As confidentially submitted to the Securities and Exchange Commission on May 14, 2021
This draft registration statement has not been publicly filed 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

Freshworks Inc.
(Exact name of Registrant as specified in its charter)

Delaware	7372	33-1218825
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

2950 S. Delaware Street, Suite 201
San Mateo, CA 94403
(650) 513-0514
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Rathna Girish Mathrubootham
Chief Executive Officer
Freshworks Inc.
2950 S. Delaware Street, Suite 201
San Mateo, CA 94403
(650) 513-0514
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

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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, 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	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee
Common stock, $0.0001 par value per share		

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.
(2) Includes the aggregate offering price of additional shares that the underwriters have the option to purchase, if any.

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, as amended, 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. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PROSPECTUS (Subject to Completion)
Issued , 2021

Shares

COMMON STOCK

Freshworks Inc. is offering shares of our common stock. This is our initial public offering, and no public market currently exists for our shares of common stock. We anticipate that the initial public offering price will be between $ and $ per share.

We intend to apply to list our common stock on under the symbol "FRSH."

We are an "emerging growth company" as defined under the federal securities laws. Investing in our common stock involves risks. See the section titled "Risk Factors" beginning on page 13.

PRICE $ A SHARE

	Price to Public	***Underwriting Discounts and Commissions[(1)]***	***Proceeds to Freshworks***
Per Share	*$*	*$*	*$*
Total	*$*	*$*	*$*

(1) See the section titled "Underwriters" for a description of the compensation payable to the underwriters.

We have granted the underwriters the right to purchase up to an additional shares of common stock to cover over-allotments, if any.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved of these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares of common stock to purchasers on or about , 2021.

MORGAN STANLEY ***J.P. MORGAN*** ***BofA SECURITIES***

,2021

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Neither we nor any of the underwriters have authorized anyone to provide you with any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses we have prepared. Neither we nor any of the underwriters take any responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our common stock. Our business, financial condition, results of operations, and future growth prospects may have changed since that date.

Through and including , 2021 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

For investors outside the United States: Neither we nor any of the underwriters have done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside of 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 common stock and the distribution of this prospectus outside of the United States.

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. This summary does not contain all of the information you should consider before investing in our common stock. You should read this entire prospectus carefully, including the sections titled "Risk Factors" and "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, before making an investment decision. Our fiscal year ends on December 31. Unless the context otherwise requires, all references in this prospectus to "we," "us," "our," "our company," and "Freshworks" refer to Freshworks Inc. and its subsidiaries.

FRESHWORKS INC.

Overview

Our mission is to make it fast and easy for businesses to delight their customers and employees.

We provide businesses of all sizes with modern SaaS products that are designed with the user in mind. We started with Freshdesk, our customer experience (CX) product, and later expanded our offering to include Freshservice, our IT service management (ITSM) product. We then expanded our product offering to include a more complete customer relationship management (CRM) solution, which includes sales force and marketing automation. Finally, business users can have the power of modern SaaS technology with the ease of use of the most widely used consumer Internet services. Currently, more than 50,000 businesses use our software to delight their customers and employees.

The first generation of SaaS held enormous potential to give businesses more flexibility in the way they deployed software and make work easier. Despite the technological progress these companies have made, the first generation of SaaS has become too fragmented, unwieldy, and expensive, making it inaccessible for a wide swath of businesses. Organizations of all sizes, not just large enterprises, are facing increasing pressure to digitally transform and meet higher levels of customer and employee expectations. These stakeholders have become accustomed to the instant gratification of the digital economy, but the business software they use has not kept up.

At Freshworks, we build products that make it easier for businesses to delight their customers and employees. Our powerful software delivers the modern functionality and capabilities businesses need, while being intuitive and easy to use, rapid to onboard, agile, and affordable for organizations of all sizes. We build intelligence and automation into our products wherever possible to accelerate user productivity and allow them to quickly meet the increasing demands of customers and employees. By accelerating time to value, increasing productivity, and lowering costs, we provide businesses with a concrete return on their investment in Freshworks. With an increased ability to delight customers and employees, businesses also benefit from improved customer and employee retention, net promoter scores (NPS), and better business outcomes.

In 2011, we launched our first product, Freshdesk. As we continued to grow, we launched additional products and capabilities and expanded our go-to-market function. Over time, Freshworks products were discovered and embraced by teams and divisions within larger organizations, and we have become a leading provider of modern SaaS solutions that solve multiple, complex business problems to companies of all sizes around the globe. Businesses from more than 120 countries around the world use Freshworks products to delight their customers and employees every day. As of December 31, 2020, over 50% of our annual recurring revenue (ARR) was from customers with more than 250 employees, and we had 881 customers that each contributed $50,000 or more in ARR. We provide products across multiple massive markets in order to address the needs of businesses of all sizes that need to digitally transform to delight their customers and employees.

Our business model is powered by a strong product-led growth (PLG) motion that helps us serve businesses of all sizes. We make it simple and easy for businesses to find our products organically, trial the product to see if it fits the business use case, and quickly onboard users to the product. We supplement this PLG, or inbound motion, with an outbound motion to larger organizations and a robust partner ecosystem that helps customers extend our products with incremental capabilities to enable organizations of all sizes to have a superior experience. Once users within a business have started to use one of our products, we focus on driving further adoption within that business. We

believe that the success of our business model is evidenced by our healthy net dollar retention rate of 111% as of December 31, 2020.

Our business has grown rapidly in recent periods as our customer base and operations have scaled. Our total revenue was $172.4 million and $249.7 million in the years ended December 31, 2019 and 2020, respectively, representing a year-over-year growth rate of 45%. We incurred operating losses of $29.7 million and $56.1 million in the years ended December 31, 2019 and 2020, respectively, and our net losses were $31.1 million and $57.3 million in the years ended December 31, 2019 and 2020, respectively. In the years ended December 31, 2019 and 2020, our net cash (used in) provided by operating activities was ($8.2) million and $32.5 million, respectively, and our free cash flow was ($23.0) million and $23.5 million, respectively. For more information about free cash flow, a non-GAAP financial measure, and for a reconciliation of free cash flow to its corresponding GAAP measure, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures."

Delighting Customers and Employees is Hard

Requirements for businesses to meet and exceed the demands of both customers and employees have never been higher. Advances in consumer technology and the proliferation of mobile devices over the last two decades have created the ability for anyone to leverage a simple app or website to search for, acquire, exchange, or return goods and services with little friction. These modern consumer experiences have led to higher expectations for business interactions, and attracting customers to stay, buy more, and share their delight is increasingly challenging. Though it is the goal of almost every organization, truly delighting employees and customers is becoming more and more difficult.

Digital Transformation is Accelerating

To address the higher expectations of today's consumers, organizations of all sizes are being compelled to digitally transform their marketing, sales, and service models. Despite significant investments in technology and services, progress toward meeting the greater demands of customers and employees has lagged. Companies must undergo digital transformations in order to meet and exceed customer and employee expectations.

Users are Demanding Software that Meets their Needs

Business users need software that is powerful and intuitive in order to quickly solve problems for the customers and employees they serve. Yet, they are often forced into using software applications mandated by senior decision makers—executives who do not use the application day to day and have limited understanding of how it works or how it meets the users' needs. Unsatisfied users are pushing back against further software implementations and renewals, and are instead seeking out products that deliver the required functionality while being simple to use.

The Cloud Promise Has Been Broken

In response to rising customer and employee expectations that have intensified over time, many companies have been turning to cloud software. The SaaS revolution, born almost 20 years ago, promised to free organizations of all sizes from the shackles of the client-server paradigm of business software. SaaS was supposed to make users' lives easier by empowering them to better serve their customers and employees. However, the first generation of SaaS platforms has become, we believe, too fragmented, bloated, and unwieldy to effectively use every day. Despite all the progress in technology and the massive investments from first generation SaaS providers, the enterprise software industry has failed to realize the cloud promise.

The Shortfalls of Legacy SaaS

Legacy SaaS software suffers from the following drawbacks:

Not purpose-built to meet users' needs. Existing business software solutions are not purpose-built to meet the specific needs of the user or the frontline employee whose job day-to-day is to serve customers and employees. The simple yet powerful functionality of consumer technology that users are accustomed to in their personal lives has not

translated to their business software. Instead, business software is plagued with complexity, feature bloat, and complicated user interfaces (UI) that often require extensive and ongoing training for users.

Expensive with high total cost of ownership. Legacy SaaS software is often expensive to purchase. It often also requires an army of consultants, significant IT resources, and several months or years to implement and integrate across the IT stack—further increasing costs. The total cost of ownership (TCO) continues to increase with third-party add-ons often required to unlock the full capabilities of the software, as well as ongoing data storage or other hidden fees.

Prolonged time to value. Legacy SaaS software suffers from lengthy approval, purchasing, and implementation cycles frequently extending over many months or even years. Once the software is implemented, users undergo extensive training because the software is complex and cumbersome. Unable to do their job and derive value from the software right away, users often limit their engagement and as a result, businesses are saddled with software that suffers from a prolonged time to value.

Not accessible for companies of all sizes. Large enterprises with the requisite resources are typically the organizations that are able to purchase and access legacy SaaS solutions. Legacy SaaS solutions have effectively left behind most small- and mid-sized organizations on their digital transformation journey and concentrated the benefits to the few that can afford to adopt and maintain these high-priced solutions.

The Freshworks Solution—Delivering on the Cloud Promise

At Freshworks, we strive to empower businesses with simple yet powerful software they can rely on to delight the customers and employees they serve.

Designed to delight the user. Our software products are designed so that our users—whether they serve their external customers or internal employees—love using them. We believe that business software should be as intuitive and simple to use as a smartphone application, and this design principle is core to the success of our solutions. We invest significant effort upfront in the product development lifecycle, studying and analyzing how the user will engage with the product end to end, and then designing our solutions with a user-first approach. Our unrelenting focus on simple, elegant, intuitive design empowers users of our software to delight their customers.

Designed for rapid onboarding, agility, and time to value. Our software makes it very easy to onboard, configure, use, and scale. Businesses that choose Freshworks can sign up for a 21-day free trial on our website and rapidly determine if the solution makes sense to purchase. Crucially, companies do not have to choose between moving fast and satisfying unique requirements; we offer a marketplace with over 1,300 pre-built apps to help companies customize their Freshworks solution. Because users onboard rapidly and almost immediately start to realize value, we quickly see them begin to rely on our software for their day-to-day workflows, expand usage within their organization, buy additional functionality from us, and evangelize our software within their organizations.

Powerful with low TCO. Our software delivers the functionality of leading technologies, like artificial intelligence, machine learning and workflow automation—priced and packaged to enable users to try and buy quickly. Our self-serve software drives down TCO and makes adopting our software affordable; it does not require an army of expensive consultants and IT resources to implement. Custom business requirements typically can be addressed through pre-built applications available in our marketplace, rather than through expensive professional services. Our subscription prices allow businesses to actually benefit from the solution as they trial and adopt it, which generates users who evangelize within their organizations because they can immediately begin to realize the benefits of our products, enabling a robust PLG motion.

Relevant to organizations of all sizes. Freshworks products appeal to organizations of all sizes across a wide range of geographies and industries. Our products help smaller-sized organizations bridge the technology gap existing with well capitalized organizations that have implemented or are implementing digital transformation solutions. We are singularly focused on giving users the powerful software features and functionality they need to be effective, while reducing complexity and feature bloat. Our software appeals to businesses of all sizes whose employees demand effective, modern tools, and that are striving to compete effectively in a dynamic landscape.

Key Benefits for Our Customers

"Delight Made Easy." This simple mantra guides what we strive to enable for businesses. We provide them the following key benefits:

- ***Delight***. Our fresh approach to business software enables businesses to exceed customer and employee expectations and drive clear business results:
    - *Customer delight*: We help businesses delight their customers by enabling them to meet and exceed increasing and evolving sets of customer expectations. Our software enables personalized and context-aware interactions across multiple channels, enabling users to be highly responsive to customer inquiries. With Freshworks, businesses are able to consistently exceed customer expectations, enjoy higher retention and higher NPS, all of which promote increased growth.
    - *Employee delight*: With our intuitive, easy-to-use products, Freshworks users are able to focus on their job responsibilities and spend less time navigating bloated, unwieldy, difficult-to-use software. Users are delighted that our products are designed to optimize their experience, includes the most advanced technologies that are easily accessible, and is not burdened with unnecessary features or process layers. We believe our users are more motivated by software that helps them become more efficient and productive employees, and achieve better business outcomes.
- ***Made Easy***. Freshworks makes it fast and easy for businesses to delight their customers and employees. We take a fresh approach to how businesses discover, engage with, and realize value from software, throughout their journey.
    - *Transparent pricing*. Our pricing plans are designed for modern business use cases and affordable for organizations of all sizes. Our pricing is customizable based on users, features, and add-ons, to ensure businesses are paying only for the capabilities they need, while avoiding paying for unnecessary features and functionality. Our pricing is transparent, easy to understand, and easily found on our website, allowing businesses to readily assess TCO and feature differentiation within each of our pricing plans.
    - *Instant onboarding*. Businesses can access our website, try or purchase our software, and onboard in a matter of days not months. Our intuitive UI allows users to learn our products quickly, allowing them to better serve their customers' needs faster and more efficiently. With fast onboarding, easy-to-use products, and seamless upgrades, businesses using our software are able to avoid lengthy and expensive implementations and high ongoing software maintenance costs.
    - *Extensibility and customizability*. With out-of-the-box extensibility and drag-and-drop functionality, organizations can use our solution to solve business issues that are unique to them. Businesses can also build custom internal applications to extend the capabilities of our products, and to date, businesses have built over 2,700 custom apps to address their specific use cases. In addition, our marketplace provides access to over 1,300 applications developed and published by third parties that businesses can plug into their Freshworks solution to further extend the product.
    - *Accelerated user productivity*. Our products contain automation and collaboration functionality that enhances user productivity. Freshworks' products augment human engagement by automating processes to address and answer customer and employee requests. This enables users to serve customers faster and to be more proactive during each interaction, resulting in quick resolution of interactions and delighted customers. Additionally, our products embed collaboration functionality to provide our users the ability to collaborate across their organization and get work done without having to leave the Freshworks product environment.
    - *Tangible ROI*. Businesses achieve tangible return on their Freshworks investment driven by cost savings, improved employee productivity, and accelerated time to value. By automating administrative tasks, shifting customer interactions to digital and self-service channels, and reducing ticket volumes,

Freshworks enables more lean and efficient customer support and IT service organizations. Additionally, we reduce approval, purchasing, and implementation cycles, enabling our products to deliver accelerated time to value as compared to legacy SaaS solutions.

Our Market Opportunity

We define our total addressable market in two ways, by utilizing industry research and by conducting our own analysis based on the customer behavior and adoption trends we see of our products.

First, based on industry research from International Data Corporation (IDC), we believe we have a large addressable market of approximately $105 billion. As defined by IDC, we offer products that provide powerful functionality addressing select markets within Customer Relationship Management (CRM)—including Customer Service, Contact Center, Salesforce Productivity and Management, and Marketing Campaign Management; and System and Service Management (SSM)—including IT Service Management, IT Operations Management and IT Automation and Configuration Management. According to IDC, by 2024, the markets we address within CRM will represent a $66 billion opportunity and the SSM market will represent a $39 billion opportunity.

Second, based on our internal data and analysis, we estimate the annual potential market opportunity for our products to be $77 billion. We calculate this estimate based on the total number of global companies using independent industry data from S&P Capital IQ and weighted average ARR of our products. We organize these companies into three cohorts based on how we organize our go-to-market efforts (SMB, Mid-Market, Enterprise). We then multiply the number of companies in each cohort by the weighted average ARR per customer for our largest product families of Freshdesk and Freshsales (CRM), and Freshservice (SSM) within each cohort, and sum the products for each cohort to arrive at our total market opportunity. We expect our estimated market opportunity will continue to expand as customers onboard more or expand usage of our products, increasing the weighted average ARR per customer for use of our products.

Our Business Model

Since our inception, our go-to-market strategy has centered on offering exceptional products that are designed for the user. PLG is the core foundation of Freshworks and has helped us serve organizations of all sizes. The simplicity and powerful functionality underpinning our Freshworks solutions acts as the primary driver of customer acquisition, conversion, and expansion by driving trials of our products that we supplement with our inbound and outbound sales motions. Our go-to-market approach allows us to respond to how businesses want to buy our products. We offer our products under both free and paid subscription plans, further reducing friction to adoption and accelerating our go-to-market motion. We believe deep user engagement and an obsessive focus on user experience are catalysts for expanding paid adoption within organizations. Currently, we have more than 50,000 paying customers.

We focus our go-to-market motion on businesses based on their size:

- ***Small- and Mid-Sized Businesses (SMB)*** (organizations with 250 or fewer employees): We service our SMB customers through inbound and partner demand generation, which is low-cost, low-touch, and self-service.
- ***Mid-Market*** (organizations with 251 to 5,000 employees): We service our mid-market customers through inbound, outbound, and partner demand generation.
- ***Enterprise*** (organizations with 5,001 or more employees): We service our enterprise customers through inbound, outbound, and partner demand generation. We focus on serving divisions or departments within enterprises.

We have three go-to-market motions to attract customers:

- ***Inbound motion:*** We rely on efficient search marketing and word of mouth to encourage individual users or small teams within an organization to discover, try, and purchase our products. Our inbound motion is the primary way we sell to organizations, regardless of the organization’s size or industry.

- ***Outbound motion:*** This approach is focused on mid-market and enterprise organizations. We rely on three main groups to drive our outbound business: outbound marketing, sales development representatives, and field sales representatives.

- ***Partner ecosystem:*** Our growing partner ecosystem enriches our offerings, scales our geographic coverage, and helps us reach a broader audience than we would be able to reach on our own, thus amplifying our go-to-market investments. Our partner ecosystem consists of channel partners, ISV partners, and our marketplace.

Our Growth Strategy

Key elements of our growth strategy include:

- ***Continued Focus on Product-Led Growth***. PLG increasingly governs the buying patterns of not just SMBs, but also mid-market and larger enterprises. Over time, as teams and divisions within larger organizations have discovered and embraced our products, Freshworks has been organically adopted by these enterprises, becoming the product of choice for CX, ITSM, and sales force and marketing automation products (Sales & Marketing). We will maintain focus on our PLG so that a significant portion of our user acquisition, expansion, conversion, and retention efforts are driven primarily by the product itself.

- ***Drive New Customer Sales***. We believe that our market remains largely underserved. We intend to invest aggressively in our direct and indirect sales and marketing capabilities, including investments in our outbound sales motion teams, to continue to acquire new mid-market and enterprise customers. We also believe the ongoing tailwinds of cloud adoption and digital transformation will drive further adoption of our products by organizations of all sizes.

- ***Expand Within Existing Customers***. Our customer base of over 50,000 organizations represents a significant growth opportunity for us. Expansion in these organizations is driven by adding users, adoption of our products by other departments within the organization, moving customers to more premium products and cross-selling additional products. We believe that our multi-product platform offers significant cross-sell opportunities that have been largely untapped to date.

- ***Innovate and Enhance Our Products and Platform***. Since our founding, our journey to a multi-product strategy has expanded from CX, to employee and IT support, to messaging and cloud telephony, to a unified customer vision. We believe our continued innovation, including delivery of advanced AI and ML capabilities, will translate to a higher value proposition for our customers and increased adoption of our products by both new and existing customers.

- ***Expand Our Partner Network***. We are focused on expanding participation in our channel, ISV, and marketplace partner programs across geographies and industries to help us broaden our reach, and drive further customer acquisition and stickiness. Furthermore, we plan to leverage our leading technology partners like Amazon, Google, and Microsoft to explore additional go-to-market opportunities.

- ***Build Upon Our Global Presence***. We have been global from our earliest product sales and our global footprint continues to expand, with customers in more than 120 countries. Additionally, we support our products in eight languages. We plan to support more languages, recruit partners, hire sales and customer service personnel in additional countries as needed, and expand our presence in countries where we already operate.

Summary Risk Factors

Investing in our common stock involves a high degree of risk because our business is subject to numerous risks and uncertainties, as fully described in the section titled "Risk Factors" immediately following this summary. These risks include, but are not limited to, the following:

- We have a history of losses, and we may not be able to achieve profitability or, if achieved, sustain profitability.
- We have experienced rapid growth in recent periods, and our recent growth rates may not be indicative of our future growth.
- We have a limited operating history at our current scale, which makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful.
- We track certain key business metrics, which are subject to inherent challenges in measurement, and real or perceived inaccuracies in such metrics may harm our reputation and materially adversely affect our stock price, business, results of operations, and financial condition.
- We believe our long-term value as a company will be greater if we focus on growth, which may negatively impact our profitability.
- Our quarterly results may fluctuate significantly and may not meet our expectations or those of investors or securities analysts.
- The COVID-19 pandemic has affected how we and our customers operate, including our productivity, and has adversely affected the global economy, and the duration of and extent to which the pandemic will affect our business, future results of operations, and financial condition remain uncertain.
- If we are unable to attract new customers, convert customers using our trial versions into paying customers and expand usage of our products within or across organizations, our revenue growth would be harmed.
- Our ability to attract new customers and increase revenue from existing customers depends on our ability to develop new features, integrations, capabilities, and enhancements and to partner with third parties to design complementary products.
- We recognize revenue over the term of our customer contracts and, consequently, downturns or upturns in new subscriptions for our products may not be immediately reflected in our operating results and may be difficult to discern.
- Our business depends substantially on our customers renewing their subscriptions and purchasing additional subscriptions from us, and any decline in our customer retention would harm our future operating results.
- We operate in a highly competitive industry, and competition presents an ongoing threat to the success of our business.
- A substantial portion of our business and operations are located in India, and we are subject to regulatory, economic, social and political uncertainties in India.
- We may be subject to various labor laws, regulations, and standards in India. Non-compliance with and changes in such laws may adversely affect our business, results of operations, and financial condition.

Corporate Information

We were initially incorporated in August 2010 as FreshDesk Inc., a Delaware corporation. In June 2017, we changed our name to Freshworks Inc. Our principal executive offices are located at 2950 S. Delaware Street, Suite 201, San Mateo, California 94403. Our telephone number is (650) 513-0514.

Our website address is freshworks.com. Information contained on, or that can be accessed through, our website is not incorporated by reference into this prospectus, and you should not consider information on our website to be part of this prospectus.

The Freshworks design logo, "Freshworks," and our other registered or common law trademarks, service marks or trade names appearing in this prospectus are the property of Freshworks Inc. Other trade names, trademarks, and service marks used in this prospectus are the property of their respective owners.

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 (the JOBS Act), enacted in April 2012. An emerging growth company may take advantage of certain exemptions from various public company reporting requirements. These provisions include, but are not limited to:

- not being required to comply for a certain period of time with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended (the Sarbanes-Oxley Act);
- reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements, and registration statements; and
- exemptions from the requirements of holding a stockholder advisory vote on executive compensation and any golden parachute payments not previously approved.

We may take advantage of these provisions until the last day of our fiscal year following the fifth anniversary of the date of the first sale of our common stock in this offering. However, if certain events occur prior to the end of such five-year period, including if (1) we become a "large accelerated filer," with at least $700 million of equity securities held by non-affiliates; (2) our annual gross revenue exceeds $1.07 billion; or (3) we issue more than $1.0 billion of non-convertible debt in any three-year period, we will cease to be an emerging growth company prior to the end of such five-year period.

We have elected to take advantage of certain of the reduced disclosure obligations in the registration statement of which this prospectus is a part and may elect to take advantage of other reduced reporting requirements in future filings. As a result, the information that we provide to our stockholders may be different than you might receive from other public reporting companies in which you hold equity interests.

In addition, 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. Accordingly, our financial statements may not be comparable to the financial statements of public companies that comply with such new or revised accounting standards.

