 2020.

The Company files U.S. federal, Netherlands, United Kingdom, France, and Singapore income tax returns as well as state income tax returns for various state jurisdictions. Due to the Company's net operating loss carryforwards in the United States, its income tax returns remain subject to federal and state tax authorities for all prior years. There are no tax years under examination by any jurisdiction at this time.

The Company provides for U.S. federal income taxes on the earnings of foreign subsidiaries unless they are considered permanently reinvested outside of the U.S. As of December 31, 2020, the Company's management is asserting that it is their intent to indefinitely reinvest unremitted foreign earnings for all its foreign entities.

On March 27, 2020, the CARES Act was enacted and signed into law. The CARES Act, among other things, includes provisions related to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods and technical corrections to tax depreciation methods for qualified improvement property. The CARES Act is not expected to have a material impact to income taxes in the Company's financial statements.

Six Months Ended June 30, 2020 and 2021 (Unaudited)

The Company had an effective tax rate of (2.1)% and (4.1)% for the six months ended June 30, 2020 and 2021, respectively. The Company continues to incur U.S. operating losses and has minimal profits in its foreign jurisdictions.

During the six months ended June 30, 2020 and 2021, the Company has evaluated all available evidence, both positive and negative, including historical levels of income, expectations and risks associated with estimates of future taxable income and has determined that it is more likely than not that its net deferred tax assets will not be realized in the United States. Due to uncertainties surrounding the realization of the deferred tax assets, the Company continues to maintain a full valuation allowance against its net deferred tax assets within the United States.

(9) Commitments and Contingencies

Operating Leases

The Company leases office space under non-cancelable operating leases that have various expiration dates between 2020 through 2026. Future minimum annual lease payments under the non-cancelable operating lease agreements as of December 31, 2020 (in thousands):

	As of December 31, 2020
Year ending December 31:	
2021	$ 2,999
2022	672
2023	601
2024	607
2025 and thereafter	1,075
Total minimum lease payments	$ 5,954

In May 2021, the Company entered into a new sublease agreement for its principal executive office located in San Francisco.

Future minimum annual lease payments under the non-cancelable operating lease agreements as of June 30, 2021 are as follows (in thousands):

	As of June 30, 2021 (unaudited)
Year ending December 31:	
Remainder of 2021	$ 636
2022	3,068
2023	3,883
2024	3,988
2025 and thereafter	3,670
Total minimum lease payments	$ 15,245

The Company recognizes minimum rental expenses on a straight-line basis over the term of the lease. Rent expense for the years ended December 31, 2019 and 2020 was $4.0 million and $4.2 million, respectively. Rent expense for the six months ended June 30, 2020 and 2021 (unaudited) was $2.1 million in each period.

Legal Matters

The Company is involved in various legal and regulatory matters arising from the normal course of business activities. The Company records litigation accruals for legal matters, which are both probable and estimable. For legal proceedings for which there is a reasonable possibility of loss (meaning those losses for which the likelihood is more than remote but less than probable), the Company has determined that it does not have material exposure, or it is unable to develop a range of reasonably possible losses. Although no assurance may be given, the Company believes that it is not presently a party to any litigation of which the outcome, if determined adversely, would individually or in the aggregate be reasonably expected to have a material and adverse effect on the business, operating results, cash flows, or financial position. Legal fees are expensed in the period in which they are incurred.

(10) Net Loss Per Share

Basic net loss per share attributable to the Company's common stockholders is computed by dividing the net loss attributable to the Company's common stockholders by the weighted-average number of shares of common stock outstanding during the period. Diluted net loss per share is the same as basic net loss per share for all years presented because the effects of potentially dilutive items were anti-dilutive given the Company's net loss position in each period presented.

The following table presents the calculation of basic and diluted net loss per share (in thousands, except per share data):

	Year Ended December 31,		Six Months Ended June 30,	
	2019	2020	2020	2021
			(unaudited)	
Net loss	$ (33,534)	$ (24,567)	$ (16,623)	$ (16,522)
Weighted-average shares outstanding, basic and diluted	24,322	25,060	24,550	28,808
Net loss per share, basic and diluted	$ (1.38)	$ (0.98)	$ (0.68)	$ (0.57)

The following potential common shares were excluded from the calculation of diluted net loss per share because their effect would have been anti-dilutive for the periods presented (in thousands):

	Year Ended December 31, 2019	Year Ended December 31, 2020	Six Months Ended June 30, 2020	Six Months Ended June 30, 2021
			(unaudited)	
Redeemable convertible preferred stock	56,481	61,718	61,718	67,136
Warrants	7	7	7	7
Non-plan stock options	36	36	36	36
Equity plan stock options outstanding	21,294	28,445	22,632	28,771
Equity plan stock options early exercised	136	276	107	628
RSUs outstanding	2,571	2,571	2,571	3,051
Restricted shares	—	—	—	376
Total	80,525	93,053	87,071	100,005

(11) Subsequent Events

The Company has evaluated subsequent events from the balance sheet through June 21, 2021, the date at which the financial statements were available to be issued.

In January 2021, the Company increased the amount of common shares authorized to 123.9 million.

In April 2021, the Company acquired a privately-held company for 0.7 million shares of its common stock and $2.1 million in cash consideration. As part of the acquisition, the Company also agreed to retention agreements with key employees in which 0.4 million shares vest over a service period of four years.

In May 2021, the Company sold 5.4 million shares of Series F redeemable convertible preferred stock in exchange for $173.5 million. In conjunction with this transaction, the Company authorized the sale of 6.2 million shares of Series F preferred stock and the Company increased the number of common shares authorized to 135.1 million.

In May 2021, the Company entered into a new sublease agreement for its principal executive office located in San Francisco. The Company will lease 57,530 square feet of office space for a monthly rent of $0.3 million per month through the end of the lease term on September 30, 2025.

Subsequent Events (Unaudited)

In July and August 2021, the Company sold an additional 0.8 million shares of Series F redeemable convertible preferred stock in exchange for $26.5 million.

In August 2021, the Company issued 143,579 RSUs to its employees with both service-based and performance-based vesting conditions. The service-based vesting condition for these awards is satisfied over four years with a cliff vesting period of one year and continued vesting quarterly thereafter. The performance-based vesting condition is satisfied on the earlier of (i) a change in control of the Company or (ii) the initial public offering of the Company's equity securities, following which, the securities shall be publicly-traded, including a direct listing. Both events are not deemed probable until consummated, and therefore, all stock-based compensation expenses related to these RSUs will remain unrecognized until the underlying performance condition is achieved. Upon the satisfaction of the underlying performance condition, stock-based compensation expense will be recorded based on the grant-date fair value of these RSUs using the accelerated attribution method.

In August 2021, the Company granted options to purchase 67,134 shares of common stock with an exercise price of $21.75 per share subject to a service-based vesting condition, satisfied over four years with a cliff vesting period of one year and continued vesting monthly thereafter. Stock-based compensation expense related to these options will be recognized on a straight-line basis over the requisite service period.

In August 2021, the Company granted 46,875 restricted stock awards to a non-employee advisor subject to a service-based vesting condition satisfied monthly over a two-year period. Any unvested awards will also vest upon a change of control or termination of the advisor relationship without cause. Stock-based compensation expenses related to these options will be recognized on a straight-line basis over the requisite service period.

, 2021

Through and including , 2021 (the 25th day after the listing date of our Class A common stock), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution

The following table sets forth the costs and expenses payable by the Registrant in connection with this registration statement and the listing of the Registrant's Class A common stock. All amounts shown are estimates except for the SEC registration fee and the Nasdaq Global Select Market listing fee.

	Amount Paid or to Be Paid
SEC registration fee	$ *
Nasdaq Global Select Market listing fee	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Transfer agent and registrar fees and expenses	*
Other advisor fees	*
Miscellaneous expenses	*
TOTAL	**$ ***

* To be provided by amendment

Item 14. Indemnification of Directors and Officers

As permitted by Section 102 of the Delaware General Corporation Law, we expect to adopt provisions in our restated certificate of incorporation and amended and restated bylaws, which will become effective in connection with the effectiveness of this registration statement, that limit or eliminate the personal liability of our directors for a breach of their fiduciary duty of care as a director. The duty of care generally requires that, when acting on behalf of the corporation, directors exercise an informed business judgment based on all material information reasonably available to them. Consequently, a director will not be personally liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director, except for liability for:

- any breach of the director's duty of loyalty to us or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- any act related to unlawful stock repurchases, redemptions, or other distributions or payment of dividends; or
- any transaction from which the director derived an improper personal benefit.

These limitations of liability do not affect the availability of equitable remedies such as injunctive relief or rescission. Our restated certificate of incorporation will also authorize us to indemnify our officers, directors, and other agents to the fullest extent permitted under Delaware law.

As permitted by Section 145 of the Delaware General Corporation Law, our amended and restated bylaws will provide that:

- we may indemnify our directors, officers, and employees to the fullest extent permitted by the Delaware General Corporation Law, subject to limited exceptions;

- we may advance expenses to our directors, officers, and employees in connection with a legal proceeding to the fullest extent permitted by the Delaware General Corporation Law, subject to limited exceptions; and
- the rights provided in our amended and restated bylaws are not exclusive.

Our restated certificate of incorporation and our amended and restated bylaws will provide for the indemnification provisions described above and elsewhere herein. We have entered or will enter into, and intend to continue to enter into, separate indemnification agreements with our directors and officers that may be broader than the specific indemnification provisions contained in the Delaware General Corporation Law. These indemnification agreements generally require us, among other things, to indemnify our officers and directors against certain liabilities that may arise by reason of their status or service as directors or officers, other than liabilities arising from willful misconduct. These indemnification agreements also generally require us to advance any expenses incurred by the directors or officers as a result of any proceeding against them as to which they could be indemnified. These indemnification provisions and the indemnification agreements may be sufficiently broad to permit indemnification of our officers and directors for liabilities, including reimbursement of expenses incurred, arising under the Securities Act of 1933, as amended (the "Securities Act").

We have purchased and currently intend to maintain insurance on behalf of each and every person who is or was a director or officer of the company against any loss arising from any claim asserted against him or her and incurred by him or her in any such capacity, subject to certain exclusions.

Item 15. Recent Sales of Unregistered Securities

Set forth below is information regarding all securities issued by the Registrant without registration under the Securities Act since January 1, 2018. The Registrant believes that each of these transactions was exempt from the registration requirements of the Securities Act pursuant to Section 4(a)(2), Regulation D, Regulation S, or Rule 701 of the Securities Act or as transactions not involving the sale of securities.

Equity Plan-Related Issuances

(1) Since January 1, 2018, the Company has granted to its employees, consultants, and other service providers options to purchase an aggregate of 33,815,572 shares of Class A common stock at a weighted-average exercise price of $3.43 per share under its equity compensation plan.

(2) Since January 1, 2018, the Company has issued and sold to its employees, consultants, and other service providers an aggregate of 7,756,111 shares of Class A common stock in connection with the exercise of options granted under its equity compensation plan at a weighted-average price of $1.60 per share.

(3) Since January 1, 2018, the Company has granted to its employees, consultants, and other service providers restricted stock units, representing an aggregate of 3,194,490 shares of Class A common stock under its equity compensation plan.

(4) Since January 1, 2018, the Company has granted to its employees, consultants, and other service providers an aggregate of 46,875 shares of restricted Class A common stock under its equity compensation plan.

Sales of Redeemable Convertible Preferred Stock and Warrants

(5) In four closings between November 2018 and March 2020, we issued and sold an aggregate of 9,313,611 shares of our Series D redeemable convertible preferred stock at a purchase price of $8.5681 per share to 13 accredited investors, for an aggregate purchase price of $79.8 million.

(6) In April 2020, we issued and sold an aggregate of 5,213,607 shares of our Series E redeemable convertible preferred stock at a purchase price of $9.5498 per share to 12 accredited investors, for an aggregate purchase price of $49.8 million.

(7) In six closings between May 2021 and August 2021, we issued and sold an aggregate of 6,246,111 shares of our Series F redeemable convertible preferred stock at a purchase price of $32.0199 per share to 22 accredited investors, for an aggregate purchase price of $200.0 million.

The offers, sales, and issuances of the securities described in paragraphs (1) through (4) were deemed to be exempt from registration under Rule 701 promulgated under the Securities Act as transactions under compensatory benefit plans and contracts relating to compensation, or under Section 4(a)(2) of the Securities Act as a transaction by an issuer not involving a public offering. The recipients of such securities were our directors, employees, or bona fide consultants and received the securities under our equity incentive plans. Appropriate legends were affixed to the securities issued in these transactions. Each of the recipients of securities in these transactions had adequate access, through employment, business, or other relationships, to information about us.

The offers, sales, and issuances of the securities described in paragraphs (5) through (7) were deemed to be exempt under Section 4(a)(2) of the Securities Act or Rule 506 of Regulation D under the Securities Act as a transaction by an issuer not involving a public offering. The recipients of securities in each of these transactions acquired the securities for investment only and not with a view to or for sale in connection with any distribution thereof and appropriate legends were affixed to the securities issued in these transactions. Each of the recipients of securities in these transactions was an accredited investor within the meaning of Rule 501 of Regulation D under the Securities Act and had adequate access to information about us. No underwriters were involved in these transactions.

Item 16. Exhibits and Financial Statement Schedules

(a) Exhibits

The exhibit index attached hereto is incorporated herein by reference.

(b) Financial Statement Schedules.

No financial statement schedules are provided because the information called for is not applicable or is shown in the financial statements or notes thereto.

Item 17. Undertakings

The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act.

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers, and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer, or controlling person of the Registrant in the successful defense of any action, suit, or proceeding) is asserted by such director, officer, or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

INDEX TO EXHIBITS

The following exhibits are filed as part of this registration statement.

Exhibit No.	
3.1**	Restated Certificate of Incorporation of the Registrant, as currently in effect.
3.2*	Form of Restated Certificate of Incorporation of the Registrant, to be effective in connection with the effectiveness of the registration statement of which this prospectus forms a part.
3.3**	Bylaws of the Registrant, as currently in effect.
3.4*	Form of Amended and Restated Bylaws of the Registrant, to be effective in connection with the effectiveness of the registration statement of which this prospectus forms a part.
4.1	Reference is made to exhibits 3.1 through 3.4.
4.2	Specimen Stock Certificate evidencing the shares of Class A common stock.
4.3**	Amended and Restated Investors' Rights Agreement, dated as of May 28, 2021, by and among the Registrant and certain of its stockholders.
4.4**	Warrant to Purchase Common Stock, dated November 22, 2017, issued to Pacific Western Bank.
5.1*	Opinion of Latham & Watkins LLP.
10.1	Sublease, dated May 13, 2021, by and between the Registrant and Postmates, LLC.
10.2(a)†*	Amended and Restated 2014 Stock Option and Grant Plan.
10.2(b)†*	Form Agreements under Amended and Restated 2014 Stock Option and Grant Plan.
10.3(a)†*	2021 Incentive Award Plan.
10.3(b)†*	Form Agreements under 2021 Incentive Award Plan.
10.4†*	2021 Employee Stock Purchase Plan.
10.5†*	Form of Indemnification Agreement between the Registrant and each of its Directors and Executive Officers.
10.6†*	Non-Employee Director Compensation Program.
10.7†*	Offer Letter by and between Amplitude, Inc. and Matt Heinz.
10.8†*	Offer Letter by and between Amplitude, Inc. and Jennifer Johnson.
10.9†*	Offer Letter by and between Amplitude, Inc. and Curtis Liu.
10.10†*	Offer Letter by and between Amplitude, Inc. and Spenser Skates.
10.11†*	Offer Letter by and between Amplitude, Inc. and Hoang Vuong.
21.1**	List of Subsidiaries of the Registrant.
23.1*	Consent of Latham & Watkins LLP (included in Exhibit 5.1).
23.2*	Consent of KPMG LLP, independent registered public accounting firm.
24.1*	Powers of Attorney (included in the signature pages to this registration statement).

* To be filed by amendment.
** Previously filed.
† Indicates a management contract or compensatory plan.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of San Francisco, state of California, on , 2021.

Amplitude, Inc.

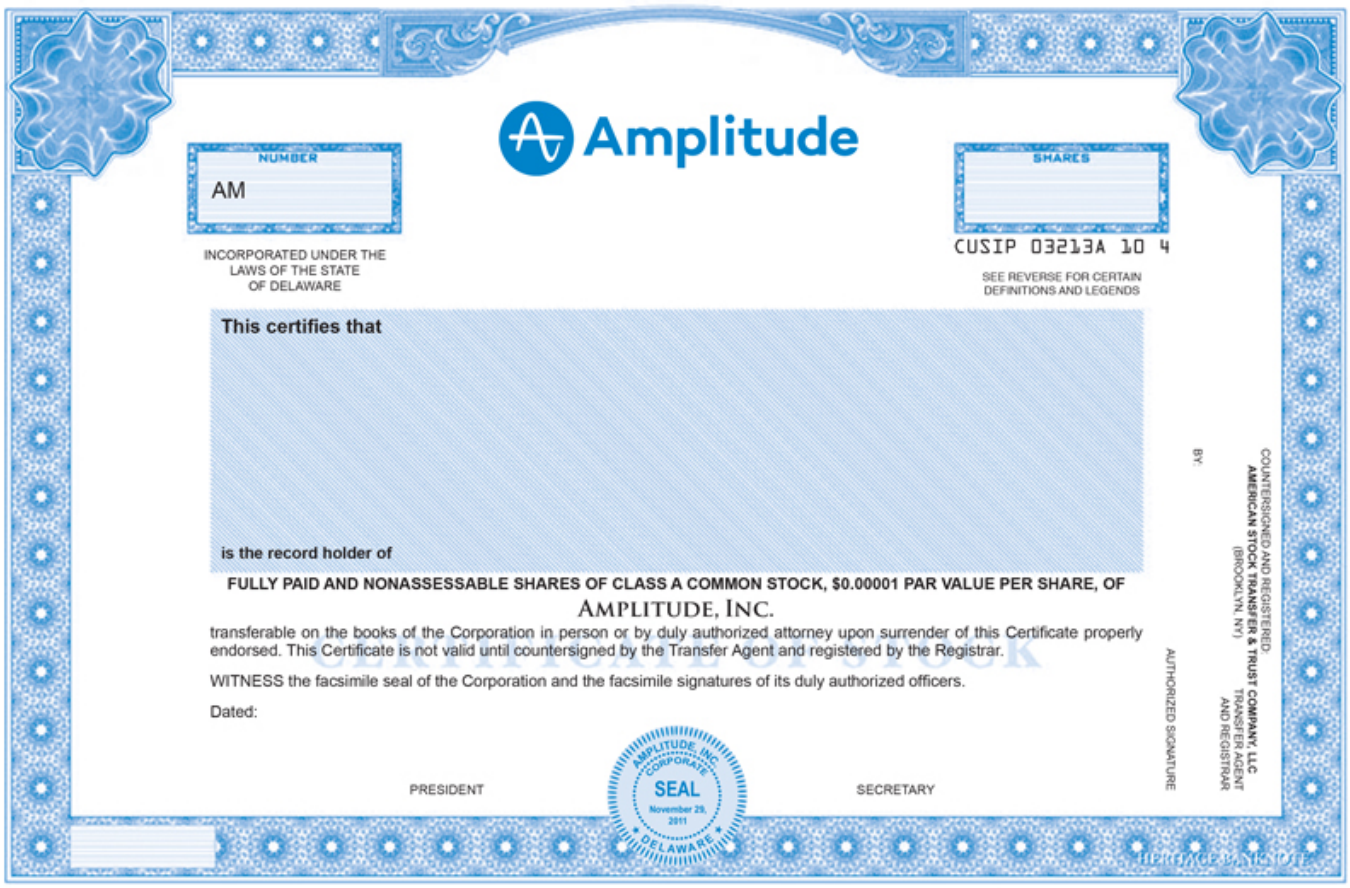
By: _____
Spenser Skates
Chief Executive Officer

We, the undersigned directors and officers of the Registrant, hereby severally constitute and appoint Spenser Skates, Hoang Vuong, and Elizabeth Fisher, and each of them singly, our true and lawful attorneys, with full power to them, and to each of them singly, to sign for us and in our names in the capacities indicated below, the registration statement on Form S-1 filed herewith, and any and all pre-effective and post-effective amendments to said registration statement, and any registration statement filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended, in connection with the registration under the Securities Act of 1933, as amended, of equity securities of the Registrant, and to file or cause to be filed the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as each of us might or could do in person, and hereby ratifying and confirming all that said attorneys, and each of them, or their substitute or substitutes, shall do or cause to be done by virtue of this Power of Attorney.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
Spenser Skates	Chief Executive Officer and Chairperson (Principal Executive Officer)	, 2021
Hoang Vuong	Chief Financial Officer (Principal Financial Officer)	, 2021
Ninos Sarkis	Chief Accounting Officer (Principal Accounting Officer)	, 2021
Neeraj Agrawal	Director	, 2021
Ron Gill	Director	, 2021
Pat Grady	Director	, 2021
Curtis Liu	Director	, 2021

Signature	Title	Date
Erica Schultz	Director	, 2021
Elisa Steele	Director	, 2021
Eric Vishria	Director	, 2021
Catherine Wong	Director	, 2021



Amplitude

NUMBER
AM

SHARES

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

CUSIP 03213A 10 4

SEE REVERSE FOR CERTAIN DEFINITIONS AND LEGENDS

This certifies that

is the record holder of

FULLY PAID AND NONASSESSABLE SHARES OF CLASS A COMMON STOCK, $0.00001 PAR VALUE PER SHARE, OF

AMPLITUDE, INC.

transferable on the books of the Corporation in person or by duly authorized attorney upon surrender of this Certificate properly endorsed. This Certificate is not valid until countersigned by the Transfer Agent and registered by the Registrar.

WITNESS the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.

Dated:

PRESIDENT

AMPLITUDE, INC. CORPORATE SEAL November 29, 2011 DELAWARE

SECRETARY

BY:

AUTHORIZED SIGNATURE

COUNTERSIGNED AND REGISTERED:
AMERICAN STOCK TRANSFER & TRUST COMPANY, LLC
(BROOKLYN, NY)
TRANSFER AGENT AND REGISTRAR

CERTIFICATE OF STOCK

HERITAGE BANK NOTE

The Corporation shall furnish without charge to each stockholder who so requests a statement of the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock of the Corporation or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Such requests shall be made to the Corporation's Secretary at the principal office of the Corporation.

KEEP THIS CERTIFICATE IN A SAFE PLACE. IF IT IS LOST, STOLEN, OR DESTROYED THE CORPORATION WILL REQUIRE A BOND INDEMNITY AS A CONDITION TO THE ISSUANCE OF A REPLACEMENT CERTIFICATE.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	–	as tenants in common
TEN ENT	–	as tenants by the entireties
JT TEN	–	as joint tenants with right of survivorship and not as tenants in common
COM PROP	–	as community property

UNIF GIFT MIN ACT – ..... Custodian .....
(Cust) (Minor)
under Uniform Gifts to Minors Act.....
(State)

UNIF TRF MIN ACT – ..... Custodian (until age .....)
(Cust)
..... under Uniform Transfers
(Minor)
to Minors Act.....
(State)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, _____ hereby sell(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

_____
(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

_____

_____

_____ shares of the capital stock represented by within Certificate, and do hereby irrevocably constitute and appoint

_____ attorney-in-fact to transfer the said stock on the books of the within named Corporation with full power of the substitution in the premises.

Dated _____

X _____

X _____

Signature(s) Guaranteed:

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER.

By _____

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION, (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE 17Ad-15. GUARANTEES BY A NOTARY PUBLIC ARE NOT ACCEPTABLE. SIGNATURE GUARANTEES MUST NOT BE DATED.

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT (this "***Sublease***") is dated for reference purposes only as of May 13, 2021, by and between **POSTMATES LLC**, a Delaware limited liability company ("***Sublandlord***"), and **AMPLITUDE, INC.**, a Delaware corporation ("***Subtenant***").

RECITALS

A. KR 201 THIRD STREET OWNER, LLC, a Delaware limited liability company ("***Master Landlord***"), and Sublandlord are parties to that certain Office Lease dated as of October 25, 2017 (the "***Master Lease***"), with respect to certain premises containing approximately 57,530 rentable square feet ("***RSF***") commonly known as Suites 200 (measuring 28,032 RSF) and 300 (measuring 29,498 RSF) (the "***Premises***") in the building located at 201 Third Street, San Francisco, California (the "***Building***"), as more particularly described in the Master Lease.

B. A redacted copy of the Master Lease is attached hereto as **Exhibit B**. Subtenant acknowledges that it has reviewed the redacted copy of the Master Lease and is fully familiar with the provisions thereof that have not been redacted.

C. Upon the terms and conditions set forth in this Sublease, Sublandlord desires to sublet to Subtenant and Subtenant desires to sublet from Sublandlord, the Premises in its entirety (sometimes referred to herein as the "***Subleased Premises***"). The Premises are more particularly described on **Exhibit A** of the Master Lease.

D. Terms capitalized herein but not otherwise defined shall have the meaning given to them in the Master Lease.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Sublandlord and Subtenant agree as follows:

1. Subleased Premises. Subject to the terms of this Sublease, Sublandlord hereby subleases to Subtenant, and Subtenant hereby subleases from Sublandlord the Premises in its entirety, together with the right to exercise, in common with Sublandlord and others entitled thereto, Sublandlord's right to use the Common Areas (as defined in the Master Lease) of the Building and the Project under the Master Lease necessary or appropriate to Subtenant's use of the Subleased Premises, subject to the terms of the Master Lease and any rules and regulations established from time to time by Master Landlord with respect to the use of such Common Areas. The parties hereto agree that the sublease of the Subleased Premises is upon and subject to the terms, covenants and conditions herein set forth, and Subtenant covenants as a material part of the consideration for this Sublease to keep and perform each and all of such terms, covenants and conditions by it to be kept and performed and that this Sublease is made upon the condition of such performance. Sublandlord shall observe and perform for the benefit of Subtenant all of the obligations of "Tenant" under the Master Lease which are necessary and required to give Subtenant the benefits and rights provided by this Sublease, and which are not Subtenant's obligations hereunder. Except as specifically set forth in this Sublease, Sublandlord shall not be obligated to provide or pay for any improvement work or services related to the improvement of the Subleased Premises. Subtenant also acknowledges that neither Sublandlord nor any agent of Sublandlord has made any representation or warranty regarding the condition of the Subleased Premises, the Building or the Project or with respect to the suitability of any of the foregoing for the conduct of Subtenant's business, except as specifically set forth in this Sublease. The square footage of the Premises will not be re-measured at any time during the term of this Sublease.

2. Sublease Term.

2.1 Term. The term of this Sublease (the "***Term***") shall be for the period commencing upon the earlier to occur ("***Commencement Date***"): (a) the date Subtenant commences business operations in any portion of the Subleased Premises or (b) October 1, 2021 (the "***Target Commencement Date***") and ending on September 30, 2025 (the "***Expiration Date***"), unless this Sublease is sooner terminated pursuant to its terms or the Master Lease is sooner terminated pursuant to its terms; and provided, however, that in no event shall the Commencement Date occur before Subtenant's receipt of the Master Landlord Consent (as defined in Section 21 below). Sublandlord shall submit the Sublease to Master Landlord within one business day following execution by Sublandlord and Subtenant and shall endeavor, in good faith, to obtain promptly the Master Landlord Consent on or before July 1, 2021, and Subtenant shall diligently cooperate with Sublandlord in all reasonable respects as may be required to obtain the Master Landlord Consent. Notwithstanding the foregoing, if Subtenant is forced to delay its occupancy of the Subleased Premises for the conducting of business due to Force Majeure (as defined in Section 29.16 of the Master Lease and which, for purposes of this Sublease, includes an epidemic or pandemic) beyond the Target Commencement Date (an "***Occupancy Delay***"), the Delivery of the Subleased Premises to Subtenant and the Commencement Date shall be delayed for the number of days of such Occupancy Delay. In addition, if any new or amended order or declaration from state or local governmental authorities related to COVID-19 prohibits Subtenant from occupying or otherwise results in an inability of Subtenant to occupy the Subleased Premises after the Commencement Date (a "***COVID Closure***"), Subtenant's obligation to pay Base Rent hereunder shall be abated one day for each day that Subtenant is unable to occupy the Subleased Premises. To clarify the foregoing, Subtenant agrees that there shall not be deemed any Occupancy Delay or COVID Closure hereunder (i) if the City and County of San Francisco is in the "orange" or "moderate" tier or in the "yellow" or "minimal" tier of risk described in the Blueprint for a Safer Economy (published at covid19.ca.gov/safer-economy) or (ii) if the City and County of San Francisco permits non-essential, indoor offices to open at 20% capacity or greater. In addition, if Subtenant is delayed in its initial occupancy or subsequently prohibited from occupying or otherwise unable to occupy the Premises as a result of any Occupancy Delay or COVID Closure, and such condition shall, in either case, continue for more than ninety (90) days after the Commencement Date, Sublandlord shall have the right to terminate this Sublease by written notice to Subtenant delivered before the end of such Occupancy Delay or COVID Closure and, this Sublease shall terminate on the date specified in Sublandlord's termination notice (in no event shall such date be less than ten (10) business days following the date of Subtenant's receipt of such notice), unless, within three (3) business days following Subtenant's receipt of Sublandlord's termination notice, Subtenant agrees in writing to waive its rights hereunder in the event of an Occupancy Delay and COVID Closure and, in the case of an Occupancy Delay, agrees that the Commencement Date shall be deemed to have occurred on January 1, 2022, and, in the case of a COVID Closure, agrees that Subtenant's obligation to pay Base Rent shall recommence as of the termination date specified in Sublandlord's termination notice.

2.2 Delivery Conditions. If, as of the date (as specified in advance in writing from Sublandlord to Subtenant) that Sublandlord would otherwise deliver possession of the Subleased Premises to Subtenant ("***Delivery***"), Subtenant has not delivered to Sublandlord the following (collectively, the "***Delivery Conditions***"): (a) the Prepaid Rent pursuant to the provisions of Section 3.3 below, (b) evidence of Subtenant's procurement of all insurance coverage required hereunder, and (c) the Letter of Credit required pursuant to Section 4 below, then Sublandlord will have no obligation to deliver the Subleased Premises to Subtenant on such date, but the failure on the part of Sublandlord to so deliver the Subleased Premises to Subtenant in such event will not serve to delay the occurrence of the Commencement Date or the commencement of Subtenant's obligations to pay Rent (defined below) hereunder.

2.3 Early Access. Provided that the Delivery Conditions are satisfied, Subtenant shall be permitted to enter the Subleased Premises upon receipt of the Master Landlord Consent following mutual execution of this Sublease (the "***Early Access Date***") for the sole purpose of installing furniture, fixtures and equipment (including data and telephone lines and equipment) therein and otherwise readying the Subleased Premises for Subtenant's occupancy, provided that Subtenant's work in the Subleased Premises prior to the Commencement Date shall comply with the requirements of Section 9 below. Subtenant's occupancy of the Subleased Premises before the Commencement Date shall be subject to all

of the terms, covenants and conditions of this Sublease, including Subtenant's indemnity obligations set forth in Section 12 below, except that Sublandlord agrees that Subtenant's obligation to pay Base Rent and Additional Rent shall be waived. Subtenant shall, however, pay the cost of all utilities and other services provided to the Subleased Premises prior to the Commencement Date that are required solely by reason of Subtenant's early occupancy.

2.4 No Option to Extend. The parties hereby acknowledge that Subtenant has no right to extend the Term of this Sublease.

2.5 Acknowledgment of Commencement Date. Within five (5) business days following determination of the Commencement Date, Sublandlord shall deliver to Subtenant a written acknowledgment of the Commencement Date and Expiration Date in the form attached hereto as **Exhibit C** ("**Commencement Date Acknowledgement**"). Subtenant shall execute and return (or, by notice to Sublandlord, reasonably object to) such acknowledgment within five (5) business days after receipt and, if Subtenant fails to do so within five (5) business days following notice of such failure to execute and return such acknowledgment, Subtenant shall be deemed to have executed and returned the acknowledgment without exception.

2.6 Sublease Year. For purposes of this Sublease, the term "***Sublease Year***" shall mean each consecutive twelve (12) calendar month period during the Term of this Sublease; provided, however, that the first Sublease Year shall commence on the Commencement Date of this Sublease and end on the last day of the month in which the first anniversary of such Commencement Date occurs (or if such Commencement Date is the first day of a calendar month, then the first Sublease Year shall commence on such Commencement Date and end on the day immediately preceding the first anniversary of such Commencement Date), and the second and each succeeding Sublease Year shall commence on the first day of the next calendar month; and further provided that the last Sublease Year shall end on the Expiration Date of this Sublease.

3. Rent.

3.1 Base Rent.

(a) Subtenant shall pay to Sublandlord the following amounts as base rent ("***Base Rent***") for the Subleased Premises for each month during the Term, subject to the Rent Abatement pursuant to Section 3.4 below:

Period	**Monthly Rate per Rentable Square Foot** (rounded to the nearest 100th of a dollar)	**Monthly Base Rent**
Sublease Year 1	$ 4.58	$263,487.40
Sublease Year 2	$ 4.72	$271,541.60
Sublease Year 3	$ 4.86	$279,595.80
Sublease Year 4	$ 5.01	$288,225.30

(b) Base Rent and Additional Rent, as defined below, shall be paid in advance on or before the first (1st) day of each and every calendar month during the Term. If the Term does not begin on the first (1st) day of a calendar month or end on the last day of a month, the Base Rent for any partial month shall be prorated in the same manner that rent payable by Sublandlord is prorated under the Master Lease; and, if the Commencement Date is other than the first (1st) day of a calendar month, Subtenant will pay to Sublandlord on the Commencement Date a prorated payment of Base Rent reflecting

the partial calendar month in which the Term commences. Base Rent and Additional Rent shall be payable without notice or demand and without any deduction, offset, or abatement (except as expressly set forth elsewhere in this Sublease), in lawful money of the United States of America. Base Rent and Additional Rent shall be paid directly to Sublandlord by ACH or wire transfer, at Tenant's option, initially in accordance with the following instructions:

Account Name: ###
Account Number: ###
Branch: ###
IBAN/ABA: ###
SWIFT: ###

or by such other methods or to such other persons or at such other places as Sublandlord may reasonably designate in writing.

3.2 Additional Rent.

(a) If, for any Expense Year ending or commencing within the Term, the Direct Expenses for such Expense Year exceed the Direct Expenses applicable to the Sublease Base Year (the "***Excess***"),then Subtenant shall, without deduction or right of offset, pay to Sublandlord, in advance, on or before the first (1st) day of each calendar month of such Expense Year, 17.64% ("***Subtenant's Share***") of such Excess in the manner set forth in Section 3.2(b) below. For purposes hereof, the "***Sublease Base Year***" shall be calendar year 2022. For the avoidance of doubt, no amount is due for such Excess for any portion of the Term of the Sublease occurring in calendar year 2021, and any commercial rent tax or gross receipts tax assessed by the City and County of San Francisco and payable by Subtenant shall be based solely on the Rent pursuant to this Sublease and not any rent payable by Sublandlord pursuant to the Master Lease nor any other gross receipts. In addition, Subtenant shall pay to Sublandlord the amount of electrical costs charged by Master Landlord and applicable to the Subleased Premises ("***Electrical Costs***") as Additional Rent pursuant to the terms of this Sublease.

(b) For each Expense Year, Subtenant's monthly payments of Subtenant's Share of the Excess, plus the Electrical Costs applicable to the Subleased Premises, shall be based on the estimates provided to Sublandlord by Master Landlord under the Master Lease, provided the actual Additional Rent payable by Subtenant pursuant to this Section 3.2 shall be based on Master Landlord's annual statement of Direct Expenses ("***Annual Statement***") for the particular Expense Year. The provisions of this Section 3.2(b) shall survive the expiration or earlier termination of this Sublease.

(c) Subtenant shall have the right to request Sublandlord to perform an inspection of Master Landlord's records as provided in Section 4.6 of the Master Lease, provided that Subtenant has requested Sublandlord to perform such audit at least thirty (30) days prior to the expiration of the period to elect an audit, and Sublandlord shall notify Master Landlord prior to the expiration of such period. Following Subtenant's timely request, Sublandlord shall, within the time period set forth in Section 4.6 of the Master Lease, perform such inspection utilizing a reputable certified public accountant selected by Sublandlord. Following the completion of such inspection, the amount of Direct Expenses due from Subtenant for such period covered by such inspection shall be reconciled in the same manner as set forth in Section 4.6 of the Master Lease. Subtenant shall reimburse Sublandlord for all costs and expenses incurred by Sublandlord to conduct such inspection; provided however, that, if Sublandlord receives a reimbursement from Master Landlord pursuant to Section 4.6 of the Master Lease for such inspection, Sublandlord shall credit Subtenant's Share of such reimbursement against the next Rent payment due hereunder (or refund such amounts to Subtenant if no further Rent may become due from Subtenant).

(d) All amounts payable by Subtenant to Sublandlord hereunder, in addition to Base Rent, shall be deemed additional rent ("***Additional Rent***"). Subtenant shall only be responsible for such Additional Rent obligations arising on or after the Early Access Date; and, notwithstanding anything to the contrary in this Sublease, Subtenant shall have no liability for any Additional Rent incurred as a result of the failure of Sublandlord, or anyone claiming by, through or under Sublandlord other than Subtenant, to perform any of the terms or obligations of the Master Lease, and not attributable to or reasonably allocable to Subtenant's use or occupancy of the Subleased Premises. Base Rent and Additional Rent hereinafter collectively shall be referred to as "***Rent***".

3.3 Prepaid Rent. Within five (5) business days of obtaining Master Landlord's Consent, Subtenant shall pay to Sublandlord the sum of Two Hundred Sixty-Three Thousand Four Hundred Eighty-Seven and 40/100ths Dollars ($263,487.40) (the "***Prepaid Rent***"), which shall constitute Base Rent for the first full calendar month of the Term which occurs after the expiration of the Rent Abatement Period (as defined below).

3.4 Abated Base Rent. Subtenant shall have no obligation to pay Base Rent or Excess for the Subleased Premises (the "***Rent Abatement***") for the first six (6) months of the Term (the "***Rent Abatement Period***"). Sublandlord and Subtenant acknowledge that the aggregate amount of the Rent Abatement (as it relates to Base Rent) equals One Million Five Hundred Eighty Thousand Nine Hundred Twenty-Four and 40/100 Dollars ($1,580,924.40), and that such amount shall be automatically applied by Sublandlord to the Base Rent payable during the Rent Abatement Period until such amount is exhausted. Subtenant acknowledges and agrees that the foregoing Rent Abatement has been granted to Subtenant as additional consideration for entering into this Sublease, and for agreeing to pay the Rent and performing the terms and conditions otherwise required under this Sublease. If a Default (as defined in Section 16) by Subtenant occurs under this Sublease, or if this Sublease is terminated for any reason other than Sublandlord's breach of this Lease, then the dollar amount of the unapplied portion of the Rent Abatement as of the date of such Default or termination, as the case may be, shall be converted to a credit to be applied to the Base Rent applicable at the end of the Term and the Rent Abatement applicable to the Rent Abatement Period shall be of no further force or effect.

4. Letter of Credit.

4.1 General Provisions. Within five (5) business days following receipt of the Consent, Subtenant shall deliver to Sublandlord a standby, unconditional negotiable, irrevocable, transferable letter of credit (the "***Letter of Credit***) in the form of **Exhibit E** and containing the terms required herein, in the face amount of Eight Hundred Fifty Thousand Dollars ($850,000.00) (the "***Letter of Credit Amount***"). The Letter of Credit shall be collateral for the full performance by Subtenant of all of its obligations under this Sublease and for all losses and damages that Sublandlord may suffer as a result of Subtenant's failure to comply with one or more provisions of this Sublease, including any damages arising under California Civil Code § 1951.2 following termination of this Sublease. The Letter of Credit shall name Sublandlord as beneficiary, shall be issued (or confirmed) by a financial institution acceptable to Sublandlord in Sublandlord's reasonable discretion ("***Issuing Bank***"), shall permit multiple and partial draws thereon, and shall otherwise be in form acceptable to Sublandlord in its sole discretion. The Issuing Bank shall have a branch in San Francisco, California, at which draws on the Letter of Credit will be accepted. Subtenant shall cause the Letter of Credit to be continuously maintained in effect (whether through replacement, renewal or extension) in the Letter of Credit Amount through the date (the "***Final LC Expiration Date***") that is 60 days after the Expiration Date. If the Letter of Credit held by Sublandlord expires before the Final LC Expiration Date (whether by reason of a stated expiration date or a notice of termination or non-renewal given by the Issuing Bank), Subtenant shall deliver a new Letter of Credit or certificate of renewal or extension to Sublandlord not later than 90 days before the expiration date of the Letter of Credit then held by Sublandlord. In addition, if, at any time before the Final LC Expiration Date, the financial institution that issued (or confirmed) the Letter of Credit held by Sublandlord fails to meet the Minimum Financial Requirement (defined below), then, within five (5) business days after Sublandlord's demand, Subtenant shall deliver to Sublandlord, in replacement of such Letter of Credit, a new Letter of Credit issued (or confirmed) by a financial institution that meets the Minimum Financial Requirement and is otherwise acceptable to Sublandlord in Sublandlord's reasonable discretion, whereupon Sublandlord shall return to Subtenant the Letter of Credit that is being replaced. For purposes hereof, a financial institution shall be deemed to meet the "***Minimum Financial Requirement***" on a particular date if and only if, as of such date, such financial institution (i) has not been placed into receivership by the FDIC; and (ii) has a financial strength reasonably approved by Sublandlord and at a minimum having a long term issuer rating from Standard & Poor's Professional Rating Service of A or a comparable rating from Moody's Professional

Rating Service. Any new Letter of Credit or certificate of renewal or extension (a "***Renewal or Replacement LC***") shall comply with all of the provisions of this Section 4, shall be irrevocable, transferable and shall remain in effect (or be automatically renewable) through the Final LC Expiration Date upon the same terms as the Letter of Credit that is expiring or being replaced.

4.2 Drawings under Letter of Credit. If Subtenant fails to pay Rent or other charges due hereunder or otherwise defaults with respect to any provision of this Sublease, then Sublandlord may, without prejudice to any other remedy provided in this Sublease or by applicable laws, draw on the Letter of Credit and use all or part of the proceeds as provided in Section 4.3 below. In addition, if Subtenant fails to furnish a Renewal or Replacement LC complying with all of the provisions of Section 4.1 when required under Section 4.1, Sublandlord may draw upon the Letter of Credit and hold the proceeds thereof in accordance with the terms of Section 4.3 below.