THE OFFERING

Common stock offered by us	shares
Common stock to be outstanding after this offering	shares
Option to purchase additional shares of common stock offered by us	shares
Total common stock to be outstanding after this offering	shares (or approximately shares if the underwriters exercise their over-allotment option in full).
Use of proceeds	We estimate that our net proceeds from the sale of our common stock that we are offering will be approximately $ million (or approximately $ million if the underwriters exercise their over-allotment option), assuming an initial public offering price of $ per share, the midpoint of the estimated price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses. The principal purposes of this offering are to increase our capitalization and financial flexibility and create a public market for our common stock. As of the date of this prospectus, we cannot specify with certainty all of the particular uses for the net proceeds to us from this offering. However, we currently intend to use the net proceeds we receive from this offering for general corporate purposes, including working capital, operating expenses and capital expenditures. We may also use a portion of the net proceeds to acquire complementary businesses, products, services or technologies. However, we do not have agreements or commitments to enter into any acquisitions at this time. See the section titled “Use of Proceeds” for additional information.
Proposed trading symbol	We intend to apply to list our common stock on under the symbol “FRSH.”
Risk factors	See the section titled “Risk Factors” and the other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in our common stock.

The number of shares of our common stock that will be outstanding after this offering is based on 23,155,676 shares of our common stock (including preferred stock, on an as-converted basis) outstanding as of December 31, 2020 and excludes:

- 209,608 shares of our common stock issuable upon the exercise of options to purchase shares of our common stock outstanding as of December 31, 2020, with a weighted-average exercise price of $2.2842 per share, under our 2011 Stock Plan, as amended (the 2011 Plan), which plan will expire upon the execution of the underwriting agreement for this offering;
- 3,392,761 shares of our common stock issuable upon the settlement of outstanding restricted stock units outstanding as of December 31, 2020 under our 2011 Plan;
- 152,027 shares of our common stock issuable upon the settlement of outstanding restricted stock units granted after December 31, 2020 under our 2011 Plan;

- 998,125 shares of our common stock reserved for future issuance under our 2011 Plan as of December 31, 2020, which shares will cease to be available for issuance at the time our 2021 Equity Incentive Plan (the 2021 Plan), becomes effective and will become reserved for future issuance under our 2021 Plan;
- shares of our common stock reserved for future issuance under our 2021 Plan, which will become effective upon the execution of the underwriting agreement for this offering, plus the number of shares subject to stock options or other stock awards that would have otherwise returned to our 2011 Plan (such as upon the expiration or termination of a stock award prior to vesting), which includes an annual evergreen increase and will become effective in connection with this offering; and
- shares of our common stock reserved for future issuance under our 2021 Employee Stock Purchase Plan (the ESPP), which includes an annual evergreen increase and will become effective in connection with this offering.

Unless otherwise indicated, the information in this prospectus assumes:

- a -for-1 forward stock split of our common and preferred stock to be effected prior to the completion of this offering;
- the filing and effectiveness of our amended and restated certificate of incorporation and the effectiveness of our amended and restated bylaws, each of which will occur immediately prior to the completion of this offering;
- the automatic conversion immediately prior to the completion of this offering of all 15,393,773 outstanding shares of our convertible preferred stock as of December 31, 2020 into an equal number of shares of our common stock;
- no exercise of the outstanding options or settlement of the restricted stock units described above; and
- no exercise of the underwriters' over-allotment option.

SUMMARY CONSOLIDATED FINANCIAL DATA

The summary consolidated statements of operations data for the fiscal years ended December 31, 2019 and 2020 and the summary consolidated balance sheet data as of December 31, 2020 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. We have included, in our opinion, all adjustments necessary to state fairly our financial position as of December 31, 2020 and the results of operations for the years ended December 31, 2019 and 2020. Our historical results are not necessarily indicative of the results to be expected for any other period in the future. You should read the consolidated financial data set forth below in conjunction with our consolidated financial statements and the accompanying notes, the information in "Management's Discussion and Analysis of Financial Condition and Results of Operations," and other financial information contained elsewhere in this prospectus.

	Year Ended December 31,	
	2019	2020
Consolidated Statements of Operations Data:	(in thousands)	
Revenue	$ 172,377	$ 249,659
Cost of revenue[(1)]	36,462	52,492
Gross profit	135,915	197,167
Operating expense:		
Research and development[(1)]	38,559	69,210
Sales and marketing[(1)]	111,115	133,277
General and administrative[(1)]	15,911	50,792
Total operating expenses	165,585	253,279
Loss from operations	(29,670)	(56,112)
Interest and other income, net	2,180	2,833
Loss before income taxes	(27,490)	(53,279)
Provision for income taxes	3,635	4,015
Net loss	(31,125)	(57,294)
Accretion of redeemable convertible preferred stock	(553,339)	(1,560,524)
Deemed dividend distribution	(40,071)	—
Net loss attributable to common stockholders	$ (624,535)	$ (1,617,818)
Net loss per share attributable to common stockholders - basic and diluted	$ (82.14)	$ (210.24)
Weighted-average shares used in computing net loss per share attributable to common stockholders - basic and diluted	7,603	7,695

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

	Year Ended December 31,	
	2019	2020
	(in thousands)	
Cost of revenue	$ 13	$ —
Research and development	151	15,890
Sales and marketing	104	7
General and administrative	5	27,383
Total stock-based compensation expense	$ 273	$ 43,280

	As of December 31, 2020		
	Actual	Pro Forma[1]	As Adjusted[2][3]
Consolidated Balance Sheet Data:			
Cash and cash equivalents	$ 95,382	$ 95,382	
Marketable securities	142,733	142,733	
Total assets	367,424	367,424	
Working capital	160,162	160,162	
Redeemable convertible preferred stock	2,895,096	—	
Additional paid-in capital	—	2,895,096	
Accumulated deficit	(2,697,152)	(2,697,152)	
Total stockholders' deficit	(2,696,741)	(198,355)	

(1) The pro forma balance sheet data gives effect to: (i) the conversion of 15,393,773 shares of convertible preferred stock outstanding as of December 31, 2020 into an equal number of shares of common stock upon the closing of this offering and (ii) the filing and effectiveness of our amended and restated certificate of incorporation upon the closing of this offering.

(2) Reflects (i) the pro forma adjustments described in footnote (1) and (ii) the issuance and sale of shares of common stock in this offering at the assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

(3) Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share of common stock, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, and total stockholders' (deficit) equity by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions. Similarly, each increase (decrease) of 1.0 million shares in the number of shares offered by us at the assumed initial public offering price per share would increase (decrease) the pro forma as adjusted amount of each of cash, cash equivalents and short-term investments, and total stockholders' (deficit) equity by approximately $ million, assuming the assumed initial public offering price of $ per share of common stock remains the same, and after deducting estimated underwriting discounts and commissions.

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks described below, as well as the other information in this prospectus, including our consolidated financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations," before deciding whether to invest in our common stock. The occurrence of any of the events or developments described below could materially and adversely affect our business, financial condition, results of operations, and growth prospects. In such an event, the market price of our common stock could decline, and you may lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently believe are not material may also impair our business, financial condition, results of operations, and growth prospects.

Risks Related to Our Business

We have a history of losses, and we may not be able to achieve profitability or, if achieved, sustain profitability.

We have incurred net losses in each fiscal year since our founding. We generated net losses of $31.1 million and $57.3 million for the years ended December 31, 2019 and 2020, respectively. As of December 31, 2020, we had an accumulated deficit of $2.7 billion. We do not expect to be profitable in the near future, and while we achieved profitability for one quarter in 2020, we cannot assure you that we will achieve profitability again in the future or that, if we do become profitable, we will sustain profitability. Any failure by us to achieve and sustain profitability could cause the value of our common stock to decline. These losses reflect, among other things, the significant investments we made to develop and commercialize our products, serve our existing customers, and broaden our customer base.

As a result of expected investments and expenditures related to the growth of our business, we may experience increasing losses in future periods and these losses may be significantly greater than the losses we would incur if we developed our business more slowly. In addition, we may find that these efforts are more expensive than we currently anticipate or that they may not result in increases in our revenue.

We have experienced rapid growth in recent periods, and our recent growth rates may not be indicative of our future growth.

We have experienced rapid growth in recent periods. Even if our revenue continues to increase, we expect that our revenue growth rate may decline in the future as a result of a variety of factors, including the maturation of our business. Further, as we operate in a rapidly changing industry, widespread acceptance and use of our products are critical to our future growth and success. We believe our revenue growth depends on a number of factors, including, but not limited to, our ability to:

- attract new customers;
- grow or maintain our net dollar retention rate, expand usage within organizations, and sell additional subscriptions;
- price our subscription plans effectively;
- gain continued acceptance and use of our products both inside and outside of the United States;
- expand the features and capabilities of our products;
- continue to successfully expand our sales force;
- provide excellent customer experience and customer service;
- maintain the security and reliability of our products;
- successfully compete against and withstand competitive pressure from established companies and new market entrants;

- increase awareness of our brand on a global basis; and
- comply with existing and new applicable laws and regulations.

We may not successfully accomplish any of these objectives, and as a result, it is difficult for us to forecast our future results of operations. If we are unable to maintain consistent revenue or revenue growth, our stock price could be volatile, and it may be difficult to achieve (or, if achieved, maintain) profitability. You should not rely on our revenue for any prior quarterly or annual periods as any indication of our future revenue or revenue growth.

In addition, in order to fuel our growth, we expect to continue to expend substantial financial and other resources on:

- expansion and enablement of our sales, services, and marketing organization to increase brand awareness and drive adoption of our products;
- product development, including investments in our product development team and the development of new products and new features and functionality, as well as investments in further differentiating our existing offerings;
- strategic technology and sales channel partnerships;
- acquisitions or strategic investments; and
- general administration, including increased legal and accounting expenses associated with being a public company.

These investments may not result in increased revenue in our business. If we are unable to maintain or increase our revenue at a rate sufficient to offset the expected increase in our costs, our business, financial position, and results of operations will be harmed, and we may not be able to achieve or maintain profitability. Additionally, we may encounter unforeseen operating expenses, difficulties, complications, delays, and other unknown factors that may result in losses in future periods. If our revenue does not meet our expectations in future periods, our business, financial position, and results of operations may be harmed.

We have a limited operating history at our current scale, which makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful.

We have been growing rapidly in recent periods and, as a result, have a relatively short history operating our business at its current scale. The growth and expansion of our business and products may place a significant strain on our management and our operational and financial resources. As we grow and expand, we will need to continue to successfully manage a variety of relationships with partners, customers, and other third parties. We must continue to improve and expand our information technology and financial infrastructure, our security and compliance requirements, our operating and administrative systems, our relationships with various partners and other third parties, and our ability to manage headcount and processes in an efficient manner to manage our growth effectively.

Furthermore, we operate in an industry that is characterized by rapid technological innovation, intense competition, changing customer needs, and frequent introductions of new products, technologies, and services. We may not be able to sustain the pace of improvements to our products successfully or implement systems, processes, and controls in an efficient or timely manner or in a manner that does not negatively affect our results of operations. Our failure to improve our systems, processes, and controls, or their failure to operate in the intended manner, may result in our inability to manage the growth of our business, forecast our revenue, expenses, and earnings accurately, or prevent losses.

We have encountered, and will continue to encounter, risks and uncertainties frequently experienced by growing companies in evolving industries. In addition, our future growth rate is subject to a number of uncertainties, such as general economic and market conditions, including those caused by the ongoing COVID-19 pandemic. If our assumptions regarding these risks and uncertainties, which we use to plan our business, are incorrect or change

in reaction to changes in the market, or if we do not address these risks successfully, our results of operations could differ materially from our expectations, and our business, results of operations, and financial condition would suffer.

We track certain key business metrics, which are subject to inherent challenges in measurement, and real or perceived inaccuracies in such metrics may harm our reputation and materially adversely affect our stock price, business, results of operations, and financial condition.

We track certain key business metrics that may differ from estimates or similar metrics published by third parties due to differences in sources, methodologies, or the assumptions on which we rely. Our internal systems and tools are subject to a number of limitations, and our methodologies for tracking these metrics may change over time, which could result in unexpected changes to our metrics, including the metrics we publicly disclose. If the internal systems and tools we use to track these metrics undercount or overcount performance or contain algorithmic or other technical errors, the data we report may not be accurate. While these numbers are based on what we believe to be reasonable estimates of our metrics for the applicable period of measurement, there are inherent challenges in measuring how our products are used across large populations globally.

Limitations or errors with respect to how we measure data or with respect to the data that we measure may affect our understanding of certain details of our business, which could affect our long-term strategies. If our key business metrics are not accurate representations of our business, or if investors do not perceive these metrics to be accurate, or if we discover material inaccuracies with respect to these figures, our reputation may be significantly harmed, our stock price could decline, we may be subject to stockholder litigation, and our business, results of operations, and financial condition could be materially adversely affected.

We believe our long-term value as a company will be greater if we focus on growth, which may negatively impact our profitability.

A significant part of our business strategy and culture is to focus on long-term growth and customer success over short-term financial results. For example, in 2020, we increased our operating expenses to $253.2 million as compared to $165.6 million in 2019, while continuing to generate a net loss of $57.3 million in 2020. We expect that we will continue to operate at a loss, and our profitability may be lower than it would be if our strategy were to maximize near-term profitability. If we are ultimately unable to achieve or improve profitability at the level or during the time frame anticipated by securities or industry analysts and our stockholders, the trading price of our common stock may decline.

Our quarterly results may fluctuate significantly and may not meet our expectations or those of investors or securities analysts.

Our quarterly results of operations, including the levels of our revenue, deferred revenue, working capital, and cash flows, may vary significantly in the future, such that period-to-period comparisons of our results of operations may not be meaningful. Our quarterly financial results may fluctuate due to a variety of factors, many of which are outside of our control and may be difficult to predict, including, but not limited to:

- the level of demand for our products;
- our ability to grow or maintain our net dollar retention rate, expand usage within organizations, and sell subscriptions;
- the timing and success of new features, integrations, capabilities, and enhancements by us to our products, or by our competitors to their products, or any other changes in the competitive landscape of our market;
- our ability to achieve continued acceptance and use of our products;
- errors in our forecasting of the demand for our products, which would lead to lower revenue, increased costs, or both;
- the amount and timing of operating expenses and capital expenditures, as well as entry into operating leases, that we may incur to maintain and expand our business and operations and to remain competitive;

- the timing of expenses and recognition of revenue;
- security breaches, technical difficulties, or interruptions to our products;
- pricing pressure as a result of competition or otherwise;
- the continued ability to hire high quality and experienced talent in a fiercely competitive environment;
- the timing of the grant or vesting of equity awards to employees, directors, or consultants;
- seasonal buying patterns for software spending;
- declines in the values of foreign currencies relative to the U.S. dollar;
- changes in, and continuing uncertainty in relation to, the legislative or regulatory environment;
- legal and regulatory compliance costs in new and existing markets;
- costs and timing of expenses related to the potential acquisition of businesses, talent, technologies, or intellectual property, including potentially significant amortization costs and possible write-downs;
- health epidemics, such as the COVID-19 pandemic, influenza, and other highly communicable diseases or viruses;
- adverse litigation judgments, other dispute-related settlement payments, or other litigation-related costs; and
- general economic conditions in either domestic or international markets, including geopolitical uncertainty and instability and their effects on software spending.

Any one or more of the factors above may result in significant fluctuations in our quarterly results of operations, which may negatively impact the trading price of our common stock. You should not rely on our past results as an indicator of our future performance.

The COVID-19 pandemic has affected how we and our customers operate, including our productivity, and has adversely affected the global economy. The duration and extent to which this will affect our business, future results of operations, and financial condition remains uncertain.

The COVID-19 pandemic and efforts to control its spread have significantly curtailed the movement of people, goods, and services worldwide. As a result, we have temporarily closed our headquarters and most of our other offices, enabled our employees and contractors to work remotely, implemented travel restrictions, and shifted company events and meetings to virtual-only experiences, all of which may continue for an indefinite amount of time and represent a significant disruption in how we operate our business, including a loss of productivity both in the United States and in India, where we have significant operations. If the COVID-19 pandemic continues to spread or if there are further waves of the virus, we may need to further limit operations or modify our business practices in a manner that may impact our business. If our employees are not able to perform their job duties due to self-isolation, quarantine, travel restrictions, or illness, or are unable to perform them as efficiently at home for an extended period of time, we may not be able to deliver on our business priorities, and we may experience an overall lower productivity of our workforce.

We continue to monitor our operations and public health measures implemented by governmental authorities both here and abroad in response to the COVID-19 pandemic. Although some public health measures have eased and a small portion of our employees have returned to work in certain offices for a brief period, our efforts to reopen our offices safely may not be successful and could expose our employees to health risks. For example, since early March 2021, the number of cases of COVID-19 in India has substantially increased, and thus, our offices in India, which had reopened at partial capacity for a brief period, are closed with all employees and contractors working remotely. The operations of our partners, vendors, and customers have likewise been disrupted.

While the duration and extent of the COVID-19 pandemic depends on future developments that cannot be accurately predicted at this time, including the availability and efficient distribution and administration of vaccines, it has already had an adverse effect on the global economy, and the ultimate societal and economic effect of the COVID-19 pandemic remains unknown. In particular, the conditions caused by this pandemic has affected the rate of global IT spending, which could adversely affect demand for our products. Further, the COVID-19 pandemic has caused us to experience, in some cases, an increase in certain prospective and current customers seeking lower prices or other more favorable contract terms, and has limited the ability of our direct sales force to travel to customers and potential customers. The COVID-19 pandemic has changed the way we interact with our customers and prospective customers. We have altered, postponed, or canceled planned customer, employee, and industry events or shifted them to a virtual only format, and we may continue to do so. Our operating results may also suffer if sales and marketing personnel are unable to maintain the same level of productivity while working remotely during the COVID-19 pandemic. Recent hires and planned hires may also not become productive as quickly as we expect during the COVID-19 pandemic. In addition, we serve many businesses, particularly small to medium-sized businesses, that were impacted by the COVID-19 pandemic. Some of our customers, particularly customers that are small businesses in the travel, hospitality, entertainment, or retail industries, were particularly affected by the COVID-19 pandemic, and a number of them even went out of business or reduced their subscriptions significantly as a result of their businesses downsizing. As a result of the COVID-19 pandemic, we experienced elevated churn and lower overall revenue in 2020 from customers in these industries. As the COVID-19 pandemic continues, it could reduce the value or duration of subscriptions, negatively affect our collections of accounts receivable, reduce spending from our customers, cause some of our customers to go out of business, and increase contraction or attrition rates of our customers, all of which could adversely affect our business, results of operations, and financial condition. Additionally, concerns over the economic impact of the COVID-19 pandemic have caused extreme volatility in financial and other capital markets, which may in the future adversely affect our stock price and our ability to access capital markets in the future.

While we have developed and continue to develop plans to help mitigate the potential negative impact of the COVID-19 pandemic on our business, these efforts may not be effective, and any protracted economic downturn will likely limit the effectiveness of our efforts. There may be additional costs or impacts to our business and operations, including when we are able to return to our offices and resume in-person activities, travel, and events. In addition, there is no guarantee that a future outbreak of this or any other widespread epidemics will not occur, or that the global economy will recover, either of which could seriously harm our business. The ultimate impact of the COVID-19 pandemic or a similar health epidemic on our business, operations, or the global economy as a whole remains highly uncertain. Accordingly, it is not possible for us to predict the duration and extent to which this will affect our business, including productivity of our employees in the United States and in India, future results of operations, and financial condition at this time.

If we are unable to attract new customers, convert customers using our trial versions into paying customers, and expand usage of our products within or across organizations, our revenue growth would be harmed.

To increase our revenue and achieve profitability, we must increase our customer base through various methods, including but not limited to, adding new customers, converting customers using our free trial versions into paying customers, and expanding usage within and across organizations within existing customers. We encourage customers on our free trial version to upgrade to paid subscription plans and customers of our base level paid plans to upgrade to plans with more features and to incorporate add-ons. Additionally, we seek to expand within organizations by adding new users, having organizations upgrade their plans, or expanding their use of our products into other departments within the organization. While we have experienced significant growth in the number of customers on our products, we do not know whether we will continue to achieve similar customer growth rates in the future. Numerous factors may impede our ability to add new customers, convert customers using our free trial versions into paying customers, expand usage within organizations, and sell subscriptions to our products, including but not limited to, our failure to attract, retain, and effectively train and motivate new sales and marketing personnel, develop or expand relationships with our partners, compete effectively against alternative products or services, successfully deploy new features and integrations, provide a quality customer experience and customer support, or ensure the effectiveness of our marketing programs.

In addition, because many of our new customers originate from word-of-mouth and other non-paid referrals from existing customers, we must ensure that our existing customers continue using our products in order for us to benefit from those referrals.

Our ability to attract new customers and increase revenue from existing customers depends on our ability to develop new features, integrations, capabilities, and enhancements and to partner with third parties to design complementary products.

Our ability to attract new customers and increase revenue from existing customers depends in large part on our ability to continually enhance and improve our products and the features, integrations, and capabilities we offer, and to introduce compelling new features, integrations, and capabilities that reflect the changing nature of our market. Accordingly, we must continue to invest in research and development and in our ongoing efforts to improve and enhance our products. The success of any enhancement to our products depends on several factors, including timely completion and delivery, competitive pricing, adequate quality testing, integration with existing technologies, and overall market acceptance. Any new features, integrations, and capabilities that we develop may not be introduced in a timely or cost-effective manner, may contain errors, failures, vulnerabilities, or bugs, or may not achieve the market acceptance necessary to generate significant revenue.

Additionally, we rely on third parties to develop products that are complementary to ours in order to retain existing customers and attract new customers. In order for such complementary products to enhance our customers' use of our products, we must maintain interoperability as described further below.

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

We generally recognize subscription revenue from customers ratably over the terms of their contracts, and a majority of our revenue is derived from subscriptions that have terms longer than one month. As a result, a portion of the revenue we report 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 with terms that are longer than one month in any single quarter may have a small impact on our revenue 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 products, 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 operating expenses in a timely fashion if our revenues were to significantly decline. In addition, because we believe a substantial percentage of subscriptions to our solutions are shorter than many comparable SaaS companies and because we have many variations of billing cycles, our deferred revenue may be a less meaningful indicator of our future financial results as compared to other SaaS companies. A significant majority of our costs are expensed as incurred, while revenue is recognized over the life of the agreement with the applicable customer.

Our business depends substantially on our customers renewing their subscriptions and purchasing additional subscriptions from us. Any decline in our customer retention would harm our future operating results.

Our business is subscription based, and customers are not obligated to and may not renew their subscriptions after their existing subscriptions expire. In order for us to maintain or improve our operating results, it is important that our customers renew their subscriptions when the initial contract term expires and add additional users to their subscriptions. Our customers have no obligation to renew their subscriptions, and we cannot ensure that customers will renew subscriptions with a similar contract period, with the same or greater number of users, or for the same or upgraded level of subscription plan. Customers may or may not renew their subscription plans as a result of a number of factors, including their satisfaction or dissatisfaction with our products, our pricing or pricing structure, the pricing or capabilities of the products and services offered by our competitors, the effects of general economic conditions, or customers’ budgetary constraints. If customers do not renew their subscriptions, renew on less favorable terms, or fail to add more users, or if we fail to upgrade trial customers to our paid subscription plans, or expand the adoption of our products within and across organizations, our revenue may decline or grow less quickly than anticipated, which would harm our business, results of operations, and financial condition. Additionally, we continue to monitor how the COVID-19 pandemic may affect the adoption of our products generally and our success

in engaging with new customers and expanding relationships with existing customers. We have also experienced and may experience in the future a reduction in renewal rates and increased churn rates, particularly within our small and medium-sized customers, many of whom are on month-to-month subscriptions, as well as reduced customer spend and delayed payments that could materially impact our business, results of operations, and financial condition in future periods. If we fail to predict customer demands, fail to sufficiently account for the effect of the COVID-19 pandemic on our sales estimates, or fail to attract new customers and maintain and expand new and existing customer relationships, our revenue may grow more slowly than expected, may not grow at all, or may decline, and our business may be harmed.

We operate in a highly competitive industry, and competition presents an ongoing threat to the success of our business.

The market for customer experience (CX), IT service management (ITSM), and customer relationship management (CRM) products is rapidly evolving and increasingly competitive, fragmented, and subject to rapidly changing technology, shifting user and customer needs, new market entrants, and frequent introductions of new products and services. We compete with a significant number of companies that range in size from large and diversified enterprises with significant financial resources to smaller companies. These competitors developed or are developing products and services that currently, or in the future may, compete with some or all of our offerings.

Within CX, we primarily face competition from CX suites, such as Salesforce and Zendesk, and legacy vendors, such as Oracle and SAP. Within ITSM, we primarily face competition from traditional vendors, such as ServiceNow, BMC, Ivanti/Cherwell, and modern pure-play vendors, such as Atlassian. Within CRM, we primarily face competition from full-featured vendors, such as Salesforce, HubSpot, and Microsoft Dynamics, and legacy vendors, such as Oracle, SAP, and Sage.

Many of our current and potential competitors may have longer operating histories, greater brand name recognition, stronger and more extensive partner relationships, significantly greater financial, technical, marketing, and other resources, lower labor and development costs, and larger customer bases than we do. These competitors may invest and engage in more extensive research and development efforts, undertake more far-reaching marketing campaigns, and adopt more aggressive pricing policies that will allow them to build larger customer bases than we have. Our competitors may also offer their products and services at a lower price, or, particularly during the ongoing COVID-19 pandemic, may offer price concessions, delayed payment terms, financing terms, or other terms and conditions that are more enticing to potential customers.

The market for our products is rapidly evolving and highly competitive, with relatively low barriers to entry, and in the future there will likely be an increasing number of similar products offered by additional competitors. Large companies we do not currently consider to be competitors may enter the market, through acquisitions or through innovation and expansion of their existing products, to compete with us either directly or indirectly. Further, our potential and existing competitors may make acquisitions or enter into strategic relationships and rapidly acquire significant market share due to a larger customer base, superior product offering, more effective sales and marketing operations, or greater financial, technical, and other resources.

Any one of these competitive pressures in our market, or our failure to compete effectively, may result in price reductions; fewer customers; reduced revenue, gross profit, and gross margin; increased net losses; and loss of market share. Any failure to meet and address these factors would harm our business, results of operations, and financial condition. Moreover, large customers may demand greater price concessions or other more favorable terms.

Failure to effectively develop and expand our direct sales capabilities would harm our ability to expand usage of our products within our customer base and achieve broader market acceptance of our products.

Our ability to expand usage of our products within our customer base and achieve broader market acceptance among organizations will depend to an extent on our ability to expand our sales operations successfully, particularly our direct sales efforts targeted at broadening use of our products across departments and entire organizations. We plan to continue expanding our direct sales force, both domestically and internationally, to expand use of our products within our customer base and reach larger organizations. This expansion will require us to continue to

invest significant financial and other resources to grow and train our direct sales force. Our business, results of operations, and financial condition will be harmed if these efforts do not generate a corresponding increase in revenue. We may not achieve anticipated revenue growth from expanding our direct sales force if we are unable to hire and develop talented direct sales personnel, if our new direct sales personnel are unable to achieve desired productivity levels in a reasonable period of time, or if we are unable to retain our existing direct sales personnel. We believe that there is significant competition for sales personnel with the skills and technical knowledge that we require. Our ability to achieve revenue growth will depend, in large part, on our success in recruiting, training, and retaining sufficient numbers of sales personnel to support our growth.

If we are unable to develop and maintain successful relationships with channel partners, our business, operating results, and financial condition could be adversely affected.

To date, our product-led sales growth has primarily depended on word-of-mouth, online marketing, and our direct sales force to sell subscriptions to our products. Although we have developed relationships with approximately 400 channel partners, these channels have resulted in limited revenue to date. We believe that continued growth in our business is dependent upon identifying, developing, and maintaining strategic relationships with additional channel partners that can drive substantial revenue. Our agreements with our existing channel partners are non-exclusive, so our channel partners may offer customers the products of several different companies, including products that compete with ours. They may also cease marketing our products with limited or no notice and without penalty. We expect that any additional channel partners we identify and develop will be similarly non-exclusive and not bound by any requirement to continue to market our products. If we fail to identify additional channel partners in a timely and cost-effective manner, or at all, or are unable to assist our current and future channel partners in independently selling and deploying our CX products or live chat software, our business, results of operations, and financial condition could be adversely affected. If our channel partners do not effectively market and sell our products, or fail to meet the needs of our customers, our reputation and ability to grow our business may also be adversely affected.

The loss of one or more of our key executives, including our Chief Executive Officer, Rathna Girish Mathrubootham, would harm our business.

Our success depends largely upon the continued services and performance of our senior management and other key personnel. From time to time, there may be changes in our senior management team resulting from the hiring or departure of executives and key employees, which could disrupt our business. Our senior management and key employees are employed on an at-will basis. We currently do not have “key person” insurance on any of our employees. The loss of key personnel, including Rathna Girish Mathrubootham, our Chief Executive Officer, and other key members of management, may cause disruptions in, and harm to, our operations and have an adverse effect on our ability to grow our business and our results of operations and financial condition.

We must continue to attract and retain highly qualified personnel in very competitive markets to continue to execute on our business strategy and growth plans.

To execute our business model, we must attract and retain highly qualified personnel. Competition for executive officers, software engineers, sales personnel, and other key personnel in our industry and in the San Francisco Bay Area, where our headquarters is located, in India where our engineering, product, and inside sales resources are concentrated, and in other locations where we maintain offices, is intense. As we become a more mature company, we may find our recruiting efforts more challenging. The incentives to attract, retain, and motivate employees provided by our equity awards, or by other compensation arrangements, may not be as effective as in the past. Many of the companies with which we compete for experienced personnel have greater resources than we have. In addition, to remain competitive in India, we must maintain our reputation as a premier employer in India, including by providing competitive wages and benefits. Our recruiting efforts may also be limited by laws and regulations, such as restrictive immigration laws, and restrictions on travel or availability of visas particularly during the ongoing COVID-19 pandemic. If we do not succeed in attracting highly qualified personnel or retaining or motivating existing personnel, we may be unable to support our continued growth.

Our failure to protect our sites, networks, and systems against security breaches, or otherwise to protect our confidential information or the confidential information of our users, customers, or other third parties, would damage our reputation and brand, and substantially harm our business and results of operations.

We collect, receive, access, store, process, generate, use, transfer, disclose, share, make accessible, protect, secure, and dispose of (collectively, Process or Processing) a large amount of information from our users, customers, and our own employees, including personally identifiable and other sensitive and confidential information necessary to operate our business, for legal and marketing purposes, and for other business-related purposes. We rely on information technology networks and systems and data Processing (some of which are managed by third-party service providers) to Process such data, and this data is often accessed through transmissions over public and private networks, including the internet. These information technology networks and systems, and the Processing they perform, may be susceptible to damage, disruptions, or shutdowns, software or hardware vulnerabilities, security incidents, ransomware attacks, social engineering attacks, supply-chain attacks, failures during the process of upgrading or replacing software, databases, or components, power outages, fires, natural disasters, hardware failures, computer viruses, attacks by computer hackers, telecommunication failures, user errors, user malfeasance, or catastrophic events. While we and our third-party service providers have implemented security measures, technical controls, and contractual precautions designed to identify, detect, and prevent unauthorized Processing of our data, our security measures, as well as those of our third-party service providers, could fail or may be insufficient, resulting in the unauthorized disclosure, modification, misuse, unavailability, destruction, or loss of our or our customers' data or other sensitive information. Any such security breach, material disruption of, or damage to, our operational systems, physical facilities, or data Processing activities, or the systems of our third-party partners, or the perception that one has occurred, could disrupt our ability to undertake, and cause a material adverse impact to, our business, reputation, and financial condition and could result in litigation, indemnity obligations, regulatory enforcement actions, investigations, fines, penalties, mitigation and remediation costs, disputes, reputational harm, diversion of management's attention, and other liabilities and damage to our business.

Despite our efforts to ensure the security, privacy, integrity, confidentiality, availability, and authenticity of our Processing, information, and information technology networks and systems, we may not be able to anticipate or implement effective preventive and remedial measures against all data security and privacy threats. No security solution, strategy, or measures can address all possible security threats or block all methods of penetrating a network or otherwise perpetrating a security incident. The risk of unauthorized circumvention of our security measures or those of our third-party providers, customers, and partners has been heightened by advances in computer and software capabilities and the increasing sophistication of hackers who employ complex techniques, including without limitation, the theft or misuse of personal and financial information, counterfeiting, "phishing" or social engineering incidents, ransomware, extortion, publicly announcing security breaches, account takeover attacks, denial or degradation of service attacks, malware, fraudulent payment, and identity theft. Because the techniques used by hackers change frequently, we may be unable to anticipate these techniques or implement adequate preventive measures to protect against them. Our applications, systems, networks, software, and physical facilities could have material vulnerabilities, be breached, or personal or confidential information could be otherwise compromised due to employee error or malfeasance, if, for example, third parties attempt to fraudulently induce our personnel or our customers to disclose information or user names and/or passwords, or otherwise compromise the security of our networks, systems, and/or physical facilities. Third parties may also exploit vulnerabilities in, or obtain unauthorized access to, platforms, software, applications, systems, networks, sensitive information, and/or physical facilities utilized by our vendors. Breaches of our security measures or those of our third-party service providers or cyber security incidents could result in unauthorized access to our sites, networks, systems, and accounts; unauthorized access to, and misappropriation of, individuals' personal information or other confidential or proprietary information of ourselves, our customers, or other third parties; viruses, worms, spyware, or other malware being served from our products, mobile applications, networks, or systems; deletion or modification of content or the display of unauthorized content in our products; interruption, disruption, or malfunction of operations; costs relating to breach remediation, deployment of additional personnel, and protection technologies, and response to governmental investigations and media inquiries and coverage; engagement of third-party experts and consultants; or litigation, regulatory action, and other potential liabilities. If any of these breaches of security should occur, we cannot guarantee that recovery protocols and backup systems will be sufficient to prevent data loss. Additionally, if any of these breaches occur, our reputation and brand could be damaged, our business may suffer,

we could be required to expend significant capital and other resources to alleviate problems caused by such breaches, and we could be exposed to risk of loss, litigation, or regulatory action, and other potential liability. Actual or perceived security breaches or attacks on our systems or those of our third-party service providers may cause us to incur increasing costs, including costs to deploy additional personnel and protection technologies, train employees, and engage third-party experts and consultants and may require notification under applicable data privacy regulations or contractual obligations, or for customer relations or publicity purposes, which could result in reputational harm, costly litigation (including class action litigation), material contract breaches, liability, settlement costs, loss of sales, regulatory scrutiny, actions or investigations, a loss of confidence in our business, systems and Processing, a diversion of management's time and attention, and significant fines, penalties, assessments, fees and expenses. Additionally, there is an increased risk that we may experience cybersecurity-related events such as COVID-19-themed phishing attacks and other security challenges as a result of most of our employees and our service providers working remotely from non-corporate-managed networks during the ongoing COVID-19 pandemic and potentially beyond.

The costs to respond to a security breach and/or to mitigate any security vulnerabilities that may be identified could be significant, our efforts to address these problems may not be successful, and these problems could result in unexpected interruptions, delays, cessation of service, negative publicity, and other harm to our business and our competitive position. We could be required to fundamentally change our business activities and practices in response to a security breach or related regulatory actions or litigation, which could have an adverse effect on our business.

We may not have adequate insurance coverage for security incidents or breaches, including fines, judgments, settlements, penalties, costs, attorney fees and other impacts that arise out of incidents or breaches. If the impacts of a security incident or breach, or the successful assertion of one or more large claims against us exceeds our available insurance coverage, or results in changes to our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), it could have an adverse effect on our business. In addition, we cannot be sure that our existing insurance coverage, cyber 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 all or part of any future claim or loss or that our insurance premiums will not increase as a result of any claims. Our risks are likely to increase as we continue to expand, grow our customer base, and Process increasingly large amounts of proprietary and sensitive data.

Any actual or perceived compromise or breach of our security measures, or those of our third-party service providers, could violate applicable privacy, data protection, data security, network and information systems security, and other laws, and cause significant legal and financial exposure, adverse publicity, and a loss of confidence in our security measures, which could have a material adverse effect on our business, results of operations, and financial condition. We continue to devote significant resources to protect against security breaches, and we may need to devote significant resources in the future to address problems caused by breaches, including notifying affected customers and responding to any resulting litigation, which in turn, diverts resources from the growth and expansion of our business.

If we fail to manage our technical operations infrastructure, or experience service outages, interruptions, or delays in the deployment of our products, our results of operations may be harmed.

We may experience system slowdowns and interruptions from time to time. In addition, continued growth in our customer base could place additional demands on our products and could cause or exacerbate slowdowns or interrupt the availability of our products. If there is a substantial increase in the volume of usage of our products, we will be required to further expand and upgrade our technology and infrastructure. There can be no assurance that we will be able to accurately project the rate or timing of increases, if any, in the use of our products or expand and upgrade our systems and infrastructure to accommodate such increases on a timely basis. In such cases, if our users are not able to access our products or encounter slowdowns when doing so, we may lose customers or partners. Some of our subscriptions include standard service-level commitments. If we are unable to meet the stated service-level commitments, including failing to meet the uptime and delivery requirements under our customer subscription agreements, we may be obligated to provide these customers with service credits which could significantly affect our revenue in the periods in which the uptime or delivery failure occurs and the credits are applied. Additionally, we could also face subscription terminations, which could significantly affect both our current and future revenue.

Any service-level failures could also damage our reputation, which could also adversely affect our business and results of operations. Our disaster recovery plan may not be sufficient to address all aspects or any unanticipated consequence or incidents, and our insurance may not be sufficient to compensate us for the losses that could occur.

Moreover, Amazon Web Services (AWS) provides the vast majority of our cloud computing infrastructure that we use to host our products, mobile applications, and many of the internal tools we use to operate our business. We have a long-term commitment with AWS, and our products, mobile applications, and internal tools use computing, storage capabilities, bandwidth, and other services provided by AWS. Any significant disruption of, limitation of our access to, or other interference with our use of AWS would negatively affect our operations and could seriously harm our business. In addition, any transition of the cloud services currently provided by AWS to another cloud services provider would require significant time and expense and could disrupt or degrade delivery of our products. Our business relies on the availability of our products for our users and customers, and we may lose users or customers if they are not able to access our products or encounter difficulties in doing so. The level of service provided by AWS could affect the availability or speed of our products, which may also impact the usage of, and our customers' satisfaction with, our products and could seriously harm our business and reputation. If AWS increases pricing terms, terminates or seeks to terminate our contractual relationship, establishes more favorable relationships with our competitors, or changes or interprets its terms of service or policies in a manner that is unfavorable with respect to us, our business, results of operations, and financial condition would be harmed.

In addition, we rely on hardware and infrastructure purchased or leased from third parties and software and SaaS products licensed from third parties to operate critical business functions. Our business would be disrupted if any of this third-party hardware, software, and infrastructure becomes unavailable on commercially reasonable terms, or at all. Furthermore, delays or complications with respect to the transition of critical business functions from one third-party product to another, or any errors or defects in third-party hardware, software, or infrastructure could result in errors or a failure of our products, which could harm our business and results of operations.

If we are unable to ensure that our products interoperate with a variety of software applications that are developed by others, including our integration partners, we may become less competitive and our business, results of operations, and financial condition may be harmed.

Our products integrate with a variety of hardware and software platforms and SaaS products and technologies, and we need to continuously modify and enhance our products to adapt to changes in hardware, software, and browser technologies. In particular, we have developed our products to be able to easily integrate with third-party applications, including the applications of software providers (some of which compete with us) as well as our partners, through the interaction of APIs. In general, we rely on the providers of such software systems to allow us access to their APIs to enable these integrations. We are typically subject to standard terms and conditions of such providers, which govern the distribution, operation, and fees of such software systems, and which are subject to change by such providers from time to time. Our business will be harmed if any key provider of such software systems:

- discontinues or limits our access to its software or APIs;
- modifies its terms of service or other policies, including fees charged to, or other restrictions on, us or other application developers;
- changes how information is accessed by us or our customers;
- establishes more favorable relationships with one or more of our competitors; or
- develops or otherwise favors its own competitive offerings over our products.

Third-party services and products are constantly evolving, and we may not be able to modify our products to assure their compatibility with that of all other third parties. In addition, some of our competitors may be able to disrupt the operations or compatibility of our products with their products or services, or exert strong business influence on our ability to, and terms on which we, operate our products. Should any of our competitors modify their products or standards in a manner that degrades the functionality of our products or gives preferential treatment to

competitive products or services, whether to enhance their competitive position or for any other reason, the interoperability of our products with these products could decrease. If we are not permitted or able to integrate with these and other third-party applications in the future, our business, results of operations, and financial condition would be harmed.

Further, certain of our products include a mobile application to enable users to access our products through their mobile devices. If our mobile applications do not perform well, our business will suffer. In addition, our products interoperate with servers, mobile devices, and software applications predominantly through the use of protocols, many of which are created and maintained by third parties. We, therefore, depend on the interoperability of our products with such third-party services, mobile devices, and mobile operating systems, as well as cloud-enabled hardware, software, networking, browsers, database technologies, and protocols that we do not control. The loss of interoperability, whether due to actions of third parties or otherwise, and any changes in technologies that degrade the functionality of our products or give preferential treatment to competitive services could adversely affect adoption and usage of our products. Also, we may not be successful in developing or maintaining relationships with key participants in the mobile industry or in ensuring that we operate effectively with a range of operating systems, networks, devices, browsers, protocols, and standards. If we are unable to effectively anticipate and manage these risks, or if it is difficult for customers to access and use our products, our business, results of operations, and financial condition may be harmed.

We rely on traditional web search engines to direct traffic to our website. If our website fails to rank prominently in unpaid search results, traffic to our website could decline and our business would be adversely affected.

Our success depends in part on our ability to attract users through unpaid internet search results on traditional web search engines such as Google. The number of users we attract to our website from search engines is due in large part to how and where our website ranks in unpaid search results. These rankings can be affected by a number of factors, many of which are not in our direct control, and they may change frequently. For example, a search engine may change its ranking algorithms, methodologies, or design layouts. As a result, links to our website may not be prominent enough to drive traffic to our website, and we may not know how or otherwise be in a position to influence the results. Any reduction in the number of users directed to our website could reduce our revenue or require us to increase our sales and marketing expenditures.

We rely on third parties maintaining open digital marketplaces to distribute our mobile applications for our Freshdesk (Freshdesk Omnichannel, Freshdesk Core, Freshdesk Messaging, Freshdesk Contact Center, Freshdesk Success), Freshservice, Freshsales, Freshmarketer, Freshsales & marketer, and Freshteam products. If such third parties interfere with the distribution of our mobile applications, our business would be adversely affected.

We rely on third parties maintaining open digital marketplaces, including the Apple App Store and Google Play, which make our mobile applications for our Freshdesk (Freshdesk Omnichannel, Freshdesk Core, Freshdesk Messaging, Freshdesk Contact Center, Freshdesk Success), Freshservice, Freshsales, Freshmarketer, Freshsales & marketer, and Freshteam products available for download. We cannot assure you that the marketplaces through which we distribute these mobile applications will maintain their current structures or that such marketplaces will not charge us fees to list our application for download. We are also dependent on these third-party marketplaces to enable us and our users to timely update these mobile applications, and to incorporate new features, integrations, and capabilities.

In addition, Apple and Google, among others, for competitive or other reasons, could stop allowing or supporting access to our mobile applications through their products, could allow access for us only at an unsustainable cost, or could make changes to the terms of access in order to make our mobile applications less desirable or harder to access.

Real or perceived errors, failures, vulnerabilities, or bugs in our products would harm our business, results of operations, and financial condition.

The software technology underlying and integrating with our products is inherently complex and may contain material defects or errors. Errors, failures, vulnerabilities, or bugs have in the past, and may in the future, occur in

our products, especially when updates are deployed or new features, integrations, or capabilities are rolled out. Any such errors, failures, vulnerabilities, or bugs may not be found until after new features, integrations, or capabilities have been released. Furthermore, we will need to ensure that our products can scale to meet the evolving needs of customers, particularly as we increase our focus on larger teams and organizations. Real or perceived errors, failures, vulnerabilities, or bugs in our products could result in an interruption in the availability of our products, negative publicity, unfavorable user experience, loss or leaking of personal information and data of organizations, loss of or delay in market acceptance of our products, loss of competitive position, regulatory fines, or claims by organizations for losses sustained by them, all of which would harm our business, results of operations, and financial condition.

If we experience excessive fraudulent activity, we could incur substantial costs and lose the right to accept credit cards for payment, which could cause our customer base to decline significantly.

We currently accept payments using a variety of methods, including credit card and debit card, and a large number of our customers authorize us to bill their credit card accounts through our third-party payment processing partners for subscriptions to our products. We are subject to regulations and compliance requirements, such as the payment card association operating rules and certification requirements, including the Payment Card Industry Data Security Standard (PCI-DSS) and rules governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for us to comply. If we (or a third-party processing payment card transactions on our behalf) suffer a security breach affecting payment card information, we may have to pay significant fines, penalties, and assessments arising out of the major card brands' rules and regulations, contractual indemnifications, or liability contained in merchant agreements and similar contracts, and we may lose our ability to accept payment cards for payment for our goods and services, which could materially impact our operations and financial performance.

If customers pay for their subscription plans with stolen credit cards, we could incur substantial third-party vendor costs for which we may not be reimbursed or be able to recover. Further, our customers provide us with credit card billing information online, and we do not review the physical credit cards used in these transactions, which increases our risk of exposure to fraudulent activity. We also incur chargebacks from the credit card companies for claims that the customer did not authorize the credit card transaction for subscription plans, something that we have experienced in the past. If the number of claims of unauthorized credit card transactions becomes excessive, we could be assessed substantial fines for excess chargebacks, and we could lose the right to accept credit cards for payment. In addition, credit card issuers may change merchant standards, including data protection and documentation standards, required to utilize their services from time to time. Our third-party payment processing partners must also maintain compliance with current and future merchant standards to accept credit cards as payment for our paid subscription plans. Substantial losses due to fraud or our inability to accept credit card payments would cause our customer base to significantly decrease and would harm our business.

We employ a pricing model that subjects us to various challenges that could make it difficult for us to derive sufficient value from our customers particularly because we do not have the history with our subscription or pricing models that we need to accurately predict optimal pricing necessary to attract and retain customers.

We generally charge our customers for their use of our products based on the number of users they enable as "agents" under their customer account, as well as the features and functionality enabled. The features and functionality we provide within our solutions enable our customers to promote customer self-service and otherwise efficiently and cost-effectively address product support requests without the need for substantial human interaction. As a result of these features, customer agent staffing requirements may be minimized, and our revenue may be decreased. Conversely, customers may overestimate their agent needs when they initially use our solutions, negatively affecting our ability to accurately forecast the number of agents our customers need in forward periods. We generally also require a separate subscription to enable the functionality of each of our products. We are continuing to analyze and improve our pricing and packaging models as we adapt to a changing market, but we do not know whether our current or potential customers or the market in general will accept changes to those models, and if it fails to gain acceptance, our business and results of operations could be harmed.

If we fail to find an optimal pricing strategy for our products, our business and results of operations may be harmed. If customers do not accept our new purchase plans, we may increasingly have difficulty in attracting new

customers, as well as our ability to retain existing customers to the extent we apply new pricing models to existing customer subscriptions. Our pricing model may impact our customer's pricing decisions and adoption of our subscription plans and negatively impact our overall revenue. In the future we may be required to reduce our prices or develop new pricing models, which could adversely affect our revenue, gross margin, profitability, financial position, and cash flow.

Finally, as the market for our products 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.

We derive, and expect to continue to derive, most of our revenue from a limited number of products.

We derive, and expect to continue to derive, most of our revenue from a limited number of products, in particular our Freshdesk, Freshservice, Freshsales, and, to a lesser extent, other Freshworks products. As such, the continued growth in market demand for and market acceptance of these products is critical to our continued success. Demand for our products is affected by a number of factors, some of which are beyond our control, such as the rate of adoption of our products within an organization, the timing of development and release of new products by our competitors; the development and acceptance of new features, integrations, and capabilities for our products; price, product, and service changes by us or our competitors; technological changes and developments within the markets we serve; growth, contraction, and rapid evolution of our market; and general economic conditions and trends. If we are unable to continue to meet the demands of users and customers to keep up with trends in preferences for CX, ITSM, or CRM products, or to achieve more widespread market acceptance of our products, our business, results of operations, and financial condition would be harmed. In addition, some current and potential customers, particularly larger organizations, may develop or acquire their own tools or continue to rely on traditional tools and software for their CX, ITSM, or CRM needs, which would reduce or eliminate their demand for our products. If demand for our products declines for any of these or other reasons, our business, results of operations, and financial condition would be adversely affected.