4.3 Use of Proceeds by Sublandlord. The proceeds of the Letter of Credit shall constitute Sublandlord's sole and separate property (and not Subtenant's property or the property of Subtenant's bankruptcy estate) and Sublandlord may, immediately upon any draw (and without notice to Subtenant), apply or offset the proceeds of the Letter of Credit against (i) any Rent payable by Subtenant under this Sublease that is not paid when due; (ii) all losses and damages that Sublandlord has suffered or that Sublandlord reasonably estimates that it may suffer as a result of Subtenant's failure to comply with one or more provisions of this Sublease, including any damages arising under California Civil Code § 1951.2 following termination of this Sublease; (iii) any costs incurred by Sublandlord in connection with this Sublease (including attorneys' fees) that Subtenant is obligated to pay or reimburse; and (iv) any other reasonable amount that Sublandlord may spend or become obligated to spend by reason of Subtenant's failure to comply with this Sublease and that Subtenant is obligated to pay or reimburse under this Sublease or under applicable laws. Provided that Subtenant has performed all of its obligations under this Sublease, Sublandlord shall pay to Subtenant, within 45 days after the Final LC Expiration Date, the amount of any proceeds of the Letter of Credit received by Sublandlord and not applied as provided above; provided, however, that if, before the expiration of such 45-day period, a voluntary petition is filed by Subtenant, or an involuntary petition is filed against Subtenant by any of Subtenant's creditors, under the Federal Bankruptcy Code, then such payment shall not be required until either all preference issues relating to payments under this Sublease have been resolved in such bankruptcy or reorganization case or such bankruptcy or reorganization case has been dismissed, in each case pursuant to a final court order not subject to appeal or any stay pending appeal.

4.4 Additional Covenants of Subtenant. If, for any reason, the amount of the Letter of Credit becomes less than the Letter of Credit Amount, Subtenant shall, within five (5) days thereafter, either provide Sublandlord with a cash Security Deposit equal to such difference, or provide Sublandlord with additional letter(s) of credit in an amount equal to the deficiency (or a replacement letter of credit in the total Letter of Credit Amount), and any such additional (or replacement) letter of credit shall comply with all of the provisions of this Section 4.4, and if Subtenant fails to comply with the foregoing, notwithstanding any contrary provision of this Sublease, such failure shall constitute a Default by Subtenant with no further opportunity to cure. Subtenant further covenants and warrants that it will neither assign nor encumber the Letter of Credit or any part thereof and that neither Sublandlord nor its successors or assigns will be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance. The use, application or retention of the Letter of Credit, or any portion thereof, by Sublandlord shall not prevent Sublandlord from exercising any other right or remedy provided by this Sublease or by any applicable laws, it being intended that Sublandlord shall not first be required to proceed against the Letter of Credit, and shall not operate as a limitation on any recovery to which Sublandlord may otherwise be entitled. Subtenant agrees not to interfere in any way with payment to Sublandlord of the proceeds of the Letter of Credit, either prior to or following a "draw" by Sublandlord of any portion of the Letter of Credit, regardless of whether any dispute exists between Subtenant and Sublandlord as to Sublandlord's right to draw upon the Letter of Credit, provided that nothing herein shall affect Subtenant's rights and remedies after the Letter of Credit is drawn if Subtenant disputes Sublandlord's right to draw on the Letter of Credit or to apply any portion of the proceeds thereof. No condition or term of this Sublease shall be deemed to render the Letter of Credit conditional to justify the issuer of the Letter of Credit in failing to honor a drawing upon such Letter of Credit in a timely manner. Subtenant agrees and acknowledges that (i) the Letter of Credit constitutes a separate

and independent contract between Sublandlord and the Issuing Bank, (ii) Subtenant is not a third party beneficiary of such contract, (iii) Subtenant has no property interest whatsoever in the Letter of Credit or the proceeds thereof, and (iv) in the event Subtenant becomes a debtor under any chapter of the Bankruptcy Code, neither Subtenant, any trustee, nor Subtenant's bankruptcy estate shall have any right to restrict or limit Sublandlord's claim and/or rights to the Letter of Credit and/or the proceeds thereof under the provisions of this Sublease by application of Section 502(b)(6) of the U.S. Bankruptcy Code or otherwise.

4.5 Nature of Letter of Credit. Sublandlord and Subtenant (i) acknowledge and agree that in no event shall the Letter of Credit or any renewal thereof, any substitute therefor or any proceeds thereof be deemed to be or treated as a "security deposit" under California Civil Code § 1950.7, as it may be amended or succeeded, or any other law applicable to security deposits in the commercial context ("***Security Deposit Laws***"); (ii) acknowledge and agree that the Letter of Credit (including any renewal thereof, any substitute therefor or any proceeds thereof) is not intended to serve as a security deposit and shall not be subject to the Security Deposit Laws; (iii) any unused proceeds shall constitute the property of Sublandlord and need not be segregated from Sublandlord's other assets; and (iv) waive any and all rights, duties and obligations either party may now or, in the future, will have relating to or arising from the Security Deposit Laws. Subtenant hereby waives the provisions of California Civil Code § 1950.7 and all other provisions of law, now or hereafter in effect, which (A) establish the time frame by which Sublandlord must refund a security deposit under a lease, and/or (B) provide that Sublandlord may claim from the security deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by Subtenant or to clean the Premises, it being agreed that Sublandlord may, in addition, claim those sums specified above in this Section 4.5 and/or those sums reasonably necessary to compensate Sublandlord for any loss or damage caused by Subtenant's breach of this Sublease or the acts or omission of Subtenant or any of its employees, agents, contractors or invitees, including any damages Sublandlord suffers following termination of this Sublease.

5. Delivery and Acceptance.

5.1 Condition of Subleased Premises. Sublandlord, at Sublandlord's sole cost and expense, shall deliver the Subleased Premises to Subtenant in a professionally-cleaned condition, with the carpet professionally cleaned and all stains removed prior to the Early Access Date, with all of Sublandlord's signage or branding removed and patched and painted, and wired (low-voltage and high voltage) to existing workstations. If Sublandlord fails to deliver possession of the Subleased Premises to Subtenant on or before the Target Commencement Date set forth in Section 2.1 for any reason whatsoever, then this Sublease shall not be void or voidable, nor shall Sublandlord be liable to Subtenant for any loss or damage. Subtenant acknowledges that it has had an opportunity to thoroughly inspect the condition of the Subleased Premises, and, except as expressly provided in this Section 5, Subtenant agrees that it is leasing the Subleased Premises on an "AS IS" basis, with all defects, without any representation or warranty by Sublandlord or its agents as to the condition of the Subleased Premises or their fitness for Subtenant's use, and subject to all applicable zoning, municipal, county and state laws, ordinances and regulations governing and regulating the use of the Subleased Premises, and any easements, covenants or restrictions of record. Subject to the provisions of Section 5.2 and Section 5.3 below, by taking possession of the Subleased Premises, Subtenant conclusively shall be deemed to have accepted the Subleased Premises in their as-is, then-existing condition, without any warranty whatsoever of Sublandlord with respect thereto, and Subtenant acknowledges that it has satisfied itself that the Subleased Premises are suitable for its intended use.

5.2 Systems Warranty Period. If, within thirty (30) days following the Commencement Date (the "***Systems Warranty Period***"), Subtenant notifies Sublandlord in writing that any of the existing HVAC, electrical, lighting, fire sprinkler, plumbing or window systems serving and within the Premises ("***Premises Systems***") require repair or replacement, then, so long as such repairs or replacement are Sublandlord's responsibility pursuant to Article 7 of the Master Lease, and provided that such repairs or replacements are not necessitated by (a) the negligence or willful misconduct of Subtenant or any Subtenant Parties (as defined below) or (b) any defects or deficiencies in any Alterations performed by or for Subtenant or any Subtenant Parties, Sublandlord shall promptly perform such repairs or replacements at no cost or expense to Subtenant. If Subtenant does not give Sublandlord written notice of any such deficiency within the Systems Warranty Period, the correction of such deficiency shall be governed by the provisions of Article 7 of the Master Lease and Section 8 below.

5.3 Compliance with Laws. To the best of Sublandlord's knowledge, without any duty of inquiry or investigation, Sublandlord represents and warrants to Subtenant that the Building and the Subleased Premises comply with all Applicable Laws, including all Environmental Laws (as defined in the Master Lease), the Americans with Disabilities Act, and Title 24 of the California Energy Code, and that Sublandlord has satisfied all of Sublandlord's obligations set forth in Article 24 of the Master Lease. If, at any time, it is determined that Sublandlord breached the foregoing representation and warranty with respect to the Subleased Premises, Sublandlord shall not be liable to Subtenant for any damages, but Sublandlord, at no cost to Subtenant, shall, as Subtenant's sole remedy, perform such work or take such other action as may be necessary to cure such violation, but only to the extent that such violation materially and adversely affects Subtenant's use or occupancy of the Subleased Premises. Notwithstanding the foregoing, Sublandlord shall have the right to contest any alleged violation in good faith, including, without limitation, the right to apply for and obtain a waiver or deferment of compliance, the right to assert any and all defenses allowed by law, and the right to appeal any decisions, judgments or rulings to the fullest extent permitted by law, and Sublandlord's obligation to perform work or take such other action to cure a violation under this Section 5.2 shall apply after the exhaustion of any and all rights to appeal or contest. If, at any time, it is determined that Sublandlord breached the foregoing representation and warranty with respect to the portion of the Building outside of the Subleased Premises, Sublandlord shall not be liable to Subtenant for any damages, but Sublandlord, at no cost to Subtenant, shall, as Subtenant's sole remedy, use commercially reasonable efforts, under the circumstances, to cause Master Landlord to comply with its obligations under the Master Lease, provided that in no event will this sentence be construed to require Sublandlord to commence any litigation or similar proceeding against Master Landlord.

6. Use and Occupancy.

6.1 Use. The Subleased Premises shall be used and occupied by Subtenant and all Subtenant Parties only for the permitted uses specified in Article 5 of the Master Lease. Sublandlord shall request that Master Landlord permit Subtenant to use at Subtenant's convenience the Building stairwells between Subtenant's floors as internal stairs, provided that making such request shall be Sublandlord's sole responsibility with respect to Subtenant's use of the Building stairwells, and if the Master Landlord is unwilling to permit Subtenant's use of the Building stairwells, the same shall not in any way affect this Sublease or any of Subtenant's obligations hereunder.

6.2 Compliance with Master Lease. Subtenant will occupy the Subleased Premises in accordance with the terms of the Master Lease and will not suffer to be done, or omit to do, any act which may result in a violation of or a default under the Master Lease, or render Sublandlord liable for any damage, charge or expense thereunder. Any other provision in this Sublease to the contrary notwithstanding, Subtenant shall pay to Sublandlord as Rent hereunder any and all sums which Sublandlord may be required to pay to Master Landlord arising out of a request by Subtenant for, or the use by Subtenant of, additional or over-standard Building services (for example, but not by way of limitation, charges associated with after-hour HVAC usage and over-standard electrical charges).

6.3 Master Landlord's Obligations. Subtenant agrees that Sublandlord shall not be required to perform any of the covenants, agreements or obligations of Master Landlord under the Master Lease, and, insofar as any of the covenants, agreements and obligations of Sublandlord hereunder are required to be performed under the Master Lease by Master Landlord thereunder, Subtenant acknowledges and agrees that Sublandlord shall be entitled to look to Master Landlord for such performance. In addition, Sublandlord shall have no obligation to perform any repairs or any other obligation of Master Landlord under the Master Lease, nor shall any representations or warranties made by Master Landlord under the Master Lease be deemed to have been made by Sublandlord. Sublandlord shall not be responsible for any failure or interruption, for any reason whatsoever, of the services or facilities that may be appurtenant to or supplied at the Building by Master Landlord or otherwise, including, without limitation, heat, air conditioning, ventilation, life-safety, water, electricity, elevator service and cleaning service, if any; and no failure to

furnish, or interruption of, any such services or facilities shall give rise to any (a) abatement, diminution or reduction of Subtenant's obligations under this Sublease, except as expressly provided below, or (b) liability on the part of Sublandlord. Notwithstanding the foregoing, Sublandlord shall use commercially reasonable efforts, under the circumstances, to secure such performance upon Subtenant's request to Sublandlord to do so, provided that in no event will this sentence be construed to require Sublandlord to commence any litigation or similar proceeding against Master Landlord. In no event shall Subtenant have any right to directly enforce Master Landlord's obligations under the Master Lease. If and to the extent that Sublandlord's rental obligation is abated or reduced pursuant to the Master Lease due to a casualty, condemnation or other interference with the use of the Premises including abatements under Section 6.4 of the Master Lease, the Rent hereunder shall be abated or reduced in the same proportion and period as the abatement or reduction under the Master Lease. Subtenant shall not be entitled to any further abatement or reduction in Rent.

7. Janitorial Services. All cleaning and janitorial services for the Premises, including regular removal of trash and debris and the washing of all windows in the Premises, all in a manner consistent with Master Landlord's commercially reasonable janitorial standards established for the Building, shall be performed and obtained at Subtenant's sole cost and expense exclusively by or through Master Landlord's janitorial contractors. Prior to the Commencement Date, Subtenant shall contract directly with Master Landlord's janitorial contractors for the Project and the janitorial contract for the same must be approved in writing by Master Landlord in advance. Subtenant acknowledges and agrees that Master Landlord shall have the right, from time to time, to change its designated janitorial services provider for the Building, in which event Subtenant shall terminate its contract with Master Landlord's previously designated janitorial services provider and enter into a contract with Master Landlord's newly designated janitorial services provider. Further, Master Landlord shall have the right to inspect the Premises for purposes of confirming that Subtenant is cleaning the Premises as required by this Section 7, and to require Subtenant to provide additional cleaning, if necessary. In the event Subtenant shall fail to provide any of the services described in this Section 7 within five (5) business days after notice from Master Landlord or Sublandlord, which notice shall not be required in the event of an emergency, then Master Landlord or Sublandlord shall have the right to provide such services and any charge or cost incurred by Master Landlord or Sublandlord in connection therewith shall be deemed Additional Rent due and payable by Subtenant upon receipt by Subtenant of a written statement of cost. Failure of Subtenant to comply with any one or more of the foregoing provisions shall be deemed to be a default under this Sublease.

8. Repairs. The parties acknowledge and agree that, except as expressly provided in this Sublease, (a) Subtenant is subleasing the Subleased Premises on an "as is" basis, (b) Sublandlord has made no representations or warranties with respect to the condition of the Subleased Premises as of the Commencement Date, and (c) Sublandlord shall have no obligation whatsoever to make or pay the cost of any alterations, improvements, or repairs to the Subleased Premises, including any improvement or repair required to comply with any law, regulation, building code or ordinance (including the Americans with Disabilities Act of 1990). Master Landlord shall be solely responsible for performance of any repairs required to be performed by Master Landlord under the terms of the Master Lease. Notwithstanding any provision of this Sublease to the contrary, at Sublandlord's option, or if Subtenant fails to commence to make repairs or replacements to the Subleased Premises pursuant to Article 7 of the Master Lease within five (5) business days following notice from Sublandlord, Sublandlord may, but need not, make such repairs and replacements, in which event, within ten (10) days following demand, and Subtenant shall pay Sublandlord the cost thereof, plus an additional fifteen percent (15%) to reimburse Sublandlord for overhead, general conditions, fees and other costs or expenses arising from Sublandlord's involvement with such repairs and replacements.

9. Alterations. No alterations or improvements shall be made to the Subleased Premises, except in accordance with the Master Lease, and with the prior written consent of both Master Landlord and Sublandlord, which consent, in the case of Sublandlord, shall not be unreasonably withheld, conditioned, or delayed. Subtenant shall not be obligated to remove any alterations or improvements installed by or on behalf of Subtenant unless Master Landlord requires such removal in accordance with the Master Lease.

10. Assignment and Subletting. Subtenant shall not assign this Sublease or further sublet all or any part of the Subleased Premises, except subject to and in compliance with all of the terms and conditions of the Master Lease, and Sublandlord shall have the same rights with respect to assignment and sub-subleasing as Master Landlord has under the Master Lease, except that Sublandlord shall not have any right of recapture with respect to the Subleased Premises unless Subtenant proposes to further sublet the entire Subleased Premises. Notwithstanding the foregoing, as between Sublandlord and Subtenant, the parties acknowledge and agree that Section 14.8 of the Master Lease (Deemed Consent Transfers) is incorporated herein by reference pursuant to Section 20.2 below, subject, however, to the terms and conditions set forth in Section 20.3(i) below. Subtenant shall pay all fees and costs payable to Master Landlord pursuant to the Master Lease, as well as all of Sublandlord's reasonable out-of-pocket costs relating to any proposed assignment, sub-sublease or transfer by Subtenant of the Subleased Premises or Subtenant's interest in this Sublease, regardless of whether any consent is required or, if required, is granted.

11. Insurance. Subtenant shall obtain and keep in full force and effect, at Subtenant's sole cost and expense during the Term, the insurance required to be carried by Sublandlord under the Master Lease. Subtenant shall name Master Landlord and Sublandlord as additional insureds under its liability insurance policies. Subtenant shall provide Sublandlord and Master Landlord with certificates of insurance evidencing the insurance required to be carried by Subtenant hereunder as a condition to Subtenant's being granted permission to enter the Subleased Premises, and Subtenant's failure to provide evidence of the required insurance coverage shall not delay the Commencement Date.

12. Indemnity.

12.1 Without limiting the provisions of Section 10.1 of the Master Lease (as the same is incorporated herein by reference pursuant to Section 20 below), Subtenant shall indemnify, defend, protect, and hold harmless Master Landlord, Sublandlord and their respective directors, officers, trustees, partners, employees, agents, successors, and assigns (collectively, "***Sublandlord Indemnitees***") from and against any and all loss, cost, damage, expense and liability (including without limitation court costs and reasonable attorneys' fees) (collectively, "***Claims***") arising out of or in connection with the following: (a) any matter for which Master Landlord asserts a claim for indemnity pursuant to the Master Lease based upon the act, omission, or negligence of Subtenant or any person or entity claiming through or under Subtenant, or of any of their respective agents, employees, contractors, sub-subtenants, licensees, invitees, or visitors ("***Subtenant Parties***"), or (b) any failure by Subtenant to surrender the Subleased Premises at the end of the Term in the required condition, including, but not limited to, all rent and damages payable to Master Landlord pursuant to Article 16 of the Master Lease by reason of Subtenant's failure to so surrender the Subleased Premises; provided, however, Subtenant shall not be obligated to indemnify any Sublandlord Indemnitees against any Claims (1) to the extent it is ultimately determined that the Claims resulted from the negligence of willful misconduct of such Sublandlord Indemnitee and are not covered by the insurance required to be carried by Subtenant hereunder, or (2) to the extent such indemnity is prohibited by applicable law. Should Sublandlord be named as a defendant in any suit brought against Subtenant for which Subtenant's indemnity obligation is applicable, Subtenant shall pay to Sublandlord its reasonable and actual out-of-pocket costs and expenses incurred in such suit, including its actual professional fees such as appraisers', accountants' and attorneys' fees. Subtenant's obligations pursuant to this Section are in addition to, and not in lieu of, any indemnity or other similar obligations in the Master Lease for which Subtenant is responsible pursuant to Section 22 below, provided that, in the event of any inconsistency between this Section 12 and the comparable provisions of the Master Lease, Subtenant and Sublandlord agree that, as between Subtenant and Sublandlord, the provisions of this Section 12.1 shall govern. Further, Subtenant's agreement to indemnify Sublandlord pursuant to this Section 12.1 is not intended to and shall not relieve any insurance carrier of its obligations under policies required to be carried pursuant to the provisions of this Sublease, to the extent such policies cover, or if carried, would have covered the matters, subject to Subtenant's indemnification obligations; nor shall they supersede any inconsistent agreement of the parties set forth in any other provision of this Sublease. The provisions of this Section 12.1 shall survive the expiration or sooner termination of this Sublease with respect to any claims or liability arising in connection with any event occurring prior to such expiration or termination.

12.2 Sublandlord shall indemnify, defend and hold harmless Subtenant and their respective directors, officers, trustees, partners, employees, agents, successors, and assigns (collectively, the "***Subtenant Indemnitees***") from and against any and all Claims, including, but not limited to, Claims for injury or damage to persons or property, arising out of or in connection with: (a) any causes in, on or about the Subleased Premises occurring prior to the Early Access Date; (b) the use or occupancy of the Subleased Premises by Sublandlord or any other person claiming under Sublandlord prior to the Early Access Date; (c) any breach, violation or non-performance by Sublandlord or any person claiming under Sublandlord or the employees, agents, contractors of Sublandlord or any such person of any term, covenant or provision of this Sublease or the Master Lease, or (d) the gross negligence or willful misconduct of Sublandlord or any person claiming under Sublandlord, or the contractors, agents or employees of Sublandlord or any such person in, on or about the Subleased Premises. Sublandlord's agreement to indemnify Subtenant pursuant to this Section 12.2 is not intended to and shall not relieve any insurance carrier of its obligations under policies required to be carried by Sublandlord pursuant to the provisions of this Sublease, to the extent such policies cover the matters subject to Sublandlord's indemnification obligations; nor shall they supersede any inconsistent agreement of the parties set forth in any other provision of this Sublease. The provisions of this Section 12.2 shall survive the expiration or sooner termination of this Sublease with respect to any claims or liability arising in connection with any event occurring prior to such expiration or termination.

13. Release and Waiver of Subrogation. Sublandlord shall not be liable to Subtenant, nor shall Subtenant be entitled to terminate this Sublease or to abate Rent for any reason, including: (a) failure or interruption of any utility system or service; (b) failure of Master Landlord to maintain the Subleased Premises as may be required under the Master Lease; or (c) penetration of water into or onto any portion of the Subleased Premises; provided, however, that if and to the extent that Sublandlord's rental obligation is abated or reduced pursuant to the Master Lease due to a casualty, condemnation, service interruption, or other interference with the use of the Premises, the Rent hereunder shall be abated or reduced in the same proportion and period as the abatement or reduction under the Master Lease. The obligations of Sublandlord shall not constitute the personal obligations of the officers, directors, trustees, partners, joint venturers, members, owners, stockholders, or other principals or representatives of the business entity. Subtenant releases Master Landlord and Sublandlord, and their respective employees, agents, successors, and assigns from all liability for damage to any property that is caused by or results from a risk which is actually insured against, or which is required to be insured against under the Sublease or the Master Lease. The waivers of subrogation pursuant to Section 10.3.2.4 of the Master Lease shall apply as between Sublandlord and Subtenant. Sublandlord and Subtenant shall cause each insurance policy obtained by it pursuant to this Sublease or the Master Lease to provide that the insurer waives any rights of subrogation that such insurers may have against the other party to this Sublease or Master Landlord, and agree to look solely to, and seek recovery only from, their respective insurance carriers in the event of a Claim to the extent that such coverage is agreed to be provided under this Sublease.

14. Casualty and Condemnation. Notwithstanding any provision of the Master Lease to the contrary, Sublandlord and Subtenant agree that, if the Premises suffers damage following a casualty such that, under the terms of the Master Lease, Sublandlord would have the right to terminate the Master Lease, Sublandlord shall notify Subtenant of such fact in writing (a "***Casualty Notice***") and Subtenant shall have the right, exercisable within ten (10) days after receipt of the Casualty Notice, to elect to terminate this Sublease, time being of the essence. If Subtenant fails to terminate this Sublease within such ten (10) day period, then the Sublease shall continue in full force and effect in accordance with its terms. If the Master Lease imposes on Sublandlord (as "Tenant" under the Master Lease) the obligation to repair or restore leasehold improvements or alterations in the Subleased Premises, and if Subtenant will maintain property insurance on such improvements or alterations pursuant to Section 11 above, Subtenant shall be responsible for repair or restoration of such leasehold improvements or alterations as and to the extent required by the Master Lease.

15. Signage. Sublandlord shall use commercially reasonable efforts to make arrangements with Master Landlord to provide Subtenant with permission to install, at Subtenant's sole expense, identification signage listing Subtenant's name and suite number in the lobby of the Building, in the elevator lobbies, on the floors in which the Subleased Premises are located, and at the entrance of the Subleased

Premises, upon the terms and conditions set forth in the Master Lease. Any signage shall be subject to the signage provisions of the Master Lease; provided, however, that Subtenant acknowledges that (a) this Sublease, and any incorporation of the Master Lease into this Sublease, does not bind Master Landlord and (b) Sublandlord's approval of any signage is conditioned upon Sublandlord's obtaining the approval of Master Landlord. Prior to the Commencement Date, Sublandlord shall remove its current signage and branding from the Premises and repair any damage caused by such removal.

16. Default. It shall constitute a "***Default***" hereunder if Subtenant fails to timely perform any obligation hereunder (including the obligation to pay Rent), or any obligation under the Master Lease which has been incorporated herein by reference, and, in each instance, Subtenant has not remedied such failure (a) in the case of any monetary default, within three (3) business days after delivery of written notice from Sublandlord and (b) in the case of any other default, within twenty (20) calendar days after delivery of written notice from Sublandlord or, if such failure cannot be cured within such twenty (20) day period, Subtenant fails within such twenty (20) day period to commence and thereafter diligently and continuously proceed with all actions necessary to cure such failure as soon as reasonably possible, provided that, for the avoidance of any ambiguity with respect to Subtenant's time for performance, the time periods provided for in the Master Lease for performance of any act, condition or covenant, or the exercise of any right, remedy or option, are amended for the purposes of this Sublease by shortening the time for Subtenant to perform in each instance by five (5) business days, as appropriate, so that notices may be given, demands made or any act, condition or covenant performed, or any right, remedy or option hereunder exercised, by Sublandlord within the time period relating thereto contained in the Master Lease, however in no event shall Subtenant have less than two (2) business days to perform, unless Sublandlord promptly delivered such notice to Subtenant and the same would result in a Default under the Master Lease. The notice periods provided herein are in lieu of, and not in addition to, any notice periods provided by law.

17. Remedies.

17.1 Generally. In the event of any Default by Subtenant, Sublandlord shall have, in addition to any other remedies available to Sublandlord at law or in equity (all of which remedies shall be distinct, separate and cumulative), the option to pursue any one or more of the remedies provided pursuant to Section 19.2 of the Master Lease, and all other rights and remedies available at law and in equity. Sublandlord may resort to its remedies cumulatively or in the alternative, and without any notice or demand whatsoever.

17.2 Right to Cure Defaults. Without limiting the provisions of Section 17.1 above, if Subtenant fails to pay any sum of money under this Sublease or fails to perform any other act on its part to be performed hereunder, then Sublandlord may, but shall not be obligated to after passage of any applicable notice and cure periods, make such payment or perform such act. All such sums paid, and all reasonable costs and expenses of performing any such act, shall be deemed Additional Rent payable by Subtenant to Sublandlord upon demand, together with interest thereon at the Interest Rate (as defined in Article 25 of the Master Lease) from the date of the expenditure until repaid.

17.3 No Waiver. Sublandlord may accept Subtenant's payments without waiving any rights under the Sublease, including rights under a previously served notice of default. No payment by Subtenant or receipt by Sublandlord of a lesser amount than any installment of rent due or other sums shall be deemed as other than a payment on account of the amount due, nor shall any endorsement or statement on any check or accompanying any check or payment be deemed an accord and satisfaction; and Sublandlord may accept such check or payment without prejudice of Sublandlord's right to recover the balance of such rent or other sum or pursue any other remedy provided in this Sublease, at law or in equity. If Sublandlord accepts payments after serving a notice of default, Sublandlord may nevertheless commence and pursue an action to enforce rights and remedies under the previously served notice of default without giving Subtenant any further notice or demand. Furthermore, Sublandlord's acceptance of rent from Subtenant when Subtenant is holding over without express written consent does not convert Subtenant's tenancy from a tenancy at sufferance to a month-to-month tenancy. No waiver of any provision of this Sublease shall be implied by any failure of Sublandlord to enforce any remedy for the violation of that provision, even if that violation continues or is repeated. Any waiver by Sublandlord of any provision of this

Sublease must be in writing. Such waiver shall affect only the provisions specified and only for the time and in the manner stated in the writing. No delay or omission in the exercise of any right or remedy by Sublandlord shall impair such right or remedy or be construed as a waiver thereof by Sublandlord. No act or conduct of Sublandlord, including the acceptance of keys to the Subleased Premises shall constitute acceptance or the surrender of the Subleased Premises by Subtenant before the Expiration Date. Only written notice from Sublandlord to Subtenant of acceptance shall constitute such acceptance or surrender of the Subleased Premises. Sublandlord's consent to or approval of any act by Subtenant that requires Sublandlord's consent or approval shall not be deemed to waive or render unnecessary Sublandlord's consent to or approval of any subsequent act by Subtenant.

17.4 Sublandlord Default. Sublandlord will be in default of this Sublease if Sublandlord fails or refuses to perform any obligation, covenant, or agreement pursuant to the Sublease or Master Lease, and this failure or refusal continues for twenty (20) days after Subtenant or Master Landlord (as applicable) notifies Sublandlord of such failure. If such failure cannot be cured within such twenty (20) day period, Sublandlord fails within such twenty (20) day period to commence and thereafter diligently and continuously proceed with all actions necessary to cure such failure as soon as reasonably possible). In the event of a default by Sublandlord, Subtenant may, at its option, pursue any remedy available to Subtenant at law or in equity.

18. Surrender. Prior to expiration or earlier termination of this Sublease, Subtenant shall peaceably surrender the Subleased Premises and appurtenances to Sublandlord in broom-clean condition and in as good condition as when Subtenant takes possession on the Commencement Date, including the repair of any damage to the Subleased Premises caused by the removal of any personal property or trade fixtures from the Subleased Premises by Subtenant (or anyone claiming by, through or under Subtenant) or any of their respective employees, agents or contractors, except for reasonable wear and tear and repairs which are specifically made the responsibility of Master Landlord under the Master Lease and damage or loss caused by casualty or condemnation for which Subtenant is not responsible to repair pursuant to Article 11 of the Master Lease. Notwithstanding the foregoing, Subtenant shall not be obligated to repair any leasehold improvements existing in the Subleased Premises as of the Early Access Date, except to the extent such repairs are required to be performed by Subtenant pursuant to the incorporation of Article 7 of the Master Lease hereunder. Subtenant shall remove any alterations or improvements constructed or installed by or on behalf of Subtenant or any Subtenant Party that are required to be removed pursuant to the Master Lease or this Sublease, except for Cosmetic Alterations and any existing or additional low-voltage cabling installed by or on behalf of Subtenant or any Subtenant Party. For purposes of clarity, the parties acknowledge and agree that Subtenant shall not be required to remove any leasehold improvements existing in the Subleased Premises on the Commencement Date nor shall Subtenant be required to remove any leasehold improvements installed or constructed in the Premises after the Commencement Date, including but not limited to any workstations and benching, unless required by Master Landlord pursuant to the Master Lease. If the Subleased Premises are not so surrendered, then Subtenant shall be liable to Sublandlord for all reasonable costs incurred by Sublandlord in returning the Subleased Premises to the required condition, including costs incurred due to any resultant holdover under the Master Lease, plus interest thereon at the Interest Rate. Without limiting the foregoing, Subtenant acknowledges that, pursuant to Section 8.5 of the Master Lease, the Master Landlord may require Sublandlord to remove certain of the leasehold improvements existing in the Subleased Premises on the Commencement Date, including any ventilation systems located in any kitchen within the Premises and any showers installed in the Premises by or on behalf of Tenant. Unless Master Landlord waives the requirement that such leasehold improvements be removed, Subtenant agrees to allow Sublandlord reasonable access to the Subleased Premises during the last three (3) months of the Term to perform such removal work, and any such entry into the Subleased Premises by Sublandlord shall, to the extent reasonably practicable, be performed in accordance with the terms and conditions set forth in Article 27 of the Master Lease, except that Subtenant shall cooperate with Sublandlord as may be reasonably necessary to accommodate the timely completion of such removal work prior to the end of the Term.

19. Intentionally Omitted.

20. Master Lease and Other Sublease Terms.

20.1 Subject to Master Lease.

(a) This Sublease is and shall be at all times subject and subordinate to the Master Lease. Subtenant acknowledges that Subtenant has reviewed and is familiar with all of the terms, agreements, covenants and conditions of the Master Lease (except items which have been redacted by Sublandlord). During the Term and for all periods subsequent thereto with respect to obligations which have arisen prior to the expiration or earlier termination of this Sublease, Subtenant agrees to perform and comply with, for the benefit of Sublandlord and Master Landlord, the obligations of "Tenant" under the Master Lease which pertain to the Subleased Premises or this Sublease, except for those provisions of the Master Lease which are excluded from incorporation as set forth below or directly contradicted by this Sublease, in which event the terms of this Sublease shall control over the Master Lease. Notwithstanding anything to the contrary in this Sublease, in the event the Master Lease is terminated for any reason other than the default of Sublandlord, this Sublease shall terminate simultaneously with such termination without any liability of Sublandlord to Subtenant; provided, however, that Sublandlord shall not voluntarily terminate the Master Lease except pursuant to a right of termination arising out of casualty or condemnation expressly set forth in the Master Lease.

(b) Sublandlord represents and warrants to Subtenant that (i) **Exhibit B** is a true, correct and complete (other than redactions as shown) copy of the Master Lease, (ii) the Master Lease is in full force and effect, and (iii) Sublandlord has not delivered to Master Landlord or received from Master Landlord any notice of default under the Master Lease that remains uncured, and, to Sublandlord's actual knowledge, without any duty of inquiry or investigation, no event has occurred or circumstance exists which, with the delivery of notice, the passage of time or both, would constitute a material breach or material default of the Master Lease. Sublandlord shall not: (1) surrender nor terminate the Master Lease prior to the Expiration Date, except as expressly permitted under the Master Lease and this Sublease, or (2) take any action, the result of which would adversely affect Subtenant's rights or obligations under this Sublease or with respect to the Subleased Premises, without, in each instance, obtaining Subtenant's prior written consent in Subtenant's sole discretion.

(c) So long as this Sublease is in full force and effect, Subtenant shall be entitled to the benefit of Master Landlord's obligations and agreements to furnish utilities and other services to the Subleased Premises and to repair and maintain the Common Areas, roof, building systems, and all of the other obligations of Master Landlord under the Master Lease.

20.2 Incorporation of Terms of Master Lease. The terms and conditions of this Sublease shall include all of the terms of the Master Lease that relate to the Subleased Premises or Subtenant's use or occupancy of the Building or the Subleased Premises and such terms are incorporated into this Sublease as if fully set forth herein, except for those provisions of the Master Lease which are excluded from incorporation as set forth below in Section 20.3 or are inconsistent with or contradicted by the express provisions of this Sublease, in which event the terms of this Sublease shall control over the Master Lease. Therefore, for purposes of this Sublease, each reference in the incorporated sections of the Master Lease to (a) the "***Lease***" shall be deemed a reference to "***Sublease***"; (b) to the "***Premises***" shall be deemed a reference to the "***Subleased Premises***"; and (c) to "***Landlord***" and "***Tenant***" shall be deemed a reference to "***Sublandlord***" and "***Subtenant***", respectively.

20.3 Modifications and Exclusions. For the purposes of incorporation herein, the terms of the Master Lease are subject to the following additional modifications:

(a) Any waiver, non-liability, release, indemnity or hold harmless provision in the Master Lease for the benefit of Master Landlord shall, for the purpose of incorporation by reference in this Sublease, be deemed to inure to the benefit of Sublandlord, Master Landlord and any other person intended to be benefited by said provision, except to the extent such provision is excluded from incorporation as set forth below in Section 20.3(b), and except to the extent caused by the negligence or willful misconduct of Master Landlord or Sublandlord.

(b) Any right of Master Landlord under the Master Lease of access or inspection shall be deemed to inure to the benefit of Sublandlord and Master Landlord.

(c) In all provisions of the Master Lease requiring "Tenant" to designate Master Landlord as an additional or named insured on any insurance policy, Subtenant shall be required to so designate Master Landlord, Sublandlord and any individual, party or entity as required by Master Landlord pursuant to the Master Lease.

(d) Whenever in the Master Lease a time is specified for the giving of any notice or the making of any demand by the "Tenant" to Master Landlord thereunder, such time is hereby changed, for the purpose of this Sublease only, by adding three (3) business days thereto. It is the purpose and intent of the preceding sentence to provide Sublandlord with time within which to transmit to Master Landlord any notices or demands received from Subtenant.

(e) With respect to work, services, repairs, restoration, insurance, indemnities, representations, warranties or the performance of any other obligation of Master Landlord under the Master Lease, the sole obligation of Sublandlord is set forth above in Section 6.3;

(f) With respect to any approval required to be obtained from the "Landlord" under the Master Lease, such consent must be obtained from Master Landlord and Sublandlord (except as expressly provided in this Sublease), and the approval of Sublandlord may be withheld if Master Landlord's consent is not obtained, provided Sublandlord has made commercially reasonable efforts to obtain such consent;

(g) In any case where the "Landlord" reserves or is granted the right to manage, supervise, control, repair, alter, regulate the use of, or use the Subleased Premises or any areas beneath, above or adjacent thereto, such reservation or grant of right of entry shall be deemed to be for the benefit solely of Master Landlord;

(h) Intentionally omitted

(i) With respect to assignments of this Sublease or sub-subleases, Subtenant acknowledges that (i) this Sublease, and any incorporation of the Master Lease into this Sublease, does not bind Master Landlord and (ii) if, by incorporation of the assignment and subletting provisions of the Master Lease, Subtenant has the right to assign this Sublease or sub-sublease the Subleased Premises without Sublandlord's consent, any such assignment or sub-sublease is nonetheless expressly conditioned upon Sublandlord's obtaining the Master Landlord's approval of any such assignment or sub-sublease;

(j) In all provisions of the Master Lease requiring "Tenant" to submit, exhibit to, supply or provide Master Landlord with evidence, certificates, notices or any other matter or thing, Subtenant shall be required to submit, exhibit to, supply or provide, as the case may be, the same to both Master Landlord and Sublandlord; and

(k) Sublandlord shall have no obligation to construct or pay for any improvements, except as expressly set forth in this Sublease.

20.4 Incorporation of Specific Sections.

(a) The following provisions of the Master Lease shall not be incorporated herein: Summary of Basic Lease Information; Section 1.1.1 (Premises); Section 1.1.4 (Delivery of Premises); Section 1.2 (Right of First Offer); Section 1.3 (Stipulation of Rentable Square Feet of Premises and Building); Article 2 (Lease Term; Option Term); Article 3 (Base Rent); Article 4 (Additional Rent) [except for Section 4.5 (Taxes and Other Charges for Which Tenant Is Directly Responsible); Section 6.4 (Abatement Event), except that, to the extent Sublandlord is entitled to an abatement of Rent with respect to the Subleased Premises pursuant to said Paragraph, Subtenant shall be entitled to an abatement of

Rent under this Sublease; Section 6.5 (Janitorial Service); Article 18 (Subordination); Section 19.6 (Landlord Default); Article 23 (Signs); Section 29.5 (Transfer of Landlord's Interest); the first sentence of Section 29.13 (Landlord Exculpation); Section 29.18 (Notices); Section 29.24 (Brokers); Exhibit A (Outline of Premises), Exhibit B (Work Letter), Exhibit C (Notice of Lease Term Dates), Exhibit G (First Offer Space), Exhibit H (Market Rent Determination Factors), and Exhibit I (Form of Letter of Credit).

(b) References in the following provisions to "Landlord" shall mean Master Landlord only: Section 1.1.2 (The Building and the Project); Section 1.1.3 (Common Areas); Section 5.3 (CC&Rs); Article 6 (Services and Utilities), except for Section 6.3 (Interruption of Use) and Section 6.4 (Abatement Event); Article 7 (Repairs), provided that Subtenant shall have no right to directly enforce Master Landlord's obligations under Article 7, and except Subtenant shall commence repairs within five (5) business days after Subtenant's receipt of notice from Master Landlord or Sublandlord, and all payments shall be made to Sublandlord within ten (10) business days after written demand therefor from Sublandlord; Article 8 (Additions and Alterations), except that, notwithstanding Section 8.5 of the Master Lease, Subtenant's obligation to remove Alterations shall be as set forth in Section 18 of this Sublease; Article 9 (Covenant Against Liens); Article 11 (Damage and Destruction), except (i) with respect to Section 11.1, Sublandlord shall deliver to Subtenant the Landlord Repair Notice within three (3) business days after receipt thereof from Master Landlord, and (ii) with respect to Section 11.2, Sublandlord shall deliver Master Landlord's termination notice to Subtenant within three (3) business days after receipt thereof; Article 13 (Condemnation), provided that Subtenant shall have no right to terminate this Sublease unless Sublandlord has the right to terminate the Master Lease pursuant to the terms thereof; Article 22 (Substitution of Other Premises); Section 24.1 (Compliance with Laws by Landlord), except all payments thereunder shall be made to Sublandlord within thirty (30) days after Sublandlord's delivery to Subtenant of an invoice therefor; Article 28 (Tenant Parking), except, at Sublandlord's option, all parking charges shall be paid to Sublandlord, and all waivers and indemnities shall apply in favor of both Master Landlord and Sublandlord; Section 29.4 (Modification of Lease); Section 29.7 (Landlord's Title); Section 29.26 (Property or Building Name and Signage); Section 29.29 (Transportation Management); Section 29.30 (Building Renovations), provided that Sublandlord shall have no responsibility or for any reason be liable to Subtenant for any direct or indirect injury to or interference with Subtenant's business arising from the Renovations, nor shall Subtenant be entitled to any compensation or damages from Sublandlord for loss of the use of the whole or any part of the Subleased Premises or of Subtenant's personal property or improvements resulting from the Renovations or Master Landlord's actions in connection with such Renovations; Section 29.32 (Communications and Computer Lines); Section 29.37 (LEED Certification); Section 29.39 (Utility Billing Information); Section 29.40 (Green Cleaning/Recycling); Section 29.41 (Shuttle Service); Section 29.42 (Open-Ceiling Plan); Section 29.45 (Tenant's Bicycles), Section 29.46 (Premises Storage of Bicycles), provided that Sublandlord shall not be liable for personal injury or property damage for any error with regard to the admission to or exclusion from the Bicycle Storage Area of any person; and Exhibit D (Rules and Regulations), provided that Subtenant shall have no right to consent to amendments and additions to the Rules and Regulations, and in no event shall Sublandlord have any obligation to enforce the Rules and Regulations or any liability to Subtenant for non-enforcement of the Rules and Regulations.