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

Sales to large customers 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, large customers may require considerable time to evaluate and test our products prior to making a purchase decision. 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 products, 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 large enterprises typically taking longer to complete. Moreover, large customers are often more demanding than other customers and begin to deploy our products on a limited basis but nevertheless require implementation services and negotiate pricing discounts or other onerous terms, which increase our upfront investment in the sales effort with no guarantee that sales to these customers will justify our substantial upfront investment, which can affect our roadmaps and deliverables. If we fail to effectively manage these risks associated with sales cycles and sales to large customers, our business, financial condition, and results of operations may be affected.

Our business depends on a strong brand, and if we are not able to maintain and enhance our brand, our ability to expand our base of customers may be impaired, and our business and results of operations will be harmed.

We believe that the brand identity that we have developed has significantly contributed to the success of our business with our existing customer base. We also believe that maintaining and enhancing the "Freshworks" brand is critical to expanding our customer base and establishing and maintaining relationships with partners. Successful promotion of our brand will depend largely on the effectiveness of our marketing efforts and on our ability to ensure that our products remain high-quality, reliable, and useful at competitive prices, as well as with respect to our free trial version. Maintaining and enhancing our brand may require us to make substantial investments, and these

investments may not be successful. If we fail to promote and maintain the "Freshworks" brand, or if we incur excessive expenses in this effort, our business, results of operations, and financial condition would be adversely affected. We anticipate that, as our market becomes increasingly competitive, maintaining and enhancing our brand may become more difficult and expensive.

If we fail to offer high-quality customer support, our business and reputation will suffer.

While we have designed our products to be easy to adopt and use, once users and customers begin using Freshworks, they rely on our support services to resolve any related issues. The importance of high-quality customer support will increase as we expand our business and pursue new customers. For instance, if we do not help organizations using our products quickly resolve issues, our reputation with existing or potential customers will be harmed. Further, our sales are highly dependent on our business reputation and on positive recommendations from existing customers using our products. Any failure to maintain high-quality customer support, or a market perception that we do not maintain high-quality customer support, could harm our reputation, our ability to sell our products to existing and prospective customers, and our business, results of operations, and financial condition. Additionally, as we continue to expand, we will need to hire additional support personnel to provide efficient product support globally at scale. Any failure to provide such support could harm our reputation.

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 are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. Not every organization covered by our market opportunity estimates will necessarily buy CX, ITSM, or CRM products, and some or many of those companies may choose to continue using legacy CX, ITSM, or CRM products or other tools offered by our competitors. 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 the organizations covered by our market opportunity estimates will purchase our products at all or generate any particular level of revenue for us. Even if the market in which we compete meets the size estimates and growth forecasted in this prospectus, our business could fail to grow for a variety of reasons outside of our control, including competition in our industry.

Risks Related to Our Operations in India

A substantial portion of our business and operations are located in India, and we are subject to regulatory, economic, social, and political uncertainties in India.

A substantial portion of our operations and employees are located in India, including a majority of our software engineering resources, and we intend to continue to develop and expand our operations in India. Consequently, our financial performance and the market price of our common stock will be affected by changes in exchange rates and controls, interest rates, changes in government policies, including taxation policies, social and civil unrest, and other political, social, and economic developments in or affecting India.

The Government of India has exercised and continues to exercise significant influence over many aspects of the Indian economy. India has a mixed economy with a large public sector and an extensively regulated private sector. Since 1991, successive Indian governments have generally pursued policies of economic liberalization and financial sector reforms, including by significantly relaxing restrictions on the private sector.

Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers, and regulators has remained significant, and there is no assurance that such liberalization policies will continue. The Government of India and the state governments of India play a significant role in the Indian economy, which has affected producers, consumers, service providers, and regulators over the years. The Government of India has in the past, among other things, imposed controls on the prices of a broad range of goods and services, restricted the ability of businesses to expand existing capacity and reduce the number of their employees and determined the allocation to businesses of foreign exchange. Increased regulation, changes in existing regulations or significant changes in India's policy of economic liberalization may require us to change our business policies and practices.

We may not be able to react to such changes promptly or in a cost-effective manner and therefore such changes may increase the cost of providing services to our customers, which would have an adverse effect on our operations and our financial condition and results of operations.

The Government of India had also announced a set of restrictive measures after a nationwide lockdown was first imposed in March 2020 in order to contain the spread of the COVID-19 pandemic. The series of lockdowns and the changing restrictive measures in various phases during 2020 and 2021 have resulted in a loss in productivity for our Indian employees. There is no assurance that employee productivity will improve or that we will be able to comply with all of the measures on a timely and cost-effective basis. If we are unable to comply with these measures on a timely basis, we may be subjected to regulatory actions for not adhering to the preventive measures. Any social or political uncertainties or the imposition of new regional or national lockdowns and the continuation of restrictive measures needed to combat the pandemic could adversely affect business and economic conditions in India generally and our business and prospects.

We may be subject to various labor laws, regulations, and standards in India. Non-compliance with and changes in such laws may adversely affect our business, results of operations, and financial condition.

By virtue of having a significant number of employees in India, we may be required to comply with various labor and industrial laws in India, which change regularly. If we are unable to comply with such regulations on a timely basis, we may be subjected to sanctions, fines, or other regulatory actions. We cannot assure you that our costs of complying with current and future labor laws and other regulations will not adversely affect our business, results of operations, or financial condition.

Wage increases in India may diminish our competitive advantage against companies located in the United States and European Union and may reduce our profit margins.

Our wage costs in India have historically been significantly lower than wage costs in the United States and the European Union (EU) for comparably skilled professionals, and this has been one of our competitive advantages. However, wage increases in India due to legislation or other factors may prevent us from sustaining this competitive advantage and may negatively affect our financial performance. We may need to increase the levels of our employee compensation more rapidly than in the past to retain talent. Unless we are able to continue to increase the efficiency and productivity of our employees over the long term, wage increases may negatively affect our financial performance.

Government regulation on e-commerce and foreign investment, including investment in e-commerce in India, is evolving, and unfavorable changes to, or failure by us to comply with, these evolving regulations could adversely affect our business, financial condition, and results of operations.

The ownership of Indian companies by non-residents is regulated by the Government of India and the Reserve Bank of India (RBI). Under its consolidated foreign direct investment policy (FDI Policy) and India's Foreign Exchange Management Act, 1999 and the rules and regulations thereunder, particularly the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, each as amended (FEMA), the Government of India has specific requirements with respect to the level of foreign investment permitted in certain business sectors both without (known as the automatic route) and with (known as the approval route) prior regulatory approval, as well as the pricing of such investments, downstream investments by Indian companies owned or controlled by foreign entities, and the transfer of ownership or control of Indian companies in sectors with caps on foreign investment from resident Indian persons or entities to non-residents of India.

Under the FDI Policy, 100% foreign ownership is allowed under the automatic route (i.e., generally without prior regulatory approval) in companies engaged in business to business (B2B) e-commerce activities. Our current business operations and holding structure comply with these foreign investment restrictions and conditions. However, the Government of India has made and may continue to make revisions to the FEMA and the FDI Policy as regards e-commerce in India, including in relation to inventory, pricing, discounting, and permitted services. The Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (DPIIT) is also in the process of legislating a national e-commerce policy, which will address e-commerce

regulation and data protection. The timing or impact of this policy, which remains in draft form, is not yet certain. Such changes may require us to make changes to our business in order to comply with Indian law.

The regulatory framework applicable to e-commerce is constantly evolving and remains subject to change by the Government of India and the RBI. Any failure, or perceived failure, by us to comply with any of these evolving laws or regulations could result in proceedings or actions against us by governmental entities or others. Further, pursuant to the issuance of Press Note No. 3 (2020 Series) in April 2020 by the DPIIT amending the FDI Policy and the FEMA, prior government approval is required for all foreign direct investment into India by non-resident entities from countries that share a land border with India or where the beneficial owner of such an investment is situated in or is a citizen of any such country, as well as for any transfer of any such proposed or existing foreign direct investment, directly or indirectly, that would result in ownership by any such non-resident entity or beneficial owner. The list of land border countries includes Afghanistan, Bangladesh, Bhutan, the People's Republic of China (including Hong Kong), Myanmar, Nepal, and Pakistan. This approval requirement applies to investments in all sectors, including those that previously did not require such approval. The term "beneficial owner" has not yet been defined for purposes of the FDI Policy and the FEMA rules. In the event these restrictions are found to apply to our Indian subsidiaries in the context of any future capital raise or downstream investment in our Indian subsidiaries, our ability to effect such transactions in a timely manner may be adversely affected.

Changes in the taxation system in India could adversely affect our business.

Our business, financial condition, and results of operations could be materially and adversely affected by any change in the extensive central and state tax regime in India applicable to us and our business. Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, turnover tax, goods and service tax, stamp duty, and other special taxes and surcharges, which are introduced on a temporary or permanent basis from time to time. This extensive central and state tax regime is subject to change from time to time. The final determination of our tax liability involves the interpretation of local tax laws and related regulations in each jurisdiction, as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred.

U.S. and Indian transfer-pricing regulations require that any international transaction involving associated enterprises be at an arm's-length price. Transactions among Freshworks and our subsidiaries may be considered such transactions. Accordingly, we determine the pricing among our entities on the basis of detailed functional and economic analysis involving benchmarking against transactions among entities that are not under common control. If the income tax authorities review any of our tax returns and determine that the transfer price applied was not appropriate, we may incur increased tax liabilities, including accrued interest and penalties. In mitigating the risk of transfer pricing arrangements, we have filed for an Advance Pricing Arrangement with the India Revenue authorities providing certainty of the arm's-length pricing methodology for future years.

If the shareholders of the foreign company exit by way of redemption of the shares held by them in the foreign company or by selling the shares in foreign company, the shareholders could be taxed in India where the foreign company derives substantial value from India subject to shareholders being either entitled to small shareholder exemption available under Income Tax Act, 1961 or a benefit under the applicable double taxation avoidance agreement.

Tax laws and regulations are also subject to differing interpretations by various authorities in India. Differing interpretations of tax and other fiscal laws and regulations may exist within governmental ministries, including tax administration and appellate authorities, thus creating uncertainty and potential unexpected results. The degree of uncertainty in tax laws and regulations, combined with significant penalties for default and a risk of aggressive action by the governmental or tax authorities, may result in tax risks in the jurisdictions in which we operate being significantly higher than expected. Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply

may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future. We are continually under review by the Indian tax authorities and have not received any assessments to date that would have a material impact to our financial statements.

Our ability to receive dividends and other payouts from our Indian subsidiaries is subject to Indian legal restrictions and withholding tax.

Whether our Indian subsidiaries will pay us dividends in the future and the amount of any such dividends, if declared, will depend on a number of factors, including future earnings, financial condition and performance, cash flows, working capital requirements, capital expenditures and other factors considered relevant by us and the boards of our Indian subsidiaries. We may decide to retain a substantial portion or all of our earnings in our Indian subsidiaries to finance the development and expansion of our business and, therefore, may not declare dividends.

In the event dividends are declared, the Finance Act, 2020 requires that any dividends paid by an Indian company be subject to tax in the hands of the shareholders at applicable rates, such taxes will be withheld by the Indian subsidiary paying dividends.

Risks Related to Intellectual Property

We may become subject to intellectual property rights claims and other litigation that are expensive to support, and if resolved adversely, could have a material adverse effect on us.

We have in the past, and may in the future, become subject to intellectual property or other disputes. Our success depends, in part, on our ability to develop and commercialize our offering without infringing, misappropriating or otherwise violating the intellectual property rights of third parties. However, we may not be aware that our offering is infringing, misappropriating, or otherwise violating third-party intellectual property rights. From time to time, our competitors or other third parties have claimed, and may in the future claim, that we are infringing upon, misappropriating, or violating their intellectual property rights, even if we are unaware of the intellectual property rights that such parties may claim cover our products or some or all of the other technologies we use in our business. As the number of patents, copyrights and other intellectual property rights in our industry increases, and as the coverage of these rights increases, we believe that companies in our industry will face more frequent infringement claims. For example, on March 17, 2020, Zoho Corporation Pvt. Ltd. filed a lawsuit in the United States Court for the Northern District of California, as amended as of November 18, 2020, alleging the following causes of action against us: (1) violation of Defend Trade Secrets Act, (2) violation of the California Uniform Trade Secrets Act, and (3) violation of The Computer Fraud and Abuse Act. The complaint, as amended, seeks compensatory, exemplary, and punitive damages, each in an unspecified amount, interest on all damages, costs, and injunctive relief. While we believe we have meritorious defenses to the claims made in the lawsuit and intend to conduct a vigorous defense to such action, litigation is costly, time-consuming, and distracting to management and the outcome of such action remains uncertain.

As we face increasing competition and our public profile increases, the possibility of intellectual property rights claims against us may also increase. The costs of supporting such litigation, regardless of merit, are considerable, and such litigation may divert management and key personnel's attention and resources, 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. For example, the terms of a judgment may require

us to cease some or all of our operations or require the payment of substantial amounts to the other party. Any of these events would cause our business and results of operations to be materially and adversely affected as a result.

Moreover, insurance might not cover such claims or disputes, 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. A claim or dispute brought against us that is uninsured or underinsured could result in unanticipated costs and could have a material adverse effect on our business, results of operations, and financial condition.

We are also frequently required to indemnify our channel partners and customers in the event of any third-party infringement claims against our customers and third parties who offer our products, and such indemnification obligations may be excluded from contractual limitation of liability provisions that limit our exposure. These claims may require us to initiate or defend protracted and costly litigation on behalf of our customers and channel partners, regardless of the merits of these claims. If any of these claims succeed, we may be forced to pay damages on behalf of our customers and channel partners, may be required to modify one or more products to make it non-infringing, or may be required to obtain licenses for the products used. If we cannot obtain all necessary licenses on commercially reasonable terms, our customers may be forced to stop using one or more products, and our channel partners may be forced to stop selling one or more of our products.

If we are unable to protect our intellectual property rights both in the United States and abroad, the value of our brand and other intangible assets may be diminished, and our business may be adversely affected.

Our success is dependent, in part, upon protecting our intellectual property rights and proprietary information in the United States and abroad. We rely and expect to continue to rely on a combination of trademark, copyright, patent, and trade secret protection laws to protect our intellectual property rights and proprietary information both in the United States and abroad. The intellectual property laws and protections offered in countries outside of the United States may not protect proprietary rights to the same extent as laws in the United States. Therefore, our efforts to protect our intellectual property may not be adequate and competitors may independently develop similar technology or duplicate our products or services and compete with us in this and other geographies where enforcement of intellectual property rights is less clear than in the United States.

While we maintain a policy requiring our employees, consultants, independent contractors, and third parties who are engaged to develop any material intellectual property for us to enter into confidentiality and invention assignment agreements to control access to and use of our proprietary information and to ensure that any intellectual property developed by such employees, contractors, consultants, and other third parties are assigned to us, we cannot guarantee that the confidentiality and proprietary agreements or other employee, consultant, or independent contractor agreements we enter into adequately protect our intellectual property rights and other proprietary information. In addition, we cannot guarantee that these agreements will not be breached, that we will have adequate remedies for any breach, or that the applicable counter-parties to such agreements will not assert rights to our intellectual property rights or other proprietary information arising out of these relationships. Furthermore, the steps we have taken and may take in the future may not prevent misappropriation of our proprietary solutions or technologies, particularly with respect to employees who are no longer employed by us.

Furthermore, third parties may knowingly or unknowingly infringe or circumvent our intellectual property rights, and we may not be able to prevent infringement without incurring substantial expense. Litigation brought to protect and enforce our intellectual property rights would be costly, time-consuming, and distracting to management and key personnel, and could result in the impairment or loss of portions of our intellectual property. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims, and countersuits attacking the validity and enforceability of our intellectual property rights. If the protection of our intellectual property rights is inadequate to prevent use or misappropriation by third parties, the value of our brand and other intangible assets may be diminished and competitors may be able to more effectively mimic our products and methods of operations. Any of these events would have a material adverse effect on our business, results of operations, and financial condition.

Our failure to obtain or maintain the right to use certain of our intellectual property would negatively affect our business.

Our future success and competitive position depend in part upon our ability to obtain or maintain certain intellectual property used in our products. While we have been issued patents for certain aspects of our intellectual property in the United States and have additional patent applications pending in the United States, we have not applied for patent protection in foreign jurisdictions, and may be unable to obtain patent protection for the technology covered in our patent applications. In addition, we cannot ensure that any of the patent applications will be approved or that the claims allowed on any issued patents will be sufficiently broad to protect our technology or products and provide us with competitive advantages. Furthermore, any issued patents may be challenged, invalidated, or circumvented by third parties.

Many patent applications in the United States may not be public for a period of time after they are filed, and since publication of discoveries in the scientific or patent literature tends to lag behind actual discoveries by several months, we cannot be certain that we will be the first creator of inventions covered by any patent application we make or that we will be the first to file patent applications on such inventions. Because some patent applications may not be public for a period of time, there is also a risk that we could adopt a technology without knowledge of a pending patent application, which technology would infringe a third-party patent once that patent is issued.

We also rely on unpatented proprietary technology. It is possible that others will independently develop the same or similar technology or otherwise obtain access to our unpatented technology. To protect our trade secrets and other proprietary information, we require employees, consultants, and independent contractors to enter into confidentiality agreements. We cannot assure you that these agreements will provide meaningful protection for our trade secrets, know-how, or other proprietary information in the event of any unauthorized use, misappropriation, or disclosure of such trade secrets, know-how, or other proprietary information. If we are unable to maintain the proprietary nature of our technologies, our business would be materially adversely affected.

We rely on our trademarks, trade names, and brand names to distinguish our solutions from the products of our competitors, and have registered or applied to register many of these trademarks in the United States and certain countries outside the United States. However, occasionally third parties may have already registered identical or similar marks for products or solutions that also address the software market. As we rely in part on brand names and trademark protection to enforce our intellectual property rights, efforts by third parties to limit use of our brand names or trademarks and barriers to the registration of brand names and trademarks in various countries may restrict our ability to promote and maintain a cohesive brand throughout our key markets. There can also be no assurance that pending or future U.S. or foreign trademark applications will be approved in a timely manner or at all, or that such registrations will effectively protect our brand names and trademarks. Third parties may also oppose our trademark applications, or otherwise challenge our use of the trademarks. In the event that our trademarks are successfully challenged, we could be forced to rebrand our products, which would result in loss of brand recognition and would require us to devote resources to advertising and marketing new brands.

Our use of "open source" and third-party software could impose unanticipated conditions or restrictions on our ability to commercialize our products and could subject us to possible litigation.

A portion of the technologies we use in our products and mobile applications incorporates "open source" software, and we may incorporate open source software in our products and mobile applications in the future.

From time to time, companies that use third-party open source software have faced claims challenging the use of such open source software and their compliance with the terms of the applicable open source license. We may be subject to suits by parties claiming ownership of what we believe to be open source software or claiming non-compliance with the applicable open source licensing terms. Some open source licenses require end-users who distribute or make available across a network software and services that include open source software to make available all or part of such software, which in some circumstances could include valuable proprietary code, at no cost, or license such code under the terms of the particular open source license. While we employ practices designed to monitor our compliance with the licenses of third-party open source software and protect our valuable proprietary source code, we may inadvertently use third-party open source software in a manner that exposes us to claims of

non-compliance with the applicable terms of such license, including claims for infringement of intellectual property rights or for breach of contract. Additionally, if a third-party software provider has incorporated open source software into software that we license from such provider, we could be required to disclose source code that incorporates or is a modification of such licensed software. Furthermore, there is an increasing number of open-source software license types, almost none of which have been tested in a court of law, resulting in a dearth of guidance regarding the proper legal interpretation of such license types. If an author or other third party that distributes open source software that we use or license were to allege that we had not complied with the conditions of the applicable open source license, we could expend substantial time and resources to re-engineer some or all of our software or be required to incur significant legal expenses defending against such allegations and could be subject to significant damages, enjoined from the sale of our products that contained the open source software, and required to comply with the foregoing conditions, including public release of certain portions of our proprietary source code.

In addition, the use of third-party open source software typically exposes us to greater risks than the use of third-party commercial software because open-source licensors generally do not provide warranties or controls on the functionality or origin of the software. Use of open source software may also present additional security risks because the public availability of such software may make it easier for hackers and other third parties to determine how to compromise our products. Any of the foregoing could be harmful to our business, results of operations, and financial condition.

We rely on software licensed from third parties to offer our products. In addition, we may need to obtain future licenses from third parties to use intellectual property rights associated with the development of our products, which might not be available on acceptable terms, or at all. Any loss of the right to use any third-party software required for the development and maintenance of our products or mobile applications could result in loss of functionality or availability of our products or mobile applications until equivalent technology is either developed by us, or, if available, is identified, obtained, and integrated. Any errors or defects in third-party software could result in errors or a failure of our products or mobile applications. Any of the foregoing would disrupt the distribution and sale of subscriptions to our products and harm our business, results of operations, and financial condition.

Risks Related to International Operations

Our international operations and sales to customers outside the United States expose us to risks inherent in international operations and sales.

We have a significant portion of our operations in India. As of March 31, 2021, 3,418 of our employees reside in India, 88% of our total employee population. For the year ended December 31, 2020, 55% of our revenue was generated from customers outside North America. Besides India and the United States, we have significant marketing and sales operations primarily in Australia, Canada, France, Germany, Ireland, Netherlands, and the United Kingdom. Operating in international markets requires significant resources and management attention and subjects us to regulatory, economic, and political risks that are different from those in the United States. In addition, we will face risks in doing business internationally that could adversely affect our business and results of operations, including:

- the need to localize and adapt our products for specific countries, including translation into foreign languages and associated expenses;
- data privacy laws that impose different and potentially conflicting obligations with respect to how personal information is Processed or require that customer data be stored in a designated territory;
- difficulties in staffing and managing foreign operations;
- regulatory and other delays and difficulties in setting up and maintaining foreign operations;
- different pricing environments, longer sales cycles, longer accounts receivable payment cycles, and collections issues;

- new and different sources of competition;
- weaker protection for intellectual property and other legal rights than in the United States and practical difficulties in enforcing intellectual property and other rights;
- laws and business practices favoring local competitors;
- compliance challenges related to the complexity of multiple, conflicting, and changing governmental laws and regulations, including employment, tax, privacy, and data protection laws and regulations;
- increased financial accounting and reporting burdens and complexities;
- declines in the values of foreign currencies relative to the U.S. dollar;
- restrictions on the transfer of funds;
- potentially adverse tax consequences;
- the cost of and potential outcomes of any claims or litigation;
- future accounting pronouncements and changes in accounting policies;
- changes in tax laws or tax regulations;
- public health or similar issues, such as a pandemics or epidemics; and
- regional and local economic and political conditions.

As we continue to expand our business globally, our success will depend, in large part, on our ability to anticipate and effectively manage these risks. These factors and others could harm our ability to increase international revenue and, consequently, would materially impact our business and results of operations. The expansion of our existing international operations and entry into additional international markets will require significant management attention and financial resources. Our failure to successfully manage our international operations and the associated risks effectively could limit the future growth of our business.

In particular, the majority of our software development operations are in India. Terrorist attacks and other acts of violence or war have the potential to directly impact our customers. To the extent that such attacks affect or involve India, our business may be significantly impacted due to the extent of our operations in India. Further, South Asia has from time to time experienced instances of civil unrest and hostilities among neighboring countries. Such activities could disrupt communications, make travel more difficult, and create a greater perception that investments in companies with large operations in India involve a higher degree of risk. This, in turn, could have an adverse effect on the market for our common stock.

We Process business and personal information of our customers and employees, which subjects us to stringent and changing laws, regulations, industry standards, information security policies, self-regulatory schemes, contractual obligations, and other legal obligations related to data Processing, protection, privacy, and security, and our actual or perceived failure to comply with such obligations could harm our business, financial condition, results of operations, and prospects and could expose us to liability.