(c) References in the following provisions to "Landlord" shall mean Master Landlord and Sublandlord: Section 6.3 (Interruption of Use); Section 10.1 (Indemnification and Waiver); Article 27 (Entry by Landlord), and Sublandlord shall not be deemed to have assumed any obligation to provide services or perform maintenance, repairs, alterations or improvements that are Master Landlord's obligation under the Master Lease by virtue of such incorporation; Section 14.4 (Landlord's Option as to Subject Space), except that Sublandlord shall have no right to recapture the Subject Space, unless the Subtenant proposes to assign this Sublease or proposes to sublease all of the Premises for the entire remaining Term of this Sublease; Section 29.3 (No Air Rights); and Section 29.33 (Hazardous Substances), except all payments shall be made to Sublandlord and all waivers and indemnities shall apply in favor of both Master Landlord and Sublandlord; Section 29.35 (Water Sensors) .

(d) References in the following provisions to "Landlord" shall mean either Master Landlord or Sublandlord, as applicable, and the following provisions are further modified as set forth below: Section 4.5 (Taxes and Other Charges for Which Tenant is Responsible); Article 16 (Holding Over), except that (i) in the second sentence, the reference to "***Base Rent***" shall mean the Base Rent payable by Sublandlord pursuant to the Master Lease, and (ii) in the seventh and eighth sentences, the reference to "***Landlord***" shall mean Master Landlord.

(e) In the event of a conflict between the express provisions of this Sublease and the provisions of the Master Lease as incorporated in this Sublease, the express provisions of this Sublease shall prevail.

(f) Sublandlord shall not agree to any amendment to the Master Lease which would have an adverse effect on Subtenant's use or occupancy of the Subleased Premises without first obtaining Subtenant's prior written approval.

20.5 Limitations. Notwithstanding anything in this Sublease to the contrary, Subtenant does not assume any obligation to (a) pay the Base Rent or Additional Rent due under the Master Lease, (b) cure any default of Sublandlord, its agents, employees or contractors under the Master Lease unless attributable to a default under this Sublease by Subtenant, its agents, employees, contractors, invitees or anyone claiming by, through or under Subtenant, (c) perform any obligation of Sublandlord under the Master Lease which arose prior to the Commencement Date (provided that the same shall not limit or otherwise affect the parties' agreements set forth in Sections 5.2 and 5.3 above, or Subtenant's repair obligations set forth in Section 8 above), or (d) discharge any liens on the Premises or the Building which arise out of any work performed, or claimed to be performed, by or at the direction of Sublandlord (and not by or at the direction of Subtenant).

21. Conditions Precedent. Sublandlord's and Subtenant's obligations hereunder are conditioned upon obtaining the written consent of Master Landlord in a commercially reasonable form (the "***Master Landlord Consent***"). If Sublandlord fails to obtain Master Landlord's Consent within forty-five (45) days after execution of this Sublease by Sublandlord, then Sublandlord or Subtenant may terminate this Sublease by giving the other party written notice within ten (10) days thereof. In the event of such termination, Sublandlord shall return to Subtenant its payment of the first installment of monthly Rent paid by Subtenant pursuant to Section 3.3, and the parties shall have no further obligation under this Sublease.

22. Termination; Recapture. Notwithstanding anything to the contrary herein, Subtenant acknowledges that, under the Master Lease, Master Landlord has certain termination and recapture rights. Nothing herein shall prohibit Master Landlord from exercising any such rights, and Master Landlord nor Sublandlord shall have any liability to Subtenant as a result thereof. In the event Master Landlord exercises any such termination or recapture rights pursuant to the Master Lease, this Sublease shall terminate without any liability to Master Landlord or Sublandlord.

23. Effect of Conveyance. As used in this Sublease, the term "***Sublandlord***" means the holder of the tenant's interest under the Master Lease. In the event of any assignment, transfer or termination of the tenant's interest under the Master Lease, which assignment, transfer or termination may occur at any time during the Term hereof in Sublandlord's sole discretion, Sublandlord shall be and hereby is entirely relieved of covenants and obligations of Sublandlord hereunder, and it shall be deemed and construed, without further agreement between the parties, that any transferee has assumed and shall carry out all covenants and obligations thereafter to be performed by Sublandlord hereunder. Sublandlord may transfer and deliver any security of Subtenant to the transferee of the tenant's interest under the Master Lease, and thereupon Sublandlord shall be discharged from any further liability with respect thereto.

24. Furniture, Fixtures, and Equipment: Subtenant shall have the right to use during the Term the office furnishings, and equipment comprising the existing security and technology infrastructure, within the Subleased Premises which are identified on **Exhibit D** attached hereto (the "***Furniture***") at no additional cost to Subtenant. Prior to the Commencement Date, Sublandlord shall at Sublandlord's sole cost and expense remove desks and conference room furniture and any other items not identified on **Exhibit D**. The Furniture is provided in its "AS IS, WHERE IS" condition, without representation or warranty whatsoever. Subtenant shall insure the Furniture under the property insurance policy required under the Master Lease, as incorporated herein. Subtenant shall maintain the Furniture in the same condition as received, reasonable wear and tear excepted, and shall be responsible for any loss or damage to the same occurring

during the Term. Subtenant shall surrender the Furniture to Sublandlord upon the termination of this Sublease in the same condition as exists as of the Commencement Date, reasonable wear and tear and casualty excepted. Subtenant may remove any of the Furniture from the Subleased Premises following ten (10) business days' prior written notice to Sublandlord, provided that, promptly following such notice, Sublandlord shall have the right, if it so elects, to remove such Furniture from the Subleased Premises for its own purposes (and Subtenant shall cooperate with Sublandlord as may be reasonably necessary to facilitate such removal). Notwithstanding the foregoing, provided (i) Subtenant has not defaulted under this Sublease and no event has occurred that, with the passing of time or the giving of notice, would constitute a default by Subtenant under this Sublease and (ii) this Sublease has not terminated prior to the Expiration Date, which conditions may be waived by Sublandlord in its sole discretion, then, upon the termination of this Sublease, Subtenant agrees to purchase the Furniture from Sublandlord in its "AS IS, WHERE IS" condition without representation or warranty, in exchange for One Dollar ($1.00), in which event the transfer of ownership of the Furniture shall occur automatically on the termination of this Sublease, this Sublease shall constitute a bill of sale evidencing the transfer of the Furniture as of the termination of this Sublease, unless otherwise agreed to in a writing signed by both Sublandlord and Subtenant, and Subtenant will be liable for all sales tax payable pursuant thereto. In addition, if Sublandlord elects to transfer ownership of the Furniture to Subtenant as provided in the preceding sentence, Subtenant shall be responsible, at its sole cost and expense, for removal of the Furniture, exclusive of all cabling and wiring, in accordance with Section 18 above and the requirements of the Master Lease.

25. Disclosure Regarding Certified Access Specialist. Subtenant acknowledges that, to Sublandlord's knowledge, the Subleased Premises have not been inspected by a Certified Access Specialist ("***CASp***") for purposes of California Civil Code Section 1938 and in accordance with said Section 1938, Sublandlord hereby discloses as follows: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises." Sublandlord represents and warrants that, to Sublandlord's actual knowledge, without any duty of inquiry or investigation, neither Sublandlord nor Master Landlord has requested the performance of a CASp Inspection of the Subleased Premises. In furtherance of the foregoing, and without limiting any provision of this Sublease, Sublandlord and Subtenant hereby agree as follows: (a) any CASp inspection requested by Subtenant shall be conducted, at Subtenant's sole cost and expense, by a CASp designated by Master Landlord, subject to Master Landlord's rules and requirements; and (b) Subtenant, at its sole cost and expense, shall be responsible for making any improvements or repairs within the Subleased Premises to correct violations of construction-related accessibility standards.

26. OFAC. Each party represents and warrants to the other party that, as the representing party, it: (a) is not acting, directly or indirectly, for or on behalf of any person, group, entity, or nation, named by any Executive Order or the United States Treasury Department as a "terrorist", "Specially Designated National and Blocked Person", or other banned or blocked person, group, or nation (collectively, "***Banned Person***") pursuant to any anti-terrorism law; (b) is not engaged in this Sublease transaction, or instigating or facilitating this Sublease, directly or indirectly on behalf of any Banned Persons; and (c) currently does not appear, and throughout the Term, Subtenant shall not appear, on any list of Banned Persons. For purposes hereof, "anti-terrorism laws" shall mean Executive Order 13224 and related regulations promulgated and enforced by the Office of Foreign Assets Control, the Money Laundering Control Act, the United States Patriot Act, or any similar law, order, rule or regulation enacted in the future. The representing party hereby agrees to defend, indemnity, protect, and hold harmless the other party and Master Landlord from and against any and all claims, damages, losses, risks, liabilities, fines, penalties, expenses (including reasonable attorneys' fees) and costs arising from or related to a breach of the foregoing representations and warranties. The foregoing indemnity obligations shall survive the expiration or earlier termination of this Sublease.

27. Miscellaneous.

27.1 Not an Offer. The submission of this Sublease for review or signature by Subtenant does not constitute an offer or option to sublease, and it shall not be effective as a sublease or otherwise until this Sublease is executed and delivered by Sublandlord and Subtenant, and the written approval of Master Landlord is obtained.

27.2 Entire Agreement. Sublandlord and Subtenant acknowledge and agree that (a) there are no covenants, representations, warranties, agreements or conditions express or implied, collateral or otherwise forming part of or in any way affecting or relating to this Sublease, except as expressly set forth in this Sublease and the Exhibits attached hereto, and (b) this Sublease and such Exhibits constitute the entire agreement between Sublandlord and Subtenant and may not be modified except by agreement in writing executed by Sublandlord and Subtenant.

27.3 Interpretation. The captions of the Sections of this Sublease are for convenience only and shall not be deemed to be relevant in resolving any question of interpretation or construction of any Section of this Sublease. The provisions of this Sublease shall be construed in accordance with the fair meaning of the language used and shall not be strictly construed against either party. When required by the contents of this Sublease, the singular includes the plural. Wherever the term “including” is used in this Sublease, it shall be interpreted as meaning “including, but not limited to,” the matter or matters thereafter enumerated.

27.4 Time of the Essence. Time is of the essence for each and every provision of this Sublease.

27.5 Authority to Execute. Subtenant and Sublandlord each represent and warrant to the other that each person executing this Sublease on behalf of each party is duly authorized to execute and deliver this Sublease on behalf of that party.

27.6 Broker. Sublandlord and Subtenant each represent to the other that they have dealt with no real estate brokers, finders, agents or salesmen other than Jones Lang LaSalle Brokerage Inc, representing Sublandlord and Subtenant, in connection with this transaction. Sublandlord shall be responsible for the payment of the commission or fee, if any, owed to the brokers named in the immediately preceding sentence pursuant to the terms and conditions of separate written agreements. Each party agrees to hold the other party harmless from and against all claims for brokerage commissions, finder’s fees or other compensation made by any other agent, broker, salesman or finder as a consequence of such party’s actions or dealings with such agent, broker, salesman, or finder.

27.7 Notices. Unless at least five (5) days’ prior written notice is given in the manner set forth in this paragraph, the address of each party for all purposes connected with this Sublease shall be that address set forth below their signatures at the end of this Sublease. All notices, demands, statements or communications (collectively, “***Notices***”) given or required to be given by either party to the other hereunder shall be in writing, shall be (a) delivered by a nationally recognized overnight courier, or (b) delivered personally. Any Notice will be deemed given on the date of receipted delivery, of refusal to accept delivery, or when delivery is first attempted but cannot be made due to a change of address for which no Notice was given. The party delivering any Notice shall use commercially reasonable efforts to provide a courtesy copy of each such Notice to the receiving party via electronic mail. All notices given to Master Landlord under the Master Lease shall be considered received only when delivered in accordance with the Master Lease. Whenever a notice is given or received pursuant to the Master Lease by or to Sublandlord or Subtenant which has relevance to the Subleased Premises, Sublandlord and Subtenant each agree promptly to provide the other with a copy of such notice.

27.8 Choice of Law; Severability. This Sublease shall in all respects be governed by and construed in accordance with the laws of the State of California. If any term of this Sublease is held to be invalid or unenforceable by any court of competent jurisdiction, then the remainder of this Sublease shall remain in full force and effect to the fullest extent possible under the law and shall not be affected or impaired.

27.9 Amendment. This Sublease may not be amended, except by the written agreement of all parties hereto.

27.10 Attorneys' Fees. If either party brings any action or legal proceeding with respect to this Sublease, the prevailing party shall be entitled to recover reasonable attorneys' fees, experts' fees, and court costs. If either party becomes the subject of any bankruptcy or insolvency proceeding, then the other party shall be entitled to recover all reasonable attorneys' fees, experts' fees, and other costs incurred by that party in protecting its rights hereunder and in obtaining any other relief as a consequence of such proceeding.

27.11 Counterparts. This Sublease may be executed in two counterparts, each of which shall be deemed an original and both of which together shall constitute one and the same agreement. This Sublease may be executed by a party's signature transmitted by electronic mail in portable document format ("pdf") or through an electronic signature/online signature service such as "DocuSign", and copies of this Sublease executed and delivered by means of pdf signatures or by DocuSign or similar service shall have the same force and effect as copies hereof executed and delivered with original signatures. All parties hereto may rely upon pdf signatures as if such signatures were originals. Upon request by either party, any party executing and delivering this Sublease by pdf shall promptly thereafter deliver a counterpart of this Sublease containing said party's original signature. All parties hereto agree that a pdf signature page may be introduced into evidence in any proceeding arising out of or related to this Sublease as if it were an original signature page.

27.12 Sublandlord's Costs. In the event Subtenant requests consent from Sublandlord or Master Landlord to assign, sublet, make alterations, or receive any other consent or obtain any waiver from or modification to the terms of this Sublease, Subtenant shall pay to Sublandlord or Master Landlord, as the case maybe, a reasonable administrative charge and reasonable attorneys' fees incurred in reviewing such request (subject to any caps on such charges and fees set forth in the Master Lease) or such amount as set forth in this Sublease or Master Lease as the case may be.

27.13 Waiver of Damages. Except as expressly set forth in this Sublease to the contrary, in no event shall Sublandlord or Subtenant be liable for, and each hereby waives any claim for, any indirect, consequential or punitive damages, including loss of profits or business opportunity, arising under or in connection with this Sublease; provided however, nothing herein shall limit any remedies available to Sublandlord under applicable law as a result of a Default of this Sublease by Subtenant.

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IN WITNESS WHEREOF, the parties have caused this Sublease to be executed on the dates set forth below.

Sublandlord:

POSTMATES, LLC,
a Delaware limited liability company

By: /s/ Michael Huaco
Name: Michael Huaco
Title: VP Workplace Uber

By:
Name:
Title:

Date of Execution: May 13, 2021

Address:

c/o Uber Technologies, Inc.
1515 Third Street
San Francisco, California 94158
Attn: Lease Administration

with copies by electronic mail to:
and

and copies to:

Coblentz Patch Duffy & Bass LLP
One Montgomery Street, Suite 3000
San Francisco, California 94104
Attn: Alan Gennis, Esq.
Email: ###

Subtenant:

AMPLITUDE, INC.,
a Delaware corporation

By: /s/ Hoang Vuong
Name: Hoang Vuong
Title: CFO

By:
Name:
Title:

Date of Execution: May 11, 2021

Address:

Amplitude, Inc.
201 3rd Street, Suite 200
San Francisco, California 94103
Attn: General Counsel

with copies by electronic mail
to: ###

CONSENT TO SUBLEASE

Master Landlord hereby acknowledges receipt of a copy of this Sublease and consents to the terms and conditions of this Sublease. By this consent, Master Landlord shall not be deemed in any way to be a party to the Sublease or to have consented to any further assignment or sublease.

Master Landlord hereby acknowledges that notices to Tenant under the Master Lease should hereafter be sent to Amplitude, Inc., 201 3rd Street, Suite 200, San Francisco, California 94103.

MASTER LANDLORD:

KR 201 THIRD STREET OWNER, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____
Dated: _____

EXHIBIT A

SUBLEASED PREMISES

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EXHIBIT B

MASTER LEASE

OFFICE LEASE

KILROY REALTY

201 THIRD STREET

KR 201 THIRD STREET OWNER, LLC,

a Delaware limited liability company, as Landlord,

and

POSTMATES INC.,

a Delaware corporation,

as Tenant.

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201 THIRD STREET

OFFICE LEASE

This Office Lease (the "**Lease**"), dated as of the date set forth in Section 1 of the Summary of Basic Lease Information (the "**Summary**"), below, is made by and between KR 201 THIRD STREET OWNER, LLC, a Delaware limited liability company ("**Landlord**"), and POSTMATES INC., a Delaware corporation ("**Tenant**").

SUMMARY OF BASIC LEASE INFORMATION

	TERMS OF LEASE		DESCRIPTION
1.	Date:		October 25, 2017
2.	Premises: (Article 1)		
	2.1	Building:	That certain twelve (12) story office building (the "**Building**") located at 201 Third Street, San Francisco, California 94103.
	2.2	Premises:	Approximately 57,530 rentable square feet of space, comprised of (i) approximately 28,032 consisting of the entire second (2nd) floor of the Building and commonly known as Suite 200; and (ii) approximately 29,498 comprising the entire third (3rd) floor of the Building and commonly known as Suite 300, as further depicted on Exhibit A to the Office Lease.
	2.3	Project:	The Building is the principal component of an office project known as "201 Third Street," as further set forth in Section 1.1.2 of this Lease.
3.	Lease Term (Article 2):		
	3.1	Length of Term:	Approximately seven (7) years and seven (7) months.
	3.2	Lease Commencement Date:	The earlier to occur of (i) the date upon which Tenant first commences to conduct business in the Premises, and (ii) the date that is one hundred fifty (150) days after the full execution and delivery of this Lease.

3.3	Lease Expiration Date:	The last day of the ninety-first (91st) calendar month immediately following the Lease Commencement Date; provided, however, to the extent the Lease Commencement Date occurs on the first day of a calendar month, then the Lease Expiration Date shall be the day immediately preceding the ninety-first (91st) calendar month immediately following the Lease Commencement Date.
3.4	Option Term(s):	One (1) five (5)-year option to renew, as more particularly set forth in Section 2.2 of this Lease.

4. Base Rent (Article 3):

Period During Lease Term	Annual Base Rent*	Monthly Installment of Base Rent*	Annual Rental Rate per Rentable Square Foot*
Lease Commencement Date – the last day of the full calendar month that is Lease Month 12	[**********]	[**********]	[******]
The first (1st) day of the full calendar month that is Lease Month 13 – the last day of the full calendar month that is Lease Month 24	[**********]	[**********]	[******]
The first (1st) day of the full calendar month that is Lease Month 25 – the last day of the full calendar month that is Lease Month 36	[**********]	[**********]	[******]

The first (1st) day of the full calendar month that is Lease Month 37 – the last day of the full calendar month that is Lease Month 48	[**********]	[**********]	[******]
The first (1st) day of the full calendar month that is Lease Month 49 – the last day of the full calendar month that is Lease Month 60	[**********]	[**********]	[******]
The first (1st) day of the full calendar month that is Lease Month 61 – the last day of the full calendar month that is Lease Month 72	[**********]	[**********]	[******]
The first (1st) day of the full calendar month that is Lease Month 73 – the last day of the full calendar month that is Lease Month 84	[**********]	[**********]	[******]
The first (1st) day of the full calendar month that is Lease Month 85 – Lease Expiration Date	[**********]	[**********]	[******]

* The initial Annual Base Rent amount was calculated by multiplying the initial Annual Rental Rate per Rentable Square Foot amount by the number of rentable square feet of space in the Premises, and the initial Monthly Installment of Base Rent amount was calculated by dividing the initial Annual Base Rent amount by twelve (12). Both Tenant and Landlord acknowledge and agree that multiplying the Monthly Installment of Base Rent amount by twelve (12) does not always equal the Annual Base Rent amount. In all subsequent Base Rent payment periods during the Lease Term commencing on the first (1st) day of the full calendar month that is Lease Month 13, the calculation of each Annual Base Rent amount reflects an annual increase of [**********] and each Monthly Installment of Base Rent amount was calculated by dividing the corresponding Annual Base Rent amount by twelve (12).

◇ [**********
****
**********]

** The amounts identified in the column entitled "Annual Rental Rate per Rentable Square Foot" are rounded amounts and are provided for informational purposes only.

5.	Base Year (Article 4):	Calendar year 2018
6.	Tenant's Share (Article 4):	Approximately 17.80%.
7.	Permitted Use (Article 5):	Tenant shall use the Premises solely for general office use (the "**Permitted Use**"); provided, however, that notwithstanding anything to the contrary set forth hereinabove, and as more particularly set forth in the Lease, Tenant shall be responsible for operating and maintaining the Premises pursuant to, and in no event may Tenant's Permitted Use violate, (A) Landlord's "Rules and Regulations," as that term is set forth in Section 5.2 of this Lease, (B) all "Applicable Laws," as that term is set forth in Article 24 of this Lease, (C) all applicable zoning, building codes and the "CC&Rs," as that term is set forth in Section 5.3 of this Lease, and (D) first-class office standards in the market in which the Project is located.
[**].	[**********] **********]	[********** **********]
9.	Parking Pass Ratio (Article 28):	One (1) covered, unreserved parking pass for every full floor of the Building leased by Tenant.

10.	Address of Tenant (Section 29.18):	Postmates Inc. 425 Market Street, 8th Floor San Francisco, California 94105 Attention: Rob Rieders, General Counsel Telephone Number: (###) ###-#### (Prior to Lease Commencement Date)
	and	Postmates Inc. 201 Third Street, Suite 200 San Francisco, California 94103 Attention: Rob Rieders, General Counsel Telephone Number: (###) ###-#### (After Lease Commencement Date)
11.	Address of Landlord (Section 29.18):	KR 201 Third Street Owner, LLC, c/o Kilroy Realty Corporation 12200 West Olympic Boulevard, Suite 200 Los Angeles, California 90064 Attention: Legal Department with copies to: Kilroy Realty Corporation 100 First Street, Suite 250 San Francisco, California 94105 Attention: Vice President, Asset Management and Kilroy Realty Corporation 201 Third Street Office of the Building, Suite 101 San Francisco, California 94103 Attention: Property Manager and SSL Law Firm LLP 575 Market Street, Suite 2700 San Francisco, California 94105 Attention: Sally Shekou, Esq.

12.	Broker(s) (Section 29.24):	*Representing Landlord*: Jones Lang LaSalle
	Representing Tenant: T3 Advisors	
[**]	[**********]	[**********]
14.	Guarantor(s)	As of the date of this Lease, there is no guarantor.

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ARTICLE 1

PREMISES, BUILDING, PROJECT, AND COMMON AREAS

1.1 **Premises, Building, Project and Common Areas**.

1.1.1 **The Premises**. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the premises set forth in Section 2.2 of the Summary (the "**Premises**"). The outline of the Premises is set forth in **Exhibit A** attached hereto and each floor of the Premises has approximately the number of rentable square feet as set forth in Section 2.2 of the Summary. The parties hereto agree that the lease of the Premises is upon and subject to the terms, covenants and conditions (the "**TCCs**") herein set forth, and Tenant covenants as a material part of the consideration for this Lease to keep and perform each and all of such TCCs by it to be kept and performed and that this Lease is made upon the condition of such performance. The parties hereto hereby acknowledge that the purpose of **Exhibit A** is to show the approximate location of the Premises in the "Building," as that term is defined in Section 1.1.2, below, only, and such Exhibit is not meant to constitute an agreement, representation or warranty as to the construction of the Premises, the precise area thereof or the specific location of the "Common Areas," as that term is defined in Section 1.1.3, below, or the elements thereof or of the accessways to the Premises or the "Project," as that term is defined in Section 1.1.2, below. Except as specifically set forth in this Lease and in the Work Letter attached hereto as **Exhibit B** (the "**Work Letter**"), Tenant shall accept the Premises in its existing "as-is" condition and Landlord shall not be obligated to provide or pay for any improvement work or services related to the improvement of the Premises. Tenant also acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty regarding the condition of the Premises, the Building or the Project or with respect to the suitability of any of the foregoing for the conduct of Tenant's business, except as specifically set forth in this Lease and the Work Letter. The taking of possession of the Premises by Tenant shall conclusively establish that the Premises and the Building were at such time in good and sanitary order, condition and repair.

1.1.2 **The Building and the Project**. The Premises is a part of the building set forth in Section 2.1 of the Summary (the "**Building**"). The Building is the principal component of an office project known as "**201 Third Street**." The term "**Project**," as used in this Lease, shall mean (i) the Building and the Common Areas, (ii) the land (which is improved with landscaping, parking structures and/or facilities and other improvements) upon which the Building and the Common Areas are located, and (iii) at Landlord's discretion, any additional real property, areas, land, buildings or other improvements added thereto.

1.1.3 **Common Areas**. Tenant shall have the non-exclusive right to use in common with other tenants in the Project, and subject to the rules and regulations referred to in Article 5 of this Lease, those portions of the Project which are provided, from time to time, for use in common by Landlord, Tenant and any other tenants of the Project (such areas, together with such other portions of the Project designated by Landlord, in its discretion, including certain areas designated for the exclusive use of certain tenants, or to be shared by Landlord and certain tenants, are collectively referred to herein as the "**Common Areas**"). The Common Areas shall

consist of the "Project Common Areas" and the "Building Common Areas" (as both of those terms are defined below). The term "**Project Common Areas**," as used in this Lease, shall mean the portion of the Project designated as such by Landlord. The term "**Building Common Areas**," as used in this Lease, shall mean the portions of the Common Areas located within the Building designated as such by Landlord. The manner in which the Common Areas are maintained and operated shall be at the sole discretion of Landlord and the use thereof shall be subject to such rules, regulations and restrictions as Landlord may make from time to time, provided that such rules, regulations and restrictions do not unreasonably interfere with the rights granted to Tenant under this Lease and the Permitted Use. Landlord reserves the right to close temporarily, make alterations or additions to, or change the location of elements of the Project and the Common Areas; provided that no such changes shall be permitted which materially reduce Tenant's rights or access hereunder. Except when and where Tenant's right of access is specifically excluded in this Lease, Tenant shall have the right of access to the Premises, the Building, and the Project parking facility twenty-four (24) hours per day, seven (7) days per week during the "Lease Term," as that term is defined in Section 2.1, below.

1.2 **Right of First Offer**. Landlord hereby grants to the tenant originally named herein (the "**Original Tenant**") and any Permitted Transferee Assignee (as defined in Section 14.8) a one-time right of first offer with respect to approximately 29,498 rentable square feet, commonly known as Suite 400, located on the fourth (4th) floor of the Building as depicted on **Exhibit G** attached hereto (the "**First Offer Space**"). Notwithstanding the foregoing, such first offer right of Tenant shall apply only following the expiration or earlier termination of the existing lease of the First Offer Space (including renewals of such lease, irrespective of whether such renewal is currently set forth in such lease or is subsequently granted or agreed upon, and regardless of whether such renewal is consummated pursuant to a lease amendment or a new Building, which rights relate to the First Offer Space and are set forth in leases of space in the lease). In addition, such right of first offer shall be subordinate to all rights of other tenants of the Building existing as of the date hereof, including, without limitation, any expansion, first offer, first refusal, first negotiation and other rights, regardless of whether such rights are executed strictly in accordance with their respective terms or pursuant to a lease amendment or a new lease. The existing tenant of the First Offer Space (the "**First Offer Existing Tenant**"), and all such third party tenants in the Building with a right to lease the First Offer Space, are collectively referred to as the "**Superior Right Holders"**. Tenant's right of first offer shall be on the terms and conditions set forth in this Section 1.2.

1.2.1 **Procedure for Offer**. Subject to the terms of this Section 1.2, Landlord shall notify Tenant (the "**First Offer Notice**") at least thirty (30) days prior to the anticipated "**First Offer Commencement Date**", as that term is defined in Section 1.2.5, below, subject to the rights of any Superior Right Holder; provided, however, if the First Offer Existing Tenant's lease is terminated earlier than the scheduled expiration date of such lease for any reason, then Landlord shall instead deliver the First Offer Notice to Tenant no less than ten (10) days prior to the anticipated First Offer Commencement Date. Pursuant to such First Offer Notice, Landlord shall offer to lease to Tenant the First Offer Space. The First Offer Notice shall describe the "**First Offer Rent**", as that term is defined in Section 1.2.3 below, and other fundamental material economic terms upon which Landlord is willing to lease the First Offer Space to Tenant (collectively, the "**Economic Terms**"). Notwithstanding anything to the contrary contained herein, in no event shall Landlord have the obligation to deliver a First Offer Notice (and Tenant shall have no right to exercise its right under this Section 1.2) to the extent that the First Offer Commencement Date is anticipated by Landlord to occur on or after the twenty-fourth (24th) month prior to the Lease Expiration Date, as defined in Section 2.1 below (the "**ROFO Expiration**").

1.2.2 **Procedure for Acceptance**. If Tenant wishes to exercise Tenant's right of first offer, then within ten (10) days of delivery of the First Offer Notice to Tenant ("**Tenant's Exercise Period**"), Tenant shall deliver notice to Landlord (the "**First Offer Exercise Notice**") of Tenant's election to exercise its right of first offer with respect to the entire First Offer Space on the terms contained in the First Offer Notice. If Tenant does not so notify Landlord within such ten (10) day period, then Landlord shall be free to lease the First Offer Space to anyone to whom Landlord desires on any terms Landlord desires. Notwithstanding the foregoing, if (i) Tenant was entitled to exercise its right of first offer pursuant to this Section 1.2, but did not accept Landlord's offer set forth in Landlord's First Offer Notice, and (ii) within a six (6) months period following Landlord's delivery of the First Offer Notice to Tenant, Landlord proposes to lease the First Offer Space to any potential third party tenant other than a Superior Right Holder on Economic Terms less than ninety percent (90%) as favorable to Landlord as the Economic Terms offered in such First Offer Notice to Tenant (as determined using a Net Equivalent Lease Rate, as defined in **Exhibit H** attached hereto), then so long as Tenant's right of first offer has not otherwise terminated pursuant to Section 1.2.6, Landlord may not lease the First Offer Space to such third party tenant (other than a Superior Right Holder) without first providing Tenant with a new First Offer Notice on such reduced Economic Terms. If Landlord provides such a new First Offer Notice to Tenant, Tenant's Exercise Period (as defined in Section 1.2.2 below) with respect to such new First Offer Notice shall be amended to be a period of five (5) days. Notwithstanding anything to the contrary contained herein, Tenant must elect to exercise its right of first offer, if at all, with respect to all of the space offered by Landlord to Tenant, and Tenant may not elect to lease only a portion thereof.

(a) **First Offer Space Rent**. The rent payable by Tenant for the First Offer Space (the "**First Offer Rent**") shall be the rent (including additional rent and considering any "base year" or "expense stop" applicable thereto), including all escalations, at which tenants, as of the anticipated First Offer Commencement Date, are leasing non-sublease, non-encumbered, nonequity space comparable in size, location and quality to the First Offer Space for a similar lease term ("**Comparable First Offer Transactions**"), which comparable space is located in the Building and/or in Comparable Buildings, taking into consideration only the following concessions: (a) rental abatement concessions, if any, being granted such tenants in connection with such comparable space, (b) tenant improvements or allowances provided or to be provided for such comparable space, taking into account, and deducting the value of, the existing improvements in the First Offer Space, such value to be based upon the age, quality and layout of the improvements and the extent to which the same could be utilized by a general office user, (c) any period of rental abatement, if any, granted to tenants in comparable transactions in connection with the design, permitting and construction of tenant improvements in such comparable spaces, and (d) other reasonable monetary concessions, if any, being granted such tenants in connection with such comparable space; provided, however, that in calculating the First Offer Rent, no consideration shall be given to the fact that Landlord is or is not required to pay a real estate brokerage commission in connection with Tenant's lease of the First Offer Space or the fact that Landlord and/or the landlords of the Comparable Buildings are or are not paying real estate brokerage commissions in connection with such comparable space. The terms of Section 3.2 of this Lease shall be inapplicable in connection with the First Offer Space.

1.2.3 **Construction in First Offer Space**. Tenant shall take the First Offer Space in its "as is" condition, and the construction of improvements in the First Offer Space shall comply with the terms of Article 8 of this Lease subject to Landlord's express repair and maintenance obligations set forth in Section 7. Any improvement allowance to which Tenant may be entitled shall be as set forth in the First Offer Notice.

1.2.4 **Amendment to Lease**. If Tenant timely exercises Tenant's right to lease the First Offer Space, then Landlord and Tenant shall within fifteen (15) days thereafter execute an amendment to this Lease for the First Offer Space upon the terms and conditions as set forth in the First Offer Notice and this Section 1.2; provided, however, that an otherwise valid exercise of the such right of first offer shall be fully effective whether or not a lease amendment is executed. Notwithstanding any contrary provision of this Section 1.2, the rentable square footage of the First Offer Space shall be determined by Landlord in accordance with Landlord's then current standard of measurement for the Building. Tenant shall commence payment of rent for the First Offer Space, and the term of Tenant's lease of the First Offer Space shall commence, upon the date of delivery of the First Offer Space to Tenant (the "**First Offer Commencement Date**") and shall terminate as of the date set forth in the First Offer Notice.

1.2.5 **Termination of Right of First Offer**. Tenant's rights under this Section 1.2 shall be personal to the Original Tenant and any Permitted Transferee Assignee, and may only be exercised by the Original Tenant or any Permitted Transferee Assignee (and not any other assignee, sublessee or transferee of the Tenant's interest in this Lease) if the Original Tenant or its Permitted Transferee Assignee occupies the entire Premises. The right of first offer granted herein shall terminate upon the failure by Tenant to exercise its right of first offer as offered by Landlord, subject to the terms of Section 1.2.2 above. Tenant shall not have the right to lease First Offer Space, as provided in this Section 1.2, if, as of the date of the attempted exercise of any right of first offer by Tenant, or, at Landlord's option, as of the scheduled date of delivery of such First Offer Space to Tenant, Tenant is in default under this Lease beyond the applicable notice and cure periods or has previously been in default beyond the applicable notice and cure periods under this Lease.

1.2 **Stipulation of Rentable Square Feet of Premises and Building**. For purposes of this Lease, "rentable square feet" and "usable square feet" of the Premises shall be deemed as set forth in Section 2.2 of the Summary and the rentable square feet of the Building shall be deemed as set forth in Section 2.1 of the Summary.

ARTICLE 2

LEASE TERM; OPTION TERM

2.1 **Initial Lease Term**. The TCCs and provisions of this Lease shall be effective as of the date of this Lease. The term of this Lease (the "**Lease Term**") shall be as set forth in Section 3.1 of the Summary, shall commence on the date set forth in Section 3.2 of the Summary (the "**Lease Commencement Date**"), and shall terminate on the date set forth in Section 3.3 of

the Summary (the "**Lease Expiration Date**") unless this Lease is sooner terminated as hereinafter provided. If Landlord is unable for any reason to deliver possession of the Premises to Tenant on any specific date, then Landlord shall not be subject to any liability for its failure to do so, and such failure shall not affect the validity of this Lease or the obligations of Tenant hereunder; provided, however, that notwithstanding anything to the contrary set forth above in this Section 2.1 or elsewhere in this Lease, if Landlord fails to grant Tenant access to the Premises pursuant to Section 2.3 as of the Early Access Date (as defined in Section 2.3), subject to extension by virtue of force majeure, then except to the extent such failure is the result of the acts or omissions of Tenant or any Tenant Parties (including any failure of Tenant to fully satisfy the Early Access Conditions (as defined in Section 2.3) (each, a "**Tenant Delay**") the Lease Commencement Date shall be delayed by one (1) day for each day elapsing between the Early Access Date and the date on which Landlord does grant Tenant access to the Premises in accordance with Section 2.3. In the event that the Early Access Date is delayed as a result of a Tenant Delay there shall be no delay of the Lease Commencement Date hereunder. For purposes of this Lease, the term "**Lease Year**" shall mean each consecutive twelve (12) calendar month period during the Lease Term; provided, however, that the first Lease Year shall commence on the Lease Commencement Date and end on the last day of the month in which the first anniversary of the Lease Commencement Date occurs (or if the Lease Commencement Date is the first day of a calendar month, then the first Lease Year shall commence on the Lease Commencement Date and end on the day immediately preceding the first anniversary of the Lease Commencement Date), and the second and each succeeding Lease Year shall commence on the first day of the next calendar month; and further provided that the last Lease Year shall end on the Lease Expiration Date. For purposes of this Lease, the term "**Lease Month**" shall mean each succeeding calendar month during the Lease Term; provided that the first Lease Month shall commence on the Lease Commencement Date and shall end on the last day of the first (1st) full calendar month of the Lease Term and that the last Lease Month shall expire on the Lease Expiration Date. At any time during the Lease Term, Landlord may deliver to Tenant a notice in the form as set forth in **Exhibit C**, attached hereto, as a confirmation only of the information set forth therein, which Tenant shall execute and return to Landlord within five (5) days of receipt thereof.

2.2 **Option Term**.

2.2.1 **Option Right**. Landlord hereby grants the tenant originally named herein (the "**Original Tenant**") and its "Permitted Transferee Assignee," as that term is set forth in Section 14.8 of this Lease, one (1) option to extend the Lease Term for the entire Premises by a period of five (5) years (the "**Option Term**"). Such option shall be exercisable only by "Notice" (as that term is defined in Section 29.18 of this Lease) delivered by Tenant to Landlord as provided below, provided that, as of the date of delivery of such Notice, (i) Tenant is not then in default under this Lease (beyond the applicable notice and cure periods), and (ii) Tenant has not been in default under this Lease (beyond the applicable notice and cure periods) during the prior Lease Term. Upon the proper exercise of such option to extend, and provided that, at Landlord's election, as of the end of the Lease Term, (A) Tenant is not in default under this Lease (beyond the applicable notice and cure periods), and (B) Tenant has not been in default under this Lease (beyond the applicable notice and cure periods) during the prior Lease Term, then the Lease Term, as it applies to the entire Premises, shall be extended for a period of five (5) years. The rights contained in this Section 2.2 shall only be exercised by the Original Tenant or its Permitted Transferee Assignee (and not any other assignee, sublessee or other transferee of the Original Tenant's interest in this Lease) if Original Tenant and/or its Permitted Transferee Assignee is in occupancy of the entire then-existing Premises.

2.2.2 **Option Rent**. The Rent payable by Tenant during the Option Term (the "**Option Rent**") shall be equal to the "Market Rent," as that term is defined in, and determined pursuant to, **Exhibit H** attached hereto; provided, however, that the Market Rent for each Lease Year during the Option Term, shall be equal to the amount set forth on a "Market Rate Schedule," as that term is defined below. The "**Market Rate Schedule**" shall be derived from the Market Rent for the Option Term as determined pursuant to **Exhibit H**, attached hereto, as follows: (i) the Market Rent for the first Lease Year of the Option Term shall be equal to the sum of (a) the Market Rent, as determined pursuant to **Exhibit H**, (b) the amount of Direct Expenses applicable to the Premises, as reasonably determined by Landlord, for the calendar year in which the Option Term commences, and (c) an amount equal to the monthly amortization reimbursement payment for the "Renewal Allowance" (as defined in Section 3 of **Exhibit H** to this Lease) to be paid by Landlord in connection with Tenant's lease of the Premises for the Option Term, with such Renewal Allowance being amortized at a reasonable rate of return to Landlord based on the rates of return then being received by the landlords of the "Comparable Buildings" as that term is set forth in Section 4 of **Exhibit H** attached hereto, in connection with improvement allowances then being granted by such landlords, and (ii) the Market Rent for each subsequent Lease Year shall be equal to one hundred three percent (103%) of the prior Lease Year's Market Rent. The calculation of the Market Rent shall be derived from a review of, and comparison to, the "Net Equivalent Lease Rates" of the "Comparable Transactions," as provided for in **Exhibit H**.

2.2.3 **Exercise of Option**. The option contained in this Section 2.2 shall be exercised by Tenant, if at all, only in the manner set forth in this Section 2.2. Tenant shall deliver notice (the "**Exercise Notice**") to Landlord not more than fifteen (15) months nor less than twelve (12) months prior to the expiration of the initial Lease Term, stating that Tenant is exercising its option. Concurrently with such Exercise Notice, Tenant shall deliver to Landlord Tenant's calculation of the Market Rent (the "**Tenant's Option Rent Calculation**"). Landlord shall deliver notice (the "**Landlord Response Notice**") to Tenant on or before the date which is thirty (30) days after Landlord's receipt of the Exercise Notice and Tenant's Option Rent Calculation, stating that (A) Landlord is accepting Tenant's Option Rent Calculation as the Market Rent, or (B) rejecting Tenant's Option Rent Calculation and setting forth Landlord's calculation of the Market Rent (the "**Landlord's Option Rent Calculation**"). Within ten (10) business days of its receipt of the Landlord Response Notice, Tenant may, at its option, accept the Market Rent contained in the Landlord's Option Rent Calculation. If Tenant does not affirmatively accept or Tenant rejects the Market Rent specified in the Landlord's Option Rent Calculation, the parties shall follow the procedure set forth in Section 2.2.4 below, and the Market Rent shall be determined in accordance with the terms of Section 2.2.4 below.

2.2.4 **Determination of Market Rent**. In the event Tenant timely and appropriately exercises its option to extend the Lease but rejects the Option Rent set forth in the Option Rent Notice pursuant to Section 2.2.3, above, then Landlord and Tenant shall attempt to agree upon the Option Rent using their best good-faith efforts. If Landlord and Tenant fail to reach agreement upon the Option Rent applicable to the Option Term on or before the date that is

ninety (90) days prior to the expiration of the initial Lease Term (the "**Outside Agreement Date**"), then the Option Rent shall be determined by arbitration pursuant to the terms of this Section 2.2.4. Each party shall make a separate determination of the Option Rent, within five (5) days following the Outside Agreement Date, and such determinations shall be submitted to arbitration in accordance with Section 2.2.4.1 through Section 2.2.4.4, below.

2.2.4.1 Landlord and Tenant shall each appoint one arbitrator who shall by profession be a MAI appraiser, real estate broker, or real estate lawyer who shall have been active over the five (5) year period ending on the date of such appointment in the appraising and/or leasing of first class office properties in the vicinity of the Building. The determination of the arbitrators shall be limited solely to the issue area of whether Landlord's or Tenant's submitted Option Rent is the closest to the actual Option Rent as determined by the arbitrators, taking into account the requirements of Section 2.2.2 of this Lease. Each such arbitrator shall be appointed within fifteen (15) days after the Outside Agreement Date. Landlord and Tenant may consult with their selected arbitrators prior to appointment and may select an arbitrator who is favorable to their respective positions (including an arbitrator who has previously represented Landlord and/or Tenant, as applicable). The arbitrators so selected by Landlord and Tenant shall be deemed "**Advocate Arbitrators**."