We Process business and personal information belonging to our users, customers, and employees and because of this, we are subject to numerous federal, state, local, and foreign laws, orders, codes, regulations, and regulatory guidance regarding privacy, data protection, information security, and the Processing of personal information and other content (Data Protection Laws), the number and scope of which are changing, subject to differing applications and interpretations, and may be inconsistent among countries, or conflict with other rules, laws, or Data Protection Obligations (defined below). We expect that there will continue to be new Data Protection Laws and Data Protection Obligations, and we cannot yet determine the impact such future Data Protection Laws may have on our business.

We are also subject to the terms of our internal and external privacy and security policies, codes, representations, certifications, industry standards, publications, and frameworks (Privacy Policies) and obligations to third parties related to privacy, data protection, and information security (Data Protection Obligations).

The requirements or obligations of the regulatory framework for privacy, information security, data protection, and data Processing worldwide is, and is likely to remain, uncertain for the foreseeable future, and it is possible that these or other actual or alleged obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices.

Any significant change in Data Protection Laws or Data Protection Obligations, including without limitation, regarding Processing of our users' or customers' data, or regarding the manner in which the express or implied consent of users or customers for the use and disclosure of such data is obtained, could increase our costs and could require us to modify our products or operations, possibly in a material manner, and may limit our ability to develop new services and features that make use of the data that our users and customers voluntarily share, or may limit our ability to store and Process customer data and operate our business.

In the EU, the General Data Protection Regulation 2016/679 (GDPR), which came into effect in May 2018, imposes more stringent data protection requirements and provides for greater penalties for noncompliance than previous data protection laws, including fines of up to the greater of €20 million or 4% of annual global revenue. While we instituted a GDPR compliance strategy and program that we continue to evaluate and improve as our products change and expand, we still cannot be certain how EU regulators will interpret or enforce many aspects of the GDPR, and some regulators may do so in an inconsistent manner, making such a prediction even more difficult. The GDPR also provides that EU member states may introduce further conditions and safeguards, including limitations, to make their own further laws and regulations limiting the Processing of business and personal information, which could limit our ability to collect, use, share, or otherwise Process European data, or could cause our compliance costs to increase, require us to change our practices, adversely impact our business, and harm our financial condition.

European data protection laws, including the GDPR, also generally prohibit the transfer of personal data from Europe, including the EEA, the United Kingdom, and Switzerland, to the United States and most other countries unless the parties to the transfer have established a legal basis for the transfer and implemented specific safeguards to protect the transferred personal data. Although there are legal mechanisms to allow for the transfer of personal information from the United Kingdom, the EEA, and Switzerland to the United States, uncertainty about compliance with such data protection laws remains and such mechanisms may not be available or applicable with respect to the business or personal information Processing activities necessary to research, develop and market our products. For example, one of the primary mechanisms allowing U.S. companies to import personal information from Europe in compliance with the GDPR has been certification to the EU-U.S. Privacy Shield and Swiss-U.S. Privacy Shield frameworks. However, the EU-U.S. Privacy Shield framework was invalidated in July 2020 in a decision by the Court of Justice of the EU and the Swiss-U.S. Privacy Shield Framework was declared as inadequate by the Swiss Federal Data Protection and Information Commissioner.

The decision by the Court of Justice and the announcement by the Swiss Commissioner also both raised questions about whether one of the primary alternatives to the Privacy Shield frameworks, the European Commission's Standard Contractual Clauses, can lawfully be used for personal information transfers from Europe to the United States or most other countries. In November 2020, EU regulators proposed a new set of Standard Contractual Clauses, which impose additional obligations and requirements with respect to the transfer of EU personal information to other jurisdictions, which may increase the legal risks and liabilities under the GDPR and local EU laws associated with cross-border data transfers, and result in material increased compliance and operational costs. At present, there are few, if any, viable alternatives to the Privacy Shield and the Standard Contractual Clauses. If we are unable to implement a valid solution for personal information transfers to the United States and other countries, we will face increased exposure to regulatory actions, substantial fines, and injunctions against Processing or transferring personal information from Europe, and we may be required to increase our data Processing capabilities in Europe at significant expense. Inability to import personal information from Europe to the United States or other countries may decrease demand for our products and services as our customers that are subject to the GDPR may seek alternatives that do not involve personal information transfers out of Europe.

Furthermore, other countries outside of Europe have enacted or are considering enacting similar cross-border data transfer restrictions and laws requiring local data residency, which could increase the cost and complexity of delivering our products and services and operating our business.

Additionally, following the result of a referendum in 2016, the United Kingdom left the EU on January 31, 2020, commonly referred to as Brexit. Brexit has created uncertainty with regard to the regulation of data protection in the United Kingdom. In particular, it is unclear whether transfer of data from the EEA to the United Kingdom will remain lawful under the GDPR. Pursuant to a post-Brexit trade deal between the United Kingdom and the EU, transfers of personal information from the EEA to the United Kingdom are not considered restricted transfers under the GDPR for a period of up to six months from January 1, 2021. While the European Commission has issued, and the European Data Protection Board has adopted, two draft Opinions on the adequacy of the United Kingdom's data protection regime, unless the EU Commission makes a final adequacy finding with respect to the United Kingdom before the end of that period, the United Kingdom will be considered a "third country" under the GDPR, and transfers of European personal information to the United Kingdom will require an adequacy mechanism to render such transfers lawful under the GDPR. Additionally, although United Kingdom privacy, data protection, and data security laws are designed to be consistent with the GDPR, uncertainty remains regarding how privacy, data protection, information security, and data transfers to and from the United Kingdom will be regulated notwithstanding Brexit. For example, authorities in the United Kingdom may also invalidate use of the EU-U.S. Privacy Shield and raise questions on the viability of the Standard Contractual Clauses. With substantial uncertainty over the interpretation and application of privacy, data protection, or information security in the United Kingdom, we may face challenges in addressing their requirements and making necessary changes to our policies and practices, and may incur significant costs and expenses in an effort to do so. Any failure or perceived failure by us to comply with applicable laws and regulations or any of our other legal obligations relating to privacy, data protection, or information security may result in governmental investigations or enforcement actions, litigation, claims, or public statements against us. Any of the foregoing could result in significant liability or cause our customers to lose trust in us, any of which could have an adverse effect on our reputation, operations, financial performance, and business. Furthermore, the costs of compliance with, and other burdens imposed by, the laws, regulations, and policies that are applicable to the businesses of our customers may limit the adoption and use of, and reduce the overall demand for, our products and services.

In addition to the EU, 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 products, particularly as we further 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, would potentially impose more stringent obligations, including data localization requirements. If we are unable to develop and offer products that meet legal requirements or help our users and 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 products, 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.

Data protection legislation is also becoming increasingly common in the United States at both the federal and state level. For example, California also enacted legislation, the California Consumer Privacy Act of 2018 (the CCPA), which affords consumers expanded privacy protections as of January 1, 2020. The potential effects of this legislation are far reaching and may require us to modify our data Processing practices and policies and to incur substantial costs and expenses in an effort to comply. For example, the CCPA gives California residents expanded rights to access and require deletion of their personal information, opt out of certain personal information sharing and receive detailed information about how their personal information is used. The CCPA also provides for civil penalties for violations, as well as a private right of action for data breaches that may increase data breach litigation.

In addition, the CCPA has prompted a number of proposals for new federal and state privacy legislation that, if passed, could increase our potential liability, increase our compliance costs, and adversely affect our business. It also remains unclear how much private litigation will ensue under the data breach private right of action, and whether existing amendments that are favorable to us as a "service provider" that exclude business to business (B2B) information and employee information from certain of the CCPA's requirements will remain in effect, which would potentially result in additional compliance obligations. Additionally, it is expected that the CCPA will be expanded on January 1, 2023, by the California Privacy Rights Act of 2020 (CPRA). The CPRA will, among other things, give California residents the ability to limit use of certain sensitive personal information, further restrict the use of cross-contextual advertising, establish restrictions on the retention of personal information, expand the types of data breaches subject to the CCPA's private right of action, provide for increased penalties for CPRA violations concerning California residents under the age of 16, and establish a new California Privacy Protection Agency to implement and enforce the new law which would likely result in increased regulatory scrutiny of California businesses in the areas of data protection and security. Similar laws have been proposed or enacted in other states and at the federal level. For example, Virginia enacted the Consumer Data Protection Act (CDPA) that may impose obligations similar to or more stringent than those we may face under other data protection laws. Compliance with any newly enacted privacy and data security laws or regulations may be challenging and cost and time-intensive, and we may be required to put in place additional mechanisms to comply with applicable legal requirements.

Furthermore, the Federal Trade Commission 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. There are a number of legislative proposals in the United States, at both the federal and state level, and in the EU 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 future laws, regulations, and standards may have on our business.

Additionally, the Government of India, in December 2019, introduced the Personal Data Protection Bill, 2019, which will provide for a framework for protection of personal data and use of non-personal data and will seek to, among others, lay down norms for cross-border transfer of personal data, define the scope of the definition of personal data and non-personal data, establish a data protection authority, and ensure the accountability of entities Processing personal data. Should such a framework be adopted, our ability to Process business and personal information belonging to our users and customers may be further restricted. Change in existing legislation or introduction of new legislation may require us to incur additional expenditures to ensure compliance with such legislation, which may adversely affect our financial condition. We strive to comply with Data Protection Laws and Data Protection Obligations to the extent possible, but we may at times fail, or may be perceived to have failed, to do so. Moreover, despite our efforts, we may not be successful in achieving compliance if our employees, partners, or vendors do not comply with applicable Data Protection Laws and Data Protection Obligations. A finding that our Privacy Policies are, in whole or part, inaccurate, incomplete, deceptive, unfair, or misrepresentative of our actual practices, a failure or perceived failure by us to comply with Data Protection Laws or Data Protection Obligations or any data compromise that results in the unauthorized release or transfer of business or personal information or other user or customer data, may increase our compliance and operational costs, limit our ability to market our products or services and attract new and retain current customers, limit or eliminate our ability to Process data, and result in domestic or foreign governmental enforcement actions and fines, litigation, significant costs, expenses, and fees (including attorney fees), cause a material adverse impact to business operations or financial results, and otherwise result in other material harm to our business (Adverse Data Protection Impact). In addition, any such failure or perceived failure could result in public statements against us by consumer advocacy groups, the media or others, which may cause us material reputational harm. Our actual or perceived failure to comply with Data Protection Laws, Privacy Policies, and Data Protection Obligations could also subject us to litigation, claims, proceedings, actions, or investigations by governmental entities, authorities, or regulators that could require changes to our business practices, diversion of resources and the attention of management from our business, regulatory oversights and audits, discontinuance of necessary Processing, or other remedies that adversely affect our business.

We are subject to anti-corruption, anti-bribery, and similar laws, and our failure to comply with these laws could subject us to criminal penalties or significant fines and harm our business and reputation.

We are subject to anti-corruption and anti-bribery and similar laws, such as the U.S. Foreign Corrupt Practices Act of 1977, as amended (FCPA), the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the USA PATRIOT Act, the UK Bribery Act 2010, the India Prevention of Corruption Act, 1988, and other anti-corruption, anti-bribery, and anti-money laundering laws in countries in which we conduct activities. Anti-corruption and anti-bribery laws have been enforced aggressively in recent years and are interpreted broadly and prohibit companies and their employees and agents from promising, authorizing, making, offering, soliciting, or accepting, directly or indirectly, improper payments or other benefits to or from any person whether in the public or private sector. As we increase our international sales and business further, our risks under these laws may increase especially given our substantial reliance on sales to and through resellers and other intermediaries. Noncompliance with these laws could subject us to investigations, sanctions, settlements, prosecution, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, adverse media coverage, and other consequences. Any investigations, actions, or sanctions could harm our business, results of operations, and financial condition.

We are subject to various export control, import, and trade and economic sanction laws and regulations that could impair our ability to compete in international markets and subject us to liability for noncompliance.

Our business activities are subject to various export control, import, and trade and economic sanction laws and regulations, including, among others, the U.S. Export Administration Regulations, administered by the Department of Commerce's Bureau of Industry and Security, U.S. Customs regulations, and economic and trade sanctions regulations maintained by the U.S. Department of the Treasury's Office of Foreign Assets Control, which we refer to collectively as Trade Controls. Trade Controls may prohibit or restrict the sale or supply of certain products and services to certain governments, persons, entities, countries, and territories, including those that are the target of comprehensive sanctions. We incorporate encryption technology into certain of our products, which may subject their export outside of the United States to certain export authorization requirements, including licensing, compliance with license exceptions, or other appropriate government authorization. In addition, various other countries regulate the import and export of certain encryption and other technology, including through import permitting and licensing requirements, and have enacted laws that could limit our ability to distribute our products or could limit the ability of organizations to use our products in those countries.

Although we maintain internal controls reasonably designed to ensure compliance with Trade Controls, our products and services may have in the past been, and could in the future be, provided inadvertently in violation of Trade Controls, despite the precautions we take. Violations of Trade Controls may subject our company, including responsible personnel, to various adverse consequences, including civil or criminal penalties, government investigations, and loss of export privileges. Further, obtaining the necessary authorizations, including any required licenses, for particular transactions or uses of our products may be time-consuming, is not guaranteed, and may result in the delay or loss of sales opportunities. In addition, if our channel partners fail to obtain any required import, export, or re-export licenses or permits, this could result in a violation of law by us, and we may also suffer reputational harm and other negative consequences, including government investigations and penalties.

Finally, changes in our products or future changes in Trade Controls could result in our inability to provide our products to certain customers or decreased use of our products by existing or potential customers with international operations. Any decreased use of our products or mobile applications or increased limitations on our ability to export or sell our products and mobile applications would adversely affect our business, results of operations, and financial condition.

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

The future success of our business depends upon the continued use of the internet as a primary medium for commerce, communication, and business applications. Federal, state, or foreign government bodies or agencies have in the past adopted, and may in the future adopt, laws or regulations affecting the use of the internet as a commercial

medium. Changes in these laws or regulations could require us to modify our products in order to comply with these changes. In addition, government agencies or private organizations have imposed and may impose additional taxes, fees, or other charges for accessing the internet or commerce conducted via the internet. These laws or charges could limit the growth of internet related commerce or communications generally or result in reductions in the demand for internet-based products 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 products could decline.

We face exposure to foreign currency exchange rate fluctuations.

While we have historically transacted in U.S. dollars with our customers and vendors, we have transacted in some foreign currencies with such parties and for our payroll in those foreign jurisdictions where we have operations, and expect to continue to transact in more foreign currencies in the future. Accordingly, fluctuations in the value of foreign currencies relative to the U.S. dollar can adversely affect our revenue, operating expenses and results of operations due to transactional and translational remeasurement that is reflected in our earnings. Also, fluctuations in the values of foreign currencies relative to the U.S. dollar could make it more difficult to detect underlying trends in our business and results of operations.

Restrictive changes to immigration laws may hamper our growth.

The success of our business is dependent on our ability to attract and retain talented and experienced professionals in the jurisdictions in which we operate. Immigration laws in the countries in which we operate are subject to legislative changes, as well as to variations in the standards of application and enforcement due to political forces and economic conditions.

Our business is strengthened by the ability to mobilize employees between India and the United States where we have significant operations. Changes to U.S. immigration laws could make it more difficult to obtain the required work authorizations for our employees. This could in turn have an adverse effect on our operations and the value of our common stock.

Risks Related to Tax Matters

Our business, results of operations, and financial condition may be harmed if we are required to collect sales or other related taxes for subscriptions to our products in jurisdictions where we have not historically done so.

We collect sales and use, value-added and similar taxes in a number of jurisdictions in the United States. One or more states or countries may seek to impose incremental or new sales, use, or other tax collection obligations on us. A successful assertion by a state, country, or other jurisdiction that we should have been or should be collecting additional sales, use, or other similar taxes could, among other things, result in substantial tax payments, create significant administrative burdens for us, discourage potential customers from subscribing to our products due to the incremental cost of any such sales or other related taxes, or otherwise harm our business, results of operations, and financial condition.

Additionally, the application of indirect taxes, such as sales and use tax, value-added tax, GST, business tax, and gross receipt tax, to our business is a complex and evolving issue. Significant judgment is required to evaluate applicable tax obligations, and, as a result, amounts recorded are estimates and are subject to adjustments. In many cases, the ultimate tax determination is uncertain because it is not clear how new and existing statutes might apply to our business. New legislation could require us to incur substantial costs, including costs associated with tax calculation, collection, and remittance and audit requirements, and could adversely affect our business and results of operations. Furthermore, the U.S. Supreme Court recently in South Dakota v. Wayfair that a U.S. state may require an online retailer to collect sales taxes imposed by the state in which the buyer is located, even if the retailer has no physical presence in that state, thus permitting a wider enforcement of such sales tax collection requirements.

Our ability to utilize our net operating loss carryforwards and certain other tax attributes to offset taxable income or taxes may be limited.

As of December 31, 2020, we had U.S. federal net operating loss carryforwards of $157.9 million portions of which will begin to expire in 2030 if not utilized. In addition, we have foreign tax credits of $5.0 million that will begin to expire in 2027. Furthermore, we have state net operating loss carryforwards of $176.0 million, portions of which will begin to expire beginning in 2032. Portions of these net operating loss carryforwards and foreign tax credits could expire unused and be unavailable to offset future income tax liabilities. Under the legislation enacted in 2017, informally titled the Tax Cuts and Jobs Act (Tax Act), as modified by the Coronavirus Aid, Relief, and Economic Security (CARES Act), U.S. federal net operating losses incurred in taxable years beginning after December 31, 2017, may be carried forward indefinitely, but the deductibility of such federal net operating losses in taxable years beginning after December 31, 2020, is limited. It is uncertain how various states will respond to the Tax Act and the CARES Act. For state income tax purposes, there may be periods during which the use of net operating loss carryforwards is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed. For example, California recently imposed limits on the usability of California state net operating losses to offset taxable income in tax years beginning after 2019 and before 2023.

In addition, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, and corresponding provisions of state law, if a corporation undergoes an "ownership change," which is generally defined as a greater than 50% change, by value, in its equity ownership over a three-year period, the corporation's ability to use its pre-change net operating loss carryforwards and other pre-change tax attributes to offset its post-change income or taxes may be limited. Our existing NOLs may be subject to limitations arising from the completion of this offering, together with other transactions that have occurred since our inception, may trigger such an ownership change pursuant to Section 382. In the future, we may experience ownership changes as a result of subsequent shifts in our stock ownership, some of which may be outside of our control. If an ownership change occurs and our ability to use our net operating loss carryforwards is materially limited, it would harm our future operating results by effectively increasing our future tax obligations.

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

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;
- 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
- limitations or adverse findings regarding our ability to do business in some jurisdictions.

In particular, new income, sales and use or other tax laws or regulations could be enacted at any time, which could adversely affect our business operations and financial performance. Further, existing tax laws, regulations could be interpreted, modified or applied adversely to us. For example, the Tax Act enacted many significant changes to the U.S. tax laws. Future guidance from the Internal Revenue Service and other tax authorities with respect to the Tax Act may affect us, and certain aspects of the Tax Act could be repealed or modified in future legislation. For example, the CARES Act modified certain provisions of the Tax Act. In addition, it is uncertain if and to what extent various states will conform to the Tax Act, the CARES Act, or any newly enacted federal tax legislation. Changes in corporate tax rates, the realization of net operating losses, and other deferred tax assets relating to our operations, the taxation of foreign earnings, and the deductibility of expenses under the Tax Act or future reform legislation could have a material impact on the value of our deferred tax assets and could increase our future U.S. tax expense.

Our international operations may subject us to potential adverse tax consequences.

We are expanding our international operations to better support our growth into international markets. Our corporate structure and associated transfer pricing policies contemplate future growth in international markets, and consider the functions, risks and assets of the various entities involved in intercompany transactions. The amount of taxes we pay in different jurisdictions may depend on the application of the tax laws of the various jurisdictions, including the United States, to our international business activities, changes in tax rates, new or revised tax laws or interpretations of existing tax laws and policies, and our ability to operate our business in a manner consistent with our corporate structure and intercompany arrangements. The taxing authorities of the jurisdictions in which we operate may challenge our methodologies for pricing intercompany transactions pursuant to our intercompany arrangements or disagree with our determinations as to the income and expenses attributable to specific jurisdictions. If such a challenge or disagreement were to occur, and our position was 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. Our financial statements could fail to reflect adequate reserves to cover such a contingency.

Risks Related to Ownership of Our Common Stock

An active trading market for our common stock may never develop or be sustained.

We intend to list our common stock on under the symbol “FRSH” However, we cannot assure you that an active trading market for our common stock will develop on that exchange or elsewhere or, if developed, that any market will be sustained. Accordingly, we cannot assure you of the likelihood that an active trading market for our common stock will develop or be maintained, your ability to sell your shares of our common stock when desired or the prices that you may obtain for your shares.

You will experience immediate and substantial dilution in the net tangible book value of the shares of common stock you purchase in this offering.

The initial public offering price of our common stock is substantially higher than the pro forma net tangible book value per share of our common stock immediately after this offering. If you purchase shares of our common stock in this offering, you will suffer immediate dilution of $ per share, or $ per share if the underwriters exercise their over-allotment option in full, representing the difference between our pro forma as adjusted net tangible book value per share after giving effect to the sale of common stock in this offering at the initial public offering price of $ per share. See the section titled “Dilution.”

Additional stock issuances could result in significant dilution to our stockholders.

We may issue our capital stock or securities convertible into our capital stock from time to time in connection with a financing, acquisition, investments, or otherwise. Additional issuances of our stock will result in dilution to existing holders of our stock. Also, to the extent outstanding stock options to purchase our stock are exercised or restricted stock units settle, there will be further dilution. Any such issuances could result in substantial dilution to our existing stockholders and cause the trading price of our common stock to decline.

The trading price of our common stock may be volatile, and you could lose all or part of your investment.

Prior to this offering, there was no public market for shares of our common stock. The initial public offering price of our common stock was determined through negotiation between us and the underwriters. This price does not necessarily reflect the price at which investors in the market will be willing to buy and sell shares of our common stock following this offering. In addition, the trading price of our common stock following this offering is likely to be volatile and could be subject to fluctuations in response to various factors, some of which are beyond our control, and this volatility could be accentuated by the limited public float of our shares relative to our overall capitalization. These fluctuations could cause you to lose all or part of your investment in our common stock as you might be

unable to sell your shares at or above the price you paid in this offering. Factors that could cause fluctuations in the trading price of our common stock include the risk factors set forth in this section as well as the following:

- price and volume fluctuations in the overall stock market from time to time;
- volatility in the trading prices and trading volumes of technology stocks;
- changes in operating performance and stock market valuations of other technology companies generally, or those in our industry in particular;
- sales of shares of our common stock by us or our stockholders;
- failure of securities analysts to maintain coverage of us, changes in financial estimates by securities analysts who follow our company, or our failure to meet these estimates or the expectations of investors, particularly in light of the significant portion of our revenue derived from a limited number of customers;
- changes in our financial, operating or other metrics, regardless of whether we consider those metrics as reflective of the current state or long-term prospects of our business, and how those results compare to securities analyst expectations, including whether those results fail to meet, exceed, or significantly exceed securities analyst expectations, particularly in light of the significant portion of our revenue derived from a limited number of customers;
- announcements by us or our competitors of new products, applications, features, or services;
- the public's reaction to our press releases, other public announcements, and filings with the SEC;
- rumors and market speculation involving us or other companies in our industry;
- actual or anticipated changes in our results of operations or fluctuations in our results of operations;
- actual or anticipated developments in our business, our competitors' businesses or the competitive landscape generally;
- litigation involving us, our industry, or both, or investigations by regulators into our operations or those of our competitors;
- actual or perceived privacy or data security incidents;
- developments or disputes concerning our intellectual property or other proprietary rights;
- announced or completed acquisitions of businesses, applications, products, services, or technologies by us or our competitors;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- changes in accounting standards, policies, guidelines, interpretations, or principles;
- any significant change in our management; and
- general political and economic conditions and slow or negative growth of our markets.

In addition, in the past, following periods of volatility in the overall market and in the market price of a particular company's securities, securities class action litigation has often been instituted against these companies. This litigation, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources.

Substantial future sales of shares of our common stock could cause the market price of our common stock to decline.