2.2.4.2 The two Advocate Arbitrators so appointed shall be specifically required pursuant to an engagement letter within ten (10) days of the appointment of the last appointed Advocate Arbitrator to agree upon and appoint a third arbitrator ("**Neutral Arbitrator**") who shall be qualified under the same criteria set forth hereinabove for qualification of the two Advocate Arbitrators except that (i) neither the Landlord or Tenant or either parties' Advocate Arbitrator may, directly, or indirectly, consult with the Neutral Arbitrator prior or subsequent to his or her appearance, and (ii) the Neutral Arbitrator cannot be someone who has represented Landlord and/or Tenant during the five (5) year period prior to such appointment. The Neutral Arbitrator shall be retained via an engagement letter jointly prepared by Landlord's counsel and Tenant's counsel.

2.2.4.3 Within ten (10) days following the appointment of the Arbitrator, Landlord and Tenant shall enter into an arbitration agreement (the "**Arbitration Agreement**") which shall set forth the following:

2.2.4.3.1 Each of Landlord's and Tenant's best and final and binding determination of the Option Rent exchanged by the parties pursuant to Section 2.2.4, above;

2.2.4.3.2 An agreement to be signed by the Neutral Arbitrator, the form of which agreement shall be attached as an exhibit to the Arbitration Agreement, whereby the Neutral Arbitrator shall agree to undertake the arbitration and render a decision in accordance with the terms of this Lease, as modified by the Arbitration Agreement, and shall require the Neutral Arbitrator to demonstrate to the reasonable satisfaction of the parties that the Neutral Arbitrator has no conflicts of interest with either Landlord or Tenant;

2.2.4.3.3 Instructions to be followed by the Neutral Arbitrator when conducting such arbitration;

2.2.4.3.4 That Landlord and Tenant shall each have the right to submit to the Neutral Arbitrator (with a copy to the other party), on or before the date that occurs fifteen (15) days following the appointment of the Neutral Arbitrator, an advocate statement (and any other information such party deems relevant) prepared by or on behalf of Landlord or Tenant, as the case may be, in support of Landlord's or Tenant's respective determination of Option Rent (the "**Briefs**");

2.2.4.3.5 That within five (5) business days following the exchange of Briefs, Landlord and Tenant shall each have the right to provide the Neutral Arbitrator (with a copy to the other party) with a written rebuttal to the other party's Brief (the "**First Rebuttals**"); provided, however, such First Rebuttals shall be limited to the facts and arguments raised in the other party's Brief and shall identify clearly which argument or fact of the other party's Brief is intended to be rebutted;

2.2.4.3.6 That within five (5) business days following the parties' receipt of each other's First Rebuttal, Landlord and Tenant, as applicable, shall each have the right to provide the Neutral Arbitrator (with a copy to the other party) with a written rebuttal to the other party's First Rebuttal (the "**Second Rebuttals**"); provided, however, such Second Rebuttals shall be limited to the facts and arguments raised in the other party's First Rebuttal and shall identify clearly which argument or fact of the other party's First Rebuttal is intended to be rebutted;

2.2.4.3.7 The date, time and location of the arbitration, which shall be mutually and reasonably agreed upon by Landlord and Tenant, taking into consideration the schedules of the Neutral Arbitrator, the Advocate Arbitrators, Landlord and Tenant, and each party's applicable consultants, which date shall in any event be within forty-five (45) days following the appointment of the Neutral Arbitrator;

2.2.4.3.8 That no discovery shall take place in connection with the arbitration, other than to verify the factual information that is presented by Landlord or Tenant;

2.2.4.3.9 That the Neutral Arbitrator shall not be allowed to undertake an independent investigation or consider any factual information other than presented by Landlord or Tenant, except that the Neutral Arbitrator shall be permitted to visit the Project and the buildings containing the Comparable Transactions;

2.2.4.3.10 The specific persons that shall be allowed to attend the arbitration;

2.2.4.3.11 Tenant shall have the right to present oral arguments to the Neutral Arbitrator at the arbitration for a period of time not to exceed three (3) hours ("**Tenant's Initial Statement**");

2.2.4.3.12 Following Tenant's Initial Statement, Landlord shall have the right to present oral arguments to the Neutral Arbitrator at the arbitration for a period of time not to exceed three (3) hours ("**Landlord's Initial Statement**");

2.2.4.3.13 Following Landlord's Initial Statement, Tenant shall have up to two (2) additional hours to present additional arguments and/or to rebut the arguments of Tenant ("**Tenant's Rebuttal Statement**");

2.2.4.3.14 Following Tenant's Rebuttal Statement, Landlord shall have up to two (2) additional hours to present additional arguments and/or to rebut the arguments of Tenant;

2.2.4.3.15 That, not later than ten (10) days after the date of the arbitration, the Neutral Arbitrator shall render a decision (the "**Ruling**") indicating whether Landlord's or Tenant's submitted Option Rent is closer to the Neutral Arbitrator's determination of the Option Rent;

2.2.4.3.16 That following notification of the Ruling, Landlord's or Tenant's submitted Option Rent determination, whichever is selected by the Neutral Arbitrator as being closer to the Neutral Arbitrator's determination of the Option Rent shall become the then applicable Option Rent; and

2.2.4.3.17 That the decision of the Neutral Arbitrator shall be binding on Landlord and Tenant.

2.2.4.3.18 If a date by which an event described in Section 2.2.4.3, above, is to occur falls on a weekend or a holiday, the date shall be deemed to be the next business day.

2.2.4.4 In the event that the Option Rent shall not have been determined pursuant to the terms hereof prior to the commencement of the Option Term, Tenant shall be required to pay as the interim monthly Option Rent an amount equal to One Hundred Five percent (105%) of the monthly Base Rent in effect under the Lease for the Lease Year immediately preceding the commencement of the Option, and upon the final determination of the Option Rent, the payments made by Tenant shall be reconciled with the actual amounts due, and the appropriate party shall make any corresponding payment to the other party.

2.3 **Early Access**. Subject to the terms of this Section 2.3, as of the date (the "**Early Access Date**") that is one (1) business day following the date that this Lease has been fully executed by all parties and Tenant has delivered all prepaid rental, the L-C (as defined in Section 21.1), and insurance certificates required hereunder (collectively, the "**Early Access Conditions**"), Landlord grants Tenant the right to enter the Premises at Tenant's sole risk, solely for the purpose of performing the Improvements (as defined in **Exhibit B** attached hereto) and installing telecommunications and data cabling, equipment, furnishings and other personalty. Such possession prior to the Lease Commencement Date shall be subject to all of the terms and conditions of this Lease, except that Tenant shall not be required to pay Base Rent or Tenant's Share of Direct Expenses with respect to the period of time prior to the Lease Commencement Date during which Tenant occupies the Premises solely for such purposes. However, Tenant shall be liable for any utilities or special services provided to Tenant during such period. Notwithstanding the foregoing, if Tenant takes possession of the Premises before the Lease Commencement Date for any purpose other than as expressly provided in this Section, such possession shall be subject to the terms and conditions of this Lease and Tenant shall pay Base Rent and any other charges payable hereunder to Landlord for each day of possession before the Lease Commencement Date. Said early possession shall not advance the Lease Expiration Date.

ARTICLE 3

BASE RENT

3.1 **In General**. Tenant shall pay, without prior notice or demand, to Landlord or Landlord's agent at the management office of the Project, or, at Landlord's option, at such other place as Landlord may from time to time designate in writing, by a check for currency which, at the time of payment, is legal tender for private or public debts in the United States of America, or, at Tenant's option, by wire or ACH transfer of immediately available funds to Landlord's bank account, the details of which Landlord shall provide to Tenant upon request, base rent ("**Base Rent**") as set forth in Section 4 of the Summary, payable in equal monthly installments as set forth in Section 4 of the Summary in advance on or before the first day of each and every calendar month during the Lease Term, without any setoff or deduction whatsoever. In accordance with Section 4 of the Summary, any increases in Base Rent shall occur on the first day of the applicable Lease Month. The parties acknowledge, however, that Tenant shall pay Base Rent for each "calendar month" of the Lease Term (or a prorated portion of a "calendar month", as applicable), even though the first "Lease Month" may pertain to a period longer than one (1) calendar month. The Base Rent for the first full month of the Lease Term which occurs after the expiration of any free rent period shall be paid at the time of Tenant's execution of this Lease. If any payment of Rent is for a period which is shorter than one month, the Rent for any such fractional month shall accrue on a daily basis during such fractional month and shall total an amount equal to the product of (i) a fraction, the numerator of which is the number of days in such fractional month and the denominator of which is the actual number of days occurring in such calendar month, and (ii) the then-applicable Monthly Installment of Base Rent. All other payments or adjustments required to be made under the TCCs of this Lease that require proration on a time basis shall be prorated on the same basis.

3.2 **Abated Base Rent**. Provided that no event of default is occurring beyond the applicable notice and cure periods provided in this Lease during the [**********] full calendar month of the initial Lease Term (the "**Base Rent Abatement Period**"), Tenant shall not be obligated to pay any Base Rent otherwise attributable to the Premises during such Base Rent Abatement Period (the "**Base Rent Abatement**"). [**********] Tenant acknowledges and agrees that during such Base Rent Abatement Period, such abatement of Base Rent for the Premises shall have no effect on the calculation of any future increases in Base Rent or Direct Expenses payable by Tenant pursuant to the terms of this Lease, which increases shall be calculated without regard to such Base Rent Abatement. Additionally, Tenant shall be obligated to pay all "Additional Rent" (as that term is defined in Section 4.1 of this Lease) during the Base Rent Abatement Period. Tenant acknowledges and agrees that the foregoing Base Rent Abatement has been granted to Tenant as additional consideration for entering into this Lease, and for agreeing to pay the Base Rent and perform the terms and conditions otherwise required

under this Lease. If Tenant shall be in default under this Lease and shall fail to cure such default within the notice and cure period, if any, permitted for cure pursuant to this Lease, or if this Lease is terminated for any reason other than Landlord's breach of this Lease, then the dollar amount of the unapplied portion of the Base Rent Abatement as of the date of such default or termination, as the case may be, shall be converted to a credit to be applied to the Base Rent applicable at the end of the Lease Term and Tenant shall immediately be obligated to begin paying Base Rent for the Premises in full. The foregoing Base Rent Abatement right set forth in this Section 3.2 shall be personal to the Original Tenant and shall only apply to the extent that the Original Tenant (and not any assignee, or any sublessee or other transferee of the Original Tenant's interest in this Lease) is the Tenant under this Lease during such Base Rent Abatement Period.

ARTICLE 4

ADDITIONAL RENT

4.1 **In General**. In addition to paying the Base Rent specified in Article 3 of this Lease, Tenant shall pay "Tenant's Share" of the annual "Direct Expenses," as those terms are defined in Sections 4.2.6 and 4.2.2, respectively, of this Lease, which are in excess of the amount of Direct Expenses applicable to the "Base Year," as that term is defined in Section 4.2.1, below; provided, however, that in no event shall any decrease in Direct Expenses for any "Expense Year" (as that term is defined in Section 4.2.3, below) below Direct Expenses for the Base Year entitle Tenant to any decrease in Base Rent or any credit against sums due under this Lease. Such payments by Tenant, together with any and all other amounts payable by Tenant to Landlord pursuant to the TCCs of this Lease, are hereinafter collectively referred to as the "**Additional Rent**," and the Base Rent and the Additional Rent are herein collectively referred to as "**Rent**." All amounts due under this Article 4 as Additional Rent shall be payable for the same periods and in the same manner as the Base Rent; provided, however, the parties hereby acknowledge that the first monthly installment of Tenant's Share of any "Estimated Excess," as that term is set forth in, and pursuant to the terms and conditions of, Section 4.4.2 of this Lease, shall first be due and payable for the calendar month occurring immediately following the expiration of the Base Year. Without limitation on other obligations of Tenant which survive the expiration of the Lease Term, the obligations of Tenant to pay the Additional Rent provided for in this Article 4 shall survive the expiration of the Lease Term.

4.2 **Definitions of Key Terms Relating to Additional Rent**. As used in this Article 4, the following terms shall have the meanings hereinafter set forth:

4.2.1 "**Base Year**" shall mean the period set forth in Section 5 of the Summary.

4.2.2 "**Direct Expenses**" shall mean "Operating Expenses" and "Tax Expenses."

4.2.3 "**Expense Year**" shall mean each calendar year in which any portion of the Lease Term falls, through and including the calendar year in which the Lease Term expires, provided that Landlord, upon notice to Tenant, may change the Expense Year from time to time to any other twelve (12) consecutive month period, and, in the event of any such change, Tenant's Share of Direct Expenses shall be equitably adjusted for any Expense Year involved in any such change.

4.2.4 "**Operating Expenses**" shall mean all expenses, costs and amounts of every kind and nature which Landlord pays or accrues during any Expense Year because of or in connection with the ownership, management, maintenance, security, repair, replacement, renovation, restoration or operation of the Project, or any portion thereof, in accordance with sound real estate management and accounting practices, consistently applied. Without limiting the generality of the foregoing, Operating Expenses shall specifically include any and all of the following: (i) the cost of supplying all utilities (but excluding the cost of electricity consumed in the Premises and the premises of other tenants of the Building (since Tenant is separately paying for the cost of electricity pursuant to Section 6.1.2 of this Lease)), the cost of operating, repairing, replacing, maintaining, renovating and restoring the utility, telephone, mechanical, sanitary, storm drainage, and elevator systems, and the cost of maintenance and service contracts in connection therewith; (ii) the cost of licenses, certificates, permits and inspections and the cost of contesting any governmental enactments which may affect Operating Expenses, and the costs incurred in connection with a governmentally mandated transportation system management program or similar program; (iii) the cost of all insurance carried by Landlord in connection with the Project; (iv) the cost of landscaping, relamping, and all supplies, tools, equipment and materials used in the operation, repair and maintenance of the Project, or any portion thereof; (v) costs incurred in connection with the parking areas servicing the Project, as well as costs incurred in connection with the provision of any shuttle service serving the Project for the purpose of facilitating access to public transportation; (vi) fees and other costs, including management fees, consulting fees, legal fees and accounting fees, of all contractors and consultants in connection with the management, operation, maintenance, replacement, renovation, repair and restoration of the Project; (vii) payments under any equipment rental agreements and the fair rental value of any management office space; (viii) wages, salaries and other compensation and benefits, including taxes levied thereon, of all persons (other than persons generally considered to be higher in rank than the position of "Senior Asset Manager") engaged in the operation, maintenance and security of the Project; (ix) costs under any instrument pertaining to the sharing of costs by the Project; (x) operation, repair, maintenance, renovation, replacement and restoration of all systems and equipment and components thereof of the Project; (xi) the cost of janitorial services to the Project (but excluding the cost of janitorial services in the Premises and the premises of other tenants of the Building and any other buildings in the Project (as opposed to the Common Areas) since Tenant is separately paying for the cost of janitorial services in the Premises pursuant to Section 6.4 of the Lease), alarm, security and other services, replacement, renovation, restoration and repair of wall and floor coverings, ceiling tiles and fixtures in common areas, maintenance, replacement, renovation, repair and restoration of curbs and walkways, repair to roofs and re-roofing; (xii) amortization of the cost of acquiring or the rental expense of personal property used in the maintenance, operation and repair of the Project, or any portion thereof (which amortization calculation shall include interest at the "Interest Rate," as that term is set forth in Article 25 of this Lease); (xiii) the cost of capital improvements or other costs incurred in connection with the Project (A) which are intended to effect economies in the operation or maintenance of the Project, or any portion thereof (provided that Landlord, based on expert third party advice, reasonably believes that such improvements will reduce Operating Expense costs or improve the operating efficiency of the Project), (B) that are required to comply with present or anticipated conservation programs, (C) which are

replacements or modifications of nonstructural items located in the Common Areas required to keep the Common Areas in good order or condition, (D) that are required under any governmental law or regulation by a federal, state or local governmental agency, except for capital repairs, replacements or other improvements to remedy a condition existing prior to the Lease Commencement Date which an applicable governmental authority, if it had knowledge of such condition prior to the Lease Commencement Date, would have then required to be remedied pursuant to then-current governmental laws or regulations in their form existing as of the Lease Commencement Date and pursuant to the then-current interpretation of such governmental laws or regulations by the applicable governmental authority as of the Lease Commencement Date, (E) which are required in order for the Project, or any portion thereof, to obtain or maintain a certification under the U.S. Green Building Council's Leadership in Energy and Environmental Design ("**LEED**"), or other applicable certification agency in connection with Landlord's sustainability practices for the Project (as such sustainability practices are to be determined by Landlord, in its sole and absolute discretion, from time to time) or (F) that relate to the safety or security of the Project; provided, however, that any capital expenditure shall be amortized with interest at the Interest Rate over the shorter of (X) seven (7) years, (Y) its useful life as Landlord shall reasonably determine in accordance with sound real estate management and accounting practices consistently applied, or (Z) with respect to those items included under item (A) above, their recovery/payback period as Landlord shall reasonably determine in accordance with sound real estate management and accounting practices consistently applied; (xiv) costs, fees, charges or assessments imposed by, or resulting from any mandate imposed on Landlord by, any federal, state or local government for fire and police protection, trash removal, community services, or other services which do not constitute "Tax Expenses" as that term is defined in Section 4.2.5, below; (xv) payments under any easement, license, operating agreement, declaration, restrictive covenant, or instrument pertaining to the sharing of costs by the Project and (xvi) costs of any additional services not provided to the Project as of the Lease Commencement Date but which are thereafter provided by Landlord in connection with its prudent management of the Project. Notwithstanding the foregoing, for purposes of this Lease, Operating Expenses shall not, however, include:

(a) costs, including marketing costs, legal fees, space planners' fees, advertising and promotional expenses, and brokerage fees incurred in connection with the original construction or development, or original or future leasing of the Project, and costs, including permit, license and inspection costs, incurred with respect to the installation of improvements made for new tenants initially occupying space in the Project after the Lease Commencement Date or incurred in renovating or otherwise improving, decorating, painting or redecorating vacant space for tenants or other occupants of the Project (excluding, however, such costs relating to any common areas of the Project or parking facilities);

(b) except as set forth in items (xi), (xii), (xiii), and (xiv) above, depreciation, interest and principal payments on mortgages and other debt costs, if any, penalties and interest;

(c) costs for which the Landlord is reimbursed by any tenant or occupant of the Project or by insurance by its carrier or any tenant's carrier or by anyone else or by warranty proceeds (except to the extent of deductibles), and electric power costs for which any tenant directly contracts with the local public service company;

(d) any bad debt loss, rent loss, or reserves for bad debts or rent loss;

(e) costs associated with the operation of the business of the partnership or entity which constitutes the Landlord, as the same are distinguished from the costs of operation of the Project (which shall specifically include, but not be limited to, accounting costs associated with the operation of the Project). Costs associated with the operation of the business of the partnership or entity which constitutes the Landlord include costs of partnership accounting and legal matters, costs of defending any lawsuits with any mortgagee (except as the actions of the Tenant may be in issue), costs of selling, syndicating, financing, mortgaging or hypothecating any of the Landlord's interest in the Project, and costs incurred in connection with any disputes between Landlord and its employees, between Landlord and Project management, or between Landlord and other tenants or occupants, and Landlord's general corporate overhead and general and administrative expenses;

(f) the wages and benefits of any employee who does not devote substantially all of his or her employed time to the Project unless such wages and benefits are prorated to reflect time spent on operating and managing the Project vis-a-vis time spent on matters unrelated to operating and managing the Project; provided, that in no event shall Operating Expenses for purposes of this Lease include wages and/or benefits attributable to personnel above the level of Senior Asset Manager;

(g) amount paid as ground rental for the Project by the Landlord;

(h) overhead and profit increment paid to the Landlord or to subsidiaries or affiliates of the Landlord for services in the Project to the extent the same exceeds the costs of such services rendered by qualified, first-class unaffiliated third parties on a competitive basis;

(i) any compensation paid to clerks, attendants or other persons in commercial concessions operated by the Landlord, provided that any compensation paid to any concierge or parking attendants at the Project shall be includable as an Operating Expense;

(j) rentals and other related expenses incurred in leasing air conditioning systems, elevators or other equipment which if purchased the cost of which would be excluded from Operating Expenses as a capital cost, except equipment not affixed to the Project which is used in providing janitorial or similar services and, further excepting from this exclusion such equipment rented or leased to remedy or ameliorate an emergency condition in the Project;

(k) all items and services for which Tenant or any other tenant in the Project reimburses Landlord or which Landlord provides selectively to one or more tenants (other than Tenant) without reimbursement;

(l) costs, other than those incurred in ordinary maintenance and repair, for sculpture, paintings, fountains or other objects of art;

(m) any costs expressly excluded from Operating Expenses elsewhere in this Lease;

(n) rent for any office space occupied by Project management personnel to the extent the size or rental rate of such office space exceeds the size or fair market rental value of office space occupied by management personnel of the "Comparable Buildings," as that term is defined in Section 4 of **Exhibit H** to this Lease, with adjustment where appropriate for the size of the applicable project;

(o) costs to the extent arising from the gross negligence or willful misconduct of Landlord or its agents, employees, vendors, contractors, or providers of materials or services;

(p) costs incurred to comply with laws relating to the removal of hazardous material or substance (as defined under applicable law) which was in existence in the Building or on the Project prior to the Lease Commencement Date, and was of such a nature that a federal, state, local or municipal governmental authority, if it had then had knowledge of the presence of such hazardous material or substance, in the state, and under the conditions that it then existed in the Building or on the Project, would have then required the removal of such hazardous material or substance or other remedial or containment action with respect thereto, but only to the extent those laws were then being actively enforced by the applicable government authority; and costs incurred to remove, remedy, contain, or treat hazardous material or substance, which hazardous material or substance is brought into the Building or onto the Project after the date hereof by Landlord or any other tenant of the Project and is of such a nature, at that time, that a federal, state, local or municipal governmental authority, if it had then had knowledge of the presence of such hazardous material or substance, in the state, and under the conditions, that it then exists in the Building or on the Project, would have then required the removal of such hazardous material or substance or other remedial or containment action with respect thereto, but only to the extent those laws were then being actively enforced by the applicable government authority.

(q) fees payable by Landlord for management of the Project in excess five percent (5%) of Landlord's gross rental revenues from the Project, adjusted and grossed up to reflect a one hundred percent (100%) occupancy of the Project with all tenants paying full rent (specifically disregarding free or abated rent), including base rent, pass-throughs, and parking fees from the Project for any calendar year or portion thereof;

(r) reserves not spent by Landlord by the end of the calendar year for which Operating Expenses are paid;

(s) costs of a capital nature (including capital improvements, replacements, and repairs) other than as permitted in Section 4.2.4 above (subject to the amortization of such costs as provided therein);

(t) penalties incurred as a result of Landlord's failure to make payments of Tax Expenses or Operating Expenses when due (unless Landlord in good faith disputes a charge and subsequently loses or settles such dispute);

(u) costs of any penalty or fine incurred by Landlord due to Landlord's violation of any federal, state or local law or regulation and any interest or payment due for late payment by Landlord of any of the Operating Expenses;

(v) advertising and promotional expenditures primarily directed toward leasing tenant space in the Building and costs of signs in or on the Building identifying any tenant of the Building, except the Building directories;

(w) costs to the extent arising from the intentional violation of laws by Landlord or its agents or employees;

(x) Landlord's charitable and political contributions; and

(y) attorneys' fees and other costs and expenses incurred in connection with negotiations or disputes with present or prospective tenants of the Building;

If Landlord is not furnishing any particular work or service (the cost of which, if performed by Landlord, would be included in Operating Expenses) to a tenant who has undertaken to perform such work or service in lieu of the performance thereof by Landlord, Operating Expenses shall be deemed to be increased by an amount equal to the additional Operating Expenses which would reasonably have been incurred during such period by Landlord if it had at its own expense furnished such work or service to such tenant. If the Project is not at least ninety-five percent (95%) occupied during all or a portion of the Base Year or any Expense Year, Landlord may elect to make an appropriate adjustment to those components of Operating Expenses that vary depending on occupancy for such year to determine the amount of Operating Expenses that would have been incurred had the Project been ninety-five percent (95%) occupied; and the amount so determined shall be deemed to have been the amount of Operating Expenses for such year. Operating Expenses for the Base Year shall not include market-wide cost increases (including utility rate increases) due to extraordinary circumstances, including, but not limited to, Force Majeure, boycotts, strikes, conservation surcharges, embargoes or shortages, or amortized costs. In no event shall each of the components of Direct Expenses for any Expense Year related to utility costs, Tax Expenses, Project services costs (i.e., amounts paid by Landlord to third party vendors for services rendered with respect to, or products provided or supplied to, the Project) or Project insurance costs be less than each of the corresponding components of Direct Expenses related to such utility costs, Tax Expenses, Project services costs and Project insurance costs in the Base Year. Landlord shall not (i) make a profit by charging items to Operating Expenses that are otherwise also charged separately to others and (ii) subject to Landlord's right to adjust the components of Operating Expenses described above in this paragraph, collect Operating Expenses from Tenant and all other tenants in the Building in an amount in excess of what Landlord incurs for the items included in Operating Expenses.

4.2.5 **Taxes.**

4.2.5.1 "**Tax Expenses**" shall mean all federal, state, county, or local governmental or municipal taxes, fees, charges or other impositions of every kind and nature, whether general, special, ordinary or extraordinary, (including, without limitation, real estate taxes, general and special assessments, transit taxes, leasehold taxes or taxes based upon the

receipt of rent, including gross receipts or sales taxes applicable to the receipt of rent, unless required to be paid by Tenant, personal property taxes imposed upon the fixtures, machinery, equipment, apparatus, systems and equipment, appurtenances, furniture and other personal property used in connection with the Project, or any portion thereof), which shall be paid or accrued during any Expense Year (without regard to any different fiscal year used by such governmental or municipal authority) because of or in connection with the ownership, leasing and operation of the Project, or any portion thereof (including, without limitation, the land upon which the Building and the parking structure adjacent to the Building are located).

4.2.5.2 Tax Expenses shall include, without limitation: (i) Any tax on the rent, right to rent or other income from the Project, or any portion thereof, or as against the business of leasing the Project, or any portion thereof; (ii) Any assessment, tax, fee, levy or charge in addition to, or in substitution, partially or totally, of any assessment, tax, fee, levy or charge previously included within the definition of real property tax, it being acknowledged by Tenant and Landlord that Proposition 13 was adopted by the voters of the State of California in the June 1978 election ("**Proposition 13**") and that assessments, taxes, fees, levies and charges may be imposed by governmental agencies for such services as fire protection, street, sidewalk and road maintenance, refuse removal and for other governmental services formerly provided without charge to property owners or occupants, and, in further recognition of the decrease in the level and quality of governmental services and amenities as a result of Proposition 13, Tax Expenses shall also include any governmental or private assessments or the Project's contribution towards a governmental or private cost-sharing agreement for the purpose of augmenting or improving the quality of services and amenities normally provided by governmental agencies; (iii) Any assessment, tax, fee, levy, or charge allocable to or measured by the area of the Premises or the Rent payable hereunder, including, without limitation, any business or gross income tax or excise tax with respect to the receipt of such rent, or upon or with respect to the possession, leasing, operating, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises, or any portion thereof; (iv) Any assessment, tax, fee, levy or charge, upon this transaction or any document to which Tenant is a party, creating or transferring an interest or an estate in the Premises; and (v) all of the real estate taxes and assessments imposed upon or with respect to the Building and all of the real estate taxes and assessments imposed on the land and improvements comprising the Project.

4.2.5.3 Any costs and expenses (including, without limitation, reasonable attorneys' fees) incurred in attempting to protest, reduce or minimize Tax Expenses shall be included in Tax Expenses in the Expense Year such expenses are paid. Except as set forth in Section 4.2.5.4, below, refunds of Tax Expenses shall be credited against Tax Expenses and refunded to Tenant regardless of when received, based on the Expense Year to which the refund is applicable, provided that in no event shall the amount to be refunded to Tenant for any such Expense Year exceed the total amount paid by Tenant as an increase in Tax Expenses under this Article 4 for such Expense Year. If Tax Expenses for any period during the Lease Term or any extension thereof are increased after payment thereof for any reason, including, without limitation, error or reassessment by applicable governmental or municipal authorities, Tenant shall pay Landlord within fifteen (15) days after Landlord's delivery of written demand, Tenant's Share of any such increased Tax Expenses included by Landlord as Building Tax Expenses pursuant to the TCCs of this Lease. Notwithstanding anything to the contrary contained in this Section 4.2.5 (except as set forth in Section 4.2.5.2, above), there shall be excluded from Tax

Expenses (i) all excess profits taxes, franchise taxes, gift taxes, capital stock taxes, inheritance and succession taxes, estate taxes, federal and state income taxes, and other taxes to the extent applicable to Landlord's general or net income (as opposed to rents, receipts or income attributable to operations at the Project), (ii) documentary transfer taxes, (iii) any items included as Operating Expenses, and (iv) any items paid by Tenant under Section 4.5 of this Lease. Notwithstanding anything to the contrary set forth in this Lease, only Landlord may institute proceedings to reduce Tax Expenses and the filing of any such proceeding by Tenant without Landlord's consent shall constitute an event of default by Tenant under this Lease. Notwithstanding the foregoing, Landlord shall not be obligated to file any application or institute any proceeding seeking a reduction in Tax Expenses.

4.2.5.4 Notwithstanding anything to the contrary set forth in this Lease, the amount of Tax Expenses for the Base Year and any Expense Year shall be calculated without taking into account any decreases in real estate taxes obtained in connection with Proposition 8, and, therefore, the Tax Expenses in the Base Year and/or an Expense Year may be greater than those actually incurred by Landlord, but shall, nonetheless, be the Tax Expenses due under this Lease; provided that (i) any costs and expenses incurred by Landlord in securing any Proposition 8 reduction shall not be included in Direct Expenses for purposes of this Lease, and (ii) tax refunds under Proposition 8 shall not be deducted from Tax Expenses, but rather shall be the sole property of Landlord. Landlord and Tenant acknowledge that this Section 4.2.5.4 is not intended to in any way affect (A) the inclusion in Tax Expenses of the statutory two percent (2.0%) annual maximum allowable increase in Tax Expenses (as such statutory increase may be modified by subsequent legislation), or (B) the inclusion or exclusion of Tax Expenses pursuant to the terms of Proposition 13, which shall be governed pursuant to the terms of Sections 4.2.5.1 through 4.2.5.3, above.

4.2.6 "**Tenant's Share**" shall mean the percentage set forth in Section 6 of the Summary.

4.3 **Cost Pools**. Landlord shall have the right, from time to time, to equitably allocate some or all of the Direct Expenses for the Project among different portions or occupants of the Project (the "**Cost Pools**"), in Landlord's discretion. Such Cost Pools may include, but shall not be limited to, the office space tenants of a building of the Project or of the Project, and the retail space tenants of a building of the Project or of the Project. The Direct Expenses within each such Cost Pool shall be allocated and charged to the tenants within such Cost Pool in an equitable manner.

4.4 **Calculation and Payment of Additional Rent**. If for any Expense Year ending or commencing within the Lease Term, Tenant's Share of Direct Expenses for such Expense Year exceeds Tenant's Share of Direct Expenses applicable to the Base Year, then Tenant shall pay to Landlord, in the manner set forth in Section 4.4.1, below, and as Additional Rent, an amount equal to the excess (the "**Excess**").

4.4.1 **Statement of Actual Direct Expenses and Payment by Tenant**. Landlord shall give to Tenant following the end of each Expense Year, a statement (the "**Statement**") which shall state in general major categories the Direct Expenses incurred or accrued for the particular Expense Year, and which shall indicate the amount of the Excess.

Landlord shall use commercially reasonable efforts to deliver such Statement to Tenant on or before May 1 following the end of the Expense Year to which such Statement relates. Upon receipt of the Statement for each Expense Year commencing or ending during the Lease Term, if an Excess is present, Tenant shall pay, within thirty (30) days after receipt of the Statement, the full amount of the Excess for such Expense Year, less the amounts, if any, paid during such Expense Year as "Estimated Excess," as that term is defined in Section 4.4.2, below, and if Tenant paid more as Estimated Excess than the actual Excess, Tenant shall receive a credit in the amount of Tenant's overpayment against Rent next due under this Lease. Except as provided below in this Section 4.4.1, the failure of Landlord to timely furnish the Statement for any Expense Year shall not prejudice Landlord or Tenant from enforcing its rights under this Article 4. Even though the Lease Term has expired and Tenant has vacated the Premises, when the final determination is made of Tenant's Share of Direct Expenses for the Expense Year in which this Lease terminates, if an Excess is present, Tenant shall, within thirty (30) days after receipt of the Statement, pay to Landlord such amount, and if Tenant paid more as Estimated Excess than the actual Excess, Landlord shall, within thirty (30) days, deliver a check payable to Tenant in the amount of the overpayment. The provisions of this Section 4.4.1 shall survive the expiration or earlier termination of the Lease Term. Notwithstanding the immediately preceding sentence, Tenant shall not be responsible for Tenant's Share of any Direct Expenses attributable to any Expense Year which are first billed to Tenant more than eighteen (18) full calendar months after the Lease Expiration Date, provided that in any event Tenant shall be responsible for Tenant's Share of Direct Expenses which (x) were levied by any governmental authority or by any public utility companies, and (y) Landlord had not previously received an invoice therefor and which are currently due and owing (i.e., costs invoiced for the first time regardless of the date when the work or service relating to this Lease was performed), at any time following the Lease Expiration Date which are attributable to any Expense Year.

4.4.2 **Statement of Estimated Direct Expenses**. In addition, Landlord shall endeavor to give Tenant a yearly expense estimate statement (the "**Estimate Statement**") which shall set forth in general major categories Landlord's reasonable estimate (the "**Estimate**") of what the total amount of Direct Expenses for the then-current Expense Year shall be and the estimated excess (the "**Estimated Excess**") as calculated by comparing the Direct Expenses for such Expense Year, which shall be based upon the Estimate, to the amount of Direct Expenses for the Base Year. The failure of Landlord to timely furnish the Estimate Statement for any Expense Year shall not preclude Landlord from enforcing its rights to collect any Additional Rent under this Article 4, nor shall Landlord be prohibited from revising any Estimate Statement or Estimated Excess theretofore delivered to the extent necessary, provided that Landlord shall not have the right to issue such revisions more frequently than two (2) times during any Expense Year. Thereafter, Tenant shall pay, within thirty (30) days after receipt of the Estimate Statement, a fraction of the Estimated Excess for the then-current Expense Year (reduced by any amounts paid pursuant to the second to last sentence of this Section 4.4.2). Such fraction shall have as its numerator the number of months which have elapsed in such current Expense Year, including the month of such payment, and twelve (12) as its denominator. Until a new Estimate Statement is furnished (which Landlord shall have the right to deliver to Tenant at any time, subject to the foregoing provisions of this Section 4.4.2), Tenant shall pay monthly, with the monthly Base Rent installments, an amount equal to one-twelfth (1/12) of the total Estimated Excess set forth in the previous Estimate Statement delivered by Landlord to Tenant. Throughout the Lease Term Landlord shall maintain records with respect to Direct Expenses in accordance with sound real estate management and accounting practices, consistently applied.

4.5 **Taxes and Other Charges for Which Tenant Is Directly Responsible**.

4.5.1 Tenant shall be liable for and shall pay ten (10) days before delinquency, taxes levied against Tenant's equipment, furniture, fixtures and any other personal property located in or about the Premises. If any such taxes on Tenant's equipment, furniture, fixtures and any other personal property are levied against Landlord or Landlord's property or if the assessed value of Landlord's property is increased by the inclusion therein of a value placed upon such equipment, furniture, fixtures or any other personal property and if Landlord pays the taxes based upon such increased assessment, which Landlord shall have the right to do regardless of the validity thereof but only under proper protest if requested by Tenant, Tenant shall upon demand repay to Landlord the taxes so levied against Landlord or the proportion of such taxes resulting from such increase in the assessment, as the case may be.

4.5.2 If the improvements in the Premises, whether installed and/or paid for by Landlord or Tenant and whether or not affixed to the real property so as to become a part thereof, are assessed for real property tax purposes at a valuation higher than the valuation at which improvements conforming to Landlord's "building standard" in other space in the Building are assessed, then the Tax Expenses levied against Landlord or the property by reason of such excess assessed valuation shall be deemed to be taxes levied against personal property of Tenant and shall be governed by the provisions of Section 4.5.1, above.

4.5.3 Notwithstanding any contrary provision herein, Tenant shall pay prior to delinquency any (i) rent tax or sales tax, service tax, transfer tax or value added tax, or any other applicable tax on the rent or services herein or otherwise respecting this Lease, (ii) taxes assessed upon or with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion of the Project, including the Project parking facility; or (iii) taxes assessed upon this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises.

4.6 **Landlord's Records**. Upon Tenant's written request given not more than ninety (90) days after Tenant's receipt of a Statement for a particular Expense Year, and provided that Tenant is not then in default under this Lease beyond the applicable notice and cure period provided in this Lease, specifically including, but not limited to, the timely payment of Additional Rent (whether or not a component thereof is the subject of the audit contemplated herein), Landlord shall furnish Tenant with such reasonable supporting documentation pertaining to the calculation of the Excess set forth in the Statement as Tenant may reasonably request. Landlord shall provide said documentation pertaining to the relevant Excess to Tenant within sixty (60) days after Tenant's written request therefor. Within one hundred eighty (180) days after receipt of a Statement by Tenant (the "**Audit Period**"), if Tenant disputes the amount of the Excess set forth in the Statement, an independent certified public accountant (which accountant (A) is a member of a nationally or regionally recognized certified public accounting firm which has previous experience in auditing financial operating records of landlords of office buildings, (B) shall not already be providing primary accounting services to Tenant and shall not have provided primary accounting services to Tenant in the past three (3) years, (C) is not working on

a contingency fee basis [i.e., Tenant must be billed based on the actual time and materials that are incurred by the certified public accounting firm in the performance of the audit], and (D) shall not currently or in the future be providing accounting and/or lease administration services to another tenant in the Building and/or the Project in connection with a review or audit by such other tenant of similar expense records), designated and paid for by Tenant, may, after reasonable notice to Landlord and at reasonable times, audit Landlord's records with respect to the Excess set forth in the Statement at Landlord's corporate offices, provided that (*i*) Tenant is not then in default under this Lease (beyond the applicable notice and cure periods provided under this Lease), (*ii*)Tenant has paid all amounts required to be paid under the applicable Estimate Statement and Statement, and (*iii*) a copy of the audit agreement between Tenant and its particular certified public accounting firm has been delivered to Landlord prior to the commencement of the audit. In connection with such audit, Tenant and Tenant's certified public accounting firm must agree in advance to follow Landlord's reasonable rules and procedures regarding an audit of the aforementioned Landlord records, and shall execute a commercially reasonable confidentiality agreement regarding such audit. Any audit report prepared by Tenant's certified public accounting firm shall be delivered concurrently to Landlord and Tenant within the Audit Period. Tenant's failure to audit the amount of the Excess set forth in any Statement within the Audit Period shall be deemed to be Tenant's approval of such Statement and Tenant, thereafter, waives the right or ability to audit the amounts set forth in such Statement. If after such audit, Tenant still disputes such Excess, an audit to determine the proper amount shall be made, at Tenant's expense, by an independent certified public accountant (the "**Accountant**") selected by Landlord and subject to Tenant's reasonable approval; provided that if such audit by the Accountant proves that the Direct Expenses in the subject Expense Year were overstated by more than five percent (5%), then the cost of the Accountant and the cost of such audit, in an amount not to exceed Five Thousand and 00/100 Dollars ($5,000.00), shall be paid for by Landlord. Tenant hereby acknowledges that Tenant's sole right to audit Landlord's records and to contest the amount of Direct Expenses payable by Tenant shall be as set forth in this Section 4.6, and Tenant hereby waives any and all other rights pursuant to applicable law to audit such records and/or to contest the amount of Direct Expenses payable by Tenant.

ARTICLE 5

USE OF PREMISES

5.1 **Permitted Use**. Tenant shall use the Premises solely for the Permitted Use set forth in Section 7 of the Summary and Tenant shall not use or permit the Premises or the Project to be used for any other purpose or purposes whatsoever without the prior written consent of Landlord, which may be withheld in Landlord's sole and absolute discretion. To Landlord's actual knowledge, except for any violations cured or remedied on or before the date of this Lease, if any, Landlord has not received any written notice from any governmental authority of any violation of any Law applicable to the Premises. "Landlord's actual knowledge" shall be deemed to mean and be limited to the current actual knowledge of John Osmond, Landlord's asset manager for the Building, at the time of execution of this Lease and not any implied, imputed, or constructive knowledge of said individual or of Landlord or any parties related to or comprising Landlord and without any independent investigation or inquiry having been made or any implied duty to investigate or make any inquiries; it being understood and agreed that such individual shall have no personal liability in any manner whatsoever hereunder or otherwise related to the transactions contemplated hereby.

5.2 **Prohibited Uses**. The uses prohibited under this Lease shall include, without limitation, use of the Premises or a portion thereof for (i) offices of any agency or bureau of the United States or any state or political subdivision thereof; (ii) offices or agencies of any foreign governmental or political subdivision thereof; (iii) offices of any health care professionals or service organization; (iv) schools or other training facilities which are not ancillary to corporate, executive or professional office use; (v) retail or restaurant uses; or (vi) communications firms such as radio and/or television stations. Tenant shall not allow occupancy density for the Premises which is greater than seven (7) persons per each one thousand (1,000) rentable square feet of the Premises. Notwithstanding the foregoing or any other provision of this Lease, Landlord hereby agrees that occupancy of the initial Premises by up to ten (10) persons per each one thousand (1,000) rentable square feet of the Premises for the Permitted Use during "Building Hours" (as that term is defined in Section 6.1.1 below) (with the density in excess of seven (7) persons per each one thousand (1,000) rentable square feet of the Premises being hereafter called the "**Excess Occupancy Density**") shall not constitute a breach by Tenant under the terms of this Section 5.2 so long as such Excess Occupancy Density complies with and is not greater than the density permitted by Applicable Laws and zoning requirements. Notwithstanding the foregoing, Tenant hereby acknowledges and agrees that in no event shall Landlord be obligated to make any changes to the Building Structure or Building Systems (as defined in Article 7) to accommodate Tenant's Excess Occupancy Density and nothing set forth herein shall be construed as entitling Tenant or any Tenant Party to use more parking than the Parking Pass Ratio set forth in Section 9 of the Summary. In addition, any HVAC usage or other utility usage attributable to Tenant's Excess Occupancy Density shall be deemed to be in excess of the Building standard to be provided by Landlord under this Lease and shall instead be at Tenant's sole cost, pursuant to the terms of Section 6.2 below. Tenant further covenants and agrees that it shall not use, or suffer or permit any person or persons to use, the Premises or any part thereof for any use or purpose contrary to the rules and regulations promulgated by Landlord from time to time ("**Rules and Regulations**"), the current set of which (as of the date of this Lease) is attached to this Lease as **Exhibit D**; or in violation of the laws of the United States of America, the State of California, or the ordinances, regulations or requirements of the local municipal or county governing body or other lawful authorities having jurisdiction over the Project including, without limitation, any such laws, ordinances, regulations or requirements relating to hazardous materials or substances, as those terms are defined by applicable laws now or hereafter in effect; provided, however, Landlord shall not enforce, change or modify the Rules and Regulations in a discriminatory manner and Landlord agrees that the Rules and Regulations shall not be unreasonably modified or enforced in a manner which will unreasonably interfere with the normal and customary conduct of Tenant's business. Tenant shall not do or permit anything to be done in or about the Premises which will in any way damage the reputation of the Project or obstruct or interfere with the rights of other tenants or occupants of the Building, or injure or annoy them or use or allow the Premises to be used for any improper, unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises.

5.3 **CC&Rs**. Tenant shall comply with all recorded covenants, conditions, and restrictions currently affecting the Project. Additionally, Tenant acknowledges that the Project may be subject to any future covenants, conditions, and restrictions (the "**CC&Rs**") which Landlord, in Landlord's discretion, deems reasonably necessary or desirable, and Tenant agrees that this Lease shall be subject and subordinate to such CC&Rs, so long as such CC&Rs do not cause a material increase in costs or expenses to Tenant or in any other way materially and adversely change the rights and obligations of Tenant hereunder. Landlord shall have the right to require Tenant to execute and acknowledge, within fifteen (15) business days of a request by Landlord, a "Recognition of Covenants, Conditions, and Restriction," in a form substantially similar to that attached hereto as **Exhibit F**, agreeing to and acknowledging the CC&Rs.

ARTICLE 6

SERVICES AND UTILITIES

6.1 **Standard Tenant Services**. Landlord shall provide the following services on all days (unless otherwise stated below) during the Lease Term.

6.1.1 Subject to reasonable changes implemented by Landlord and all governmental rules, regulations and guidelines applicable thereto, Landlord shall provide heating, ventilation and air conditioning ("**HVAC**") when necessary for normal comfort for normal office use in the Premises from 8:00 A.M. to 6:00 P.M Monday through Friday (collectively, the "**Building Hours**"), except for the date of observation of New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day and, at Landlord's discretion, other locally or nationally recognized holidays (collectively, the "**Holidays**"). As of the date of this Lease, the prevailing rates for HVAC service outside of Building Hours is $75.00 per hour, per suite (subject to change from time to time in Landlord's sole discretion), which service shall be for at least two (2) hours and thereafter is provided in one (1) hour increments.

6.1.2 Landlord shall provide adequate electrical wiring and facilities and power for normal general office use as determined by Landlord. Notwithstanding any provision to the contrary contained in this Lease, Tenant shall pay directly to Landlord pursuant to the separate electrical submeters, the cost of all electricity services provided to and/or consumed in the Premises (including normal and excess consumption and including the cost of electricity to operate the HVAC air handlers), which electricity shall be separately submetered as described above (or otherwise equitably allocated and directly charged by Landlord to Tenant). Tenant shall pay such electricity cost within ten (10) days after demand and as Additional Rent under this Lease (and not as part of the Operating Expenses). Landlord shall designate the utility provider from time to time.

6.1.3 As part of Operating Expenses, Landlord shall replace lamps, starters and ballasts for Building standard lighting fixtures within the Premises. In addition, Tenant shall bear the cost of replacement of lamps, starters and ballasts for non-Building standard lighting fixtures within the Premises.

6.1.4 Landlord shall provide city water from the regular Building outlets for drinking, lavatory and toilet purposes in the Building Common Areas.

6.1.5 Landlord shall provide janitorial services to the Common Areas of the Building (but not to the Premises), except the date of observation of the Holidays, in and about the Premises and window washing services in a manner consistent with other Comparable Buildings.

6.1.6 Landlord shall provide nonexclusive, non-attended automatic passenger elevator service during the Building Hours, and shall have at least one elevator available at all other times. Landlord shall provide nonexclusive freight elevator service subject to scheduling by Landlord.

Tenant shall cooperate fully with Landlord at all times and abide by all regulations and requirements that Landlord may reasonably prescribe for the proper functioning and protection of the HVAC, electrical, mechanical and plumbing systems.

6.2 **Overstandard Tenant Use**. Tenant shall not, without Landlord's prior written consent, use heat-generating machines, machines other than normal fractional horsepower office machines, or equipment or lighting other than Building standard lights in the Premises, which may affect the temperature otherwise maintained by the air conditioning system or increase the water normally furnished for the Premises by Landlord pursuant to the terms of Section 6.1 of this Lease. If such consent is given, Landlord shall have the right to require installation of supplementary air conditioning units or other facilities in the Premises, including supplementary or additional metering devices, and the cost thereof, including the cost of installation, operation and maintenance, increased wear and tear on existing equipment and other similar charges, shall be paid by Tenant to Landlord upon billing by Landlord. If Tenant uses water (including, without limitation, in connection with any shower facilities located in the Premises), electricity, heat or air conditioning in excess of that supplied by Landlord pursuant to Section 6.1 of this Lease (including without limitation, as a result of any Excess Occupancy Density), Tenant shall pay to Landlord, upon billing, the cost of such excess consumption, the cost of the installation, operation, and maintenance of equipment which is installed in order to supply such excess consumption, and the cost of the increased wear and tear on existing equipment caused by such excess consumption; and Landlord may install devices to separately meter any increased use and in such event Tenant shall pay the increased cost directly to Landlord, including the cost of such additional metering devices. Tenant's use of electricity shall never exceed the capacity of the feeders to the Project or the risers or wiring installation, and subject to the terms of Section 29.32, below, Tenant shall not install or use or permit the installation or use of any computer or electronic data processing equipment in the Premises, without the prior written consent of Landlord. If Tenant desires to use heat, ventilation or air conditioning during hours other than those for which Landlord is obligated to supply such utilities pursuant to the terms of Section 6.1 of this Lease, Tenant shall give Landlord such prior notice, if any, as Landlord shall from time to time establish as appropriate, of Tenant's desired use in order to supply such utilities, and Landlord shall supply such utilities to Tenant at such hourly cost to Tenant (which shall be treated as Additional Rent) as Landlord shall from time to time establish.

6.3 **Interruption of Use**. Subject to Section 6.4, Tenant agrees that Landlord shall not be liable for damages, by abatement of Rent or otherwise, for failure to furnish or delay in furnishing any service (including telephone and telecommunication services), or for any diminution in the quality or quantity thereof, when such failure or delay or diminution is occasioned, in whole or in part, by breakage, repairs, replacements, or improvements, by any strike, lockout or other labor trouble, by inability to secure electricity, gas, water, or other fuel at the Building or Project after reasonable effort to do so, by any riot or other dangerous condition, emergency, accident or casualty whatsoever, by act or default of Tenant or other parties, or by any other cause beyond Landlord's reasonable control; and such failures or delays or diminution shall never be deemed to constitute an eviction or disturbance of Tenant's use and possession of the Premises or relieve Tenant from paying Rent or performing any of its obligations under this Lease, except to the extent provided below in Section 6.4. Furthermore, Landlord shall not be liable under any circumstances for a loss of, or injury to, property or for injury to, or interference with, Tenant's business, including, without limitation, loss of profits, however occurring, through or in connection with or incidental to a failure to furnish any of the services or utilities as set forth in this Article 6.

6.4 **Abatement Event**. If (i) Landlord fails to perform the obligations required of Landlord under the TCCs of this Lease, (ii) such failure causes all or a portion of the Premises to be untenantable and unusable by Tenant, and (iii) such failure relates to (A) the nonfunctioning of the heat, ventilation, and air conditioning system in the Premises, the electricity in the Premises, the nonfunctioning of the elevator service to the Premises, or (B) a failure to provide access to the Premises, Tenant shall give Landlord notice (the "**Initial Notice**"), specifying such failure to perform by Landlord (the "**Abatement Event**"). If Landlord has not cured such Abatement Event within five (5) business days after the receipt of the Initial Notice, Tenant may deliver an additional notice to Landlord (the "**Additional Notice**"), specifying such Abatement Event and Tenant's intention to abate the payment of Rent under this Lease. If Landlord does not cure such Abatement Event within five (5) business days of receipt of the Additional Notice, Tenant may, upon written notice to Landlord, immediately abate Rent payable under this Lease for that portion of the Premises rendered untenantable and not used by Tenant, for the period beginning on the date five (5) business days after the Initial Notice to the earlier of the date Landlord cures such Abatement Event or the date Tenant recommences the use of such portion of the Premises. Such right to abate Rent shall be Tenant's sole and exclusive remedy at law or in equity for an Abatement Event. Except as provided in this Section 6.4, nothing contained herein shall be interpreted to mean that Tenant is excused from paying Rent due hereunder.

6.5 **Janitorial Service.** All cleaning and janitorial services for the Premises, including regular removal of trash and debris and the washing of all windows in the Premises, all in a manner consistent with Landlord's commercially reasonable janitorial standards established for the Building, shall be performed and obtained at Tenant's sole cost and expense exclusively by or through Landlord's janitorial contractors. Prior to the Lease Commencement Date, Tenant shall contract directly with Landlord's janitorial contractors for the Project and the janitorial contract for the same must be approved in writing by Landlord in advance. Landlord shall have the right, from time to time, to change its designated janitorial services provider for the Building, in which event Tenant shall terminate its contract with Landlord's previously designated janitorial services provider and enter into a contract with Landlord's newly designated janitorial services provider. Landlord shall have the right to inspect the Premises for purposes of confirming that Tenant is cleaning the Premises as required by this Section 6.5, and to require Tenant to provide additional cleaning, if necessary. In the event Tenant shall fail to provide any of the services described in this Section 6.5 within five (5) business days after notice from Landlord, which notice shall not be required in the event of an emergency, then Landlord shall have the right to provide such services and any charge or cost incurred by Landlord in connection therewith shall be deemed Additional Rent due and payable by Tenant upon receipt by Tenant of a written statement of cost from Landlord. Failure of Tenant to comply with any one or more of the foregoing provisions shall be deemed to be a default under this Lease.

ARTICLE 7

REPAIRS

Tenant shall, at Tenant's own expense, keep the Premises, including all improvements, fixtures, equipment, interior window coverings, and furnishings therein, and the floor or floors of the Building on which the Premises is located, in good order, repair and condition at all times during the Lease Term. In addition, Tenant shall, at Tenant's own expense, but under the supervision and subject to the prior approval of Landlord, and within any reasonable period of time specified by Landlord, promptly and adequately repair all damage to the Premises and replace or repair all damaged, broken, or worn fixtures and appurtenances, except for damage caused by ordinary wear and tear or beyond the reasonable control of Tenant; provided however, that, at Landlord's option, or if Tenant fails to make such repairs, Landlord may, after written notice to Tenant and Tenant's failure to repair within five (5) business days thereafter, but need not, make such repairs and replacements, and Tenant shall pay Landlord the cost thereof, including a percentage of the cost thereof (to be uniformly established for the Building and/or the Project) sufficient to reimburse Landlord for all overhead, general conditions, reasonable fees and other reasonable costs or expenses arising from Landlord's involvement with such repairs and replacements forthwith upon being billed for same. Notwithstanding the foregoing, Landlord shall be responsible for repairs to the exterior walls, foundation and roof of the Building, the structural portions of the floors of the Building, and the systems and equipment of the Building, except to the extent that such repairs are required due to the negligence or willful misconduct of Tenant; provided, however, that if such repairs are due to the negligence or willful misconduct of Tenant, Landlord shall nevertheless make such repairs at Tenant's expense, or, if covered by Landlord's insurance, Tenant shall only be obligated to pay any deductible in connection therewith. Landlord may, but shall not be required to, enter the Premises at all reasonable times to make such repairs, alterations, improvements or additions to the Premises or to the Project or to any equipment located in the Project as Landlord shall desire or deem necessary or as Landlord may be required to do by governmental or quasi-governmental authority or court order or decree; provided, however, except for (i) emergencies, (ii) repairs, alterations, improvements or additions required by governmental or quasi-governmental authorities or court order or decree, or (iii) repairs which are the obligation of Tenant hereunder, any such entry into the Premises by Landlord shall be performed in a manner so as not to materially interfere with Tenant's use of, or access to, the Premises; provided that, with respect to items (ii) and (iii) above, Landlord shall use commercially reasonable efforts to not materially interfere with Tenant's use of, or access to, the Premises. Tenant hereby waives any and all rights under and benefits of subsection 1 of Section 1932 and Sections 1941 and 1942 of the California Civil Code or under any similar law, statute, or ordinance now or hereafter in effect.

ARTICLE 8

ADDITIONS AND ALTERATIONS

8.1 **Landlord's Consent to Alterations**. Tenant may not make any improvements, alterations, additions or changes to the Premises or any mechanical, plumbing or HVAC facilities or systems pertaining to the Premises (collectively, the "**Alterations**") without first procuring the prior written consent of Landlord to such Alterations, which consent shall be requested by Tenant not less than fifteen (15) business days prior to the commencement thereof, and which consent shall not be unreasonably withheld by Landlord, provided it shall be deemed reasonable for Landlord to withhold its consent to any Alteration which adversely affects the structural portions or the systems or equipment of the Building or is visible from the exterior of the Building. Subject to all of the terms and conditions of this Article 8 (including, without limitation, Tenant's removal and restoration obligations set forth in Section 8.5 below), Tenant shall have the right to install one (1) shower in the Premises. Tenant hereby acknowledges there are two (2) showers located on the second floor of the Building as of the date of this Lease. Notwithstanding the foregoing, Tenant shall be permitted to make Alterations following ten (10) business days' notice to Landlord, but without Landlord's prior consent, to the extent that such Alterations do not (i) adversely affect the systems and equipment of the Building, exterior appearance of the Building, or structural aspects of the Building, (ii) adversely affect the value of the Premises or Building, (iii) require a building or construction permit, or (iv) cost more than Fifty Thousand and 00/100 Dollars ($50,000.00) for a particular job of work (the "**Cosmetic Alterations**"). The construction of the initial improvements to the Premises shall be governed by the terms of the Work Letter and not the terms of this Article 8.

8.2 **Manner of Construction**. Landlord may impose, as a condition of its consent to any and all Alterations or repairs of the Premises or about the Premises, such requirements as Landlord in its reasonable discretion may deem desirable, including, but not limited to, the requirement that Tenant utilize for such purposes only contractors reasonably approved by Landlord, and any removal and/or restoration obligations required to be performed pursuant to the TCCs of Section 8.5 of this Lease. If Landlord shall give its consent, the consent shall be deemed conditioned upon Tenant acquiring a permit to do the work from appropriate governmental agencies, the furnishing of a copy of such permit to Landlord prior to the commencement of the work, and the compliance by Tenant with all conditions of said permit in a prompt and expeditious manner. If such Alterations will involve the use of or disturb hazardous materials or substances existing in the Premises, Tenant shall notify Landlord prior to performing such Alterations and comply with Landlord's rules and regulations concerning such hazardous materials or substances. Tenant shall construct such Alterations and perform such repairs in a good and workmanlike manner, in conformance with any and all applicable federal, state, county, local or municipal laws, ordinances, rules and regulations and pursuant to a valid building permit (to the extent a building permit is required due to the nature of the Alterations being performed), issued by the city in which the Building is located (or other applicable governmental authority), all in conformance with Landlord's construction rules and regulations; provided, however, that prior to commencing to construct any Alteration, Tenant shall meet with Landlord to discuss Landlord's design parameters and code compliance issues. In the event Tenant performs any Alterations in the Premises which require or give rise to governmentally required changes to the "Base Building," as that term is defined below, then Landlord shall, at

Tenant's expense, make such changes to the Base Building. Since all or a portion of the Project is or may become in the future certified under the LEED rating system (or other applicable certification standard) (all in Landlord's sole and absolute discretion), Tenant expressly acknowledges and agrees that without limitation as to other grounds for Landlord withholding its consent to any proposed Alteration, Landlord shall have the right to withhold its consent to any proposed Alteration in the event that such Alteration is not compatible with such certification or recertification of the Project under such LEED rating system (or other applicable certification standard). The "**Base Building**" shall include the structural portions of the Building, and the public restrooms, elevators, exit stairwells and the systems and equipment located in the internal core of the Building on the floor or floors on which the Premises is located. In performing the work of any such Alterations, Tenant shall have the work performed in such manner so as not to obstruct access to the Project or any portion thereof, by any other tenant of the Project, and so as not to obstruct the business of Landlord or other tenants in the Project. Tenant shall retain any union trades to the extent designated by Landlord. Further, Tenant shall not use (and upon notice from Landlord shall cease using) contractors, services, workmen, labor, materials or equipment that, in Landlord's reasonable judgment, would disturb labor harmony with the workforce or trades engaged in performing other work, labor or services in or about the Building or the Common Areas. In addition to Tenant's obligations under Article 9 of this Lease, upon completion of any Alterations, Tenant agrees to cause a Notice of Completion to be recorded in the office of the Recorder of the City and County of San Francisco in accordance with Section 8182 of the Civil Code of the State of California or any successor statute, and as a condition precedent to the enforceability and validity of Landlord's consent, Tenant shall deliver to the management office for the Project a reproducible copy of the "as built" and CAD drawings of the Alterations, to the extent applicable, as well as all permits, approvals and other documents issued by any governmental agency in connection with the Alterations.

8.3 **Payment for Improvements**. With respect to payments to be made to Tenant's contractors for any Alterations, Tenant shall (i) comply with Landlord's requirements for final lien releases and waivers in connection with Tenant's payment for work to contractors, and (ii) sign Landlord's standard contractor's rules and regulations. In addition, in connection with all Alterations, Tenant shall pay Landlord an oversight fee equal to three percent (3%) of the cost of the work, and reimburse Landlord for Landlord's reasonable, actual, out-of-pocket costs and expenses actually incurred in connection with Landlord's review of such work.

8.4 **Construction Insurance**. In addition to the requirements of Article 10 of this Lease, in the event that Tenant makes any Alterations, prior to the commencement of such Alterations, Tenant shall provide Landlord with evidence that Tenant carries "Builder's Risk" insurance in an amount reasonably approved by Landlord covering the construction of such Alterations, and such other insurance as Landlord may reasonably require, it being understood and agreed that all of such Alterations shall be insured by Tenant pursuant to Article 10 of this Lease immediately upon completion thereof. In addition, Landlord may, in its reasonable discretion, require Tenant to obtain a lien and completion bond or some alternate form of security satisfactory to Landlord in an amount sufficient to ensure the lien-free completion of such Alterations and naming Landlord as a co-obligee; provided, however, that Landlord shall only be entitled to require the Original Tenant to provide to Landlord a lien and completion bond or other such security in connection with any Alterations in the event that following Landlord's evaluation of Tenant's then-current financial condition and performance history, Landlord determines in its good faith, prudent business judgment that the same is reasonably and prudently required.

8.5 **Landlord's Property**. Landlord and Tenant hereby acknowledge and agree that (i) all Alterations, improvements, fixtures, equipment and/or appurtenances which may be installed or placed in or about the Premises (excluding Tenant's removable trade fixtures, furniture or non-affixed office equipment), from time to time, shall be at the sole cost of Tenant and shall be and become part of the Premises and the property of Landlord, and (ii) the "Improvements" (as that term is defined in the Work Letter) to be constructed in the Premises pursuant to the TCCs of the Work Letter shall, upon completion of the same, be and become a part of the Premises and the property of Landlord. Furthermore, Landlord may, by written notice to Tenant at least sixty (60) days prior to the end of the Lease Term, or given following any earlier termination of this Lease, require Tenant, at Tenant's expense, to remove any Alterations or improvements in the Premises (including, without limitation, the Improvements), and to repair any damage to the Premises and Building caused by such removal and return the affected portion of the Premises to a building standard improved condition as determined by Landlord, subject to reasonable wear and tear; provided, however, if, in connection with its notice to Landlord with respect to any such Alterations or Cosmetic Alterations, (*x*) Tenant requests Landlord's decision with regard to the removal of such Alterations or Cosmetic Alterations, and (*y*) Landlord thereafter agrees in writing to waive the removal requirement with regard to such Alterations or Cosmetic Alterations, then Tenant shall not be required to so remove such Alterations or Cosmetic Alterations; provided further, however, that if Tenant requests such a determination from Landlord and Landlord, within ten (10) business days following Landlord's receipt of such request from Tenant with respect to Alterations or Cosmetic Alterations, fails to address the removal requirement with regard to such Alterations or Cosmetic Alterations, Landlord shall be deemed to have required the removal requirement with regard to such Alterations or Cosmetic Alterations. In any event, Tenant shall be required to remove the interconnecting stairwell between the second (2nd) and third (3rd) floors of the Premises (unless Landlord notifies Tenant in writing a new tenant is leasing both the second (2nd) and third (3rd) floors of the Premises and desires that the stairwell not be removed, in which event Tenant shall have no obligation to remove such stairwell), any ventilation systems located in any kitchen within the Premises and any showers installed in the Premises by or on behalf of Tenant. If Tenant fails to complete such removal and/or to repair any damage caused by the removal of any Alterations or improvements in the Premises, and/or to return the affected portion of the Premises to a building standard improved condition as determined by Landlord, then at Landlord's option, either (A) Tenant shall be deemed to be holding over in the Premises and Rent shall continue to accrue in accordance with the terms of Article 16, below, until such work shall be completed, and/or (B) Landlord may do so and may charge the cost thereof to Tenant. Tenant hereby protects, defends, indemnifies and holds Landlord harmless from any liability, cost, obligation, expense or claim of lien in any manner relating to the installation, placement, removal or financing of any such Alterations, improvements, fixtures and/or equipment in, on or about the Premises, which obligations of Tenant shall survive the expiration or earlier termination of this Lease.

ARTICLE 9

COVENANT AGAINST LIENS

Tenant shall keep the Project and Premises free from any liens or encumbrances arising out of the work performed, materials furnished or obligations incurred by or on behalf of Tenant, and shall protect, defend, indemnify and hold Landlord harmless from and against any claims, liabilities, judgments or costs (including, without limitation, reasonable attorneys' fees and costs) arising out of same or in connection therewith. Tenant shall give Landlord notice at least twenty (20) days prior to the commencement of any such work on the Premises (or such additional time as may be necessary under applicable laws) to afford Landlord the opportunity of posting and recording appropriate notices of non-responsibility. Tenant shall remove any such lien or encumbrance by bond or otherwise within five (5) days after notice by Landlord, and if Tenant shall fail to do so, Landlord may pay the amount necessary to remove such lien or encumbrance, without being responsible for investigating the validity thereof. The amount so paid shall be deemed Additional Rent under this Lease payable upon demand, without limitation as to other remedies available to Landlord under this Lease. Nothing contained in this Lease shall authorize Tenant to do any act which shall subject Landlord's title to the Building or Premises to any liens or encumbrances whether claimed by operation of law or express or implied contract. Any claim to a lien or encumbrance upon the Building or Premises arising in connection with any such work or respecting the Premises not performed by or at the request of Landlord shall be null and void, or at Landlord's option shall attach only against Tenant's interest in the Premises and shall in all respects be subordinate to Landlord's title to the Project, Building and Premises.

ARTICLE 10

INDEMNIFICATION AND INSURANCE

10.1 **Indemnification and Waiver**. Tenant hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises from any cause whatsoever and agrees that Landlord, its partners, subpartners and their respective officers, agents, servants, employees, and independent contractors (individually, a "**Landlord Party**" and collectively, "**Landlord Parties**") shall not be liable for, and are hereby released from any responsibility for, any damage either to person or property or resulting from the loss of use thereof, which damage is sustained by Tenant or by other persons claiming through Tenant. Tenant shall indemnify, defend, protect, and hold harmless the Landlord Parties from and against any and all loss, cost, damage, expense and liability (including without limitation court costs and reasonable attorneys' fees) incurred in connection with or arising from: (a) any causes in, on or about the Premises; (b) the use or occupancy of the Premises by Tenant or any person claiming under Tenant; (c) any activity, work, or thing done, or permitted or suffered by Tenant in or about the Premises; (d) any acts, omission, or negligence of Tenant or any person claiming under Tenant, or the contractors, agents, employees, invitees, or visitors of Tenant or any such person, in, on or about the Project (collectively, "**Tenant Parties**"); (e) any breach, violation, or non-performance by Tenant or any person claiming under Tenant or the employees, agents, contractors, invitees, or visitors of Tenant or any such person of any term, covenant, or provision of this Lease or any law, ordinance, or governmental requirement of any kind; (f) any injury or damage to the person, property, or business of Tenant, its employees, agents, contractors, invitees, visitors, or any other

person entering upon the Premises under the express or implied invitation of Tenant; (g) the placement of any personal property or other items within the Premises; or (h) the use of the Roof Deck (as defined in Section 29.47) by Tenant or any Tenant Parties. Should Landlord be named as a defendant in any suit brought against Tenant in connection with or arising out of Tenant's occupancy of the Premises, Tenant shall pay to Landlord its costs and expenses incurred in such suit, including without limitation, its actual professional fees such as appraisers', accountants' and attorneys' fees. Further, Tenant's agreement to indemnify Landlord pursuant to this Section 10.1 is not intended and shall not relieve any insurance carrier of its obligations under policies required to be carried by Tenant pursuant to the provisions of this Lease, to the extent such policies cover the matters subject to Tenant's indemnification obligations; nor shall they supersede any inconsistent agreement of the parties set forth in any other provision of this Lease. The provisions of this Section 10.1 shall survive the expiration or sooner termination of this Lease with respect to any claims or liability arising in connection with any event occurring prior to such expiration or termination.

10.2 **Tenant's Compliance With Landlord's Fire and Casualty Insurance**. Tenant shall, at Tenant's expense, comply with Landlord's insurance company requirements pertaining to the use of the Premises, to the extent that Tenant has been notified in writing of such requirements. If Tenant's conduct or use (other than Building standard general office use) of the Premises causes any increase in the premium for such insurance policies then Tenant shall reimburse Landlord for any such increase. Tenant, at Tenant's expense, shall comply with all rules, orders, regulations or requirements of the American Insurance Association (formerly the National Board of Fire Underwriters) and with any similar body.

10.3 **Tenant's Insurance**. Throughout the Lease Term, Tenant shall maintain the following coverages in the following amounts. The required evidence of coverage must be delivered to Landlord on or before the date required under Section 10.4(I) sub-sections (x) and (y), or Section 10.4(II) below (as applicable). Such policies shall be for a term of at least one (1) year, or the length of the remaining term of this Lease, whichever is less.

10.3.1 Commercial General Liability Insurance, including Broad Form contractual liability covering the insured against claims of bodily injury, personal injury and property damage (including loss of use thereof) based upon or arising out of Tenant's operations, occupancy or maintenance of the Project and all areas appurtenant thereto. Such insurance shall be written on an "occurrence" basis. Landlord and any other party the Landlord so specifies in writing to Tenant that has a material financial interest in the Project, including Landlord's managing agent, ground lessor and/or lender, if any, shall be named as additional insureds as their interests may appear using Insurance Service Organization's form CG2011 or a comparable form approved by Landlord. Tenant shall provide an endorsement or policy excerpt showing that Tenant's coverage is primary and any insurance carried by Landlord shall be excess and non- contributing. The coverage shall also be extended to include damage caused by heat, smoke or fumes from a hostile fire. The policy shall not contain any intra-insured exclusions as between insured persons or organizations. This policy shall include coverage for all liabilities assumed under this Lease as an insured contract for the performance of all of Tenant's indemnity obligations under this Lease. The limits of said insurance shall not, however, limit the liability of Tenant nor relieve Tenant of any obligation hereunder. Limits of liability insurance shall not be less than the following; provided, however, such limits may be achieved through the use of an Umbrella/Excess Policy:

Bodily Injury and Property Damage Liability	$5,000,000 each occurrence
Personal Injury and Advertising Liability	$5,000,000 each occurrence
Tenant Legal Liability/Damage to Rented Premises Liability	$5,000,000.00

10.3.2 Property Insurance covering (i) all office furniture, personal property, business and trade fixtures, office equipment, free-standing cabinet work, movable partitions, merchandise and all other items of Tenant's business personal property on the Premises installed by, for, or at the expense of Tenant, (ii) the Improvements, and any other improvements which exist in the Premises as of the Lease Commencement Date (excluding the Base Building) (the "**Original Improvements**"), and (iii) all Alterations performed in the Premises. Such insurance shall be written on a Special Form basis, for the full replacement cost value (subject to reasonable deductible amounts), without deduction for depreciation of the covered items and in amounts that meet any co-insurance clauses of the policies of insurance and shall include coverage for (a) all perils included in the CP 10 30 04 02 Coverage Special Form, and (b) water damage from any cause whatsoever, including, but not limited to, sprinkler leakage, bursting, leaking or stoppage of any pipes, explosion, and backup or overflow from sewers or drains.

10.3.2.1 **Increase in Project's Property Insurance**. Tenant shall pay for any increase in the premiums for the property insurance of the Project if said increase is caused by Tenant's acts, omissions, use or occupancy of the Premises; provided that Landlord shall have delivered to Tenant reasonable supporting documentation evidencing that such increased premium results from such acts, omissions, use or occupancy of the Premises byTenant.

10.3.2.2 **Property Damage**. Tenant shall use the proceeds from any such insurance for the replacement of personal property, trade fixtures, Improvements, Original Improvements and Alterations.

10.3.2.3 **No Representation of Adequate Coverage**. Landlord makes no representation that the limits or forms of coverage of insurance specified herein are adequate to cover Tenant's property, business operations or obligations under this Lease.

10.3.2.4 **Property Insurance Subrogation**. Landlord and Tenant intend that their respective property loss risks shall be borne by insurance carriers to the extent above provided (and, in the case of Tenant, by an insurance carrier satisfying the requirements of Section 10.4(i) below), and Landlord and Tenant hereby agree to look solely to, and seek recovery only from, their respective insurance carriers in the event of a property loss to the extent that such coverage is agreed to be provided hereunder. The parties each hereby waive all rights and claims against each other for such losses, and waive all rights of subrogation of their respective insurers. Landlord and Tenant hereby represent and warrant that their respective "all

risk" property insurance policies include a waiver of (i) subrogation by the insurers, and (ii) all rights based upon an assignment from its insured, against Landlord and/or any of the Landlord Parties or Tenant and/or any of the Tenant Parties (as the case may be) in connection with any property loss risk thereby insured against. Tenant will cause all subtenants and licensees of the Premises claiming by, under, or through Tenant to execute and deliver to Landlord a waiver of claims similar to the waiver in this Section 10.3.2.4 and to obtain such waiver of subrogation rights endorsements. If either party hereto fails to maintain the waivers set forth in items (i) and (ii) above, the party not maintaining the requisite waivers shall indemnify, defend, protect, and hold harmless the other party for, from and against any and all claims, losses, costs, damages, expenses and liabilities (including, without limitation, court costs and reasonable attorneys' fees) arising out of, resulting from, or relating to, such failure.

10.3.3 Business Income Interruption for six (6) months plus Extra Expense insurance in such amounts as will reimburse Tenant for actual direct or indirect loss of earnings attributable to the risks outlined in Section 10.3.2 above.

10.3.4 Worker's Compensation or other similar insurance pursuant to all applicable state and local statutes and regulations, and Employer's Liability with minimum limits of not less than $1,000,000 each accident/employee/disease.

10.3.5 Commercial Automobile Liability Insurance covering all Owned (if any), Hired, or Non-owned vehicles with limits not less than $1,000,000 combined single limit for bodily injury and property damage.

10.4 **Form of Policies**. The minimum limits of policies of insurance required of Tenant under this Lease shall in no event limit the liability of Tenant under this Lease. Such insurance shall (i) be issued by an insurance company having an AM Best rating of not less than A-VIII (or to the extent AM Best ratings are no longer available, then a similar rating from another comparable rating agency), or which is otherwise acceptable to Landlord and licensed to do business in the State of California, (ii) be in form and content reasonably acceptable to Landlord and complying with the requirements of Section 10.3 (including, Sections 10.3.1 through 10.3.5), (iii) Tenant shall not do or permit to be done anything which invalidates the required insurance policies, and (iv) provide that said insurance shall not be canceled or coverage changed unless thirty (30) days' prior written notice shall have been given to Landlord and any mortgagee of Landlord, the identity of whom has been provided to Tenant in writing. Tenant shall deliver certificates of said policies and applicable endorsements which meet the requirements of this Article 10 to Landlord on or before (I) the earlier to occur of: (x) the Lease Commencement Date, and (y) the date Tenant and/or its employees, contractors and/or agents first enter the Premises for occupancy, construction of improvements, alterations, or any other move-in activities, and (II) five (5) business days after the renewal of such policies. In the event Tenant shall fail to procure such insurance, or to deliver such policies or certificates and applicable endorsements, Landlord may, at its option, after written notice to Tenant and Tenant's failure to obtain such insurance within five (5) days thereafter, procure such policies for the account of Tenant and the sole benefit of Landlord, and the cost thereof shall be paid to Landlord after delivery to Tenant of bills therefor.

10.5 **Additional Insurance Obligations**. Tenant shall carry and maintain during the entire Lease Term, at Tenant's sole cost and expense, increased amounts of the insurance required to be carried by Tenant pursuant to this Article 10 and such other reasonable types of insurance coverage and in such reasonable amounts covering the Premises and Tenant's operations therein, as may be reasonably requested by Landlord, but only to the extent that either (a) tenants occupying space that is comparable in size and quality to the Premises in Comparable Buildings are being required by their respective landlords to carry such increased amounts of insurance or other types of insurance coverage, or (b) such increased amounts of insurance or other types of insurance coverage are required by Landlord's mortgagee.

10.6 **Third-Party Contractors**. Tenant shall obtain and deliver to Landlord, Third Party Contractor's certificates of insurance and applicable endorsements at least seven (7) business days prior to the commencement of work in or about the Premises by any vendor or any other third-party contractor who enter the Premises or Project to carry out work and/or perform services therein (including without limitation contractors performing the Improvements or any Alterations, and vendors delivering products or supplies to the Premises) (collectively, a "**Third Party Contractor**"). All such insurance shall (a) name Landlord as an additional insured under such party's liability policies as required by Section 10.3.1 above and this Section 10.6, (b) provide a waiver of subrogation in favor of Landlord under such Third Party Contractor's commercial general liability insurance, (c) be primary and any insurance carried by Landlord shall be excess and non-contributing, and (d) comply with Landlord's minimum insurance requirements.

ARTICLE 11

DAMAGE AND DESTRUCTION

11.1 **Repair of Damage to Premises by Landlord**. If the Base Building or any Common Areas serving or providing access to the Premises shall be damaged by a fire or any other casualty (collectively, a "**Casualty**"), Landlord shall promptly and diligently, subject to reasonable delays for insurance adjustment or other matters beyond Landlord's reasonable control, and subject to all other terms of this Article 11, restore the Base Building and such Common Areas. Such restoration shall be to substantially the same condition of the Base Building and the Common Areas prior to the Casualty, except for modifications required by zoning and building codes and other laws or by the holder of a mortgage on the Building or Project or any other modifications to the Common Areas deemed desirable by Landlord, which are consistent with the character of the Project, provided that access to the Premises and any common restrooms serving the Premises shall not be materially impaired. Tenant shall promptly notify Landlord upon the occurrence of any damage to the Premises resulting from a Casualty, and Tenant shall promptly inform its insurance carrier of any such damage. Upon notice (the "**Landlord Repair Notice**") to Tenant from Landlord, Tenant shall assign to Landlord (or to any party designated by Landlord) all insurance proceeds payable to Tenant under Tenant's insurance required under Section 10.3 of this Lease, and Landlord shall repair any injury or damage to the Improvements and the Original Improvements installed in the Premises and shall return such Improvements and the Original Improvements to their original condition; provided that if the cost of such repair by Landlord exceeds the amount of insurance proceeds received by Landlord from Tenant's insurance carrier, as assigned by Tenant, the cost of such repairs shall be paid by

Tenant to Landlord prior to Landlord's commencement of repair of the damage. In the event that Landlord does not deliver the Landlord Repair Notice within sixty (60) days following the date the Casualty becomes known to Landlord, Tenant shall, at its sole cost and expense, repair any injury or damage to the Improvements and the Original Improvements installed in the Premises and shall return such Improvements and Original Improvements to their original condition. Whether or not Landlord delivers a Landlord Repair Notice, prior to the commencement of construction, Tenant shall submit to Landlord, for Landlord's review and approval, all plans, specifications and working drawings relating thereto, and Landlord shall select the contractors to perform such improvement work. Landlord shall not be liable for any inconvenience or annoyance to Tenant or its visitors, or injury to Tenant's business resulting in any way from such damage or the repair thereof; provided however, that if such Casualty shall have damaged the Premises or Common Areas necessary to Tenant's occupancy, and the Premises is not occupied by Tenant as a result thereof, then during the time and to the extent the Premises is unfit for occupancy, the Rent shall be abated in proportion to the ratio that the amount of rentable square feet of the Premises which is unfit for occupancy for the purposes permitted under this Lease bears to the total rentable square feet of the Premises. In the event that Landlord shall not deliver the Landlord Repair Notice, Tenant's right to rent abatement pursuant to the preceding sentence shall terminate as of the date which is reasonably determined by Landlord to be the date Tenant should have completed repairs to the Premises assuming Tenant used reasonable due diligence in connection therewith.

11.2 **Landlord's Option to Repair**. Notwithstanding the terms of Section 11.1 of this Lease, Landlord may elect not to rebuild and/or restore the Premises, Building and/or Project, and instead terminate this Lease, by notifying Tenant in writing of such termination within sixty (60) days after the date of discovery of the damage, such notice to include a termination date giving Tenant sixty (60) days to vacate the Premises, but Landlord may so elect only if the Building or Project shall be damaged by Casualty, whether or not the Premises is affected, and one or more of the following conditions is present: (i) in Landlord's reasonable judgment, repairs cannot reasonably be completed within one hundred eighty (180) days after the date of discovery of the damage (when such repairs are made without the payment of overtime or other premiums); (ii) the holder of any mortgage on the Building or Project or ground lessor with respect to the Building or Project shall require that the insurance proceeds or any portion thereof be used to retire the mortgage debt, or shall terminate the ground lease, as the case may be; (iii) the damage is not fully covered by Landlord's insurance policies; (iv) Landlord decides to rebuild the Building or Common Areas so that they will be substantially different structurally or architecturally; (v) the damage occurs during the last twelve (12) months of the Lease Term; or (vi) any owner of any other portion of the Project, other than Landlord, does not intend to repair the damage to such portion of the Project; provided, however, that if the Premises and/or access thereto are materially damaged by Casualty, and Landlord does not elect to terminate this Lease pursuant to Landlord's termination right as provided above, and either the repairs cannot, in the reasonable opinion of Landlord, be completed within one hundred eighty (180) days after being commenced, Tenant may elect, no earlier than sixty (60) days after the date of the damage and not later than ninety (90) days after the date of such damage, to terminate this Lease by written notice to Landlord effective as of the date specified in the notice, which date shall not be less than thirty (30) days nor more than sixty (60) days after the date such notice is given by Tenant. At any time, from time to time, after the date occurring sixty (60) days after the date of the damage, Tenant may request that Landlord inform Tenant of Landlord's reasonable opinion of

the date of completion of the repairs and Landlord shall respond to such request within five (5) business days ("**Landlord's Repair Estimate Notice**"). Notwithstanding the provisions of this Section 11.2, Tenant shall have the right to terminate this Lease under this Section 11.2 only if each of the following conditions is satisfied: (a) the damage to the Project by Casualty was not caused by the gross negligence or intentional act of Tenant or its partners or subpartners and their respective officers, agents, servants, employees, and independent contractors; (b) Tenant is not then in default under this Lease (beyond the applicable notice and cure periods); (c) as a result of the damage, Tenant cannot reasonably conduct business from the Premises; and, (d) as a result of the damage to the Project, Tenant does not occupy or use the Premises at all. In the event this Lease is terminated in accordance with the terms of this Section 11.2, Tenant shall assign to Landlord (or to any party designated by Landlord) all insurance proceeds payable to Tenant under Tenant's insurance required under items (ii) and (iii) of Section 10.3.2 of this Lease. Notwithstanding the provisions of this Section 11.2, Tenant shall have the right to terminate this Lease under this Section 11.2 only if each of the following conditions is satisfied: (a) a material portion of the Premises is rendered untenantable by a Casualty during the last twelve (12) months of the Lease Term; (b) the Casualty was not caused by the negligence or intentional act of Tenant or any Tenant Parties; (c) Tenant is not then in default under this Lease beyond the requisite notice and cure periods set forth under this Lease; (d) as a result of the Casualty, Tenant cannot reasonably conduct business from the Premises; (e) Landlord notifies Tenant that such damage cannot reasonably be repaired (as determined by Landlord) within one hundred twenty (120) days after the date of the Casualty; and (f) Tenant provides Landlord with written notice ("**Landlord's Damage Notice**") of its intent to terminate within thirty (30) days after the date of Landlord's Damage Notice. Notwithstanding anything to the contrary set forth herein, if Landlord has the right to terminate this Lease pursuant to this Section 11.2, Landlord agrees to exercise such right in a nondiscriminatory fashion among leases affecting the Project. Consideration of the following factors in arriving at its decision shall not be deemed discriminatory: length of term remaining on this Lease, time needed to repair and restore, costs of repair and restoration not covered by insurance proceeds, Landlord's plans to repair and restore Common Areas serving the Premises, Landlord's plans for repair and restoration of the Building, and other relevant factors of Landlord's decision as long as they are applied to Tenant in the same manner as other tenants of the Project;

11.3 **Waiver of Statutory Provisions**. The provisions of this Lease, including this Article 11, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises, the Building or the Project, and any statute or regulation of the State of California, including, without limitation, Sections 1932(2) and 1933(4) of the California Civil Code, with respect to any rights or obligations concerning damage or destruction in the absence of an express agreement between the parties, and any other statute or regulation, now or hereafter in effect, shall have no application to this Lease or any damage or destruction to all or any part of the Premises, the Building or the Project.