Sales of a substantial number of shares of our common stock in the public market following the completion of this offering, or the perception that these sales might occur, could depress the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities. Many of our existing equity holders have substantial unrecognized gains on the value of the equity they hold based upon the price of this offering, and therefore they may take steps to sell their shares or otherwise secure the unrecognized gains on those shares.

Our common stock market price and trading volume could decline if securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business.

Equity research analysts do not currently provide coverage of our common stock, and we cannot assure that any equity research analysts will adequately provide research coverage of our common stock after the listing of our common stock on . The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. The analysts' estimates are based upon their own opinions and are often different from our estimates or expectations. If one or more of the analysts who cover us downgrade our common stock or publish inaccurate or unfavorable research about our business, the price of our securities would likely decline. If few securities analysts commence coverage of us, or if one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our securities could decrease, which might cause the price and trading volume of our common stock to decline.

We will incur costs and demands upon management as a result of complying with the laws and regulations affecting public companies in the United States, which may harm our business.

As a public company listed in the United States, we will incur significant additional legal, accounting, and other expenses. In addition, changing laws, regulations, and standards relating to corporate governance and public disclosure, including regulations implemented by the SEC and , may increase legal and financial compliance costs and make some activities more time consuming. These laws, regulations and standards are subject to varying interpretations, and as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. We intend to invest resources to comply with evolving laws, regulations, and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities. If, notwithstanding our efforts, we fail to comply with new laws, regulations, and standards, regulatory authorities may initiate legal proceedings against us and our business may be harmed.

Failure to comply with these rules might also make it more difficult for us to obtain certain types of insurance, including director and officer liability insurance, and we might be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. The impact of these events would also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, on committees of our board of directors, or as members of senior management.

We are an "emerging growth company," and we intend to comply only with reduced disclosure requirements applicable to emerging growth companies. As a result, our common stock could be less attractive to investors.

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act (JOBS Act), and for as long as we continue to be an emerging growth company, we may choose to take advantage of exemptions from various reporting requirements applicable to other public companies but not to emerging growth companies, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002 (Sarbanes-Oxley Act), reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the completion of this offering, (b) in which we have total annual gross revenue of over $1.07 billion or (c) in which we are deemed to be a large accelerated filer, which means the market value of our common

stock held by non-affiliates exceeds $700 million as of the prior June 30 and (2) the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three-year period. We cannot predict if investors will find our common stock less attractive if we choose to rely on these exemptions. If some investors find our common stock less attractive as a result of any choices to reduce future disclosure, there may be a less active trading market for our common stock, and our stock price may be more volatile.

General Risks

Our culture has contributed to our success, and if we cannot maintain this culture as we grow, we could lose the high employee engagement fostered by our culture, which could harm our business.

We believe that a critical component of our success has been our culture. We have invested substantial time and resources in building out our team with an emphasis on shared values and a commitment to diversity and inclusion. As we continue to develop the infrastructure to support our growth, we will need to maintain our culture among a larger number of employees dispersed in various geographic regions, particularly in light of our employees working remotely due to the COVID-19 pandemic. Any failure to preserve our culture could negatively affect our future success, including our ability to retain and recruit personnel.

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

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements. 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.” 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 assumptions and estimates used in preparing our consolidated financial statements include those related to the useful lives and carrying values of long-lived assets, the fair value of the convertible note, the fair value of common stock, stock-based compensation expense, the period of benefit for deferred contract acquisition costs, and income taxes. Our results of operations may be 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 trading price of our common stock.

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

Generally accepted accounting principles in the United States are subject to interpretation by the Financial Accounting Standards Board (FASB), the American Institute of Certified Public Accountants, the Securities and Exchange Commission (SEC) and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported financial results, and could affect the reporting of transactions completed before the announcement of a change.

A failure to establish and maintain an effective system of disclosure controls and internal control over financial reporting, could adversely affect our ability to produce timely and accurate financial statements or comply with applicable regulations.

As a public company, we will be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (Exchange Act), the Sarbanes-Oxley Act, and the rules and regulations of the applicable listing standards of . We expect that the requirements of these rules and regulations will continue to increase our legal, accounting, and financial compliance costs, make some activities more difficult, time consuming, and costly, and place significant strain on our personnel, systems, and resources.

The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. We are continuing to develop and refine our disclosure

controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we will file with the SEC is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms and that information required to be disclosed in reports under the Exchange Act, is accumulated and communicated to our principal executive and financial officers. We are also continuing to improve our internal controls over financial reporting. For example, as we have prepared to become a public company, we have worked to improve the controls around our key accounting processes and our quarterly close process, and we have hired additional accounting and finance personnel to help us implement these processes and controls. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, we have expended, and anticipate that we will continue to expend, significant resources, including accounting-related costs and investments to strengthen our accounting systems.

Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business. In addition, changes in accounting principles or interpretations could also challenge our internal controls and require that we establish new business processes, systems, and controls to accommodate such changes. We have limited experience with implementing the systems and controls that will be necessary to operate as a public company, as well as adopting changes in accounting principles or interpretations mandated by the relevant regulatory bodies. Additionally, if these new systems, controls, or standards and the associated process changes do not give rise to the benefits that we expect or do not operate as intended, it could adversely affect our financial reporting systems and processes, our ability to produce timely and accurate financial reports or the effectiveness of internal control over financial reporting. Moreover, our business may be harmed if we experience problems with any new systems and controls that result in delays in their implementation or increased costs to correct any post-implementation issues that may arise.

Further, weaknesses in our disclosure controls and internal control over financial reporting may be discovered in the future. Any failure to develop or maintain effective controls or any difficulties encountered in their implementation or improvement could harm our results of operations or cause us to fail to meet our reporting obligations and may result in a restatement of our consolidated financial statements for prior periods. Any failure to implement and maintain effective internal control over financial reporting also could adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting that we will eventually be required to include in our periodic reports that will be filed with the SEC. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in our reported financial and other information, which would likely have a negative effect on the trading price of our common stock. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on the . We are not currently required to comply with the SEC rules that implement Section 404 of the Sarbanes-Oxley Act and are therefore not required to make a formal assessment of the effectiveness of our internal control over financial reporting for that purpose. As a public company, we are required to provide an annual management report on the effectiveness of our internal control over financial reporting commencing with our second annual report on Form 10-K.

Our independent registered public accounting firm is not required to formally attest to the effectiveness of our internal control over financial reporting until after we are no longer an “emerging growth company” as defined in the JOBS Act. At such time, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our internal control over financial reporting is documented, designed, or operating. Any failure to maintain effective disclosure controls and internal control over financial reporting could harm our business, results of operations, and financial condition and could cause a decline in the trading price of our common stock. Changes in tax laws or regulations could be enacted or existing tax laws or regulations could be applied to us or our customers in a manner that could increase the costs of our products and harm our business.

We are currently planning and designing information systems enhancements, and problems with the design or implementation of these enhancements could interfere with our business and operations.

We are currently in the process of significantly enhancing our information systems, including planning and designing a new enterprise resource planning (ERP) system, and expect to fully transition to the new ERP during

2021. This ERP system will replace our existing operating and financial systems. The implementation of significant enhancements to information systems is frequently disruptive to the underlying business of an enterprise, which may especially be the case for us due to the size and complexity of our businesses. This implementation process has required, and will continue to require, the investment of significant personnel and financial resources. We may not be able to successfully implement these enhancements to information systems without experiencing further delays, increased costs and other difficulties. Any disruptions relating to our systems enhancements, particularly any disruptions impacting our operations during the design or implementation periods, could adversely affect our ability to process customer orders, provide products and support to our customers, invoice and collect from our customers, fulfill contractual obligations, and otherwise run our business. Data integrity problems or other issues may also be discovered during or as a result of the implementation which, if not corrected, could impact our business or financial results. If we are unable to successfully design and implement our information system enhancements, including the implementation of the new ERP system as planned, our financial position, results of operations and cash flows could be negatively impacted. Additionally, if we do not effectively implement the information system enhancements as planned or the information systems do not operate as intended, the effectiveness of our internal control over financial reporting could be adversely affected or our ability to assess those controls adequately could be further delayed.

We will have broad discretion in the use of net proceeds from this offering and may invest or spend the proceeds in ways with which you do not agree and in ways that may not yield a return.

We cannot specify with any certainty the particular uses of the net proceeds that we will receive from this offering. Our management will have broad discretion over the use of net proceeds from this offering, including for any of the purposes described in "Use of Proceeds," and you will not have the opportunity as part of your investment decision to assess whether the net proceeds are being used appropriately. Investors may not agree with our decisions, and our use of the proceeds may not yield any return on your investment. Because of the number and variability of factors that will determine our use of the net proceeds from this offering, their ultimate use may vary substantially from their currently intended use. Our failure to apply the net proceeds of this offering effectively could impair our ability to pursue our growth strategy or could require us to raise additional capital.

We may engage in merger and acquisition activities, which would require significant management attention, disrupt our business, dilute stockholder value, and adversely affect our business, results of operations, and financial condition.

As part of our business strategy to expand our product offerings and grow our business in response to changing technologies, customer demand, and competitive pressures, we have in the past and may in the future make investments or acquisitions in other companies, products, or technologies. The identification of suitable acquisition candidates can be difficult, time-consuming, and costly, and we may not be able to complete acquisitions on favorable terms, if at all. These acquisitions may not ultimately strengthen our competitive position or achieve the goals of such acquisition, and any acquisitions we complete could be viewed negatively by customers or investors. We may encounter difficult or unforeseen expenditures in integrating an acquisition, particularly if we cannot retain the key personnel of the acquired company. Existing and potential customers may also delay or reduce their use of our products due to a concern that the acquisition may decrease effectiveness of our products (including any newly acquired product). In addition, if we fail to successfully integrate such acquisitions, or the assets, technologies, or personnel associated with such acquisitions, into our company, the business and results of operations of the combined company would be adversely affected.

Acquisitions may disrupt our ongoing operations, divert management from their primary responsibilities, subject us to additional liabilities, increase our expenses, subject us to increased regulatory requirements, cause adverse tax consequences or unfavorable accounting treatment, expose us to claims and disputes by stockholders and third parties, and adversely impact our business, financial condition, and results of operations. We may not successfully evaluate or utilize the acquired technology and accurately forecast the financial impact of an acquisition transaction, including accounting charges. We may have to pay cash for any such acquisition which would limit other potential uses for our cash. If we incur debt to fund any such acquisition, such debt may subject us to material restrictions in our ability to conduct our business, result in increased fixed obligations, and subject us to covenants or other restrictions that would decrease our operational flexibility and impede our ability to manage our operations. If

we issue a significant amount of equity securities in connection with future acquisitions, existing stockholders' ownership would be diluted.

Increased government scrutiny of the technology industry could negatively affect our business.

The technology industry is subject to intense media, political, and regulatory scrutiny, which exposes us to government investigations, legal actions, and penalties. Various regulatory agencies, including competition, consumer protection, and privacy authorities, have active proceedings and investigations concerning multiple technology companies. Although we are not currently subject to any such investigations, if investigations targeted at other companies result in determinations that practices we follow are unlawful, including practices related to use of machine- and customer-generated data or artificial intelligence, we could be required to change our products and services or alter our business operations, which could harm our business. Legislators and regulators also have proposed new laws and regulations intended to restrain the activities of technology companies. If such laws or regulations are enacted, they could have impacts on us, even if they are not intended to affect our company. In addition, the introduction of new products, expansion of our activities in certain jurisdictions, or other actions that we may take may subject us to additional laws, regulations, or other government scrutiny. The increased scrutiny of certain acquisitions in the technology industry also could affect our ability to enter into strategic transactions or to acquire other businesses. Compliance with new or modified laws and regulations could increase our cost of conducting the business, limit the opportunities to increase our revenue, or prevent us from offering products or services.

We also could be harmed by government investigations, litigation, or changes in laws and regulations directed at our business partners, or suppliers in the technology industry that have the effect of limiting our ability to do business with those entities or that affect the services we can obtain from them. There can be no assurance that our business will not be materially adversely affected, individually or in the aggregate, by the outcomes of such investigations, litigation or changes to laws and regulations in the future.

We may need additional capital, and we cannot be sure that additional financing will be available.

Historically, we have financed our operations and capital expenditures primarily through sales of our capital stock and debt securities that are convertible into our capital stock. In the future, we may raise additional capital through additional equity or debt financings to support our business growth, to respond to business opportunities, challenges, or unforeseen circumstances, or for other reasons. On an ongoing basis, we are evaluating sources of financing and may raise additional capital in the future. Our ability to obtain additional capital will depend on our development efforts, business plans, investor demand, operating performance, the condition of the capital markets, and other factors. We cannot assure you that additional financing will be available to us on favorable terms when required, or at all. If we raise additional funds through the issuance of equity, equity-linked, or debt securities, those securities may have rights, preferences, or privileges senior to the rights of existing stockholders, and existing stockholders may experience dilution. Further, if we are unable to obtain additional capital when required, or are unable to obtain additional capital on satisfactory terms, our ability to continue to support our business growth or to respond to business opportunities, challenges, or unforeseen circumstances would be adversely affected.

Additionally, our subsidiaries in India are subject to Indian foreign exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on raising foreign debt may have an adverse impact on our business growth, financial condition, results of operations, and cash flows.

Our amended and restated certificate of incorporation that will be in effect at the closing of this offering will provide that the Court of Chancery of the State of Delaware and, to the extent enforceable, the federal district courts of the United States of America will be the exclusive forums for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees.

Our amended and restated certificate of incorporation that will be in effect at the closing of this offering will provide that the Court of Chancery of the State of Delaware is the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law:

- any derivative claim or cause of action brought on our behalf;
- any claim or cause of action for a breach of fiduciary duty owed by any of our current or former directors, officers, or other employees to us or our stockholders;
- any claim or cause of action against us or any of our current or former directors, officers or other employees arising out of or pursuant to any provision of the Delaware General Corporation Law, our amended and restated certificate of incorporation, or our bylaws (as each may be amended from time to time);
- any claim or cause of action seeking to interpret, apply, enforce or determine the validity of our amended and restated certificate of incorporation or our amended and restated bylaws (as each may be amended from time to time, including any right, obligation, or remedy thereunder);
- any claim or cause of action as to which the Delaware General Corporation Law confers jurisdiction to the Court of Chancery of the State of Delaware; and
- any claim or cause of action against us or any of our current or former directors, officers, or other employees governed by the internal-affairs doctrine.

This provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act or any other claim for which the U.S. federal courts have exclusive jurisdiction. In addition, our amended and restated certificate of incorporation to be effective immediately prior to the closing of this offering will provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause or causes of action arising under the Securities Act, including all causes of action asserted against any defendant to such complaint. For the avoidance of doubt, this provision is intended to benefit and may be enforced by us, our officers and directors, the underwriters to any offering giving rise to such complaint, and any other professional 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.

While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions, and there can be no assurance that such provisions will be enforced by a court in those other jurisdictions. We note that investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder.

Additionally, our amended and restated certificate of incorporation to be effective immediately prior to the closing of this offering will provide that any person or entity holding, owning or otherwise acquiring any interest in any of our securities shall be deemed to have notice of and consented to these provisions.

Provisions in our corporate charter documents and under Delaware law may prevent or frustrate attempts by our stockholders to change our management or hinder efforts to acquire a controlling interest in us, and the market price of our common stock may be lower as a result.

There are provisions in our certificate of incorporation and bylaws, as they will be in effect following this offering, that may make it difficult for a third party to acquire, or attempt to acquire, control of our company, even if a change in control was considered favorable by our stockholders, such as:

- establishing a classified board of directors so that not all members of our board of directors are elected at one time;
- permitting the board of directors to establish the number of directors and fill any vacancies and newly created directorships;
- providing that directors may only be removed for cause;
- prohibiting cumulative voting for directors;
- requiring super-majority voting to amend some provisions in our certificate of incorporation and bylaws;
- authorizing the issuance of "blank check" preferred stock that our board of directors could use to implement a stockholder rights plan;
- eliminating the ability of stockholders to call special meetings of stockholders;
- prohibiting stockholder action by written consent, which requires all stockholder actions to be taken at a meeting of our stockholders; and
- our dual class common stock structure as described above.

Moreover, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which prohibit a person who owns 15% or more of our outstanding voting stock from merging or combining with us for a period of three years after the date of the transaction in which the person acquired in excess of 15% of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner. Any provision in our certificate of incorporation or our bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock and could also affect the price that some investors are willing to pay for our common stock.

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

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. We expect to retain future earnings, if any, to fund the development and growth of our business. Any future determination to pay dividends on our capital stock will be at the discretion of our board of directors. Accordingly, stockholders must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments.

Catastrophic events may disrupt our business.

Natural disasters or other catastrophic events may cause damage or disruption to our operations, international commerce, and the global economy, and thus could harm our business. In particular, the COVID-19 pandemic, including the reactions of governments, markets, and the general public, may result in a number of adverse consequences for our business, operations, and results of operations, many of which are beyond our control. In the event of a major earthquake, monsoon, hurricane, or catastrophic event such as fire, power loss, telecommunications failure, cyber-attack, war, or terrorist attack, we may be unable to continue our operations and may endure system interruptions, reputational harm, delays in our products' development, lengthy interruptions in our products, breaches of data security, and loss of critical data, all of which would harm our business, results of operations, and

financial condition. Acts of terrorism would also cause disruptions to the internet or the economy as a whole. In addition, the insurance we maintain would likely not be adequate to cover our losses resulting from disasters or other business interruptions. Our disaster recovery plan may not be sufficient to address all aspects or any unanticipated consequence or incident, and our insurance may not be sufficient to compensate us for the losses that could occur.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this prospectus, including statements regarding our future results of operations or financial condition, business strategy and plans and objectives of management for future operations, including our statements regarding the benefits and timing of the roll-out of new technology, are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "will" or "would" or the negative of these words or other similar terms or expressions. These forward-looking statements include, but are not limited to, statements concerning the following:[4]

- our expectations regarding our annual recurring revenue (ARR), revenue, expenses, and other operating results;
- our ability to acquire new customers and successfully retain existing customers;
- our ability to increase the number of users who access our platform;
- our ability to increase usage of existing products;
- our ability to effectively manage our growth;
- our ability to achieve or sustain profitability;
- 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, and our ability to maintain and enhance our brand;
- the estimated addressable market opportunity for existing products and new products;
- 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;
- the effects of the coronavirus, or COVID-19, pandemic or other public health crises;
- our ability to compete effectively with existing competitors and new market entrants; and
- the size and growth rates of the markets in which we compete.

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 and operating results. 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. While we believe that such 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, INDUSTRY, AND OTHER DATA

This prospectus contains statistical data, estimates, forecasts, and other information concerning our industry, including market position and the size and growth rates of the markets in which we participate, that are based on independent industry publications and reports or other publicly available information, as well as other information based on our internal sources. While we believe the industry and market data included in this prospectus are reliable and are based on reasonable assumptions, this information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to these estimates. We have not independently verified the accuracy or completeness of the data contained in these industry publications and other publicly available information. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the sections titled "Special Note Regarding Forward-Looking Statements" and "Risk Factors." These and other factors could cause results to differ materially from those expressed in the projections and estimates made by the independent third parties and us. See the section titled "Risk Factors—Risks Related to Our Business—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."

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

- IDC, *Worldwide Semiannual Software Tracker, H1 2020*.
- Twilio, *COVID-19 Digital Engagement Report*.
- CMSWire (2021), *The State of Digital Customer Experience: Exploring DCX Priorities & Organizational Maturity*, available at https://www-cmswire.simplermedia.com/cw-cp-smg-dcx-rpt-2021-cx.html.
- Forrester, *Design For Work: Boost Productivity And Satisfaction By Transforming Enterprise UX*, dated October 7, 2020.

Certain statistical information in this prospectus is also based on a November 2020 survey of our employees, which we published in November 2020 (Employee Survey). The number of individuals who responded to each survey question cited in this prospectus was approximately 2,600. We distributed the Employee Survey to over 3,000 employees, which represented over 86% of our employees as of November 17, 2020.

USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering of approximately $ million (or approximately $ million if the underwriters exercise their over-allotment option in full) based on an assumed initial public offering price of $ per share of common stock, the midpoint of the estimated price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated expenses related to the offering.

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share of common stock would increase (decrease) the net proceeds to us from this offering by approximately $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting estimated underwriting discounts and commissions. Similarly, each increase (decrease) of 1.0 million shares in the number of shares of common stock offered by us would increase (decrease) the net proceeds to us from this offering by approximately $ million, assuming the assumed initial public offering price of $ per share of common stock remains the same, and after deducting estimated underwriting discounts and commissions.

The principal purposes of this offering are to increase our capitalization and financial flexibility and create a public market for our common stock. We currently intend to use the net proceeds we receive from this offering for general corporate purposes, including working capital, operating expenses and capital expenditures. We cannot specify with certainty all of the particular uses for the remaining net proceeds to us from this offering. We may also use a portion of the net proceeds for acquisitions or strategic investments in complementary businesses, products, services or technologies. However, we do not have agreements or commitments to enter into any such acquisitions or investments at this time. We will have broad discretion over how to use the net proceeds to us from this offering. We intend to invest the net proceeds to us from this offering that are not used as described above in investment-grade, interest-bearing instruments.

DIVIDEND POLICY

We have never declared or paid cash dividends on our capital stock. We currently intend to retain all available funds and future earnings, if any, to fund the development and expansion of our business, and we do not anticipate paying any cash dividends in the foreseeable future. Any future determination regarding the declaration and payment of dividends, if any, will be at the discretion of our board of directors and will depend on then-existing conditions, including our financial condition, operating results, contractual restrictions, capital requirements, business prospects and other factors our board of directors may deem relevant. In addition, we may enter into agreements in the future that could contain restrictions on payments of cash dividends.

CAPITALIZATION

The following table sets forth our cash, cash equivalents, and short-term investments and our capitalization as of December 31, 2020 as follows:

- on an actual basis;
- on a pro forma basis, reflecting (1) the automatic conversion of all 15,393,773 outstanding shares of our convertible preferred stock as of December 31, 2020 into an equal number of shares of our common stock, effective immediately prior to the completion of this offering, and (2) the filing and effectiveness of our amended and restated certificate of incorporation; and
- on a pro forma as adjusted basis, reflecting (1) the pro forma items described immediately above and (2) our issuance and sale of shares of common stock in this offering at an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated expenses related to the offering payable by us.

The pro forma and pro forma as adjusted information below is illustrative only, and our capitalization following the completion of this offering will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing. You should read the information set forth below in conjunction with our consolidated financial statements and the accompanying notes, the information in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations," and other financial information contained elsewhere in this prospectus.

	As of December 31, 2020		
	Actual	Pro Forma	Pro Forma as Adjusted[1]
	(in thousands, except share data)		
Cash and cash equivalents	$ 95,382	$ 95,382	
Marketable securities	142,733	142,733	
Total	$ 238,115	$ 238,115	
Redeemable convertible preferred stock, $0.0001 par value per share. 15,405,543 shares authorized, 15,393,773 shares issued and outstanding, actual; no shares authorized, issued, or outstanding, pro forma and pro forma as adjusted	2,895,096	—	
Stockholders' (deficit) equity:			
Preferred stock, $0.0001 par value per share. No shares authorized, issued and outstanding, actual; shares authorized and no shares issued and outstanding, pro forma and pro forma as adjusted	—	—	
Common stock, $0.00001 par value per share. 28,500,000 shares authorized, 7,761,903 shares issued and outstanding, actual; shares authorized, 23,155,676 shares issued and outstanding, pro forma; shares authorized, shares issued and outstanding, pro forma as adjusted	—	—	
Additional paid-in capital	—	2,895,096	
Accumulated other comprehensive income	411	411	
Accumulated deficit	(2,697,152)	(2,697,152)	
Total stockholders' (deficit) equity:	(2,696,741)	198,355	
Total capitalization	$ 198,355	$ 198,355	

(1) Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share of common stock, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted amount of each of cash and cash

equivalents, and total stockholders' (deficit) equity by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions. Similarly, each increase (decrease) of 1.0 million shares in the number of shares offered by us at the assumed initial public offering price per share would increase (decrease) the pro forma as adjusted amount of each of cash, cash equivalents and short-term investments, and total stockholders' (deficit) equity by approximately $ million, assuming the assumed initial public offering price of $ per share of common stock remains the same, and after deducting estimated underwriting discounts and commissions.