ARTICLE 12

NONWAIVER

No provision of this Lease shall be deemed waived by either party hereto unless expressly waived in a writing signed thereby. The waiver by either party hereto of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of same or any other term, covenant or condition herein contained. The subsequent acceptance of Rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent. No acceptance of a lesser amount than the Rent herein stipulated shall be deemed a waiver of Landlord's right to receive the full amount due, nor shall any endorsement or statement on any check or payment or any letter accompanying such check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the full amount due. No receipt of monies by Landlord from Tenant after the termination of this Lease shall in anyway alter the length of the Lease Term or of Tenant's right of possession hereunder, or after the giving of any notice shall reinstate, continue or extend the Lease Term or affect any notice given Tenant prior to the receipt of such monies, it being agreed that after the service of notice or the commencement of a suit, or after final judgment for possession of the Premises, Landlord may receive and collect any Rent due, and the payment of said Rent shall not waive or affect said notice, suit or judgment.

ARTICLE 13

CONDEMNATION

If the whole or any part of the Premises, Building or Project shall be taken by power of eminent domain or condemned by any competent authority for any public or quasi-public use or purpose, or if any adjacent property or street shall be so taken or condemned, or reconfigured or vacated by such authority in such manner as to require the use, reconstruction or remodeling of any part of the Premises, Building or Project, or if Landlord shall grant a deed or other instrument n lieu of such taking by eminent domain or condemnation, Landlord shall have the option to terminate this Lease effective as of the date possession is required to be surrendered to the authority. If more than twenty-five percent (25%) of the rentable square feet of the Premises is taken, or if access to the Premises is substantially impaired, in each case for a period in excess of one hundred eighty (180) days, Tenant shall have the option to terminate this Lease effective as of the date possession is required to be surrendered to the authority. Tenant shall not because of such taking assert any claim against Landlord or the authority for any compensation because of such taking and Landlord shall be entitled to the entire award or payment in connection therewith, except that Tenant shall have the right to file any separate claim available to Tenant for any taking of Tenant's personal property and fixtures belonging to Tenant and removable by Tenant upon expiration of the Lease Term pursuant to the terms of this Lease, and for moving expenses, so long as such claims do not diminish the award available to Landlord, its ground lessor with respect to the Building or Project or its mortgagee, and such claim is payable separately to Tenant. All Rent shall be apportioned as of the date of such termination. If any part of the Premises shall be taken, and this Lease shall not be so terminated, the Rent shall be proportionately abated. Tenant hereby waives any and all rights it might otherwise have pursuant to Section 1265.130 of The California Code of Civil Procedure. Notwithstanding anything to the contrary contained in this Article 13, in the event of a temporary taking of all or any portion of the Premises for a period of one hundred and eighty (180) days or less, then this Lease shall not terminate but the Base Rent and the Additional Rent shall be abated for the period of such taking in proportion to the ratio that the amount of rentable square feet of the Premises taken bears to the total rentable square feet of the Premises. Landlord shall be entitled to receive the entire award made in connection with any such temporary taking.

ARTICLE 14

ASSIGNMENT AND SUBLETTING

14.1 **Transfers**. Tenant shall not, without the prior written consent of Landlord, assign, mortgage, pledge, hypothecate, encumber, or permit any lien to attach to, or otherwise transfer, this Lease or any interest hereunder, permit any assignment, or other transfer of this Lease or any interest hereunder by operation of law, sublet the Premises or any part thereof, or enter into any license or concession agreements or otherwise permit the occupancy or use of the Premises or any part thereof by any persons other than Tenant and its employees and contractors (all of the foregoing are hereinafter sometimes referred to collectively as "**Transfers**" and any person or entity to whom any Transfer is made or sought to be made is hereinafter sometimes referred to as a "**Transferee**"). If Tenant desires Landlord's consent to any Transfer, Tenant shall notify Landlord in writing, which notice (the "**Transfer Notice**") shall include (i) the proposed effective date of the Transfer, which shall not be less than twenty (20) days nor more than one hundred eighty (180) days after the date of delivery of the Transfer Notice, (ii) a description of the portion of the Premises to be transferred (the "**Subject Space**"), (iii) all of the terms of the proposed Transfer and the consideration therefor, including calculation of the "Transfer Premium", as that term is defined in Section 14.3 below, in connection with such Transfer, the name and address of the proposed Transferee, and a copy of all existing executed and/or proposed documentation pertaining to the proposed Transfer, including all existing operative documents to be executed to evidence such Transfer or the agreements incidental or related to such Transfer, provided that Landlord shall have the right to require Tenant to utilize Landlord's standard Transfer documents in connection with the documentation of such Transfer, (iv) current financial statements of the proposed Transferee certified by an officer, partner or owner thereof, business credit and personal references and history of the proposed Transferee and any other information required by Landlord which will enable Landlord to determine the financial responsibility, character, and reputation of the proposed Transferee, nature of such Transferee's business and proposed use of the Subject Space and (v) an executed estoppel certificate from Tenant in the form attached hereto as **Exhibit E**. Any Transfer made without Landlord's prior written consent shall, at Landlord's option, be null, void and of no effect, and shall, at Landlord's option, constitute a default by Tenant under this Lease. Whether or not Landlord consents to any proposed Transfer, Tenant shall pay Landlord's review and processing fees, as well as any reasonable professional fees (including, without limitation, attorneys', accountants', architects', engineers' and consultants' fees) incurred by Landlord, within thirty (30) days after written request by Landlord; provided that such review and processing fees and attorneys' fees and costs shall not exceed Five Thousand and No/100 Dollars ($5,000.00) in the aggregate for any one (1) particular Transfer in the ordinary course of business. Landlord and Tenant hereby agree that a proposed Transfer shall not be considered "in the ordinary course of business" if such particular proposed Transfer involves the review of documentation by Landlord on more than two (2) occasions.

14.2 **Landlord's Consent**. Landlord shall not unreasonably withhold, condition or delay its consent to any proposed Transfer of the Subject Space to the Transferee on the terms specified in the Transfer Notice. Without limitation as to other reasonable grounds for withholding consent, the parties hereby agree that it shall be reasonable under this Lease and under any applicable law for Landlord to withhold consent to any proposed Transfer where one or more of the following apply:

14.2.1 The Transferee is of a character or reputation or engaged in a business which is not consistent with the quality of the Building or the Project, or would be a significantly less prestigious occupant of the Building than Tenant;

14.2.2 The Transferee intends to use the Subject Space for purposes which are not permitted under this Lease;

14.2.3 The Transferee is either a governmental agency or instrumentality thereof;

14.2.4 The Transferee is not a party of reasonable financial worth and/or financial stability in light of the responsibilities to be undertaken in connection with the Transfer on the date consent is requested;

14.2.5 The proposed Transfer would cause a violation of another lease for space in the Project, or would give an occupant of the Project a right to cancel its lease;

14.2.6 The terms of the proposed Transfer will allow the Transferee to exercise a right of renewal, right of expansion, right of first offer, or other similar right held by Tenant (or will allow the Transferee to occupy any space at the Building pursuant to any such right that has not previously been exercised by Tenant); or

14.2.7 Either the proposed Transferee, or any person or entity which directly or indirectly, controls, is controlled by, or is under common control with, the proposed Transferee, (i) occupies space in the Project at the time of the request for consent(provided that Landlord will not withhold its consent solely because the proposed Transferee is an occupant of the Project if Landlord does not have reasonably comparable space available for lease to such proposed Transferee in the Project within six (6) months of the anticipated commencement of the proposed Transfer); or (ii) is negotiating with Landlord to lease space in the Project at such time, or (iii) has negotiated with Landlord during the six (6)-month period immediately preceding the Transfer Notice; or

14.2.8 The Transferee does not intend to occupy the entire Premises and conduct its business therefrom for a substantial portion of the term of the Transfer.

If Landlord consents to any Transfer pursuant to the terms of this Section 14.2 (and does not exercise any recapture rights Landlord may have under Section 14.4 of this Lease), Tenant may within six (6) months after Landlord's consent, but not later than the expiration of said six (6)- month period, enter into such Transfer of the Premises or portion thereof, upon substantially the same terms and conditions as are set forth in the Transfer Notice furnished by Tenant to Landlord pursuant to Section 14.1 of this Lease, provided that if there are any changes in the terms and conditions from those specified in the Transfer Notice (i) such that Landlord would

initially have been entitled to refuse its consent to such Transfer under this Section 14.2, or (ii) which would cause the proposed Transfer to be more favorable to the Transferee than the terms set forth in Tenant's original Transfer Notice, Tenant shall again submit the Transfer to Landlord for its approval and other action under this Article 14 (including Landlord's right of recapture, if any, under Section 14.4 of this Lease). Notwithstanding anything to the contrary in this Lease, if Tenant or any proposed Transferee claims that Landlord has unreasonably withheld or delayed its consent under this Section 14.2 or otherwise has breached or acted unreasonably under this Article 14, their sole remedies shall be a declaratory judgment and an injunction for the relief sought without any monetary damages, and Tenant hereby waives the provisions of Section 1995.310 of the California Civil Code, or any successor statute, and all other remedies, including, without limitation, any right at law or equity to terminate this Lease, on its own behalf and, to the extent permitted under all applicable laws, on behalf of the proposed Transferee. Tenant shall indemnify, defend and hold harmless Landlord from any and all liability, losses, claims, damages, costs, expenses, causes of action and proceedings involving any third party or parties (including without limitation Tenant's proposed subtenant or assignee) who claim they were damaged by Landlord's wrongful withholding or conditioning of Landlord's consent.

14.3 **Transfer Premium**. If Landlord consents to a Transfer, as a condition thereto which the parties hereby agree is reasonable, Tenant shall pay to Landlord fifty percent (50%) of any "Transfer Premium," as that term is defined in this Section 14.3, received by Tenant from such Transferee. "**Transfer Premium**" shall mean all rent, additional rent or other consideration payable by such Transferee in connection with the Transfer in excess of the Rent and Additional Rent payable by Tenant under this Lease during the term of the Transfer on a per rentable square foot basis if less than all of the Premises is transferred, after deducting the reasonable expenses incurred by Tenant for (i) any changes, alterations and improvements to the Premises in connection with the Transfer, (ii) any free base rent or other economic concessions reasonably provided to the Transferee, and (iii) any brokerage commissions and attorneys' fees in connection with the Transfer. "Transfer Premium" shall also include, but not be limited to, key money, bonus money or other cash consideration paid by Transferee to Tenant in connection with such Transfer, and any payment in excess of fair market value for services rendered by Tenant to Transferee or for assets, fixtures, inventory, equipment, or furniture transferred by Tenant to Transferee in connection with such Transfer.

14.4 **Landlord's Option as to Subject Space**. Notwithstanding anything to the contrary contained in this Article 14, Landlord shall have the option except in the case of a Transfer to a Permitted Transferee pursuant to Section 14.7, by giving written notice to Tenant within thirty (30) days after receipt of any Transfer Notice, in the event of a proposed assignment of this Lease or sublease that would (i) result in fifty percent (50%) or more of the Premises (when aggregated with all prior subleases then in effect) being subject to a sublease, or (ii) be for a term of more than fifty percent (50%) of the then-remaining Lease Term, or (iii) result in a full floor of the Premises being subject to a sublease, to recapture the Subject Space. Such recapture notice shall cancel and terminate this Lease with respect to the Subject Space as of the date stated in the Transfer Notice as the effective date of the proposed Transfer until the last day of the term of the Transfer as set forth in the Transfer Notice (or at Landlord's option, shall cause the Transfer to be made to Landlord or its agent, in which case the parties shall execute the Transfer documentation promptly thereafter). In the event of a recapture by Landlord, if this Lease shall be canceled with respect to less than the entire Premises, the Rent reserved herein

shall be prorated on the basis of the number of rentable square feet retained by Tenant in proportion to the number of rentable square feet contained in the Premises, and this Lease as so amended shall continue thereafter in full force and effect, and upon request of either party, the parties shall execute written confirmation of the same. If Landlord declines, or fails to elect in a timely manner to recapture the Subject Space under this Section 14.4, then, provided Landlord has consented to the proposed Transfer, Tenant shall be entitled to proceed to Transfer the Subject Space to the proposed Transferee, subject to provisions of this Article 14.

14.5 **Effect of Transfer**. If Landlord consents to a Transfer, (i) the TCCs of this Lease shall in no way be deemed to have been waived or modified, (ii) such consent shall not be deemed consent to any further Transfer by either Tenant or a Transferee, (iii) Tenant shall deliver to Landlord, promptly after execution, an original executed copy of all documentation pertaining to the Transfer in form reasonably acceptable to Landlord, (iv) Tenant shall furnish upon Landlord's request a complete statement, certified by an independent certified public accountant, or Tenant's chief financial officer, setting forth in detail the computation of any Transfer Premium Tenant has derived and shall derive from such Transfer, and (v) no Transfer relating to this Lease or agreement entered into with respect thereto, whether with or without Landlord's consent, shall relieve Tenant or any guarantor of the Lease from any liability under this Lease, including, without limitation, in connection with the Subject Space. Landlord or its authorized representatives shall have the right, upon not less than five (5) business days' advance written notice to Tenant, to audit the books, records and papers of Tenant relating to any Transfer, subject to the following limitations: (A) the audit must occur during the normal business hours of Tenant at Tenant's office in the Building or at such other location as Tenant may reasonably designate in the San Francisco Bay Area; (B) the audit shall last no longer than one (1) business day; (C) Landlord and its authorized representatives shall have no right to make copies of Tenant's books, records and papers; (D) Landlord shall not conduct any such audit more than once during any twelve (12) month period (provided, however, that the foregoing limitation shall no longer apply if the Transfer Premium is found at any time to be understated) by more than three percent (3%); and (E) Landlord shall enter into Landlord's standard commercially reasonable form of confidentiality agreement with Tenant, which agreement shall cover confidential financial information provided by Tenant to Landlord in connection with such audit. If the Transfer Premium respecting any Transfer shall be found understated, Tenant shall, within thirty (30) days after demand, pay the deficiency, and if understated by more than five percent (5%), Tenant shall pay Landlord's costs of such audit up to a maximum of Five Thousand Dollars ($5,000.00).

14.6 **Additional Transfers**. For purposes of this Lease, the term "**Transfer**" shall also include (i) if Tenant is a partnership, the withdrawal or change, voluntary, involuntary or by operation of law, of more than fifty percent (50%) or more of the partners, or transfer of more than fifty percent (50%) or more of partnership interests, within a twelve (12)-month period, or the dissolution of the partnership without immediate reconstitution thereof, and (ii) if Tenant is a closely held corporation (*i.e.*, whose stock is not publicly held and not traded through an exchange or over the counter), (A) the dissolution, merger, consolidation or other reorganization of Tenant, subject to Section 14.8 below or (B) the sale or other transfer of an aggregate of more than fifty percent (50%) or more of the voting shares of Tenant (other than to immediate family members by reason of gift or death), within a twelve (12)-month period subject to Section 14.8 below, or (C) the sale, mortgage, hypothecation or pledge of an aggregate of more than fifty

percent (50%) or more of the value of the unencumbered assets of Tenant within a twelve (12)-month period. Notwithstanding anything to the contrary set forth in this Section 14.6 and except as set forth in item (B) of Section 14.8 below), if Tenant is a corporation, so long as Tenant is publicly traded on a major over-the-counter stock exchange, the ordinary transfer of shares over the counter shall be deemed not to be a Transfer for purposes of this Section 14.6.

14.7 **Occurrence of Default**. Any Transfer hereunder shall be subordinate and subject to the provisions of this Lease, and if this Lease shall be terminated during the term of any Transfer, Landlord shall have the right to: (i) treat such Transfer as cancelled and repossess the Subject Space by any lawful means, or (ii) require that such Transferee attorn to and recognize Landlord as its landlord under any such Transfer. If Tenant shall be in default under this Lease, Landlord is hereby irrevocably authorized, as Tenant's agent and attorney-in-fact, to direct any Transferee to make all payments under or in connection with the Transfer directly to Landlord (which Landlord shall apply towards Tenant's obligations under this Lease) until such default is cured. Such Transferee shall rely on any representation by Landlord that Tenant is in default hereunder, without any need for confirmation thereof by Tenant. Upon any assignment, the assignee shall assume in writing all obligations and covenants of Tenant thereafter to be performed or observed under this Lease. No collection or acceptance of rent by Landlord from any Transferee shall be deemed a waiver of any provision of this Article 14 or the approval of any Transferee or a release of Tenant from any obligation under this Lease, whether theretofore or thereafter accruing. In no event shall Landlord's enforcement of any provision of this Lease against any Transferee be deemed a waiver of Landlord's right to enforce any term of this Lease against Tenant or any other person. If Tenant's obligations hereunder have been guaranteed, Landlord's consent to any Transfer shall not be effective unless the guarantor also consents to such Transfer.

14.8 **Deemed Consent Transfers**. Notwithstanding anything to the contrary contained in this Lease, (A) an assignment or subletting of all or a portion of the Premises to an affiliate of Tenant (an entity which is controlled by, controls, or is under common control with, Tenant as of the date of this Lease), (B) a sale of corporate shares of capital stock in Tenant in connection with an initial public offering of Tenant's stock on a nationally-recognized stock exchange, (C) an assignment of the Lease to an entity which acquires all or substantially all of the stock or assets of Tenant, or (D) an assignment of the Lease to an entity which is the resulting entity of a merger, consolidation or reorganization of Tenant during the Lease Term, shall not be deemed a Transfer requiring Landlord's consent under this Article 14 (any such assignee or sublessee described in items (A) through (D) of this Section 14.8 hereinafter referred to as a "**Permitted Transferee**"), provided that (i) Tenant notifies Landlord at least thirty (30) days prior to the effective date of any such assignment or sublease and promptly supplies Landlord with any documents or information reasonably requested by Landlord regarding such Transfer or Permitted Transferee as set forth above (or promptly after such transaction if disclosure is prohibited by legally enforceable confidentiality requirements or Applicable Law), (ii) Tenant is not in default, beyond the applicable notice and cure period, and such assignment or sublease is not a subterfuge by Tenant to avoid its obligations under this Lease, (iii) such Permitted Transferee shall be of a character and reputation consistent with the quality of the Building, (iv) such Permitted Transferee shall have a tangible net worth (not including goodwill as an asset) computed in accordance with generally accepted accounting principles ("**Net Worth**") at least equal to Fifty Million Dollars ($50,000,000.00), (v) no assignment or sublease relating to

this Lease, whether with or without Landlord's consent, shall relieve Tenant from any liability under this Lease, and (vi) the liability of such Permitted Transferee under either an assignment or sublease shall be joint and several with Tenant. An assignee of Tenant's entire interest in this Lease who qualifies as a Permitted Transferee may also be referred to herein as a "**Permitted Transferee Assignee**." "Control," as used in this Section 14.8, shall mean the ownership, directly or indirectly, of more than fifty percent (50%) of the voting securities of, or possession of the right to vote, in the ordinary direction of its affairs, of more than fifty percent (50%) of the voting interest in, any person or entity.

ARTICLE 15

SURRENDER OF PREMISES; OWNERSHIP AND REMOVAL OF TRADE FIXTURES

15.1 **Surrender of Premises**. No act or thing done by Landlord or any agent or employee of Landlord during the Lease Term shall be deemed to constitute an acceptance by Landlord of a surrender of the Premises unless such intent is specifically acknowledged in writing by Landlord. The delivery of keys to the Premises to Landlord or any agent or employee of Landlord shall not constitute a surrender of the Premises or effect a termination of this Lease, whether or not the keys are thereafter retained by Landlord, and notwithstanding such delivery Tenant shall be entitled to the return of such keys at any reasonable time upon request until this Lease shall have been properly terminated. The voluntary or other surrender of this Lease by Tenant, whether accepted by Landlord or not, or a mutual termination hereof, shall not work a merger, and at the option of Landlord shall operate as an assignment to Landlord of all subleases or subtenancies affecting the Premises or terminate any or all such sublessees or subtenancies.

15.2 **Removal of Tenant Property by Tenant**. Upon the expiration of the Lease Term, or upon any earlier termination of this Lease, Tenant shall, subject to the provisions of this Article 15, quit and surrender possession of the Premises to Landlord in as good order and condition as when Tenant took possession and as thereafter improved by Landlord and/or Tenant, reasonable wear and tear and repairs which are specifically made the responsibility of Landlord hereunder excepted. Upon such expiration or termination, in addition to Tenant's obligations under Section 29.32, below, Tenant shall, without expense to Landlord, remove or cause to be removed from the Premises all debris and rubbish, and such items of furniture, equipment, business and trade fixtures, free-standing cabinet work, server and telephone equipment, movable partitions and other articles of personal property owned by Tenant or installed or placed by Tenant at its expense in the Premises, and such similar articles of any other persons claiming under Tenant, as Landlord may, in its sole discretion, require to be removed, and Tenant shall repair at its own expense all damage to the Premises and Building resulting from such removal.

ARTICLE 16

HOLDING OVER

If Tenant holds over after the expiration of the Lease Term, with the express written consent of Landlord, such tenancy shall be from month-to-month only, and shall not constitute a renewal hereof or an extension for any further term, and in such case Base Rent shall be payable at a monthly rate of one hundred fifty percent (150%) of the Base Rent applicable during the last rental period of the Lease Term under this Lease. Such month-to-month tenancy shall be subject to every other applicable term, covenant and agreement contained herein. If Tenant holds over after the expiration of the Lease Term without the express written consent of Landlord, such tenancy shall be a tenancy at sufferance, and shall not constitute a renewal hereof or an extension for any further term, and in such case daily damages in any action to recover possession of the Premises shall be calculated at a daily rate equal to the greater of (i) one hundred fifty percent (150%) of the Base Rent applicable during the last rental period of the Lease Term under this Lease (calculated on a per diem basis) or (ii) the fair market rental rate for the Premises as of the commencement of such holdover period. Nothing contained in this Article 16 shall be construed as consent by Landlord to any holding over by Tenant, and Landlord expressly reserves the right to require Tenant to vacate and deliver possession of the Premises to Landlord as provided in this Lease upon the expiration or other termination of this Lease. The provisions of this Article 16 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law. If Tenant holds over without Landlord's express written consent, and tenders payment of rent for any period beyond the expiration of the Lease Term by way of check (whether directly to Landlord, its agents, or to a lock box) or wire transfer, Tenant acknowledges and agrees that the cashing of such check or acceptance of such wire shall be considered inadvertent and not be construed as creating a month-to-month tenancy, provided Landlord refunds such payment to Tenant promptly upon learning that such check has been cashed or wire transfer received. Tenant acknowledges that any holding over without Landlord's express written consent may compromise or otherwise affect Landlord's ability to enter into new leases with prospective tenants regarding the Premises. Therefore, if Tenant fails to vacate and deliver the Premises upon the termination or expiration of this Lease within thirty (30) days after Landlord notifies Tenant that Landlord has entered into a lease for the Premises or has received a bona fide offer to lease the Premises, and that Landlord will be unable to deliver possession, or perform improvements, due to Tenant's holdover, then, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from and against all claims made by any succeeding tenant founded upon such failure to vacate and deliver, and any losses suffered by Landlord, including lost profits, resulting from such failure to vacate and deliver. Tenant agrees that any proceedings necessary to recover possession of the Premises, whether before or after expiration of the Lease Term, shall be considered an action to enforce the terms of this Lease for purposes of the awarding of any attorney's fees in connection therewith.

ARTICLE 17

ESTOPPEL CERTIFICATES

Within ten (10) days following a request in writing by Landlord, Tenant shall execute, acknowledge and deliver to Landlord an estoppel certificate, which, as submitted by Landlord, shall be substantially in the form of **Exhibit E**, attached hereto (or such other form as may be required by any prospective mortgagee or purchaser of the Project, or any portion thereof), indicating therein any exceptions thereto that may exist at that time, and shall also contain any other information reasonably requested by Landlord or Landlord's mortgagee or prospective mortgagee. Any such certificate may be relied upon by any prospective mortgagee or purchaser

of all or any portion of the Project. Tenant shall execute and deliver whatever other instruments may be reasonably required for such purposes. At any time during the Lease Term, Landlord may require Tenant to provide Landlord with a current financial statement and financial statements of the two (2) years prior to the current financial statement year. Such statements shallbe prepared in accordance with generally accepted accounting principles ("**GAAP**"); provided that Landlord acknowledges that as of the date hereof, Tenant's financial statements are not prepared according to GAAP and accordingly, until such time as Tenant has GAAP financial statements available (which shall be no later than January 1, 2019), Tenant shall provide such financial statement in the form as is provided to Tenant's board of directors and otherwise in a form reasonably acceptable to Landlord, and, if such is the normal practice of Tenant, shall be audited by an independent certified public accountant. Notwithstanding the foregoing, in connection with the Original Tenant only, in the event that (i) stock in the entity which constitutes Original Tenant under this Lease is publicly traded on a national stock exchange, and (ii) Original Tenant has its own, separate and distinct 10K and 10Q filing requirements (as opposed joint or cumulative filings with an entity that controls Original Tenant or with entities which are otherwise affiliates of Original Tenant), then Original Tenant's obligation to provide Landlord with a copy of its most recent current financial statement shall be deemed satisfied. Failure of Tenant to timely execute, acknowledge and deliver such estoppel certificate or other instruments shall constitute an acceptance of the Premises and an acknowledgment by Tenant that statements included in the estoppel certificate are true and correct, without exception. Notwithstanding the foregoing, Landlord shall not request financial statements more than once in each consecutive one (1) year period during the Lease Term unless (i) Tenant is in default, (ii) Landlord reasonably believes that there has been an adverse change in Tenant's financial position since the last financial statement provided to Landlord, or (iii) requested in connection with a proposed financing, sale or transfer of any portion of Landlord's interest in the Building or Project.

ARTICLE 18

SUBORDINATION

This Lease shall be subject and subordinate to all present and future ground or underlying leases of the Building or Project and to the lien of any mortgage, trust deed or other encumbrances now or hereafter in force against the Building or Project or any part thereof, if any, and to all renewals, extensions, modifications, consolidations and replacements thereof, and to all advances made or hereafter to be made upon the security of such mortgages or trust deeds, unless the holders of such mortgages, trust deeds or other encumbrances, or the lessors under such ground lease or underlying leases, require in writing that this Lease be superior thereto. Tenant covenants and agrees in the event any proceedings are brought for the foreclosure of any such mortgage or deed in lieu thereof (or if any ground lease is terminated), to attorn, without any deductions or set-offs whatsoever, to the lienholder or purchaser or any successors thereto upon any such foreclosure sale or deed in lieu thereof (or to the ground lessor), if so requested to do so by such purchaser or lienholder or ground lessor, and to recognize such purchaser or lienholder or ground lessor as the lessor under this Lease, provided such lienholder or purchaser or ground lessor shall agree to accept this Lease and not disturb Tenant's occupancy, so long as Tenant timely pays the rent and observes and performs the TCCs of this Lease to be observed and performed by Tenant. Landlord's interest herein may be assigned as security at any time to

any lienholder. Tenant shall, within ten (10) days of request by Landlord, execute such further reasonable instruments or assurances as Landlord may reasonably deem necessary to evidence or confirm the subordination or superiority of this Lease to any such mortgages, trust deeds, ground leases or underlying leases. Tenant waives the provisions of any current or future statute, rule or law which may give or purport to give Tenant any right or election to terminate or otherwise adversely affect this Lease and the obligations of the Tenant hereunder in the event of any foreclosure proceeding or sale. Landlord represents and warrants to Tenant that as of the date of this Lease, there is no mortgage, trust deed or ground lease in force against the Building or Project or any part thereof.

ARTICLE 19

DEFAULTS; REMEDIES

19.1 **Events of Default**. The occurrence of any of the following shall constitute a default of this Lease by Tenant:

19.1.1 Any failure by Tenant to pay any Rent or any other charge required to be paid under this Lease, or any part thereof, when due unless such failure is cured within five (5) business days after notice; or

19.1.2 Except where a specific time period is otherwise set forth for Tenant's performance in this Lease, in which event the failure to perform by Tenant within such time period shall be a default by Tenant under this Section 19.1.2, any failure by Tenant to observe or perform any other provision, covenant or condition of this Lease to be observed or performed by Tenant where such failure continues for thirty (30) days after written notice thereof from Landlord to Tenant; provided that if the nature of such default is such that the same cannot reasonably be cured within a thirty (30) day period, Tenant shall not be deemed to be in default if it diligently commences such cure within such period and thereafter diligently proceeds to rectify and cure such default, but in no event exceeding a period of time in excess of ninety (90) days after written notice thereof from Landlord to Tenant; or

19.1.3 To the extent permitted by law, (i) Tenant or any guarantor of this Lease being placed into receivership or conservatorship, or becoming subject to similar proceedings under Federal or State law, or (ii) a general assignment by Tenant or any guarantor of this Lease for the benefit of creditors, or (iii) the taking of any corporate action in furtherance of bankruptcy or dissolution whether or not there exists any proceeding under an insolvency or bankruptcy law, or (iv) the filing by or against Tenant or any guarantor of any proceeding under an insolvency or bankruptcy law, unless in the case of such a proceeding filed against Tenant or any guarantor the same is dismissed within sixty (60) days, or (v) the appointment of a trustee or receiver to take possession of all or substantially all of the assets of Tenant or any guarantor, unless possession is restored to Tenant or such guarantor within thirty (30) days, or (vi) any execution or other judicially authorized seizure of all or substantially all of Tenant's assets located upon the Premises or of Tenant's interest in this Lease, unless such seizure is discharged within thirty (30) days; or

19.1.4 Abandonment or vacation of all or a substantial portion of the Premises by Tenant (provided that temporarily vacating the Premises to facilitate remodeling, repairs, or a Transfer, or for a temporary shutdown of business, shall not constitute a default so long as Tenant continues to pay the Rent and otherwise complies with the TCCs under this Lease and so long as Tenant does not abandon the Premises or allow the Premises to appear abandoned or otherwise adversely impact the normal and customary operations of the Building or the Project (including, without limitation, creating any potential security risk or attractive nuisance); or

19.1.5 The failure by Tenant to observe or perform according to the provisions of Articles 5, 14, 17 or 18 of this Lease where such failure continues for more than two (2) business days after notice from Landlord; or

19.1.6 Tenant's failure to occupy the Premises within one hundred fifty (150) days after the Lease Commencement Date; provided, however, that (i) Tenant shall be deemed to have occupied the Premises as of the date that at least one person is consistently working in the Premises during regular business days and hours for the building, and Tenant has received a certificate of occupancy, temporary certificate of occupancy, or signed off permit card (or their legal equivalent) allowing legal occupancy of the Premises and (ii) the one hundred fifty (150) day period shall be extended on a day-for-day basis for each day that Tenant is unable to occupy the Premises as the result of events or circumstances beyond its reasonable control, including without limitation, delays by the City and County of San Francisco or other governmental authorities or any event of Force Majeure, as defined in Section 29.16.

The notice periods provided herein are in lieu of, and not in addition to, any notice periods provided by law.

19.2 **Remedies Upon Default**. Upon the occurrence of any event of default by Tenant, Landlord shall have, in addition to any other remedies available to Landlord at law or in equity (all of which remedies shall be distinct, separate and cumulative), the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and nonexclusive, without any notice or demand whatsoever.

19.2.1 Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim for damages therefor; and Landlord may recover from Tenant the following:

(a) The worth at the time of award of any unpaid rent which has been earned at the time of such termination; plus

(b) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(c) The worth at the time of award of the amount by which the unpaid rent for the balance of the Lease Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(d) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, specifically including but not limited to, brokerage commissions and advertising expenses incurred, expenses of remodeling the Premises or any portion thereof for a new tenant, whether for the same or a different use, and any special concessions made to obtain a new tenant; and

(e) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

The term "**rent**" as used in this Section 19.2 shall be deemed to be and to mean all sums of every nature required to be paid by Tenant pursuant to the terms of this Lease, whether to Landlord or to others. As used in Sections 19.2.1(a) and (b), above, the "worth at the time of award" shall be computed by allowing interest at the Interest Rate. As used in Section 19.2.1(c), above, the "worth at the time of award" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

19.2.2 Landlord shall have the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations). Accordingly, if Landlord does not elect to terminate this Lease on account of any default by Tenant, Landlord may, from time to time, without terminating this Lease, enforce all of its rights and remedies under this Lease, including the right to recover all rent as it becomes due.

19.2.3 Landlord shall at all times have the rights and remedies (which shall be cumulative with each other and cumulative and in addition to those rights and remedies available under Sections 19.2.1 and 19.2.2, above, or any law or other provision of this Lease), without prior demand or notice except as required by applicable law, to seek any declaratory, injunctive or other equitable relief, and specifically enforce this Lease, or restrain or enjoin a violation or breach of any provision hereof.

19.3 **Subleases of Tenant**. Whether or not Landlord elects to terminate this Lease on account of any default by Tenant, as set forth in this Article 19, Landlord shall have the right to terminate any and all subleases, licenses, concessions or other consensual arrangements for possession entered into by Tenant and affecting the Premises or may, in Landlord's sole discretion, succeed to Tenant's interest in such subleases, licenses, concessions or arrangements. In the event of Landlord's election to succeed to Tenant's interest in any such subleases, licenses, concessions or arrangements, Tenant shall, as of the date of notice by Landlord of such election, have no further right to or interest in the rent or other consideration receivable thereunder.

19.4 **Form of Payment After Default**. Following the occurrence of an event of default by Tenant, Landlord shall have the right to require that any or all subsequent amounts paid by Tenant to Landlord hereunder, whether to cure the default in question or otherwise, be paid in the form of cash, money order, cashier's or certified check drawn on an institution acceptable to Landlord, or by other means approved by Landlord, notwithstanding any prior practice of accepting payments in any different form.

19.5 **Efforts to Relet**. No re-entry or repossession, repairs, maintenance, changes, alterations and additions, reletting, appointment of a receiver to protect Landlord's interests hereunder, or any other action or omission by Landlord shall be construed as an election by Landlord to terminate this Lease or Tenant's right to possession, or to accept a surrender of the Premises, nor shall same operate to release Tenant in whole or in part from any of Tenant's obligations hereunder, unless express written notice of such intention is sent by Landlord to Tenant. Tenant hereby irrevocably waives any right otherwise available under any law to redeem or reinstate this Lease.

19.6 **Landlord Default**. Notwithstanding anything to the contrary set forth in this Lease, Landlord shall be in default in the performance of any obligation required to be performed by Landlord pursuant to this Lease if Landlord fails to perform such obligation within thirty (30) days after the receipt of notice from Tenant specifying in detail Landlord's failure to perform; provided, however, if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be in default under this Lease if it shall commence such performance within such thirty (30) day period and thereafter diligently pursues the same to completion. Upon any such default by Landlord under this Lease, Tenant may, except as otherwise specifically provided in this Lease to the contrary, exercise any of its rights provided at law or in equity. Any award from a court or arbitrator in favor of Tenant requiring payment by Landlord which is not paid by Landlord within the time period directed by such award, may be offset by Tenant from Rent next due and payable under this Lease; provided, however, Tenant may not deduct the amount of the award against more than fifty percent (50%) of Base Rent next due and owing (until such time as the entire amount of such judgment is deducted) to the extent following a foreclosure or a deed-in-lieu of foreclosure.

ARTICLE 20

COVENANT OF QUIET ENJOYMENT

Landlord covenants that Tenant, on paying the Rent, charges for services and other payments herein reserved and on keeping, observing and performing all the other TCCs, provisions and agreements herein contained on the part of Tenant to be kept, observed and performed, shall, during the Lease Term, peaceably and quietly have, hold and enjoy the Premises subject to the TCCs, provisions and agreements hereof without interference by any persons lawfully claiming by or through Landlord. The foregoing covenant is in lieu of any other covenant express or implied.

ARTICLE 21

LETTER OF CREDIT

21.1 **Delivery of Letter of Credit.** Tenant shall deliver to Landlord, concurrently with Tenant's execution of this Lease, an unconditional, clean, irrevocable letter of credit (the "L-C") in the amount set forth in Section 21.3 below (the "**L-C Amount**"), which L-C shall be issued by a money-center, solvent and nationally recognized bank (a bank which accepts deposits, maintains accounts, has a local San Francisco, California office which will negotiate a letter of credit, and whose deposits are insured by the FDIC) reasonably acceptable to Landlord (such approved, issuing bank being referred to herein as the "**Bank**"), which Bank must have a short term Fitch Rating which is not less than "F1", and a long term Fitch Rating which is not less than "A"(or in the event such Fitch Ratings are no longer available, a comparable rating from Standard and Poor's Professional Rating Service or Moody's Professional Rating Service) (collectively, the "**Bank's Credit Rating Threshold**"), and which L-C shall be in the form of Exhibit I, attached hereto. Landlord acknowledges and agrees that for the purposes of this Lease, the term "Bank" shall include without limitation Silicon Valley Bank. Tenant shall pay all expenses, points and/or fees incurred by Tenant in obtaining the L-C. The L-C shall (i) be "callable" at sight, irrevocable and unconditional, (ii) be maintained in effect, whether through renewal or extension, for the period commencing on the date of this Lease and continuing until the date (the "**L-C Expiration Date**") that is no less than one hundred twenty (120) days after the expiration of the Lease Term, as the same may be extended, and Tenant shall deliver a new L-C or certificate of renewal or extension to Landlord at least sixty (60) days prior to the expiration of the L-C then held by Landlord, without any action whatsoever on the part of Landlord, (iii) be fully assignable by Landlord, its successors and assigns, (iv) permit partial draws and multiple presentations and drawings, and (v) be otherwise subject to the International Standby Practices-ISP 98, International Chamber of Commerce Publication #590. Landlord, or its then managing agent, shall have the right to draw down an amount up to the face amount of the L-C if any of the following shall have occurred or be applicable: (A) such amount is due to Landlord under the terms and conditions of this Lease, or (B) Tenant has filed a voluntary petition under the U. S. Bankruptcy Code or any state bankruptcy code (collectively, "**Bankruptcy Code**"), or (C) an involuntary petition has been filed against Tenant under the Bankruptcy Code, or (D) the Lease has been rejected, or is deemed rejected, under Section 365 of the U.S. Bankruptcy Code, following the filing of a voluntary petition by Tenant under the Bankruptcy Code, or the filing of an involuntary petition against Tenant under the Bankruptcy Code, or (E) the Bank has notified Landlord that the L-C will not be renewed or extended through the L-C Expiration Date, or (F) Tenant is placed into receivership or conservatorship, or becomes subject to similar proceedings under Federal or State law, or (G) Tenant executes an assignment for the benefit of creditors, or (H) if (1) any of the Bank's Fitch Ratings (or other comparable ratings to the extent the Fitch Ratings are no longer available) have been reduced below the Bank's Credit Rating Threshold, or (2) there is otherwise a material adverse change in the financial condition of the Bank, and Tenant has failed to provide Landlord with a replacement letter of credit, conforming in all respects to the requirements of this Article 21 (including, but not limited to, the requirements placed on the issuing Bank more particularly set forth in this Section 21.1 above), in the amount of the applicable L-C Amount, within ten (10) days following Landlord's written demand therefor (with no other notice or cure or grace period being applicable thereto, notwithstanding anything in this Lease to the contrary) (each of the

foregoing being an "**L-C Draw Event**"). The L-C shall be honored by the Bank regardless of whether Tenant disputes Landlord's right to draw upon the L-C, and regardless of any discrepancies between the L-C and this Lease. In addition, in the event the Bank is placed into receivership or conservatorship by the Federal Deposit Insurance Corporation or any successor or similar entity, then, effective as of the date such receivership or conservatorship occurs, said L-C shall be deemed to fail to meet the requirements of this Article 21, and, within ten (10) days following Landlord's notice to Tenant of such receivership or conservatorship (the "**L-C FDIC Replacement Notice**"), Tenant shall replace such L-C with a substitute letter of credit from a different issuer (which issuer shall meet or exceed the Bank's Credit Rating Threshold and shall otherwise be acceptable to Landlord in its reasonable discretion) and that complies in all respects with the requirements of this Article 21. If Tenant fails to replace such L-C with such conforming, substitute letter of credit pursuant to the terms and conditions of this Section 21.1, then, notwithstanding anything in this Lease to the contrary, Landlord shall have the right to declare Tenant in default of this Lease for which there shall be no notice or grace or cure periods being applicable thereto (other than the aforesaid ten (10) day period). Tenant shall be responsible for the payment of any and all costs incurred with the review of any replacement L-C (including without limitation Landlord's reasonable attorneys' fees), which replacement is required pursuant to this Section or is otherwise requested by Tenant. In the event of an assignment by Tenant of its interest in the Lease (and irrespective of whether Landlord's consent is required for such assignment), the acceptance of any replacement or substitute letter of credit by Landlord from the assignee shall be subject to Landlord's prior written approval, in Landlord's sole and absolute discretion, and the reasonable attorney's fees incurred by Landlord in connection with such determination shall be payable by Tenant to Landlord within ten (10) days of billing.

21.2 **Application of L-C**. Tenant hereby acknowledges and agrees that Landlord is entering into this Lease in material reliance upon the ability of Landlord to draw upon the L-C upon the occurrence of any L-C Draw Event. In the event of any L-C Draw Event, Landlord may, but without obligation to do so, and without notice to Tenant (except in connection with an L-C Draw Event under Section 21.1(H) above), draw upon the L-C, in part or in whole, to cure any such L-C Draw Event and/or to compensate Landlord for any and all damages of any kind or nature sustained or which Landlord reasonably estimates that it will sustain resulting from Tenant's breach or default of the Lease or other L-C Draw Event and/or to compensate Landlord for any and all damages arising out of, or incurred in connection with, the termination of this Lease, including, without limitation, those specifically identified in Section 1951.2 of the California Civil Code. The use, application or retention of the L-C, or any portion thereof, by Landlord shall not prevent Landlord from exercising any other right or remedy provided by this Lease or by any applicable law, it being intended that Landlord shall not first be required to proceed against the L-C, and such L-C shall not operate as a limitation on any recovery to which Landlord may otherwise be entitled. Tenant agrees not to interfere in any way with payment to Landlord of the proceeds of the L-C, either prior to or following a "draw" by Landlord of any portion of the L-C, regardless of whether any dispute exists between Tenant and Landlord as to Landlord's right to draw upon the L-C. No condition or term of this Lease shall be deemed to render the L-C conditional to justify the issuer of the L-C in failing to honor a drawing upon such L-C in a timely manner. Tenant agrees and acknowledges that (i) the L-C constitutes a separate and independent contract between Landlord and the Bank, (ii) Tenant is not a third party beneficiary of such contract, (iii) Tenant has no property interest whatsoever in the L-C or the

proceeds thereof, and (iv) in the event Tenant becomes a debtor under any chapter of the Bankruptcy Code, Tenant is placed into receivership or conservatorship, and/or there is an event of a receivership, conservatorship or a bankruptcy filing by, or on behalf of, Tenant, neither Tenant, any trustee, nor Tenant's bankruptcy estate shall have any right to restrict or limit Landlord's claim and/or rights to the L-C and/or the proceeds thereof by application of Section 502(b)(6) of the U. S. Bankruptcy Code or otherwise.

21.3 **L-C Amount; Maintenance of L-C by Tenant; Liquidated Damages.**

21.3.1 **L-C Amount**. Subject to Section 21.9 below, the L-C Amount shall be equal to [**********] (the "**L-C Amount**").

21.3.2 **In General**. If, as a result of any drawing by Landlord of all or any portion of the L-C, the amount of the L-C shall be less than the L-C Amount, Tenant shall, within five (5) days thereafter, provide Landlord with additional letter(s) of credit in an amount equal to the deficiency, and any such additional letter(s) of credit shall comply with all of the provisions of this Article 21, and if Tenant fails to comply with the foregoing, the same shall be subject to the terms of Section 21.3.3 below. Tenant further covenants and warrants that it will neither assign nor encumber the L-C or any part thereof and that neither Landlord nor its successors or assigns will be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance. Without limiting the generality of the foregoing, if the L-C expires earlier than the L-C Expiration Date, Landlord will accept a renewal thereof (such renewal letter of credit to be in effect and delivered to Landlord, as applicable, not later than sixty (60) days prior to the expiration of the L-C), which shall be irrevocable and automatically renewable as above provided through the L-C Expiration Date upon the same terms as the expiring L-C or such other terms as may be acceptable to Landlord in its sole discretion. If Tenant exercises its option to extend the Lease Term pursuant to Section 2.2 of this Lease then, not later than one hundred twenty (120) days prior to the commencement of the Option Term, Tenant shall deliver to Landlord a new L-C or certificate of renewal or extension evidencing the L-C Expiration Date as one hundred twenty (120) days after the expiration of the Option Term. However, if the L-C is not timely renewed, or if Tenant fails to maintain the L-C in the amount and in accordance with the terms set forth in this Article 21, Landlord shall have the right to either (x) present the L-C to the Bank in accordance with the terms of this Article 21, and the proceeds of the L-C may be applied by Landlord against any Rent payable by Tenant under this Lease that is not paid when due and/or to pay for all losses and damages that Landlord has suffered or that Landlord reasonably estimates that it will suffer as a result of any breach or default by Tenant under this Lease, or (y) pursue its remedy under Section 21.3.3 below. In the event Landlord elects to exercise its rights under the foregoing item (x), (I) any unused proceeds shall constitute the property of Landlord (and not Tenant's property or, in the event of a receivership, conservatorship, or a bankruptcy filing by, or on behalf of, Tenant, property of such receivership, conservatorship or Tenant's bankruptcy estate) and need not be segregated from Landlord's other assets, and (II) Landlord agrees to pay to Tenant within thirty (30) days after the L-C Expiration Date the amount of any proceeds of the L-C received by Landlord and not applied against any Rent payable by Tenant under this Lease that was not paid when due or used to pay for any losses and/or damages suffered by Landlord (or reasonably estimated by Landlord that it will suffer) as a result of any breach or default by Tenant under this Lease; provided, however, that if prior to the L-C Expiration Date a voluntary petition is filed by Tenant, or an involuntary petition

is filed against Tenant by any of Tenant's creditors, under the Bankruptcy Code, then Landlord shall not be obligated to make such payment in the amount of the unused L-C proceeds until either all preference issues relating to payments under this Lease have been resolved in such bankruptcy or reorganization case or such bankruptcy or reorganization case has been dismissed.

21.3.3 **FAILURE TO MAINTAIN; REPLACE AND/OR REINSTATE L-C; LIQUIDATED DAMAGES**. IN THE EVENT THAT TENANT FAILS, WITHIN (I) THAT PERIOD SET FORTH IN SECTION 21.3.2 ABOVE, OR (II) THAT PERIOD SET FORTH IN THE L-C FDIC REPLACEMENT NOTICE, TO PROVIDE LANDLORD WITH ADDITIONAL L-C(S) IN AN AMOUNT EQUAL TO THE DEFICIENCY OR A REPLACEMENT L-C (AS APPLICABLE), THEN TENANT'S MONTHLY INSTALLMENT OF BASE RENT SHALL BE INCREASED BY ONE HUNDRED FIFTY PERCENT (150%) OF ITS THEN EXISTING LEVEL DURING THE PERIOD COMMENCING ON THE DATE WHICH IS THE LAST DAY OF THE PERIOD IDENTIFIED IN SECTION 21.3.2 OR THE L- C FDIC REPLACEMENT NOTICE (AS APPLICABLE), AND ENDING ON THE EARLIER TO OCCUR OF (X) THE DATE TENANT PROVIDES LANDLORD WITH ADDITIONAL L- C(S) IN AN AMOUNT EQUAL TO THE DEFICIENCY AS CONTEMPLATED BY THE TERMS OF SECTION 21.3.2 ABOVE, OR THE L-C FDIC REPLACEMENT NOTICE (AS APPLICABLE), OR (Y) THE DATE WHICH IS NINETY (90) DAYS AFTER THE LAST DAY OF THE PERIOD IDENTIFIED IN SECTION 21.3.2 OR THE L-C FDIC REPLACEMENT NOTICE (AS APPLICABLE). IN THE EVENT THAT TENANT FAILS, DURING SUCH NINETY (90) DAY PERIOD FOLLOWING THE LAST DAY OF THE PERIOD IDENTIFIED IN SECTION 21.3.2 OR THE L-C FDIC REPLACEMENT NOTICE (AS APPLICABLE), TO PROVIDE LANDLORD WITH ADDITIONAL L-C(S) IN AN AMOUNT EQUAL TO THE DEFICIENCY OR A REPLACEMENT L-C (AS APPLICABLE), THEN TENANT'S MONTHLY INSTALLMENT OF BASE RENT SHALL BE INCREASED BY TWO HUNDRED PERCENT (200%) OF ITS THEN EXISTING LEVEL DURING THE PERIOD COMMENCING ON THE DATE WHICH IS NINETY (90) DAYS AFTER THE LAST DAY OF THE PERIOD IDENTIFIED IN SECTION 21.3.2 OR THE L-C FDIC REPLACEMENT NOTICE (AS APPLICABLE) AND ENDING ON THE DATE SUCH ADDITIONAL L-C(S) ARE ISSUED IN AN AMOUNT EQUAL TO THE DEFICIENCY OR SUCH A REPLACEMENT L-C IS ISSUED (AS APPLICABLE) PURSUANT TO THE TERMS OF SECTION 21.3.2 OR THE L-C FDIC REPLACEMENT NOTICE (AS APPLICABLE). THE PARTIES AGREE THAT IT WOULD BE IMPRACTICABLE AND EXTREMELY DIFFICULT TO ASCERTAIN THE ACTUAL DAMAGES SUFFERED BY LANDLORD AS A RESULT OF TENANT'S FAILURE TO TIMELY PROVIDE LANDLORD WITH ADDITIONAL L-C(S) IN AN AMOUNT EQUAL TO THE DEFICIENCY AS REQUIRED IN SECTION 21.3.2, OR A REPLACEMENT L-C AS CONTEMPLATED BY THE L-C FDIC REPLACEMENT NOTICE (AS APPLICABLE), AND THAT UNDER THE CIRCUMSTANCES EXISTING AS OF THE DATE OF THIS LEASE, THE LIQUIDATED DAMAGES PROVIDED FOR IN THIS SECTION 21.3.3 REPRESENT A REASONABLE ESTIMATE OF THE DAMAGES WHICH LANDLORD WILL INCUR AS A RESULT OF SUCH FAILURE, PROVIDED, HOWEVER, THAT THIS PROVISION SHALL NOT WAIVE OR AFFECT LANDLORD'S RIGHTS AND TENANT'S INDEMNITY OBLIGATIONS UNDER OTHER SECTIONS OF THIS LEASE (EXCEPT THAT THE PARTIES SPECIFICALLY AGREE THAT THE FOREGOING PROVISION WAS AGREED TO IN LIEU OF MAKING TENANT'S FAILURE TO PROVIDE LANDLORD WITH ADDITIONAL

L-C(S) IN AN AMOUNT EQUAL TO THE DEFICIENCY OR A REPLACEMENT L-C (AS APPLICABLE) A DEFAULT UNDER THIS LEASE). THE PARTIES ACKNOWLEDGE THAT THE PAYMENT OF SUCH LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTION 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO LANDLORD PURSUANT TO CALIFORNIA CIVIL CODE SECTION 1671. THE PARTIES HAVE SET FORTH THEIR INITIALS BELOW TO INDICATE THEIR AGREEMENT WITH THE LIQUIDATED DAMAGES PROVISION CONTAINED IN THIS SECTION 21.3.3.

/s/ RB Rick Buziak /s/ JH Jeffrey Hawken /s/ BL Bastian Lehmann /s/ SS Sally Shekou

LANDLORD'S INITIALS TENANT'S INITIALS

21.4 **Transfer and Encumbrance**. The L-C shall also provide that Landlord may, at any time and without notice to Tenant and without first obtaining Tenant's consent thereto, transfer (one or more times) all or any portion of its interest in and to the L-C to another party, person or entity, regardless of whether or not such transfer is from or as a part of the assignment by Landlord of its rights and interests in and to this Lease. In the event of a transfer of Landlord's interest in under this Lease, Landlord shall transfer the L-C, in whole or in part, to the transferee and thereupon Landlord shall, without any further agreement between the parties, be released by Tenant from all liability therefor, and it is agreed that the provisions hereof shall apply to every transfer or assignment of the whole of said L-C to a new landlord. In connection with any such transfer of the L-C by Landlord, Tenant shall, at Tenant's sole cost and expense, execute and submit to the Bank such applications, documents and instruments as may be necessary to effectuate such transfer and, Tenant shall be responsible for paying the Bank's transfer and processing fees in connection therewith; provided that, Landlord shall have the right (in its sole discretion), but not the obligation, to pay such fees on behalf of Tenant, in which case Tenant shall reimburse Landlord within ten (10) days after Tenant's receipt of an invoice from Landlord therefor.

21.5 **L-C Not a Security Deposit**. Landlord and Tenant (1) acknowledge and agree that in no event or circumstance shall the L-C or any renewal thereof or substitute therefor or any proceeds thereof be deemed to be or treated as a "security deposit" under any law applicable to security deposits in the commercial context, including, but not limited to, Section 1950.7 of the California Civil Code, as such Section now exists or as it may be hereafter amended or succeeded (the "**Security Deposit Laws**"), (2) acknowledge and agree that the L-C (including any renewal thereof or substitute therefor or any proceeds thereof) is not intended to serve as a security deposit, and the Security Deposit Laws shall have no applicability or relevancy thereto, and (3) waive any and all rights, duties and obligations that any such party may now, or in the future will, have relating to or arising from the Security Deposit Laws. Tenant hereby irrevocably waives and relinquishes the provisions of Section 1950.7 of the California Civil Code and any successor statute, and all other provisions of law, now or hereafter in effect, which (x) establish the time frame by which a landlord must refund a security deposit under a lease, and/or (y) provide that a landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by a tenant or to clean the premises, it being agreed that Landlord may, in addition, claim those sums specified in

this Article 21 and/or those sums reasonably necessary to (a) compensate Landlord for any loss or damage caused by Tenant's breach of this Lease, including any damages Landlord suffers following termination of this Lease, and/or (b) compensate Landlord for any and all damages arising out of, or incurred in connection with, the termination of this Lease, including, without limitation, those specifically identified in Section 1951.2 of the California Civil Code.

21.6 **Non-Interference By Tenant**. Tenant agrees not to interfere in any way with any payment to Landlord of the proceeds of the L-C, either prior to or following a "draw" by Landlord of all or any portion of the L-C, regardless of whether any dispute exists between Tenant and Landlord as to Landlord's right to draw down all or any portion of the L-C. No condition or term of this Lease shall be deemed to render the L-C conditional and thereby afford the Bank a justification for failing to honor a drawing upon such L-C in a timely manner. Tenant shall not request or instruct the Bank of any L-C to refrain from paying sight draft(s) drawn under such L-C.

21.7 **Waiver of Certain Relief**. Tenant unconditionally and irrevocably waives (and as an independent covenant hereunder, covenants not to assert) any right to claim or obtain any of the following relief in connection with the L-C:

21.7.1 A temporary restraining order, temporary injunction, permanent injunction, or other order that would prevent, restrain or restrict the presentment of sight drafts drawn under any L-C or the Bank's honoring or payment of sight draft(s); or

21.7.2 Any attachment, garnishment, or levy in any manner upon either the proceeds of any L-C or the obligations of the Bank (either before or after the presentment to the Bank of sight drafts drawn under such L-C) based on any theory whatever.

21.8 **Remedy for Improper Drafts**. Tenant's sole remedy in connection with the improper presentment or payment of sight drafts drawn under any L-C shall be the right to obtain from Landlord a refund of the amount of any sight draft(s) that were improperly presented or the proceeds of which were misapplied, together with interest at the Interest Rate and reasonable actual out-of-pocket attorneys' fees, provided that at the time of such refund, Tenant increases the amount of such L-C to the amount (if any) then required under the applicable provisions of this Lease. Tenant acknowledges that the presentment of sight drafts drawn under any L-C, or the Bank's payment of sight drafts drawn under such L-C, could not under any circumstances cause Tenant injury that could not be remedied by an award of money damages, and that the recovery of money damages would be an adequate remedy therefor. In the event Tenant shall be entitled to a refund as aforesaid and Landlord shall fail to make such payment within ten (10) business days after demand, Tenant shall have the right to deduct the amount thereof together with interest thereon at the Interest Rate from the next installment(s) of Base Rent.

21.9 **Reduction of L-C**. The L-C Amount shall not be reduced during the period commencing as of the date of this Lease and continuing until the last day of the thirty-sixth (36th) full calendar month of the Lease Term (the "**Fixed Period**"). Provided that (a) on or prior to the applicable "**Reduction Effective Date**", as defined below, Tenant tenders to Landlord documentation satisfactory to Landlord evidencing that Tenant has fully satisfied the applicable "**LC-Reduction Conditions**", as defined below, and (b) on or after the applicable Reduction

Date, Tenant delivers to Landlord an amendment to the existing L-C or a replacement L-C that fully complies in all respect to the requirements set forth in this Article 21 in the amount of the applicable reduced L-C Amount required as of the applicable Reduction Date, then following the expiration of the Fixed Period, the LC-Amount shall be reduced as follows: (i) on or after the first day of the thirty-seventh (37th) Lease Month (the "**First Reduction Effective Date**") the L- C Amount shall be reduced so that the new L-C Amount shall be an amount equal to [**********] (the "**First L-C Reduction**"); and (ii) on or after the first day of the fifty-fifth (55) Lease Month (the "**Second Reduction Effective Date**" and each, a "**Reduction Effective Date**"), the L-C Amount shall be reduced so that the new L-C Amount shall be an amount equal to [**********] (the "**Second L-C Reduction**"). For purposes of this Section 21.9, the "**L-C Reduction Conditions**" shall mean the following: (A) in connection with the First L-C Reduction, (1) Tenant has timely paid Rent and is not then in default (beyond any applicable notice and cure period) under this Lease and has not been in default (beyond any applicable notice and cure period) under this Lease prior to the First Reduction Effective Date, (2) Tenant's Financial Information (as defined below) for the trailing two (2) consecutive calendar quarters immediately preceding the First Reduction Effective Date reflects a tangible net worth (not including goodwill and other intangible assets) that is greater than Seventy-Five Million Dollars ($75,000,000), and (3) Tenant has at least Fifty Million Dollars ($50,000,000) in cash and cash equivalents with the Bank and/or such other money-center, solvent and nationally recognized banks that meet the criteria for the Bank as set forth in Section 21.2 above, as evidenced by Tenant's bank statement(s) from the Bank and/or such other money-center, solvent and/or nationally recognized banks that meet the criteria for the Bank as set forth in Section 21.2 above for the calendar month immediately preceding the First Reduction Effective Date (defined below), which bank statement(s) shall be certified by Tenant's chief financial officer as being true, correct and complete; and (B) in connection with the Second L-C Reduction, (1) Tenant has timely paid Rent and is not then in default (beyond the applicable notice and cure periods) under this Lease and has not been in default (beyond the applicable notice and cure periods) under this Lease prior to the Second Reduction Effective Date, and (2) Tenant's Financial Information reflects Tenant has generated positive cash flow (defined as operating cash flow less acquisitions and capital investments) during the trailing two (2) consecutive calendar quarters immediately preceding the Second Reduction Effective Date. If Tenant believes that it is entitled to a reduction in the L-C Amounts pursuant to this Section 21.9, Tenant shall provide Landlord with written notice requesting that the L-C Amount be reduced as provided above (the "**Reduction Notice**"). Concurrent with Tenant's delivery of the Reduction Notice, Tenant shall deliver to Landlord for its review Tenant's financial statements prepared in accordance with generally accepted accounting principles and audited by a public accounting firm reasonably acceptable to Landlord and otherwise in compliance with Article 17, and any other financial information reasonably requested by Landlord evidencing Tenant's full satisfaction of the First Reduction Condition or the Second Reduction Condition, as applicable ("**Tenant's Financial Information**"). Tenant's Financial Information shall be certified as true, correct and complete by Tenant's chief financial officer, and at a minimum shall include an income statement, balance sheet and cash flow, and applicable notes thereto. As of the applicable Reduction Effective Date on which Tenant is entitled to a reduction of the L-C Amount pursuant to this Section 21.9, any reductions of the L-C Amount shall be accomplished by Tenant providing Landlord, at Tenant's sole cost and expense, with an amendment to the existing L-C or a replacement L-C that fully complies in all respect to the requirements set forth

in this Article 21. In the event that Tenant fails to deliver evidence satisfactory to Landlord demonstrating that Tenant has fully satisfied the applicable Reduction Conditions or if Tenant fails to deliver an amendment to the L-C or replacement L-C as required herein on or prior to the applicable Reduction Effective Date, then the L-C Amount shall not be reduced as of such Reduction Effective Date, but the terms of this Section 21.9 shall remain effective and the L-C Amount shall thereafter be reduced to the amount applicable to such Reduction Effective Date on the date that Tenant delivers to Landlord the Reduction Notice and evidence that Tenant has fully satisfied the applicable Reduction Conditions to Landlord's satisfaction. Notwithstanding anything to the contrary set forth herein, no such reductions to the L-C Amount shall be permitted in the event that Tenant has been in default under this Lease (beyond the applicable notice and cure periods) at any time prior to the applicable Reduction Effective Date. Tenant's rights pursuant to this Section 21.9 shall be personal to the Original Tenant and Permitted Transferee Assignee and may only be exercised by the Original Tenant or any Permitted Transferee Assignee (and not any other assignee, sublessee or other transferee of Original Tenant's interest in this Lease).

ARTICLE 22

SUBSTITUTION OF OTHER PREMISES

Landlord shall have the right to move Tenant to other space in the Project substantially equivalent in size and configuration to the Premises, which new space shall be located on or above the third (3rd) floor of the Building, and all terms hereof shall apply to such new space with equal force. In such event, Landlord shall give Tenant not less than ninety (90) days' prior written notice of the scheduled date of the move, shall provide Tenant, at Landlord's sole cost and expense, with improvements at least equal in quality to those in the Premises and shall move Tenant's effects to the new space at Landlord's sole cost and expense at such time and in such manner as to inconvenience Tenant as little as reasonably practicable. Simultaneously with such relocation of the Premises, the parties shall immediately execute an amendment to this Lease stating the relocation of the Premises. Landlord will also pay the cost of printing a new supply of stationery and business cards showing the new address (not to exceed the lesser of the inventory of such items on hand as of the notice of relocation or a three (3) month supply of such items). Landlord shall also reimburse Tenant for the reasonable cost to install and connect telecommunication and data cabling in the new space in the manner and to the extent such cabling existed in the Premises prior to the relocation. From and after the date of the relocation, the Base Rent payable by Tenant hereunder shall be adjusted based on the rentable square footage of the new space; provided, however, that if the new space is larger than the square footage of the Premises prior to the relocation, in no event shall the Base Rent increase as a result of such increased square footage during the remainder of the then-current Lease Term (but the Base Rent shall be subject to the same annual adjustments to Base Rent applicable with respect to the initial Premises as set forth in Section 4 of the Summary).

ARTICLE 23

SIGNS

23.1 **Full Floors**. Subject to Landlord's prior written approval, in its sole discretion, and provided all signs are in keeping with the quality, design and style of the Building and Project, Tenant, if the Premises comprise an entire floor of the Building, at its sole cost and expense, may install identification signage anywhere in the Premises including in the elevator lobby of the Premises, provided that such signs must not be visible from the exterior of the Building.

23.2 **Multi-Tenant Floors**. If other tenants occupy space on the floor on which the Premises is located, Tenant's identifying signage shall be provided by Landlord, and such signage shall be comparable to that used by Landlord for other similar floors in the Building and shall comply with Landlord's Building standard signage program.

23.3 **Building Directory**. A building directory is located in the lobby of the Building. Tenant shall have the right, at Landlord's sole cost and expense as to Tenant's initial name strip, to designate one (1) name strip on such directory, and any subsequent changes to Tenant's name strip shall be at Tenant's sole cost and expense following Tenant's receipt of Landlord's consent thereto (which consent may be withheld in Landlord's sole and absolute discretion).

23.4 **Prohibited Signage and Other Items**. Any signs, notices, logos, pictures, names or advertisements which are installed and that have not been separately approved by Landlord may be removed without notice by Landlord at the sole expense of Tenant. Tenant may not install any signs on the exterior or roof of the Project or the Common Areas. Any signs, window coverings, or blinds (even if the same are located behind the Landlord-approved window coverings for the Building), or other items visible from the exterior of the Premises or Building, shall be subject to the prior approval of Landlord, in its sole discretion.

ARTICLE 24

COMPLIANCE WITH LAW

24.1 **In General**. Landlord shall comply with all Applicable Laws relating to the Base Building, provided that compliance with such Applicable Laws is not the responsibility of Tenant under this Lease, and provided further that Landlord's failure to comply therewith would prohibit Tenant from obtaining or maintaining a certificate of occupancy for the Premises, or would unreasonably and materially affect the safety of Tenant's employees or create a significant health hazard for Tenant's employees. Landlord shall be permitted to include in Operating Expenses any costs or expenses incurred by Landlord under this Article 24 to the extent not prohibited by the terms of Section 4.2.4 above. For purposes of Section 1938(a) of the California Civil Code, Landlord hereby discloses to Tenant, and Tenant hereby acknowledges, that the Premises have not undergone inspection by a Certified Access Specialist (CASp). As required by Section 1938(e) of the California Civil Code, Landlord hereby states as follows: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards

under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises." In furtherance of the foregoing, Landlord and Tenant hereby agree as follows: (a) any CASp inspection requested by Tenant shall be conducted, at Tenant's sole cost and expense, by a CASp designated by Landlord, subject to Landlord's reasonable rules and requirements; (b) Tenant, at its sole cost and expense, shall be responsible for making any improvements or repairs within the Premises to correct violations of construction-related accessibility standards; and (c) if anything done by or for Tenant in its use or occupancy of the Premises shall require any improvements or repairs to the Building or Project (outside the Premises) to correct violations of construction-related accessibility standards, then Tenant shall reimburse Landlord upon demand, as Additional Rent, for the cost to Landlord of performing such improvements or repairs. Tenant shall not do anything or suffer anything to be done in or about the Premises or the Project which will in any way conflict with any law, statute, ordinance or other governmental rule, regulation or requirement now in force or which may hereafter be enacted or promulgated, including, without limitation, any such governmental regulations related to disabled access (collectively, "**Applicable Laws**"). Without limiting the generality of the foregoing, Tenant shall not bring upon the Premises or any portion of the Project or use the Premises or permit the Premises or any portion thereof to be used for the growing, manufacturing, administration, distribution (including without limitation, any retail sales), possession, use or consumption of any cannabis, marijuana or cannabinoid product or compound, regardless of the legality or illegality of the same. At its sole cost and expense, Tenant shall promptly comply with all Applicable Laws (including the making of any alterations to the Premises required by Applicable Laws) which relate to (i) Tenant's use of the Premises, (ii) the Alterations or the Improvements in the Premises, or (iii) the Base Building (including any path of travel to the Premises with respect to the floors of the Building on which the Premises is located), but, as to the Base Building, only to the extent such obligations are triggered by Tenant's Alterations, the Improvements, or use of the Premises for non-general office use. Should any standard or regulation now or hereafter be imposed on Landlord or Tenant by a state, federal or local governmental body charged with the establishment, regulation and enforcement of occupational, health or safety standards for employers, employees, landlords or tenants, then Tenant agrees, at its sole cost and expense, to comply promptly with such standards or regulations. The judgment of any court of competent jurisdiction or the admission of Tenant in any judicial action, regardless of whether Landlord is a party thereto, that Tenant has violated any of said governmental measures, shall be conclusive of that fact as between Landlord and Tenant.

ARTICLE 25

LATE CHARGES

If any installment of Rent or any other sum due from Tenant shall not be received by Landlord or Landlord's designee when due, then Tenant shall pay to Landlord a late charge equal to five percent (5%) of the overdue amount plus any attorneys' fees incurred by Landlord by

reason of Tenant's failure to pay Rent and/or other charges when due hereunder; provided, however, with regard to the first such failure in any twelve (12) month period, Landlord will waive such late charge to the extent Tenant cures such failure within five (5) business days following Tenant's receipt of written notice from Landlord that the same was not received when due. The late charge shall be deemed Additional Rent and the right to require it shall be in addition to all of Landlord's other rights and remedies hereunder or at law and shall not be construed as liquidated damages or as limiting Landlord's remedies in any manner. In addition to the late charge described above, any Rent or other amounts owing hereunder which are not paid within ten (10) days after the date they are due shall bear interest from the date when due until paid at the "Interest Rate." For purposes of this Lease, the "**Interest Rate**" shall be an annual rate equal to the lesser of (i) the annual "**Bank Prime Loan**" rate cited in the Federal Reserve Statistical Release Publication H.15(519), published weekly (or such other comparable index as Landlord and Tenant shall reasonably agree upon if such rate ceases to be published), plus four (4) percentage points, and (ii) the highest rate permitted by applicable law.

ARTICLE 26

LANDLORD'S RIGHT TO CURE DEFAULT; PAYMENTS BY TENANT

26.1 **Landlord's Cure.** All covenants and agreements to be kept or performed by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any reduction of Rent, except to the extent, if any, otherwise expressly provided herein. If Tenant shall fail to perform any obligation under this Lease, and such failure shall continue in excess of the time allowed under Section 19.1.2, above, unless a specific time period is otherwise stated in this Lease, Landlord may, but shall not be obligated to, make any such payment or perform any such act on Tenant's part without waiving its rights based upon any default of Tenant and without releasing Tenant from any obligations hereunder.

26.2 **Tenant's Reimbursement**. Except as may be specifically provided to the contrary in this Lease, Tenant shall pay to Landlord, upon delivery by Landlord to Tenant of statements therefor: (i) sums equal to expenditures reasonably made and obligations incurred by Landlord in connection with the remedying by Landlord of Tenant's defaults pursuant to the provisions of Section 26.1; (ii) sums equal to all losses, costs, liabilities, damages and expenses referred to in Article 10 of this Lease; and (iii) sums equal to all reasonable expenditures made and obligations incurred by Landlord in collecting or attempting to collect the Rent or in enforcing or attempting to enforce any rights of Landlord under this Lease or pursuant to law, including, without limitation, all reasonable legal fees and other amounts so expended. Tenant's obligations under this Section 26.2 shall survive the expiration or sooner termination of the Lease Term.

ARTICLE 27

ENTRY BY LANDLORD

Landlord reserves the right at all reasonable times (during Building Hours with respect to items (i) and (ii) below) and upon at least twenty-four (24) hours prior notice to Tenant (except in the case of an emergency) to enter the Premises to (i) inspect them; (ii) show the Premises to prospective purchasers, or to current or prospective mortgagees, ground or underlying lessors or insurers, or to prospective tenants (provided that Landlord agrees that except in the event (a) Tenant is in default under this Lease, (b) Landlord and Tenant are negotiating for or have agreed to an early termination of this Lease or Landlord intends to relocate Tenant, or (c) Landlord and Tenant otherwise mutually agree to the contrary, Landlord shall not show the Premises to prospective tenants except during the last twelve (12) months of the then current Lease Term); (iii) post notices of nonresponsibility; or (iv) alter, improve or repair the Premises or the Building, or for structural alterations, repairs or improvements to the Building or the Building's systems and equipment. Notwithstanding anything to the contrary contained in this Article 27, Landlord may enter the Premises at any time to (A) perform services required of Landlord, including janitorial service; (B) take possession due to any breach of this Lease in the manner provided herein; and (C) perform any covenants of Tenant which Tenant fails to perform. Landlord may make any such entries without the abatement of Rent, except as otherwise provided in this Lease, and may take such reasonable steps as required to accomplish the stated purposes; provided, however, except for (*x*) emergencies, (*y*) repairs, alterations, improvements or additions required by governmental or quasi-governmental authorities or court order or decree, or (*z*) repairs which are the obligation of Tenant hereunder, any such entry shall be performed in a manner so as not to unreasonably interfere with Tenant's use of the Premises and shall be performed after normal business hours if reasonably practical. With respect to items (*y*) and (*z*) above, Landlord shall use commercially reasonable efforts to not materially interfere with Tenant's use of, or access to, the Premises. Tenant hereby waives any claims for damages or for any injuries or inconvenience to or interference with Tenant's business, lost profits, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby. For each of the above purposes, Landlord shall at all times have a key with which to unlock all the doors in the Premises, excluding Tenant's vaults, safes and special security areas designated in advance by Tenant. In an emergency, Landlord shall have the right to use any means that Landlord may deem proper to open the doors in and to the Premises. Any entry into the Premises by Landlord in the manner hereinbefore described shall not be deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an actual or constructive eviction of Tenant from any portion of the Premises. No provision of this Lease shall be construed as obligating Landlord to perform any repairs, alterations or decorations except as otherwise expressly agreed to be performed by Landlord herein. Except in the case of an emergency, Tenant shall be entitled to have an employee of Tenant accompany the person(s) entering the Premises, provided Tenant makes such employee available at the time Landlord or such other party desires to enter the Premises, and, except in the case of an emergency, Landlord shall use commercially reasonable efforts to comply with Tenant's reasonable security measures of which Landlord is notified in advance in writing which may include requiring that the person(s) entering the Premises and any third parties (such as prospective lenders, purchasers or tenants) execute Tenant's standard confidentiality agreement upon sign-in to the Premises, provided Tenant makes such confidentiality agreement available at the time Landlord or such other party desires to enter the Premises, and further provided that such confidentiality agreement is in a standard form that Tenant requires all non-employee entrants to the Premises to execute prior to entry to the Premises and is on commercially reasonable terms. If Tenant requires a confidentiality agreement from any such party requiring access to space, Landlord shall not be responsible for any delays that occur in Landlord's response to Tenant's request for repairs or services. Nothing in the foregoing shall prohibit Landlord from accessing the Premises with a third party without such an agreement in an event of emergency or, following a reasonable period in which Landlord allows Tenant to seek such an agreement, to the extent reasonably necessary to perform maintenance and repairs to the Premises and the Project.

ARTICLE 28

TENANT PARKING

Tenant shall be entitled to rent, on a monthly basis throughout the Lease Term, commencing on the Lease Commencement Date, the amount of unreserved parking passes set forth in Section 9 of the Summary, which parking passes shall pertain to the Project parking structure. During the Lease Term and subject to availability, if Tenant desires to rent additional parking passes (the "**Additional Passes**"), Tenant may request upon no less than thirty (30) days prior written notice to Landlord, to rent unreserved parking passes in the Project parking structure on a month to month basis at Landlord's then prevailing rates for such parking passes; provided that the foregoing shall not be construed as any guaranty that parking passes shall be available for Tenant's use. In the event that, due to unavailability of parking passes, Landlord is unable to provide Tenant with such Additional Passes for rent or if Landlord requires such Additional Passes for other users of the Project parking structure at any time, the unavailability of such Additional Passes shall not subject Landlord to any liability for any loss or damage resulting therefrom or entitle Tenant to any credit, abatement or adjustment of Rent or other sums payable under this Lease. Either Landlord or Tenant may terminate the use of such Additional Passes by providing no less than thirty (30) days prior written notice to the other party. Tenant shall pay to Landlord (or its designee) for the parking passes rented by Tenant on a monthly basis at the prevailing rate charged from time to time at the location of such parking passes. In addition to any fees that may be charged to Tenant in connection with its parking of automobiles in the Project parking structure, Tenant shall be responsible for the full amount of any taxes imposed by any governmental authority in connection with the renting of such parking passes by Tenant or the use of the parking facility by Tenant. Tenant's continued right to use the parking passes is conditioned upon Tenant abiding by all rules and regulations which are prescribed from time to time for the orderly operation and use of the parking facility where the parking passes are located, including any sticker or other identification system established by Landlord, Tenant's cooperation in seeing that Tenant's employees and visitors also comply with such rules and regulations and Tenant not being in default under this Lease (beyond the applicable notice and cure periods). Landlord specifically reserves the right to change the size, configuration, design, layout and all other aspects of the Project parking facility at any time and Tenant acknowledges and agrees that Landlord may, without incurring any liability to Tenant and without any abatement of Rent under this Lease, from time to time, close-off or restrict access to the Project parking facility for purposes of permitting or facilitating any such construction, alteration or improvements. Landlord may delegate its responsibilities hereunder to a parking operator in which case such parking operator shall have all the rights of control attributed hereby to the Landlord. The parking passes rented by Tenant pursuant to this Article 28 are provided to Tenant solely for use by Tenant's own personnel and such passes may not be transferred, assigned, subleased or otherwise alienated by Tenant without Landlord's prior approval.

ARTICLE 29

MISCELLANEOUS PROVISIONS

29.1 **Terms; Captions**. The words "Landlord" and "Tenant" as used herein shall include the plural as well as the singular. The necessary grammatical changes required to make the provisions hereof apply either to corporations or partnerships or individuals, men or women, as the case may require, shall in all cases be assumed as though in each case fully expressed. The captions of Articles and Sections are for convenience only and shall not be deemed to limit, construe, affect or alter the meaning of such Articles and Sections.

29.2 **Binding Effect**. Subject to all other provisions of this Lease, each of the covenants, conditions and provisions of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit not only of Landlord and of Tenant, but also of their respective heirs, personal representatives, successors or assigns, provided this clause shall not permit any assignment by Tenant contrary to the provisions of Article 14 of this Lease.

29.3 **No Air Rights**. No rights to any view or to light or air over any property, whether belonging to Landlord or any other person, are granted to Tenant by this Lease. If at any time any windows of the Premises is temporarily darkened or the light or view therefrom is obstructed by reason of any repairs, improvements, maintenance or cleaning in or about the Project, the same shall be without liability to Landlord and without any reduction or diminution of Tenant's obligations under this Lease.

29.4 **Modification of Lease**. Should any current or prospective mortgagee or ground lessor for the Building or Project require a modification of this Lease, which modification will not cause an increased cost or expense to Tenant or in any other way materially and adversely change the rights and obligations of Tenant hereunder, then and in such event, Tenant agrees that this Lease may be so modified and agrees to execute whatever documents are reasonably required therefor and to deliver the same to Landlord within ten (10) days following a request therefor. At the request of Landlord or any mortgagee or ground lessor, Tenant agrees to execute a short form of Lease and deliver the same to Landlord within ten (10) days following the request therefor.

29.5 **Transfer of Landlord's Interest**. Tenant acknowledges that Landlord has the right to transfer all or any portion of its interest in the Project or Building and in this Lease, and Tenant agrees that in the event of any such transfer (including the transfer by Landlord of the L- C (if applicable) to such transferee), Landlord shall automatically be released from all liability under this Lease and Tenant agrees to look solely to such transferee for the performance of Landlord's obligations hereunder after the date of transfer and such transferee shall be deemed to have fully assumed and be liable for all obligations of this Lease to be performed by Landlord, including the return of any security deposit or letter of credit, and Tenant shall attorn to such transferee. Tenant further acknowledges that Landlord may assign its interest in this Lease to a mortgage lender as additional security and agrees that such an assignment shall not release Landlord from its obligations hereunder and that Tenant shall continue to look to Landlord for the performance of its obligations hereunder.

29.6 **Prohibition Against Recording or Publication**. Neither this Lease, nor any memorandum, affidavit or other writing with respect thereto, shall be recorded or otherwise published by Tenant or by anyone acting through, under or on behalf of Tenant.

29.7 **Landlord's Title**. Landlord's title is and always shall be paramount to the title of Tenant. Nothing herein contained shall empower Tenant to do any act which can, shall or may encumber the title of Landlord.

29.8 **Relationship of Parties**. Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venturer or any association between Landlord and Tenant.

29.9 **Application of Payments**. Landlord shall have the right to apply payments received from Tenant pursuant to this Lease, regardless of Tenant's designation of such payments, to satisfy any obligations of Tenant hereunder, in such order and amounts as Landlord, in its sole discretion, may elect.

29.10 **Time of Essence**. Time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor.

29.11 **Partial Invalidity**. If any term, provision or condition contained in this Lease shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, provision or condition to persons or circumstances other than those with respect to which it is invalid or unenforceable, shall not be affected thereby, and each and every other term, provision and condition of this Lease shall be valid and enforceable to the fullest extent possible permitted by law.

29.12 **No Warranty**. In executing and delivering this Lease, Tenant has not relied on any representations, including, but not limited to, any representation as to the amount of any item comprising Additional Rent or the amount of the Additional Rent in the aggregate or that Landlord is furnishing the same services to other tenants, at all, on the same level or on the same basis, or any warranty or any statement of Landlord which is not set forth herein or in one or more of the exhibits attached hereto. Tenant agrees that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the physical condition of the Building, the Project, the land upon which the Building or the Project are located, or the Premises, or the expenses of operation of the Premises, the Building or the Project, or any other matter or thing affecting or related to the Premises, except as herein expressly set forth in the provisions of this Lease.

29.13 **Landlord Exculpation**. The liability of Landlord or the Landlord Parties to Tenant for any default by Landlord under this Lease or arising in connection herewith or with Landlord's operation, management, leasing, repair, renovation, alteration or any other matter relating to the Project or the Premises shall be limited solely and exclusively to an amount which is equal to the lesser of (a) the interest of Landlord in the Building or (b) the equity interest Landlord would have in the Building if the Building were encumbered by third-party debt in an amount equal to eighty percent (80%) of the value of the Building (as such value is determined by Landlord), provided that in no event shall such liability extend to any insurance proceeds

received by Landlord or the Landlord Parties in connection with the Project, Building or Premises or any sales proceeds received by Landlord or the Landlord Parties in connection with the Project, Building or Premises after distribution of same to any partner, member, or shareholder of Landlord or any other third party. Neither Landlord, nor any of the Landlord Parties shall have any personal liability therefor, and Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant. The limitations of liability contained in this Section 29.13 shall inure to the benefit of Landlord's and the Landlord Parties' present and future partners, beneficiaries, officers, directors, trustees, shareholders, agents and employees, and their respective partners, heirs, successors and assigns. Under no circumstances shall any present or future partner of Landlord (if Landlord is a partnership), or trustee or beneficiary (if Landlord or any partner of Landlord is a trust), have any liability for the performance of Landlord's obligations under this Lease. Notwithstanding any contrary provision herein, neither Landlord nor the Landlord Parties shall be liable under any circumstances for injury or damage to, or interference with, Tenant's business, including but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring.

29.14 **Entire Agreement**. It is understood and acknowledged that there are no oral agreements between the parties hereto affecting this Lease and this Lease constitutes the parties' entire agreement with respect to the leasing of the Premises and supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto (including, without limitation, any confidentiality agreement, letter of intent, request for proposal, or similar agreement previously entered into between Landlord and Tenant in anticipation of this Lease) or displayed by Landlord to Tenant with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Lease. None of the terms, covenants, conditions or provisions of this Lease can be modified, deleted or added to except in writing signed by the parties hereto.

29.15 **Right to Lease**. Landlord reserves the absolute right to effect such other tenancies in the Project as Landlord in the exercise of its sole business judgment shall determine to best promote the interests of the Building or Project. Tenant does not rely on the fact, nor does Landlord represent, that any specific tenant or type or number of tenants shall, during the Lease Term, occupy any space in the Building or Project.

29.16 **Force Majeure**. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions, civil commotions, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, except with respect to the obligations imposed with regard to Rent and other charges to be paid by Tenant pursuant to this Lease and except as to Tenant's obligations under Articles 5 and 24 of this Lease (collectively, a "**Force Majeure**"), notwithstanding anything to the contrary contained in this Lease, shall excuse the performance of such party for a period equal to any such prevention, delay or stoppage and, therefore, if this Lease specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure.

29.17 **Waiver of Redemption by Tenant**. Tenant hereby waives, for Tenant and for all those claiming under Tenant, any and all rights now or hereafter existing to redeem by order or judgment of any court or by any legal process or writ, Tenant's right of occupancy of the Premises after any termination of this Lease.

29.18 **Notices**. All notices, demands, statements or communications (collectively, "**Notices**") given or required to be given by either party to the other hereunder shall be in writing, shall be (A) delivered by a nationally recognized overnight courier, or (B) delivered personally. Any such Notice shall be delivered (i) to Tenant at the appropriate address set forth in Section 10 of the Summary, or to such other place as Tenant may from time to time designate in a Notice to Landlord; or (ii) to Landlord at the addresses set forth in Section 11 of the Summary, or to such other firm or to such other place as Landlord may from time to time designate in a Notice to Tenant. Any Notice will be deemed given on the date of receipted delivery, of refusal to accept delivery, or when delivery is first attempted but cannot be made due to a change of address for which no Notice was given. If Tenant is notified of the identity and address of Landlord's mortgagee or ground or underlying lessor, Tenant shall give to such mortgagee or ground or underlying lessor written notice of any default by Landlord under the terms of this Lease by registered or certified mail, and such mortgagee or ground or underlying lessor shall be given a reasonable opportunity to cure such default prior to Tenant's exercising any remedy available to Tenant. The party delivering Notice shall use commercially reasonable efforts to provide a courtesy copy of each such Notice to the receiving party via electronic mail.

29.19 **Joint and Several**. If there is more than one Tenant, the obligations imposed upon Tenant under this Lease shall be joint and several.