The outstanding share information in the table above is based on 23,155,676 shares of our common stock (including preferred stock on an as-converted basis) outstanding as of December 31, 2020 and excludes:

- 209,608 shares of our common stock issuable upon the exercise of options to purchase shares of our common stock outstanding as of December 31, 2020, with a weighted-average exercise price of $2.2842 per share, under our 2011 Stock Plan, as amended (the 2011 Plan), which plan will expire upon the execution of the underwriting agreement for this offering;
- 3,392,761 shares of our common stock issuable upon the settlement of outstanding restricted stock units outstanding as of December 31, 2020 under our 2011 Plan;
- 152,027 shares of our common stock issuable upon the settlement of outstanding restricted stock units granted after December 31, 2020 under our 2011 Plan;
- 998,125 shares of our common stock reserved for future issuance under our 2011 Plan as of December 31, 2020, which shares will cease to be available for issuance at the time our 2021 Equity Incentive Plan (the 2021 Plan), becomes effective and will become reserved for future issuance under our 2021 Plan;
- shares of our common stock reserved for future issuance under our 2021 Plan, which will become effective upon the execution of the underwriting agreement for this offering, plus the number of shares subject to stock options or other stock awards that would have otherwise returned to our 2011 Plan (such as upon the expiration or termination of a stock award prior to vesting), which includes an annual evergreen increase and will become effective in connection with this offering; and
- shares of our common stock reserved for future issuance under our 2021 Employee Stock Purchase Plan (the ESPP), which includes an annual evergreen increase and will become effective in connection with this offering.

DILUTION

If you invest in our common stock in this offering, your ownership interest will be immediately diluted to the extent of the difference between the initial public offering price per share and the pro forma as adjusted net tangible book value per share of our common stock after this offering.

As of December 31, 2020, we had a pro forma net tangible book value of $ million, or $ per share. Pro forma net tangible book value per share represents the amount of our total tangible assets less our total liabilities, divided by the number of shares of our common stock outstanding as of December 31, 2020, after giving effect to (1) the automatic conversion of all 15,393,773 outstanding shares of our convertible preferred stock as of December 31, 2020 into an equal number of shares of our common stock, effective immediately prior to the completion of this offering, and (2) the filing and effectiveness of our amended and restated certificate of incorporation.

After giving further effect to the sale of shares of common stock that we are offering at an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of December 31, 2020 would have been approximately $ million, or approximately $ per share. This amount represents an immediate increase in pro forma net tangible book value of $ per share to our existing stockholders and an immediate dilution in pro forma net tangible book value of approximately $ per share to new investors purchasing shares of common stock in this offering.

Dilution per share to new investors is determined by subtracting pro forma as adjusted net tangible book value per share after this offering from the initial public offering price per share paid by new investors. The following table illustrates this dilution (without giving effect to any exercise by the underwriters of their over-allotment option):

Assumed initial public offering price per share		$
Pro forma net tangible book value per share as of December 31, 2020	$	
Increase in pro forma net tangible book value per share attributable to this offering		
Pro forma as adjusted net tangible book value per share after this offering		
Dilution per share to new investors in this offering		$

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted net tangible book value per share after this offering by approximately $, and dilution in pro forma net tangible book value per share to new investors by approximately $, assuming that the number of shares of common stock offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions. Each increase (decrease) of 1.0 million shares in the number of shares of common stock offered by us would increase (decrease) our pro forma as adjusted net tangible book value per share after this offering by approximately $ per share and decrease (increase) the dilution to investors participating in this offering by approximately $ per share, assuming that the assumed initial public offering price remains the same, and after deducting the estimated underwriting discounts and commissions.

If the underwriters exercise their over-allotment option in full, the pro forma as adjusted net tangible book value after the offering would be $ per share, the increase in pro forma net tangible book value per share to existing stockholders would be $ per share and the dilution per share to new investors would be $ per share, in each case assuming an initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus.

The following table summarizes on the pro forma as adjusted basis described above, as of December 31, 2020, the differences between the number of shares of common stock purchased from us by our existing stockholders and common stock by new investors purchasing shares in this offering, the total consideration paid to us in cash and the average price per share paid by existing stockholders for shares of common stock issued prior to this offering and the price to be paid by new investors for shares of common stock in this offering. The calculation below is based on the assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of the prospectus, before deducting the estimated underwriting discounts and commissions and estimated expenses related to the offering payable by us.

	Shares Purchased		Total Consideration		
	Number	Percent	Amount	Percent	Average Price Per Share
Existing stockholders	$				
New investors					
Total	$				

The outstanding share information in the table above is based on 23,155,676 shares of our common stock (including preferred stock on an as-converted basis) outstanding as of December 31, 2020 and excludes:

- 209,608 shares of our common stock issuable upon the exercise of options to purchase shares of our common stock outstanding as of December 31, 2020, with a weighted-average exercise price of $2.2842 per share, under our 2011 Stock Plan, as amended (the 2011 Plan), which plan will expire upon the execution of the underwriting agreement for this offering;
- 3,392,761 shares of our common stock issuable upon the settlement of outstanding restricted stock units outstanding as of December 31, 2020 under our 2011 Plan;
- 152,027 shares of our common stock issuable upon the settlement of outstanding restricted stock units granted after December 31, 2020 under our 2011 Plan;
- 998,125 shares of our common stock reserved for future issuance under our 2011 Plan as of December 31, 2020, which shares will cease to be available for issuance at the time our 2021 Equity Incentive Plan (the 2021 Plan), becomes effective and will become reserved for future issuance under our 2021 Plan;
- shares of our common stock reserved for future issuance under our 2021 Plan, which will become effective upon the execution of the underwriting agreement for this offering, plus the number of shares subject to stock options or other stock awards that would have otherwise returned to our 2011 Plan (such as upon the expiration or termination of a stock award prior to vesting), which includes an annual evergreen increase and will become effective in connection with this offering; and
- shares of our common stock reserved for future issuance under our 2021 Employee Stock Purchase Plan (the ESPP), which includes an annual evergreen increase and will become effective in connection with this offering.

To the extent any outstanding options are exercised, there will be further dilution to new investors. If all of such outstanding options had been exercised as of December 31, 2020, the pro forma as adjusted net tangible book value per share after this offering would be $, and total dilution per share to new investors would be $.

If the underwriters exercise their over-allotment option in full, our existing stockholders would own % and the investors purchasing shares of our common stock in this offering would own % of the total number of shares of our common stock outstanding immediately after completion of this offering.

SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

The selected consolidated statements of operations data for the fiscal years ended December 31, 2019 and 2020 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. We have included, in our opinion, all adjustments necessary to state fairly our financial position as of December 31, 2020 and the results of operations for the years ended December 31, 2019 and 2020. Our historical results are not necessarily indicative of the results to be expected for any other period in the future. You should read the consolidated financial data set forth below in conjunction with our consolidated financial statements and the accompanying notes, the information in "Management's Discussion and Analysis of Financial Condition and Results of Operations," and other financial information contained elsewhere in this prospectus.

	Year Ended December 31,	
	2019	2020
Consolidated Statements of Operations Data:	(in thousands)	
Revenue	$ 172,377	$ 249,659
Cost of revenue[(1)]	36,462	52,492
Gross profit	135,915	197,167
Operating expense:		
Research and development[(1)]	38,559	69,210
Sales and marketing[(1)]	111,115	133,277
General and administrative[(1)]	15,911	50,792
Total operating expenses	165,585	253,279
Loss from operations	(29,670)	(56,112)
Interest and other income, net	2,180	2,833
Loss before income taxes	(27,490)	(53,279)
Provision for income taxes	3,635	4,015
Net loss	(31,125)	(57,294)
Accretion of redeemable convertible preferred stock	(553,339)	(1,560,524)
Deemed dividend distribution	(40,071)	—
Net loss attributable to common stockholders	$ (624,535)	$ (1,617,818)
Net loss per share attributable to common stockholders - basic and diluted	$ (82.14)	$ (210.24)
Weighted-average shares used in computing net loss per share attributable to common stockholders - basic and diluted	7,603	7,695

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

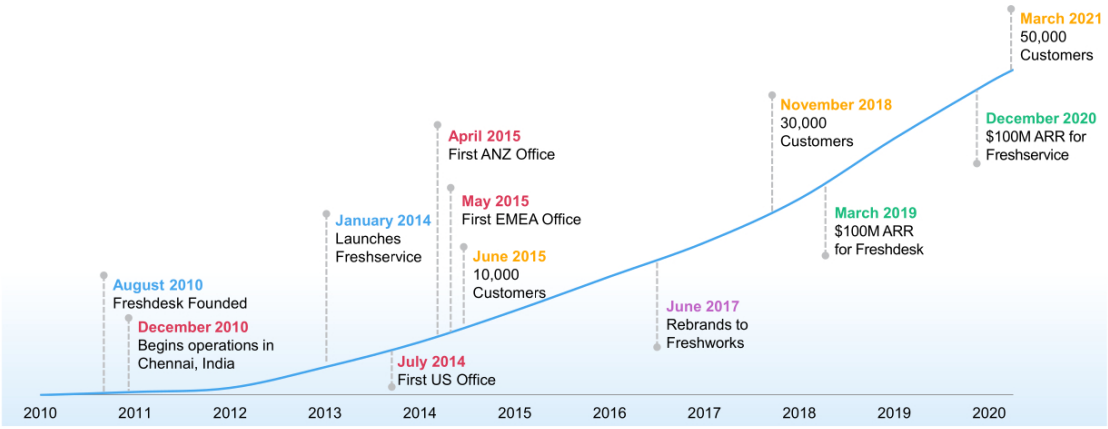
	Year Ended December 31,	
	2019	2020
	(in thousands)	
Cost of revenue	$ 13	$ —
Research and development	151	15,890
Sales and marketing	104	7
General and administrative	5	27,383
Total stock-based compensation expense	$ 273	$ 43,280

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes that appear elsewhere in this prospectus. In addition to historical consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this report, particularly in "Risk Factors" and elsewhere in this prospectus.

Overview

Since our founding in 2010, we have achieved consistently strong growth, and have achieved the following key product, business, and company milestones:



Our business has grown rapidly in recent periods as our customer base and operations have scaled. Our total revenue was $172.4 million and $249.7 million in the years ended December 31, 2019 and 2020, respectively, representing a year-over-year growth rate of 45%. We incurred operating losses of $29.7 million and $56.1 million in the years ended December 31, 2019 and 2020, respectively, and our net losses were $31.1 million and $57.3 million in the years ended December 31, 2019 and 2020, respectively. In the years ended December 31, 2019 and 2020, our net cash (used in) provided by operating activities was ($8.2) million and $32.5 million, respectively, and our free cash flow was ($23.0) million and $23.5 million, respectively. See "Non-GAAP Financial Measures" below for a description of this measure and other information.

Our Subscription Plans

We generate revenue primarily from the sale of subscriptions for Freshworks products. Subscriptions are priced primarily based on the number of agents or users. We offer different subscription plans to serve the varying needs of our customers within our three main product lines of Freshdesk, Freshservice, and Freshsales.

- **Freshdesk.** For our Freshdesk family of products, we offer one free tier and four paid tiers of subscription plans for our Core, Messaging and Contact Center products, which vary by the features provided. For the Estate and Forest tiers, we also offer Freshdesk Omnichannel, which is an integrated suite of Core, Messaging, and Contact Center. Customers have the ability to purchase add-ons like Field Service Management to both the Core and Omnichannel options for an additional cost. Customers can also purchase Day Passes that allow customers to add agents to their Freshdesk subscriptions on a temporary basis to meet spikes in demand. We have over 35,500 customers using our Freshdesk family of products as of December 31, 2020.

- **Freshservice.** For our Freshservice product, we have four paid tiers of subscription plans, which vary by the features provided. Customers have the ability to purchase add-ons like orchestration transaction pack, assets pack, virtual agent suggestion pack, and SaaS management for an additional cost. We also offer Day Passes for Freshservice for any temporary spikes in demand. We have over 8,500 customers using our Freshservice product as of December 31, 2020.

- **Freshsales**. For our Freshsales family of products, we have one free tier and three paid tiers of subscription plans, which vary by the features provided. Customers have the ability to purchase add-ons like marketing contacts, configure price quote (CPQ), conversion rate optimization, dedicated IP address, phone credits, WhatsApp business, and workflows for an additional cost. For customers who want to explore an individual sales or marketing product, we offer Freshsales and Freshmarketer products separately with three tiers of subscription options for each product. We have over 6,500 customers using our Freshsales family of products as of December 31, 2020.

The terms of our subscription agreements are typically either annual or monthly, and we bill for the full term in advance or on a monthly basis, depending on the customer preference. We recognize subscription revenue ratably over the term of the subscription period. As our business has grown and we have increased the number of large organizations in our customer base, we have seen a larger proportion of annual subscriptions. Subscription revenue generated from annual subscriptions has increased from 54% to 59% for the fiscal years ended December 31, 2019 and 2020, respectively. Substantially all of our revenue was derived from subscriptions.

Impact of COVID-19

In response to the COVID-19 pandemic, we undertook decisive and comprehensive actions to lessen the impact of the pandemic on our business, including implementing a fully remote, work from home policy across all our global offices, enacting new policies and operating procedures, including restrictions on Freshworks-related business travel and reductions of in-person events. Management continues to review operations and to date, while there have been minimal interruptions in our customer facing operations, we continue to monitor the situation, especially with respect to our India operations.

Our customers were impacted by the pandemic throughout 2020. The conditions caused by the pandemic adversely affected spending by new customers and renewal and retention rates of existing customers. We offered customer concessions in the form of subscription credits primarily during the second and third quarters of 2020 to customers who experienced difficulty, particularly those within the leisure, hospitality and travel industries. The impact of the pandemic on our results were more pronounced in the second quarter of 2020 and then moderated during the second half of 2020. Meanwhile, we have also experienced, and may continue to experience, certain positive impacts on other aspects of our business. We believe that the pandemic has caused many of our customers and potential customers to accelerate their IT and digital investments benefiting businesses, like ours, that enable and enhance digital transformations. In addition, we have seen a temporary reduction in certain operating expenses related to reduced business travel, deferred hiring in certain areas, and the virtualization or postponement of in-person customer and employee events.

Given our subscription-based business model, the effects of the COVID-19 pandemic may not be fully reflected in our revenue until future periods. The extent of the impact of COVID-19 on our future operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, related public health measures, and their impact on the macroeconomy, our current and prospective customers, employees, and vendors. The ultimate impact of the COVID-19 pandemic on our business and operations remains highly uncertain, and it is not possible for us to predict the duration and extent to which this will affect our business, including productivity of our employees in the United States and in India, where we have significant operations, future results of operations, and financial condition at this time. See the section titled "Risk Factors" for further discussion of the challenges and risks we have encountered and could encounter related to the COVID-19 pandemic.

Key Factors Affecting Our Performance

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. For complete definitions of our key metrics, please refer to the section titled "Key Business Metrics" below.

Acquiring New Customers

We will continue to invest in acquiring new customers across all of our products. We believe that our focus on offering products that delight our users facilitates our go-to-market strategy, which is designed to be product-led and self-service in nature, reducing the friction new customers have to overcome to adopt our products within their organization. Our approach to acquiring new customers allows us to benefit from user-driven, organic adoption of our products across organizations of all sizes, as well as enable our customers to standardize on our products across the organization. As of December 31, 2020, we had over 48,000 total customers.

Recently, we have made significant investments in strengthening our outbound sales motion to enable adoption of department-specific and organization-wide use cases for mid-market and enterprise customers. We believe that larger businesses can benefit from implementing multiple Freshworks products, as once they are a customer they are able to expand their use of these products. We define annual recurring revenue (ARR) as the sum total of the subscription revenue we would contractually expect to recognize over the next 12 months from all customers at a point in time, assuming no increases or reductions in their subscriptions. As of December 31, 2020, 11,570 of our customers contributed more than $5,000 in ARR, demonstrating the broad appeal of our products to customers of all sizes and geographies. We believe that the number of customers that contribute more than $5,000 in ARR is an indicator of our success in expanding upmarket to larger businesses.

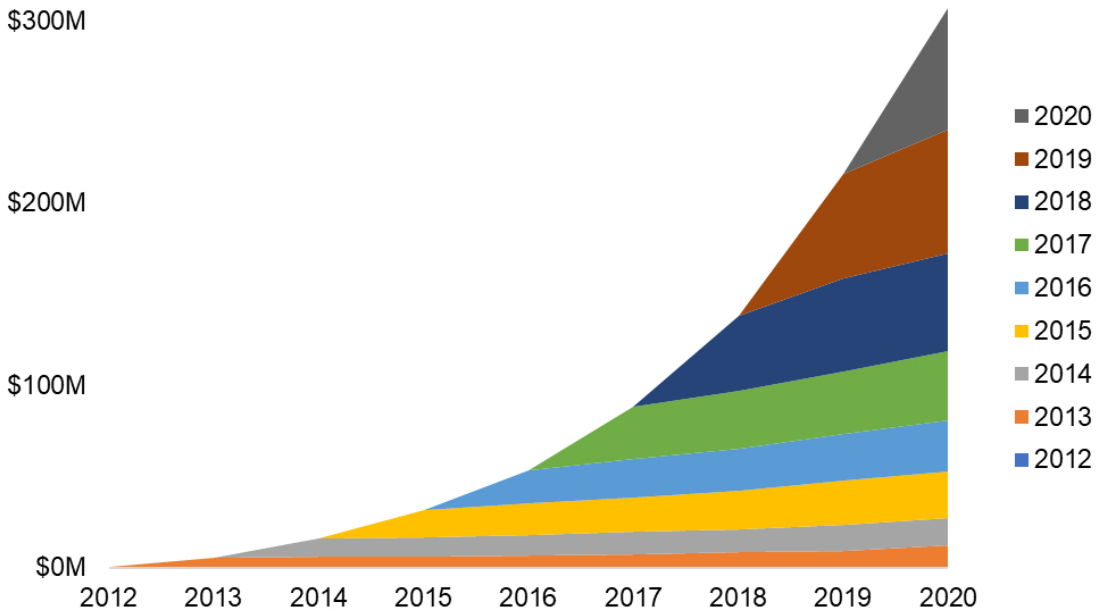
We also run focused programs to acquire startup and incubator customers. These programs include free credits to use our products, and webinars and events specifically tailored to highlight the benefits of our products for these types of customers. By encouraging startups and incubators to use our products early on in their company's lifecycle, we believe we have the opportunity to convert these organizations to paying customers and grow with these customers as they grow their businesses.

Retaining and Expanding Within Existing Customers

Our business model relies on rapidly and efficiently landing new customers and expanding our relationships with them over time. We have experienced, and expect to continue to experience that, over time, a significant portion of our revenue growth will come from our existing customers expanding their usage of our products and buying additional products.

The chart below illustrates the total ARR of each cohort over the periods presented with each cohort representing customers who made their first purchase from us in a given fiscal year. For example, the 2016 cohort

includes all customers that purchased their first subscription from us between January 1, 2016 and December 31, 2016.



We measure the rate of expansion within our customer base using net dollar retention rate, and we believe that our net dollar retention rate demonstrates a significant rate of expansion within our existing customer base. As of December 31, 2020, our net dollar retention rate was 111%.

We have a significant opportunity to expand within our existing customer base and substantially increase the number of customers that purchase multiple Freshworks products. As of December 31, 2020, only 16% of our customers purchased two or more Freshworks products, which includes customers on our Omnichannel subscription plans counting as customers who purchased multiple products. These customers represented 44% in ARR as of December 31, 2020, illustrating the large opportunity we have to sell additional products to our current customer base and drive growth.

We continue to increase the number of customers that have entered into larger subscriptions with us. We had 881 customers each contributing $50,000 or more in ARR as of December 31, 2020, an increase from 534 customers as of December 31, 2019, representing an increase of 65% year-over-year. We believe that the number of customers contributing $50,000 or more in ARR indicates the strategic importance of our products for our customers and our ability to both initially land significant accounts or grow customers into significant accounts over time. No single customer accounted for more than 1% in ARR and our top 10 customers represented less than 5% in ARR as of December 31, 2020, and we have no significant concentration in a specific industry vertical or geography.

Investing in Our Growth

We believe that we are early in addressing our large market opportunity and we intend to continue to make investments to support the growth and expansion of our business. We have a track record of bringing new products to market and scaling these new products over time. As of December 31, 2020, we have two primary products with over $100 million in ARR, Freshdesk and Freshservice. We intend to invest in growing our research and development team to extend the functionality of our solutions and continue to bring new solutions to market. Our investments in our Neo platform have helped us accelerate the pace of innovation.

We believe that our market remains largely underserved. We intend to invest aggressively in our direct and indirect sales and marketing capabilities, including investments in our outbound sales motion. We have been global from our earliest product sales and our global footprint continues to expand, with customers in more than 120 countries. During the year ended December 31, 2020, 45%, 40%, and 15% of our revenue was derived from customers in North America; Europe, Middle East and Africa; and the rest of the world, respectively. We have a significant opportunity to further expand globally. We plan to support more languages, recruit partners, hire sales and customer experience personnel in additional countries as needed, and expand our presence in countries where we already operate. A critical part of our go-to-market strategy has been our broad and diverse set of partners that enrich our offerings, scale our geographic coverage, and help us reach a broader audience than we would be able to reach on our own, thus amplifying our go-to-market investments. We plan to continue to invest in growing our partner ecosystem to fuel additional customer acquisition and expand use cases within our existing customer base.

We are also focused on attracting new talent and retaining our employees. Our culture is a critical part of our success, and attracting and retaining the best available talent will help us make customer delight easy and continue our growth trajectory.

Key Business Metrics

We monitor and review a number of metrics, including the following key metrics, to evaluate our business, measure our performance, identify trends affecting our business, formulate financial projections, and make strategic decisions. We believe these key business metrics provide meaningful supplemental information for management and investors in assessing our operating performance.

	As of December 31,		
	2019	2020	% Growth
Number of customers contributing more than $5,000 in annual recurring revenue	8,588	11,570	35 %
Net dollar retention rate	115 %	111 %	N/A

Number of Customers Contributing More Than $5,000 in ARR

We define our total customers contributing more than $5,000 in ARR as of a particular date as the number of business entities or individuals, represented by a unique domain or a unique email address, with one or more paid subscriptions to one or more of our products that contributed more than $5,000 in ARR.

Net Dollar Retention Rate

Our net dollar retention rate measures our ability to increase revenue across our existing customer base through expansion of users and products associated with a customer as offset by our churn and contraction in the number of users and products associated with a customer. To calculate net dollar retention rate as of a particular date, we first determine "Entering ARR," which is ARR from the population of our customers as of 12 months prior to the end of the reporting period. We then calculate the "Ending ARR" from the same set of customers as of the end of the reporting period. We then divide the Ending ARR by the Entering ARR to arrive at our net dollar retention rate. Ending ARR includes upsells, cross-sells, and renewals during the measurement period and is net of any contraction or attrition over this period.

We expect our net dollar retention rate to fluctuate in future periods due to a number of factors, including our expected growth, the level of penetration within our customer base, our ability to upsell and cross-sell products to existing customers, and our ability to retain our customers.

Non-GAAP Financial Measures

In addition to our results determined in accordance with U.S. generally accepted accounting principles (GAAP), we believe the following non-GAAP financial measures are useful in evaluating our operating performance: non-GAAP loss from operations, non-GAAP net loss, and free cash flow. We use these non-GAAP financial measures to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe these non-GAAP

financial measures may be helpful to investors because they provide consistency and comparability with past financial performance.

Non-GAAP financial measures have limitations in their usefulness to investors and should not be considered in isolation or as substitutes for financial information presented under GAAP. Non-GAAP financial measures have no standardized meaning prescribed by GAAP and are not prepared under any comprehensive set of accounting rules or principles. In addition, other companies, including companies in our industry, may calculate similarly titled non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. As a result, our non-GAAP financial measures are presented for supplemental informational purposes only.

We exclude the following items from one or more of our non-GAAP financial measures:

- *Stock-based compensation expense.* We exclude stock-based compensation expense, 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. In particular, stock-based compensation expense is not comparable across companies due to the variety of valuation methodologies and subjective assumptions in calculating this expense.