29.20 **Authority**. If Tenant is a corporation, trust or partnership, Tenant hereby represents and warrants that Tenant is a duly formed and existing entity qualified to do business in California and that Tenant has full right and authority to execute and deliver this Lease and that each person signing on behalf of Tenant is authorized to do so. In such event, Tenant shall, within ten (10) days after Landlord's written request in connection with Tenant's execution and delivery of this Lease and any amendment or modification to this Lease or as otherwise may be reasonably required by Landlord, deliver to Landlord satisfactory evidence of such authority ("**Evidence of Authority**") and, if a corporation, upon demand by Landlord, also deliver to Landlord satisfactory evidence of (i) good standing in Tenant's state of incorporation and (ii) qualification to do business in California. Landlord acknowledges and agrees that Tenant shall not be required to provide more than one (1) Evidence of Authority for this Lease, or for each such amendment or modification or other agreement pertaining to this Lease or for any assignment agreement, sublease or other documentation pertaining to a Transfer; and that for purposes of Tenant's execution of this Lease, the Evidence of Authority shall be a corporate resolution of Tenant.

29.21 **Attorneys' Fees**. In the event that either Landlord or Tenant should bring suit for the possession of the Premises, for the recovery of any sum due under this Lease, or because of the breach of any provision of this Lease or for any other relief against the other, then all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party therein shall be paid by the other party, which obligation on the part of the other party shall be deemed to have accrued on the date of the commencement of such action and shall be enforceable whether or not the action is prosecuted to judgment.

29.22 **Governing Law; WAIVER OF TRIAL BY JURY**. This Lease shall be construed and enforced in accordance with the laws of the State of California. IN ANY ACTION OR PROCEEDING ARISING HEREFROM, LANDLORD AND TENANT HEREBY CONSENT TO (I) THE JURISDICTION OF ANY COMPETENT COURT WITHIN THE STATE OF CALIFORNIA, (II) SERVICE OF PROCESS BY ANY MEANS AUTHORIZED BY CALIFORNIA LAW, AND (III) IN THE INTEREST OF SAVING TIME AND EXPENSE, TRIAL WITHOUT A JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER OR THEIR SUCCESSORS IN RESPECT OF ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES, AND/OR ANY CLAIM FOR INJURY OR DAMAGE, OR ANY EMERGENCY OR STATUTORY REMEDY. IN THE EVENT LANDLORD COMMENCES ANY SUMMARY PROCEEDINGS OR ACTION FOR NONPAYMENT OF BASE RENT OR ADDITIONAL RENT, TENANT SHALL NOT INTERPOSE ANY COUNTERCLAIM OF ANY NATURE OR DESCRIPTION (UNLESS SUCH COUNTERCLAIM SHALL BE MANDATORY) IN ANY SUCH PROCEEDING OR ACTION, BUT SHALL BE RELEGATED TO AN INDEPENDENT ACTION AT LAW.

29.23 **Submission of Lease**. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of, option for or option to lease, and it is not effective as a lease or otherwise until execution and delivery by both Landlord and Tenant.

29.24 **Brokers**. Landlord and Tenant hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, excepting only the real estate brokers or agents specified in Section 12 of the Summary (the "**Brokers**"), and that they know of no other real estate broker or agent who is entitled to a commission in connection with this Lease. Landlord shall pay the Brokers pursuant to the terms of separate commission agreements. Each party agrees to indemnify and defend the other party against and hold the other party harmless from any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including without limitation reasonable attorneys' fees) with respect to any leasing commission or equivalent compensation alleged to be owing on account of any dealings with any real estate broker or agent, other than the Brokers, occurring by, through, or under the indemnifying party.

29.25 **Independent Covenants**. This Lease shall be construed as though the covenants herein between Landlord and Tenant are independent and not dependent and Tenant hereby expressly waives the benefit of any statute to the contrary and agrees that if Landlord fails to perform its obligations set forth herein, Tenant shall not be entitled to make any repairs or perform any acts hereunder at Landlord's expense or to any setoff of the Rent or other amounts owing hereunder against Landlord, except to the extent that abatement of Rent is expressly permitted under the terms of this Lease.

29.26 **Project or Building Name and Signage**. Landlord shall have the right at any time to change the name of the Project or Building and to install, affix and maintain any and all signs on the exterior and on the interior of the Project or Building as Landlord may, in Landlord's sole discretion, desire. Tenant shall not use the name of the Project or Building or use pictures or illustrations of the Project or Building in advertising or other publicity or for any purpose other than as the address of the business to be conducted by Tenant in the Premises, without the prior written consent of Landlord.

29.27 **Counterparts**. This Lease may be executed in counterparts with the same effect as if both parties hereto had executed the same document. Both counterparts shall be construed together and shall constitute a single lease.

29.28 **Confidentiality**. Tenant acknowledges that the content of this Lease and any related documents are confidential information. Tenant shall keep such confidential information strictly confidential and shall not disclose such confidential information to any person or entity other than Tenant's financial, legal, and space planning consultants.

29.29 **Transportation Management**. Tenant shall fully comply with all present or future programs intended to manage parking, transportation or traffic in and around the Building, and in connection therewith, Tenant shall take responsible action for the transportation planning and management of all employees located at the Premises by working directly with Landlord, any governmental transportation management organization or any other transportation-related committees or entities.

29.30 **Building Renovations**. It is specifically understood and agreed that Landlord has made no representation or warranty to Tenant and has no obligation and has made no promises to alter, remodel, improve, renovate, repair or decorate the Premises, Building, or any part thereof and that no representations respecting the condition of the Premises or the Building have been made by Landlord to Tenant except as specifically set forth herein or in the Work Letter. However, Tenant hereby acknowledges that Landlord is currently renovating or may during the Lease Term renovate, improve, alter, or modify (collectively, the "**Renovations**") the Project, the Building and/or the Premises including without limitation the parking structure, common areas, systems and equipment, roof, and structural portions of the same, which Renovations may include, without limitation, (i) installing sprinklers in the Building common areas and tenant spaces, (ii) modifying the common areas and tenant spaces to comply with applicable laws and regulations, including regulations relating to the physically disabled, seismic conditions, and building safety and security, and (iii) installing new floor covering, lighting, and wall coverings in the Building common areas, and in connection with any Renovations, Landlord may, among other things, erect scaffolding or other necessary structures in the Building, limit or eliminate access to portions of the Project, including portions of the common areas, or perform work in the Building, which work may create noise, dust or leave debris in the Building. Tenant hereby agrees that such Renovations and Landlord's actions in connection with such Renovations shall in no way constitute a constructive eviction of Tenant nor entitle Tenant to any abatement of Rent. Except in the case of an emergency, Landlord shall use commercially reasonable efforts to minimize interference with Tenant's use of and access to the Premises in connection with the performance of any Renovations. Landlord shall have no responsibility or for any reason be liable to Tenant for any direct or indirect injury to or interference with Tenant's business arising from the Renovations, nor shall Tenant be entitled to any compensation or damages from Landlord for loss of the use of the whole or any part of the Premises or of Tenant's personal property or improvements resulting from the Renovations or Landlord's actions in connection with such Renovations, or for any inconvenience or annoyance occasioned by such Renovations or Landlord's actions.

29.31 **No Violation**. Tenant hereby warrants and represents that neither its execution of nor performance under this Lease shall cause Tenant to be in violation of any agreement, instrument, contract, law, rule or regulation by which Tenant is bound, and Tenant shall protect, defend, indemnify and hold Landlord harmless against any claims, demands, losses, damages, liabilities, costs and expenses, including, without limitation, reasonable attorneys' fees and costs, arising from Tenant's breach of this warranty and representation.

29.32 **Communications and Computer Lines**. Tenant may install, maintain, replace, remove or use any communications or computer wires and cables (collectively, the "**Lines**") at the Project in or serving the Premises, provided that (i) Tenant shall obtain Landlord's prior written consent, use Landlord's designated contractor for provision of cabling and riser management services (or, if Landlord does not have a designated contractor, then an experienced and qualified contractor reasonably approved in writing by Landlord), and comply with all of the other provisions of Articles 7 and 8 of this Lease, (ii) an acceptable number of spare Lines and space for additional Lines shall be maintained for existing and future occupants of the Project, as determined in Landlord's reasonable opinion, (iii) the Lines therefor (including riser cables) shall be (x) appropriately insulated to prevent excessive electromagnetic fields or radiation, (y) surrounded by a protective conduit reasonably acceptable to Landlord, and (z) identified in accordance with the "Identification Requirements," as that term is set forth hereinbelow, (iv) any new or existing Lines servicing the Premises shall comply with all applicable governmental laws and regulations, (v) as a condition to permitting the installation of new Lines, Tenant shall remove existing Lines located in or serving the Premises and repair any damage in connection with such removal, and (vi) Tenant shall pay all costs in connection therewith. All Lines shall be clearly marked with adhesive plastic labels (or plastic tags attached to such Lines with wire) to show Tenant's name, suite number, telephone number and the name of the person to contact in the case of an emergency (A) every four feet (4') outside the Premises (specifically including, but not limited to, the electrical room risers and other Common Areas), and (B) at the Lines' termination point(s) (collectively, the "**Identification Requirements**"). Upon the expiration of the Lease Term, or immediately following any earlier termination of this Lease, Tenant shall, at Tenant's sole cost and expense, remove all Lines installed by Tenant, and repair any damage caused by such removal. In the event that Tenant fails to complete such removal and/or fails to repair any damage caused by the removal of any Lines, Landlord may do so and may charge the cost thereof to Tenant. Landlord reserves the right to require that Tenant remove any Lines located in or serving the Premises which are installed in violation of these provisions, or which are at any time (1) are in violation of any Applicable Laws, (2) are inconsistent with then- existing industry standards (such as the standards promulgated by the National Fire Protection Association (e.g., such organization's "2002 National Electrical Code")), or (3) otherwise represent a dangerous or potentially dangerous condition.

29.33 **Hazardous Substances**.

29.33.1 **Definitions**. For purposes of this Lease, the following definitions shall apply: "**Hazardous Material(s)**" shall mean any solid, liquid or gaseous substance or material that is described or characterized as a toxic or hazardous substance, waste, material, pollutant, contaminant or infectious waste, or any matter that in certain specified quantities would be injurious to the public health or welfare, or words of similar import, in any of the "Environmental Laws," as that term is defined below, or any other words which are intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity or reproductive toxicity and includes, without limitation, asbestos, petroleum (including crude oil or any fraction thereof, natural gas, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel, or any mixture thereof), petroleum products, polychlorinated biphenyls, urea formaldehyde, radon gas, nuclear or radioactive matter, medical waste, soot, vapors, fumes, acids, alkalis, chemicals, microbial matters (such as molds, fungi or other bacterial matters), biological agents and chemicals which may cause adverse health effects, including but not limited to, cancers and /or toxicity. "**Environmental Laws**" shall mean any and all federal, state, local or quasi-governmental laws (whether under common law, statute or otherwise), ordinances, decrees, codes, rulings, awards, rules, regulations or guidance or policy documents now or hereafter enacted or promulgated and as amended from time to time, in any way relating to (i) the protection of the environment, the health and safety of persons (including employees), property or the public welfare from actual or potential release, discharge, escape or emission (whether past or present) of any Hazardous Materials or (ii) the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of any Hazardous Materials.

29.33.2 **Compliance with Environmental Laws**. Landlord covenants that during the Lease Term, Landlord shall comply with all Environmental Laws in accordance with, and as required by, the TCCs of Article 24 of this Lease. Tenant represents and warrants that, except as herein set forth, it will not use, store or dispose of any Hazardous Materials in or on the Premises. However, notwithstanding the preceding sentence, Landlord agrees that Tenant may use, store and properly dispose of commonly available household cleaners and chemicals to maintain the Premises and Tenant's routine office operations (such as printer toner and copier toner) (hereinafter the "**Permitted Chemicals**"). Landlord and Tenant acknowledge that any or all of the Permitted Chemicals described in this paragraph may constitute Hazardous Materials. However, Tenant may use, store and dispose of same, provided that in doing so, Tenant fully complies with all Environmental Laws.

29.33.3 **Tenant Hazardous Materials.** Tenant will (i) obtain and maintain in full force and effect all Environmental Permits (as defined below) that may be required from time to time under any Environmental Laws applicable to Tenant or the Premises, and (ii) be and remain in compliance with all terms and conditions of all such Environmental Permits and with all other Environmental Laws. "**Environmental Permits**" means, collectively, any and all permits, consents, licenses, approvals and registrations of any nature at any time required pursuant to, or in order to comply with any Environmental Law. On or before the Lease Commencement Date and on each annual anniversary of the Commencement Date thereafter, as well as at any other time following Tenant's receipt of a reasonable request from Landlord, Tenant agrees to deliver to Landlord a list of all Hazardous Materials anticipated to be used by Tenant in the Premises and the quantities thereof. At any time following Tenant's receipt of a request from Landlord, Tenant shall promptly complete a "hazardous materials questionnaire" using the form then-provided by Landlord. Upon the expiration or earlier termination of this Lease, Tenant agrees to promptly remove from the Premises, the Building and the Project, at its

sole cost and expense, any and all Hazardous Materials, including any equipment or systems containing Hazardous Materials, which are installed, brought upon, stored, used, generated or released upon, in, under or about the Premises, the Building, and/or the Project or any portion thereof by Tenant and/or any Tenant Parties (such obligation to survive the expiration or sooner termination of this Lease). Nothing in this Lease shall impose any liability on Tenant for any Hazardous Materials in existence on the Premises, Building or Project prior to the Lease Commencement Date or brought onto the Premises, Building or Project after the Lease Commencement Date by Landlord, or any other third parties not under Tenant's control.

29.33.4 **Landlord's Right of Environmental Audit**. Landlord may, upon reasonable notice to Tenant, be granted access to and enter the Premises no more than once annually to perform or cause to have performed an environmental inspection, site assessment or audit. Such environmental inspector or auditor may be chosen by Landlord, in its sole discretion, and be performed at Landlord's sole expense. To the extent that the report prepared upon such inspection, assessment or audit, indicates the presence of Hazardous Materials in violation of Environmental Laws, or provides recommendations or suggestions to prohibit the release, discharge, escape or emission of any Hazardous Materials at, upon, under or within the Premises, or to comply with any Environmental Laws, Tenant shall promptly, at Tenant's sole expense, comply with such recommendations or suggestions, including, but not limited to performing such additional investigative or subsurface investigations or remediation(s) as recommended by such inspector or auditor. Notwithstanding the above, if at any time, Landlord has actual notice or reasonable cause to believe that Tenant has violated, or permitted any violations of any Environmental Law, then Landlord will be entitled to perform its environmental inspection, assessment or audit at any time, notwithstanding the above mentioned annual limitation, and Tenant must reimburse Landlord for the cost or fees incurred for such as Additional Rent.

29.33.5 **Indemnifications**. Landlord agrees to indemnify, defend, protect and hold harmless the Tenant Parties from and against any liability, obligation, damage or costs, including without limitation, attorneys' fees and costs, resulting directly or indirectly from any use, presence, removal or disposal of any Hazardous Materials to the extent such liability, obligation, damage or costs was a result of actions caused or knowingly permitted by Landlord or a Landlord Party. Tenant agrees to indemnify, defend, protect and hold harmless the Landlord Parties from and against any liability, obligation, damage or costs, including without limitation, attorneys' fees and costs, resulting directly or indirectly from any use, presence, removal or disposal of any Hazardous Materials or breach of any provision of this section, to the extent such liability, obligation, damage or costs was a result of actions caused or permitted by Tenant or a Tenant Party.

29.34 **Office and Communications Services**.

29.34.1 **The Provider**. Landlord has advised Tenant that certain office and communications services (which may include, without limitation, cable or satellite television service) may be offered to tenants of the Building by a concessionaire (which may or may not have exclusive rights to offer such services in the Building) under contract to Landlord ("**Provider**"). Tenant shall be permitted to contract with Provider for the provision of any or all of such services on such terms and conditions as Tenant and Provider may agree.

29.34.2 **Other Terms**. Tenant acknowledges and agrees that: (i) Landlord has made no warranty or representation to Tenant with respect to the availability of any such services, or the quality, reliability or suitability thereof; (ii) the Provider is not acting as the agent or representative of Landlord in the provision of such services, and Landlord shall have no liability or responsibility for any failure or inadequacy of such services, or any equipment or facilities used in the furnishing thereof, or any act or omission of Provider, or its agents, employees, representatives, officers or contractors; (iii) Landlord shall have no responsibility or liability for the installation, alteration, repair, maintenance, furnishing, operation, adjustment or removal of any such services, equipment or facilities; and (iv) any contract or other agreement between Tenant and Provider shall be independent of this Lease, the obligations of Tenant hereunder, and the rights of Landlord hereunder, and, without limiting the foregoing, no default or failure of Provider with respect to any such services, equipment or facilities, or under any contract or agreement relating thereto, shall have any effect on this Lease or give to Tenant any offset or defense to the full and timely performance of its obligations hereunder, or entitle Tenant to any abatement of rent or additional rent or any other payment required to be made by Tenant hereunder, or constitute any accrual or constructive eviction of Tenant, or otherwise give rise to any other claim of any nature against Landlord.

29.35 **Water Sensors**. Tenant shall, at Tenant's sole cost and expense, be responsible for promptly installing web-enabled wireless water leak sensor devices designed to alert the Tenant on a twenty-four (24) hour seven (7) day per week basis if a water leak is occurring in the Premises (which water sensor device(s) located in the Premises shall be referred to herein as "**Water Sensors**"). The Water Sensors shall be installed in any areas in the Premises where water is utilized (such as sinks, pipes, faucets, water heaters, coffee machines, ice machines, water dispensers and water fountains), and in locations that may be designated from time to time by Landlord (the "**Sensor Areas**"). In connection with any Alterations affecting or relating to any Sensor Areas, Landlord may require Water Sensors to be installed or updated in Landlord's sole and absolute discretion. With respect to the installation of any such Water Sensors, Tenant shall obtain Landlord's prior written consent, use an experienced and qualified contractor reasonably designated by Landlord, and comply with all of the other provisions of Article 8 of this Lease. Tenant shall, at Tenant's sole cost and expense, pursuant to Article 7 of this Lease keep any Water Sensors located in the Premises (whether installed by Tenant or someone else) in good working order, repair and condition at all times during the Lease Term and comply with all of the other provisions of Article 7 of this Lease. Notwithstanding any provision to the contrary contained herein, Landlord has neither an obligation to monitor, repair or otherwise maintain the Water Sensors, nor an obligation to respond to any alerts it may receive from the Water Sensors or which may be generated from the Water Sensors. Upon the expiration of the Lease Term (so long as Landlord gives written notice to Tenant at least thirty (30) days prior to the expiration of the Lease Term), or immediately following any earlier termination of this Lease, Landlord reserves the right to require Tenant, at Tenant's sole cost and expense, to remove all Water Sensors installed by Tenant, and repair any damage caused by such removal; provided, however, if the Landlord does not require the Tenant to remove the Water Sensors as contemplated by the foregoing, then Tenant shall leave the Water Sensors in place together with all necessary user information such that the same may be used by a future occupant of the Premises (*e.g.*, the Water Sensors shall be unblocked and ready for use by a third-party). If Tenant is required to remove the Water Sensors pursuant to the foregoing and Tenant fails to complete such removal and/or fails to repair any damage caused by the removal of any Water Sensors, Landlord may do so and may charge the cost thereof to Tenant.

29.36 **No Discrimination**. Tenant covenants by and for itself, its heirs, executors, administrators and assigns, and all persons claiming under or through Tenant, and this Lease is made and accepted upon and subject to the following conditions: that there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, sex, religion, marital status, ancestry or national origin in the leasing, subleasing, transferring, use, or enjoyment of the Premises, nor shall Tenant itself, or any person claiming under or through Tenant, establish or permit such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy, of tenants, lessees, sublessees, subtenants or vendees in the Premises.

29.37 **LEED Certification**. Landlord may, in Landlord's sole and absolute discretion, elect to apply to obtain or maintain a LEED certification for the Project (or portion thereof), or other applicable certification in connection with Landlord's sustainability practices for the Project (as such sustainability practices are to be determined by Landlord, in its sole and absolute discretion, from time to time). In the event that Landlord elects to pursue such an aforementioned certification, Tenant shall, at Tenant's sole cost and expense, promptly cooperate with the Landlord's efforts in connection therewith and provide Landlord with any documentation it may need in order to obtain or maintain the aforementioned certification (which cooperation may include, but shall not be limited to, Tenant complying with certain standards pertaining to the purchase of materials used in connection with any Alterations or improvements undertaken by the Tenant in the Project, the sharing of documentation pertaining to any Alterations or improvements undertaken by Tenant in the Project with Landlord, and the sharing of Tenant's billing information pertaining to trash removal and recycling related to Tenant's operations in the Project); provided, however, that except as required by Applicable Laws, Tenant shall not be required to incur material and unreasonable costs or expenses in complying with LEED certification—related standards to the extent such standards are materially in excess of the standards imposed on tenants of other Comparable Buildings.

29.38 **Energy Performance Disclosure Information**. Tenant hereby acknowledges that Landlord may be required to disclose certain information concerning the energy performance of the Building pursuant to California Public Resources Code Section 25402.10 and the regulations adopted pursuant thereto (collectively the "**Energy Disclosure Requirements**"). Tenant hereby acknowledges prior receipt of the Data Verification Checklist, as defined in the Energy Disclosure Requirements (the "**Energy Disclosure Information**"), and agrees that Landlord has timely complied in full with Landlord's obligations under the Energy Disclosure Requirements. Tenant acknowledges and agrees that (i) Landlord makes no representation or warranty regarding the energy performance of the Building or the accuracy or completeness of the Energy Disclosure Information, (ii) the Energy Disclosure Information is for the current occupancy and use of the Building and that the energy performance of the Building may vary depending on future occupancy and/or use of the Building, and (iii) Landlord shall have no liability to Tenant for any errors or omissions in the Energy Disclosure Information. If and to the extent not prohibited by Applicable Laws, Tenant hereby waives any right Tenant may have to receive the Energy Disclosure Information, including, without limitation, any right Tenant may have to terminate this Lease as a result of Landlord's failure to disclose such information. Further, Tenant hereby releases Landlord from any and all losses, costs, damages, expenses

and/or liabilities relating to, arising out of and/or resulting from the Energy Disclosure Requirements, including, without limitation, any liabilities arising as a result of Landlord's failure to disclose the Energy Disclosure Information to Tenant prior to the execution of this Lease. Tenant's acknowledgment of the AS-IS condition of the Premises pursuant to the terms of this Lease shall be deemed to include the energy performance of the Building. Tenant further acknowledges that pursuant to the Energy Disclosure Requirements, Landlord may be required in the future to disclose information concerning Tenant's energy usage to certain third parties, including, without limitation, prospective purchasers, lenders and tenants of the Building (the "**Tenant Energy Use Disclosure**"). Tenant hereby (A) consents to all such Tenant Energy Use Disclosures, and (B) acknowledges that Landlord shall not be required to notify Tenant of any Tenant Energy Use Disclosure. Further, Tenant hereby releases Landlord from any and all losses, costs, damages, expenses and liabilities relating to, arising out of and/or resulting from any Tenant Energy Use Disclosure. The terms of this Section 29.38 shall survive the expiration or earlier termination of this Lease.

29.39 **Utility Billing Information**. In the event that the Tenant is permitted to contract directly for the provision of electricity, gas and/or water services to the Premises with the third- party provider thereof (all in Landlord's sole and absolute discretion), Tenant shall promptly, but in no event more than five (5) business days following its receipt of each and every invoice for such items from the applicable provider, provide Landlord with a copy of each such invoice.

29.40 **Green Cleaning/Recycling**. To the extent a "green cleaning program" and/or a recycling program is implemented by Landlord in the Building and/or Project (each in Landlord's sole and absolute discretion), Tenant shall, at Tenant's sole cost and expense, comply with the provisions of each of the foregoing programs (e.g., Tenant shall separate waste appropriately so that it can be efficiently processed by Landlord's particular recycling contractors). To the extent Tenant fails to comply with any of Landlord's recycling programs contemplated by the foregoing, Tenant shall be required to pay any contamination charges related to such non- compliance.

29.41 **Shuttle Service**. Subject to the provisions of this Section 29.40, so long as Tenant is not in default under this Lease, and so long as Landlord, in Landlord's sole and absolute discretion, permits a shuttle service (the "**Shuttle Service**") to operate at the Project, Tenant's employees ("**Shuttle Service Riders**") shall be entitled to use the Shuttle Service operated at the Project. The use of the Shuttle Service shall be subject to the reasonable rules and regulations (including rules regarding hours of use) established from time to time by Landlord, in its sole and absolute discretion, and/or the operator of the Shuttle Service. Landlord and Tenant acknowledge that the use of the Shuttle Service by the Shuttle Service Riders shall be at their own risk and that the terms and provisions of Section 10.1 of this Lease shall apply to Tenant and the Shuttle Service Rider's use of the Shuttle Service. The costs of operating, maintaining and repairing the Shuttle Service shall be included as part of Operating Expenses. Tenant acknowledges that the provisions of this Section 29.40 shall not be deemed to be a representation by Landlord that Landlord shall continuously maintain the Shuttle Service (or any other shuttle service) throughout the Lease Term, and Landlord shall have the right, at Landlord's sole discretion, to expand, contract, eliminate or otherwise modify all Shuttle Services provided by it. Landlord or the operator of the Shuttle Service shall have a right to charge a fee to the users of the Shuttle Service. No expansion, contraction, elimination or modification of any or all Shuttle Services, and no termination of Tenant's or the Shuttle Service Rider's rights to the Shuttle Service shall entitle Tenant to an abatement or reduction in Rent, constitute a constructive eviction, or result in an event of default by Landlord under this Lease.

29.42 **Open-Ceiling Plan**. In the event that the Premises has an "open ceiling plan", then Landlord and third parties leasing or otherwise using/managing or servicing space on the floor immediately above the Premises shall have the right to install, maintain, repair and replace mechanical, electrical and plumbing fixtures, devices, piping, ductwork and all other improvements through the floor above the Premises (which may penetrate through the ceiling of the Premises and be visible within the Premises during the course of construction and upon completion thereof) (as applicable, the "**Penetrating Work**"), as Landlord may determine in Landlord's sole and absolute discretion and with no approval rights being afforded to Tenant with respect thereto. Moreover, there shall be no obligation by Landlord or any such third party to enclose or otherwise screen any of such Penetrating Work from view within the Premises, whether during the course of construction or upon completion thereof. Since Tenant is anticipated to be occupying the Premises at the time the Penetrating Work is being performed, Landlord agrees that it shall (and shall cause third parties to) use commercially reasonable efforts to perform the Penetrating Work in a manner so as to attempt to minimize interference with Tenant's use of the Premises; provided, however, such Penetrating Work may be performed during normal business hours, without any obligation to pay overtime or other premiums. Tenant hereby acknowledges that, notwithstanding Tenant's occupancy of the Premises during the performance of any such Penetrating Work, Tenant hereby agrees that the performance of such Penetrating Work shall in no way constitute a constructive eviction of Tenant nor entitle Tenant to any abatement of rent. Neither Landlord nor any of the Landlord Parties or any third parties performing the Penetrating Work shall be responsible for any direct or indirect injury to or interference with Tenant's business arising from the performance of such Penetrating Work, nor shall Tenant be entitled to any compensation or damages from Landlord or any of the Landlord Parties or any third parties performing the Penetrating Work for loss of the use of the whole or any part of the Premises or of Tenant's personal property or improvements resulting from the performance of the Penetrating Work, or for any inconvenience or annoyance occasioned by the Penetrating Work. In addition, Tenant hereby agrees to promptly and diligently cooperate with Landlord and any of the third parties performing the Penetrating Work in order to facilitate the applicable party's performance of the particular Penetrating Work in an efficient and timely manner.

29.43 **Prohibited Persons; Foreign Corrupt Practices Act and Anti-Money Laundering**. Neither Tenant nor any of its affiliates, nor any of their respective members, partners or other equity holders, and none of their respective officers, directors or managers is, nor prior to or during the Lease Term, will they become a person or entity with whom U.S. persons or entities are restricted from doing business under (a) the Patriot Act (as defined below), (b) any other requirements contained in the rules and regulations of the Office of Foreign Assets Control, Department of the Treasury ("**OFAC**") (including any "blocked" person or entity listed in the Annex to Executive Order Nos. 12947, 13099 and 13224 and any modifications thereto or thereof or any other person or entity named on OFAC's Specially Designated Blocked Persons List) or (c) any other U.S. statute, Executive Order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism) or other governmental action (collectively, "**Prohibited**

Persons"). Prior to and during the Lease Term, Tenant, and to Tenant's knowledge, its employees and any person acting on its behalf have at all times fully complied with, and are currently in full compliance with, the Foreign Corrupt Practices Act of 1977 and any other applicable anti-bribery or anti-corruption laws. Tenant is not entering into this Lease, directly or indirectly, in violation of any laws relating to drug trafficking, money laundering or predicate crimes to money laundering. As used herein, "**Patriot Act**" shall mean the USA Patriot Act of 2001, 107 Public Law 56 (October 26, 2001) and all other statutes, orders, rules and regulations of the U.S. government and its various executive departments, agencies and offices interpreting and implementing the Patriot Act.

29.44 **Signatures**. The parties hereto consent and agree that this Lease may be signed and/or transmitted by facsimile, e-mail of a .pdf document or using electronic signature technology (e.g., via DocuSign or similar electronic signature technology), and that such signed electronic record shall be valid and as effective to bind the party so signing as a paper copy bearing such party's handwritten signature. The parties further consent and agree that (1) to the extent a party signs this Lease using electronic signature technology, by clicking "SIGN", such party is signing this Lease electronically, and (2) the electronic signatures appearing on this Lease shall be treated, for purposes of validity, enforceability and admissibility, the same as handwritten signatures.

29.45 **Bicycle Storage Area**. Subject to the provisions of this Section 29.45, so long as this Lease remains in effect and Landlord, in Landlord's sole and absolute discretion, provides a storage area for bicycles in the Project parking structure for tenants of the Building (the "**Bicycle Storage Area**"), Tenant's employees shall be entitled to use the unsecured Bicycle Storage Area on an un-reserved, first-come, first served basis during the Lease Term. The use of the Bicycle Storage Area shall be subject to the rules and regulations (including rules regarding hours of use) established from time to time by Landlord and/or by the operator of the parking structure, and shall be further subject to compliance with the Building's standard security procedures. Bicycles shall not be stored overnight in the Bicycle Storage Area. Landlord may refuse to permit any person who violates such rules and regulations to use the Bicycle Storage Area, and any violation of the rules and regulations shall subject the bicycle to removal from the Bicycle Storage Area. Notwithstanding the foregoing, in the event Landlord determines in its sole discretion that the area in which the Bicycle Storage Area is located is needed for another purpose, Landlord may remove the Bicycle Storage Area and cease to provide such amenity for tenants' use. In addition, Landlord shall have the right to relocate, from time to time, the location of the Bicycle Storage Area or reconfigure the Bicycle Storage Area. Tenant acknowledges that the Bicycle Storage Area may be closed entirely or in part in order to make repairs or perform maintenance services, or to alter, modify or renovate the Building or the Bicycle Storage Area, if required by casualty, strike, condemnation, act of God, governmental law or requirement or other reason beyond Landlord's reasonable control or for any other reason whatsoever. No expansion, contraction, elimination, unavailability or modification of the Bicycle Storage Area, shall entitle Tenant to an abatement or reduction in Rent or constitute a constructive eviction or an event of default by Landlord under this Lease. Tenant hereby acknowledges that the Bicycle Storage Area is unsecured and that the use of the Bicycle Storage Area shall be at the sole risk of Tenant and any Tenant Parties and neither Landlord nor any Landlord Parties shall have any liability for any personal injury or damage to or theft of any bicycles or other property occurring in, on or about the Bicycle Storage Area or otherwise in connection with any use of the Bicycle Storage Area by

Tenant or any Tenant Parties. Tenant hereby waives all claims against Landlord and the Landlord Parties relating to the Bicycle Storage Area and the use thereof by Tenant or any Tenant Parties. Tenant's indemnity obligations pursuant to Section 10.1 of this Lease shall apply to the use of the Bicycle Storage Area by Tenant or any Tenant Parties. The costs of operating, maintaining and repairing the Bicycle Storage Area shall be included as part of Operating Expenses. The right to use the Bicycle Storage Area set forth herein shall be personal to the Original Tenant and any Permitted Transferee Assignee and shall in no event be transferable to any other party.

29.46 **Premises Storage of Bicycles**. Subject to the provisions of this Section 29.46, so long as this Lease remains in effect and there exists no default under this Lease, Tenant's employees may bring to and store within the Premises up to twenty (20) non-motorized, standard and customary bicycles; provided, however, that if Landlord permanently removes the Bicycle Storage Area and ceases to provide such amenity for tenants' use for any reason other than any violation of the terms of Section 29.45 by Tenant or any Tenant Parties, then Tenant's employees may bring to and store within the Premises up to fifty (50) non-motorized, standard and customary bicycles so long as the storage of such additional bicycles complies with all Applicable Laws including without limitation, applicable fire codes and the terms of this Section 29.46. Such bicycles may only be brought to the Premises by use of the Building's freight elevator and in no event shall bicycles be ridden in the Building or any Common Areas, or brought into the Building's passenger elevators at any time. Tenant's storage of bicycles in the Premises pursuant to this Section 29.46 shall at all times comply with the rules and regulations promulgated by Landlord from time to time and such bicycles shall be stored and/or kept in designated areas as reasonably required by Landlord and in compliance with all Applicable Laws. Such bicycle storage within the Premises shall be reasonable, organized and safe, and shall not adversely impact other tenants or occupants of the Building or Landlord's management and operation of the Building. Landlord reserves the right to revoke Tenant's right to store bicycles at the Premises pursuant to this Section 29.46 if Landlord determines that such bicycles are interfering with other tenants' or Landlord's use, occupancy and operation of the Building. Tenant shall be liable for all costs and expenses arising in connection with Tenant's and its employees' bicycle storage at the Premises, including without limitation, any costs incurred by Landlord to repair any damage to or additional cleaning of the Premises, Building or Project caused thereby. Landlord and Tenant acknowledge that the storage of bicycles in the Premises shall be at the sole risk of Tenant and any Tenant Parties and neither Landlord nor any Landlord Parties shall have any liability for any personal injury or damage to or theft of any bicycles or other property occurring in, on or about the Premises or otherwise in connection with any storage of bicycles in the Premises by Tenant or any Tenant Parties. Tenant's indemnity obligations pursuant to Section 10.1 of this Lease shall apply to the storage of bicycles in the Premises hereunder.

29.47 **Roof Deck**. So long as Tenant is not in default under this Lease, then during the Lease Term and subject to availability, Tenant shall have the right to hold up to three (3) private events per calendar year of the Lease Term for Tenant's employees and clients at the roof deck (the "**Roof Deck**") of the building located at 360 Third Street, San Francisco, California (the, "**360 Third Street Building**") that is currently owned Landlord's affiliate (together with any other affiliate of Landlord that may at any time during the Lease Term own the 360 Third Street Building, "**Landlord's Affiliate**"), subject to the terms and conditions set forth herein. Tenant's

right to use the Roof Deck pursuant to this Section 29.47 shall only apply for so long as Landlord's Affiliate owns the 360 Third Street Building and Landlord and/or Landlord's Affiliate permit tenants of the Building to use the Roof Deck. Tenant shall pay all out of pocket costs incurred by Landlord and/or Landlord's Affiliate for such use of the Roof Deck by Tenant hereunder, including without limitation, janitorial, security and insurance costs. Tenant shall provide Landlord with not less than thirty (30) days' and no more than sixty (60) days' prior written notice to Landlord of Tenant's request to use of the Roof Deck and Tenant shall comply with the reservation system for the Roof Deck established by Landlord and/or Landlord's Affiliate from time to time. Tenant's use of the Roof Deck shall be further subject to the rules and regulations (including rules regarding hours of use and priorities for the tenants of the 360 Third Street Building, set up and clean up charges, etc.) established from time to time by Landlord and/or Landlord's Affiliate for the Roof Deck. Tenant acknowledges that Landlord or Landlord's Affiliate may from time to time establish a standard license agreement (the "**License Agreement**") with respect to the use of Roof Deck by tenants of the Building. Tenant, upon request of Landlord and as a condition to Tenant's right to use the Roof Deck pursuant to this Section 29.47, shall enter into such License Agreement and fully comply with the terms and conditions set forth in the License Agreement. Tenant's waiver and indemnity obligations pursuant to Section 10.1 of this Lease shall apply to Tenant's use of the Roof Deck; provided that for purposes of Section 10.1, Landlord's Affiliate shall be deemed to be a Landlord Party. Tenant's insurance required pursuant to Section 10.3 above shall apply to the use of the Roof Deck by Tenant and any Tenant Parties. In the event that alcohol is served or utilized at the Roof Deck, subject to Applicable Laws, Tenant shall provide Landlord with written notice thereof and obtain and maintain at its expense, host liquor liability insurance or dram shop liability insurance (as applicable) with combined single limits of not less than $5,000,000 per occurrence and such additional or higher insurance coverage as may be required pursuant to the License Agreement, covering any claims relating to the manufacture, storage, sale, use or giving away of any alcoholic or other intoxicating liquor or beverage, which claims could be asserted against Landlord, Landlord's Affiliate, Tenant, the Building or the 360 Third Street Building. In addition to Landlord and the Landlord Parties, Landlord's Affiliate and any other party designated by Landlord shall be named as an additional insured with respect to Tenant's insurance as required under Section 10.3.1 and this Section 29.47 and as a condition to Tenant's use of Roof Deck, Tenant shall provide Landlord with insurance certificates acceptable to Landlord, evidencing that Tenant's insurance required under this Lease and pursuant to the License Agreement covers Tenant's use of the Roof Deck and the 360 Third Street Building. None of Landlord, any Landlord Parties or Landlord's Affiliate shall have any liability whatsoever with respect to the existence, condition or availability of the Roof Deck for Tenant's use nor shall Landlord, any Landlord Parties or Landlord's Affiliate have any obligation whatsoever to ensure the availability or suitability of the Roof Deck for Tenant's use and Tenant hereby expressly waives all claims against Landlord, the Landlord Parties and Landlord's Affiliate with respect to same. Tenant shall reimburse Landlord for all out-of-pocket costs incurred by Landlord and/or Landlord's Affiliate in connection with Tenant's use of the Roof Deck pursuant to this Section 29.47, which costs shall be paid to Landlord as Additional Rent under this Lease within ten (10) days following Landlord's demand therefor. Tenant acknowledges that the provisions of this Section 29.47 shall not be deemed to be a representation by Landlord that Landlord's Affiliate shall permit the use of the Roof Deck throughout the Lease Term or a guaranty by Landlord that neither Landlord nor the Landlord's Affiliate will not

contract, eliminate or otherwise modify the Roof Deck. In addition, at such time as Landlord's Affiliate no longer owns the 360 Third Street Building, the rights of Tenant to use the Roof Deck set forth herein shall automatically terminate. No expansion, contraction, elimination, unavailability or modification of the Roof Deck, and no termination of or interference with Tenant's rights to the Roof Deck, shall entitle Tenant to an abatement or reduction in Rent or constitute a constructive eviction or a default by Landlord under this Lease. The right to use the Roof Deck pursuant to this Section 29.47 is personal to the Original Tenant and any Permitted Transferee Assignee and shall not be transferable to any other party.

[***Signatures follow on next page***]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be executed the day and date first above written.

"LANDLORD":

KR 201 THIRD STREET OWNER, LLC,
a Delaware limited liability company

By: 201 Third Street Member, LLC,
a Delaware limited liability company,
its sole member

By: Kilroy Realty, L.P.,
a Delaware limited partnership,
its sole member

By: Kilroy Realty Corporation,
a Maryland corporation,
its General Partner

By: /s/ Rick Buziak
Name: Rick Buziak
Title: SVP Asset Management

By: /s/ Jeffrey Hawken
Name: Jeffrey Hawken
Title: COO

"TENANT":

POSTMATES INC.,
a Delaware corporation

By: /s/ Bastian Lehmann
Name: Bastian Lehmann
Its: CEO

SS
Sally Shekou

*__NOTE:__
If Tenant is a California corporation, then one of the following alternative requirements must be satisfied:
(A) This Lease must be signed by two (2) officers of such corporation: one being the chairman of the board, the president or a vice president, and the other being the secretary, an assistant secretary, the chief financial officer or an assistant treasurer. If one (1) individual is signing in two (2) of the foregoing capacities, that individual must identify the two (2) capacities.
(B) If the requirements of (A) above are not satisfied, then Tenant shall deliver to Landlord evidence in a form reasonably acceptable to Landlord that the signatory(ies) is (are) authorized to execute this Lease.
If Tenant is a corporation incorporated in a state other than California, then Tenant shall deliver to Landlord evidence in a form reasonably acceptable to Landlord that the signatory(ies) is (are) authorized to execute this Lease.

EXHIBIT A

201 THIRD STREET

OUTLINE OF PREMISES

KILROY REALTY
201 THIRD STREET
Postmates Inc.

EXHIBIT B

201 THIRD STREET

WORK LETTER

EXHIBIT C

201 THIRD STREET

NOTICE OF LEASE TERM DATES

KILROY REALTY 201
THIRD STREET
Postmates Inc.

EXHIBIT D

201 THIRD STREET

RULES AND REGULATIONS

EXHIBIT E

201 THIRD STREET

FORM OF TENANT'S ESTOPPEL CERTIFICATE

EXHIBIT F

201 THIRD STREET

EXHIBIT G

201 THIRD STREET

FIRST OFFER SPACE

EXHIBIT H

201 THIRD STREET

MARKET RENT DETERMINATION FACTORS

SCHEDULE 1 TO EXHIBIT H

201 THIRD STREET

DETERMINATION OF MARKET RENT - EXAMPLE

SCHEDULE 2 TO EXHIBIT H

201 THIRD STREET

DETERMINATION OF MARKET RENT - EXAMPLE

EXHIBIT I

201 THIRD STREET

FORM OF LETTER OF CREDIT

EXHIBIT C

ACKNOWLEDGMENT OF COMMENCEMENT OF LEASE

Please refer to that certain Sublease dated May ___, 2021, by and between **POSTMATES, LLC,**, a Delaware limited liability company ("***Sublandlord***"), and **AMPLITUDE, INC.**, a Delaware corporation ("***Subtenant***"), covering Subleased Premises in the building located at 201 Third Street, San Francisco, California . All capitalized terms herein shall have the respective meanings given to them in the Sublease.

It is hereby agreed to that;

(a) The "Commencement Date" under the Sublease, and the date for the commencement of Subtenant's payment of Base Rent under the Sublease, is _____, 20___;

(b) The "Expiration Date" of the Lease is 11:59 p.m. on _____, 20__;

(c) Sublandlord has completed all of its delivery obligations under the Sublease.

ACKNOWLEDGED AND ACCEPTED:

Sublandlord:	**Subtenant:**
POSTMATES, LLC, a Delaware limited liability company	**AMPLITUDE, INC.,** a Delaware corporation
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date of Execution: _____	Date of Execution: _____

EXHIBIT D

FURNITURE