- *Amortization of acquired intangibles.* We exclude amortization of acquired intangibles, which is a non-cash expense, from certain of our non-GAAP financial measures. Our expenses for amortization of acquired intangibles are inconsistent in amount and frequency because they are significantly affected by the timing, size of acquisitions, and the inherent subjective nature of purchase price allocations. We exclude these amortization expenses because we do not believe these expenses have a direct correlation to the operation of our business.

- *Acquisition-related expenses.* We exclude transaction, integration, and retention expenses that are directly related to business combinations, from certain of our non-GAAP financial measures because we believe that excluding these items provides meaningful supplemental information regarding operational performance, and investors to make more meaningful comparisons between our operating results and those of other companies.

Non-GAAP Loss From Operations and Non-GAAP Net Loss

We define non-GAAP loss from operations as GAAP loss from operations excluding stock-based compensation expense, amortization of acquired intangibles, and acquisition-related expenses.

We define non-GAAP net loss as GAAP net loss excluding stock-based compensation expense, amortization of acquired intangibles, and acquisition-related expenses, net of their related tax effects.

The following tables present a reconciliation of our GAAP loss from operations to our non-GAAP loss from operations loss and our GAAP net loss to our non-GAAP net loss for each of the periods presented:

Non-GAAP Loss from Operations

	Year Ended December 31,	
	2019	2020
Loss from operations	$ (29,670)	$ (56,112)
Non-GAAP adjustments:		
Stock-based compensation expense - employee awards	273	44
Stock-based compensation expense - 2020 Equity Transactions[(1)]	—	43,236
Amortization of acquired intangibles	1,407	4,268
Acquisition-related expenses	1,341	304
Non-GAAP loss from operations	$ (26,649)	$ (8,260)

(1) See further details under Results of Operations—Stock-Based Compensation Expenses—2020 Equity Transactions below.

Non-GAAP Net Loss

	Year Ended December 31,	
	2019	2020
	(in thousands)	
GAAP net loss	$ (31,125)	$ (57,294)
Non-GAAP adjustments:		
Stock-based compensation expense - employee awards	273	44
Stock-based compensation expense - 2020 Equity Transactions[(1)]	—	43,236
Amortization of acquired intangibles	1,407	4,268
Acquisition-related expenses	1,341	304
Non-GAAP net loss	$ (28,104)	$ (9,442)

(1) See further details under Results of Operations—Stock-Based Compensation Expenses—2020 Equity Transactions below.

Free cash flow

We define free cash flow as net cash (used in) provided by operating activities, less purchases of property and equipment and capitalized internal-use software. We believe that free cash flow is a useful indicator of liquidity as it measures our ability to generate cash from our core operations after purchases of property and equipment. Free cash flow is a measure to determine, among other things, cash available for strategic initiatives, including further investments in our business and potential acquisitions of businesses.

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

	Year Ended December 31,	
	2019	2020
Net cash (used in) provided by operating activities	$ (8,164)	$ 32,530
Less:		
Purchases of property and equipment	(11,505)	(4,383)
Capitalized internal-use software	(3,323)	(4,631)
Free cash flow	$ (22,992)	$ 23,516
Net cash used in investing activities	$ (148,949)	$ (11,425)
Net cash provided by (used in) financing activities	$ 150,232	$ (1,909)

Components of Our Results of Operations

Revenue

Substantially all of our revenue is derived from subscriptions, which comprises fees paid by customers for accessing our cloud-based software products during the term of the subscription. Subscription revenue is recognized ratably over the contract term beginning on the commencement date of each subscription, which is the date that the cloud-based software is made available to customers.

Professional services revenue comprises less than 5% of total revenue and includes fees charged for product configuration, data migration, systems integration, and training. Professional services revenue is recognized as services are performed.

Our subscription arrangements are available in monthly, quarterly, semi-annual, and annual plans, and we typically invoice for the full term in advance. Our payment terms generally require the customers to pay the invoiced amount in advance or within 30 days from the invoice date. Our professional services are generally billed in advance along with the related subscription arrangements.

Cost of Revenue

Cost of revenue consists primarily of personnel-related expenses (including salaries, related benefits, and stock-based compensation expense) for employees associated with our cloud-based infrastructure, payment gateway fees, voice, product support, and professional services organizations, as well as costs for hosting capabilities. Cost of revenue also includes third-party license fees, amortization of acquired technology intangibles, amortization of capitalized internal-use software, and allocation of general overhead costs such as facilities and information technology.

Overhead Allocation

We allocate shared costs, such as facilities costs (including rent, utilities, and depreciation on capital expenditures related to facilities shared by multiple departments), information technology costs, and certain administrative personnel costs to all departments based on headcount and location. Allocated shared costs are reflected in each of the expense categories described below, in addition to cost of revenue as described above.

Operating Expenses

Research and development. Research and development expense consists primarily of personnel-related costs, including salaries, related benefits, and stock-based compensation expense for engineering and product development employees, software license fees, rental of office premises, third-party product development services and consulting expenses, and depreciation expense for equipment used in research and development activities. We capitalize a portion of our research and development expenses that meet the criteria for capitalization of internal-use software. All other research and development costs are expensed as incurred.

Sales and marketing. Sales and marketing expense consists primarily of personnel-related costs, including salaries, related benefits, and stock-based compensation expense for our sales personnel, sales commissions for our sales force and reseller commissions for our channel sales partners, as well as costs associated with marketing activities, travel and entertainment costs, software license fees, and rental of office premises. Sales commissions are considered incremental costs incurred to obtain contracts with customers, and these costs are deferred and amortized over the expected benefit period of three years. Marketing activities include online lead generation, advertising, and promotional events.

General and administrative. General and administrative expense consists primarily of personnel-related costs, including salaries, related benefits, and stock-based compensation expense for general and administrative personnel, third-party professional services fees, including consulting, legal, audit, and accounting services, travel and entertainment costs, accounting, legal, human resources, and recruiting personnel, costs associated with acquisitions of businesses, software license fees, and rental of office premises.

Interest and Other Income, net

Interest and other income, net primarily consists of interest income from our investment portfolios, amortization of premium or discount on marketable securities, and foreign currency gains and losses.

Provision for income taxes

Provision for income taxes consists primarily of income taxes related to U.S. States and foreign jurisdictions in which we conduct business. We maintain a full valuation allowance on our U.S. federal and state net deferred tax assets as we have concluded that it is not more likely than not that the deferred tax assets will be realized. Our effective tax rate is affected by tax rates in foreign jurisdictions and the relative amounts of income we earn in those jurisdictions, as well as non-deductible expenses, such as stock-based compensation, and changes in our valuation allowance.

Results of Operations

The following table sets forth our consolidated statements of operations data for the periods presented:

	Year Ended December 31,	
	2019	2020
	(in thousands)	
Revenue	$ 172,377	$ 249,659
Cost of revenue[(1)]	36,462	52,492
Gross profit	135,915	197,167
Operating expenses:		
Research and development[(1)]	38,559	69,210
Sales and marketing[(1)]	111,115	133,277
General and administrative[(1)]	15,911	50,792
Total operating expenses	165,585	253,279
Loss from operations	(29,670)	(56,112)
Interest and other income, net	2,180	2,833
Loss before income taxes	(27,490)	(53,279)
Provision for income taxes	3,635	4,015
Net loss	$ (31,125)	$ (57,294)

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

	Year Ended December 31,	
	2019	2020
	(in thousands)	
Cost of revenue	$ 13	$ —
Research and development	151	15,890
Sales and marketing	104	7
General and administration	5	27,383
Total stock-based compensation expense	$ 273	$ 43,280

2020 Equity Transactions

During the year ended December 31, 2020, as described in Notes 11 and 12 to our consolidated financial statements included elsewhere in this prospectus, we facilitated certain secondary equity transactions.

In 2020, an investor, also a member of our Board of Directors at that time, sold shares of our redeemable convertible preferred stock to a new investor at prices per share in excess of the fair value per share of the shares

sold. The aggregate excess value of $10.8 million paid by the new investor was recognized as stock-based compensation expense in general and administrative expense. We further recognized as stock-based compensation expense $32.4 million of excess value for the repurchase of common stock from our founders and employees, of which $16.5 million and $15.9 million were recorded in general and administrative expense and research and development expense, respectively. We refer to these secondary transactions together as the "2020 Equity Transactions."

The following table sets forth our consolidated statements of operations data for the periods presented, as a percentage of revenue:

	Year ended December 31,	
	2019	2020
	(percentage of revenue)	
Revenue	100 %	100 %
Cost of revenue	21	21
Gross profit	79	79
Operating expense:		
Research and development	22	28
Sales and marketing	64	53
General administrative	9	20
Total operating expenses	96	101
Loss from operations	(17)	(22)
Interest and other income, net	1	1
Loss before income taxes	(16)	(21)
Provision for income taxes	2	2
Net loss	(18)%	(23)%

Fiscal Years Ended December 31, 2019 and 2020

Revenue

	Year Ended December 31,			
	2019	2020	$ Change	% Change
	(dollars in thousands)			
Revenue	$ 172,377	$ 249,659	$ 77,282	45 %

Revenue increased by $77.3 million, or 45%, for the year ended December 31, 2020 compared to the year ended December 31, 2019. Of the total increase in revenue, $31.1 million, or 18%, was attributable to revenue from new customers acquired during the year ended December 31, 2020, net of contraction and churn, and $46.2 million, or 27%, was attributable to revenue from existing customers as of December 31, 2019, net of contraction and churn. Our net dollar retention rate of 111% for the year ended December 31, 2020 reflects the expansion within existing customers and the sale of additional products to these customers.

Cost of Revenue and Gross Margin

	Year Ended December 31,			
	2019	2020	$ Change	% Change
	(dollars in thousands)			
Cost of revenue	$ 36,462	$ 52,492	$ 16,030	44 %
Gross Margin	79 %	79 %		

Cost of revenue increased by $16.0 million, or 44%, for the year ended December 31, 2020 compared to the year ended December 31, 2019. This increase was primarily due to increases of $5.5 million in third-party hosting costs, $2.7 million in amortization of costs associated with acquired technology intangibles, $2.8 million in personnel-related costs due to higher headcount, $1.5 million in cloud voice service costs, and $1.4 million in software license fees and $1.0 million increase in professional fees including legal costs. Our gross margin remained consistent at 79% for the years ended December 31, 2019 and 2020. We expect our cost of revenue to continue to increase in dollar amount as we invest additional resources in our cloud-based infrastructure and customer experience and professional services organizations. However, our gross profit and gross margin may fluctuate from period to period as our revenue grows and the timing and extent of our investments in third-party hosting capacity, expansion of our cloud-based infrastructure, customer experience and professional services organizations, as well as the amortization of costs associated with capitalized internal-use software.

Operating Expenses

	Year Ended December 31,			
	2019	2020	$ Change	% Change
	(dollars in thousands)			
Research and development	$ 38,559	$ 69,210	$ 30,651	79 %
Sales and marketing	111,115	133,277	22,162	20 %
General and administrative	15,911	50,792	34,881	219 %
Total opening expenses	$ 165,585	$ 253,279	$ 87,694	

The increases in our operating expenses in the year ended December 31, 2020 compared to the year ended December 31, 2019 were primarily headcount driven, as we substantially grew our business to 3,585 employees as of December 31, 2020 compared to 2,691 employees as of December 31, 2019.

Research and Development

Research and development expense increased by $30.7 million, or 79%, for the year ended December 31, 2020 compared to the year ended December 31, 2019. This increase was primarily due to a $15.9 million increase in stock-based compensation expense recognized in connection with the 2020 Equity Transactions described above, and increases of $12.8 million in personnel-related costs and $2.4 million in software license fees, offset by a decrease in other individually immaterial costs. We believe that continued investment in our products is important for our growth, and as such, we expect that our research and development expenses will continue to increase in dollar amount while varying as a percentage of revenue in the future.

Sales and Marketing

Sales and marketing expense increased by $22.2 million, or 20%, for the year ended December 31, 2020 compared to the year ended December 31, 2019. This increase was primarily due to increases of $24.7 million in personnel-related costs, $3.3 million in reseller commissions, $1.9 million in rental of premises, $1.8 million in software license fees, and $1.3 million in other individually immaterial costs, partially offset by decreases of $6.2 million in marketing costs and $4.6 million in travel costs. The decrease in marketing costs and travel was a direct impact of the COVID-19 pandemic and curtailment of in-person marketing events and travel. We expect to continue to make significant investments as we expand our customer acquisition and retention efforts, and expect that our sales and marketing expense will increase in dollar amount in the future as we grow. We also expect costs to increase as the COVID-19 pandemic allows for a return to in-person marketing events and normal business travel. Sales and marketing expense may vary as a percentage of revenue in the foreseeable future.

General and Administrative

General and administrative expense increased by $34.9 million, or 219%, for the year ended December 31, 2020 compared to the year ended December 31, 2019. This increase was primarily due to $27.4 million in stock-based compensation expense recognized in connection with the 2020 Equity Transactions and increases of $4.5 million in

personnel-related costs, and $2.8 million in professional services fees, comprised primarily of legal, accounting, and consulting fees.

We expect to incur significant additional general and administrative expenses as we transition from being privately held to a publicly traded company. Such expenses include professional services fees and consulting expenses, costs to broaden our IT related infrastructure, and expenses associated with ongoing compliance and reporting obligations pursuant to the rules and regulations of the Securities and Exchange Commission, as well as additional costs for accounting, insurance, and investor relations. As a result, we expect our general and administrative expense to continue to increase in the foreseeable future, however, we expect it to decline as a percentage of revenue over the longer term. This percentage may fluctuate from period to period depending upon the timing and amount of our general and administrative spending.

Interest and Other Income, Net

	Year Ended December 31,			
	2019	2020	$ Change	% Change
	(dollars in thousands)			
Interest income	$ 1,276	$ 4,210	$ 2,934	230 %
Other income (expense) net	904	(1,377)	(2,281)	(252)%
Interest and other income, net	$ 2,180	$ 2,833	$ 653	30 %

Interest income increased by $2.9 million, or 230%, primarily due to a full year of interest earned from higher balances of our investment portfolios during the year ended December 31, 2020, when compared to a partial year of interest earned during the year ended December 31, 2019. Other income (expense), net, decreased by $2.3 million, or 252%, for the year ended December 31, 2020 compared to the year ended December 31, 2019, primarily due to increases of $1.4 million in premiums amortized on marketable securities and other insignificant items.

Provision for Income Taxes

	Year Ended December 31,			
	2019	2020	$ Change	% Change
	(dollars in thousands)			
Provision for income taxes	$ 3,635	$ 4,015	$ 380	10 %

We are subject to federal and state income taxes in the United States and taxes in foreign jurisdictions. For the years ended December 31, 2019 and December 31, 2020, we recorded provision for income taxes of $3.6 million and $4.0 million on loss before taxes of $27.5 million and $53.3 million, respectively. The effective tax rate for the years ended December 31, 2019 and December 31, 2020 were (13.2)% and (7.6)% respectively. The effective tax rates differ from the statutory rate primarily as a result of providing no benefit on pre-tax losses incurred in the United States. We maintain a full valuation allowance on our U.S. federal and state net deferred tax assets as it was more likely than not that those deferred tax assets will not be realized. The $0.4 million increase in tax expense resulted primarily from an increase in pre-tax earnings in our foreign jurisdictions.

Liquidity and Capital Resources

As of December 31, 2020, we had cash and cash equivalents of $95.4 million and marketable securities of $142.7 million. Since inception, we have funded our operations primarily with financing through the issuance of redeemable convertible preferred and common stock to investors. As of December 31, 2020, we had an accumulated deficit of $2.7 billion, which included $2.6 billion resulting from changes in the redemption value of our redeemable convertible preferred stock (see Note 11 to our consolidated financial statements included elsewhere in this prospectus). Our operating activities provided cash flow of $32.5 million for the year ended December 31, 2020.

We believe our existing cash, cash equivalents and marketable securities, will be sufficient to meet our working capital and capital expenditure needs for at least the next 12 months. Our future capital requirements will depend on many factors, including the rate of our revenue growth, the timing and extent of spending on research and

development efforts, the expansion of sales and marketing activities, the introduction of new and enhanced product offerings, and other business initiatives and the continuing market adoption of our products. We may in the future enter into arrangements to acquire or invest in complementary businesses, services, and technologies, including intellectual property rights. We may be required to seek additional equity or debt financing in connection with such activities. If we raise additional funds through the incurrence of indebtedness, such indebtedness may have rights that are senior to holders of our equity securities and could contain covenants that restrict our operational flexibility. Any additional equity or convertible debt financing may be dilutive to stockholders. In the event that additional financing is required from outside sources, we may not be able to raise such financing on terms acceptable to us or at all.

Cash Flows

The following table summarizes our cash flows for the periods presented:

	2019	2020
	(in thousands)	
Net cash (used in) provided by operating activities	$ (8,164)	$ 32,530
Net cash used in investing activities	(148,949)	(11,425)
Net cash provided by (used in) financing activities	150,232	(1,909)

Operating Activities

Net cash provided by operating activities of $32.5 million for the year ended December 31, 2020 reflects our net loss of $57.3 million, adjusted for non-cash items such as stock-based compensation of $43.3 million, depreciation and amortization of $11.2 million, amortization of deferred contract acquisition costs of $7.7 million, deferred income taxes of $2.4 million, and net cash inflows of $28.9 million from changes in operating assets and liabilities. The net cash inflows from changes in operating assets and liabilities were due to increases of $36.4 million in deferred revenue and $24.9 million in accrued and other liabilities, partially offset by increases in assets of $14.3 million in deferred contract acquisition costs, $9.9 million in accounts receivable, $8.2 million in prepaid expenses and other assets.

Net cash used in operating activities of $8.2 million for the year ended December 31, 2019, was comprised primarily of a net loss of $31.1 million adjusted for non-cash items such as depreciation and amortization of $6.3 million, amortization of deferred contract acquisition costs of $4.0 million, deferred income taxes of $0.9 million and net cash inflows of $13.7 million from changes in operating assets and liabilities. The net cash inflows from changes in operating liabilities were due to increases of $27.4 million in deferred revenue, $13.9 million in accrued and other liabilities, and $2.7 million increase in accounts payable, partially offset by increases in assets of $11.3 million in prepaid expenses and other assets, $9.6 million in deferred contract acquisition costs, and $9.4 million in accounts receivable.

Investing Activities

Cash used in investing activities of $11.4 million for the year ended December 31, 2020 consisted of $5.1 million net payment for acquisitions, $4.6 million related to the capitalization of internal-use software, $4.4 million in purchases of property and equipment, and $1.8 million acquisition of intangibles, partially offset by $4.4 million in proceeds, net of purchases, from the maturities and sales of marketable securities.

Cash used in investing activities of $149.0 million for the year ended December 31, 2019 consisted of $128.2 million in purchases, net of maturities and sales, of marketable securities, $11.5 million in purchases of property and equipment, $6.0 million net payment for acquisitions, and $3.3 million related to the capitalization of internal-use software.

Financing Activities

Cash used in financing activities of $1.9 million for the year ended December 31, 2020 consisted primarily of $2.1 million in payments for acquisition-related liabilities.

Cash provided by financing activities of $150.2 million for the year ended December 31, 2019 consisted primarily of net proceeds of $149.8 million from the issuance of Series H redeemable convertible preferred stock.

Remaining Performance Obligations on Customer Contracts

We generally enter into subscription agreements with our customers on monthly, annual, or multi-year terms. We generally invoice customers in advance in either monthly or annual installments. A small portion of our annual contracts may have billing terms that are different from their subscription terms, and our multi-year contracts are invoiced annually. As of December 31, 2020, remaining performance obligations totaled $140.6 million, which comprised $104.2 million of deferred revenue and $36.4 million of unbilled amounts.

We expect that the value of the remaining performance obligations will change from one period to another for several reasons, including new contracts, timing of renewals, cancellations, contract modifications and foreign currency fluctuations. We believe that fluctuations in remaining performance obligations are not necessarily a reliable indicator of future revenue and we do not utilize it as a key management metric internally.

Contractual Obligations

Our principal commitments consist of operating lease obligations for office space and contractual obligations under third-party cloud infrastructure agreements and service subscription agreements.

The following table summarizes our contractual obligations as of December 31, 2020:

	Payment Due by Period				
	Total	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years
			(in thousands)		
Operating lease obligations [1]	$ 44,942	$ 7,478	$ 15,256	$ 13,811	$ 8,379
Other contractual commitments [2]	62,360	18,637	43,723	—	—
Total contractual obligations	$ 107,302	$ 26,115	$ 58,979	$ 13,811	$ 8,379

(1) We lease our facilities under long-term operating leases expiring on varying dates through September 2028.
(2) Our other contractual commitments relate mainly to third-party cloud infrastructure agreements and service subscription arrangements used to support operations until November 2023.

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 data breaches or intellectual property infringement claims made by third parties. In addition, 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 consolidated balance sheets, consolidated statements of operations and comprehensive loss, or consolidated statements of cash flows.

Off-Balance Sheet Arrangements

As of December 31, 2020, we did not have any relationships with unconsolidated organizations or financial partnerships, such as structured finance or special purpose entities that 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

We are exposed to certain market risks in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of fluctuations in foreign currency exchange rates and interest rates.

Foreign Currency Exchange Risk

The functional currency of our foreign subsidiaries is the U.S. dollar. Our sales are derived in U.S. dollars. Our operating expenses incurred by our foreign subsidiaries are denominated in their respective local currencies, and remeasured at the exchange rates in effect on the transaction date. Additionally, fluctuations in foreign exchange rates may result in the recognition of transaction gains and losses in our consolidated statements of operations. Our consolidated results of operations and cash flows are, therefore, subject to foreign exchange rate fluctuations and may be adversely affected in the future due to changes in foreign exchange rates. As the impact of foreign exchange rates has not been material to our operating results, we have not entered into any derivative or hedging transactions, but we may do so in the future if our exposure to foreign currency becomes more significant.

Interest Rate Risk

Our cash, cash equivalents, and marketable securities primarily consist of deposits held at financial institutions, highly liquid money market funds, and investments in U.S. government securities, corporate bonds, commercial paper, asset-backed securities, and mutual funds. We had cash and cash equivalents of $95.4 million and marketable securities of $142.7 million as of December 31, 2020. We do not enter into investments for trading and speculative purposes. Our investments are subject to market risk due to changes in interest rates, which may affect our interest income and the fair value of our investments. Fixed rate securities may have their market value adversely affected due to a rise in interest rates. Due in part to these factors, our future investment income may fall short of our expectations due to changes in interest rates or we may suffer losses in principal if we are forced to sell securities that decline in market value due to changes in interest rates. However, because we classify our marketable securities as “available for sale,” no gains or losses are recognized due to changes in interest rates unless such securities are sold prior to maturity or declines in fair value are determined to be other-than-temporary.

Based on an interest rate sensitivity analysis we have performed as of December 31, 2020, we do not believe a hypothetical 10% favorable or adverse movement in interest rates would have a material effect in the combined market value of our cash and cash equivalents and marketable securities.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The preparation of these consolidated financial statements requires our management to make estimates, assumptions, and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the applicable periods. We base our estimates, assumptions, and judgments on historical experience and on various other factors that we believe to be reasonable under the circumstances. Different assumptions and judgments would change the estimates used in the preparation of our consolidated financial statements, which, in turn, could change the results from those reported. We evaluate our estimates, assumptions, and judgments on an ongoing basis.

The critical accounting estimates, assumptions, and judgments that we believe have the most significant impact on our consolidated financial statements are described below.

Revenue Recognition

We derive revenue from subscription fees and related professional services. We sell subscriptions for our cloud-based solutions through arrangements that are generally non-cancelable and non-refundable. Our subscription arrangements do not provide customers with the right to take possession of the software supporting the solutions

and, as a result, are accounted for as service arrangements. The treatment of the arrangements is consistent with sales directly to customers and indirectly through channel partners. We record revenue net of sales or value-added taxes.

Subscription Revenue

Subscription revenue is primarily comprised of fees paid by our customers for accessing our cloud-based software during the term of the arrangement. Our cloud-based services allow customers to use the multi-tenant software and do not require them to take possession of the software. Subscription revenue is recognized ratably over the contract term beginning on the commencement date of each contract, which is the date that the cloud-based software is made available to customers.

Professional Services Revenue

Professional services revenue is comprised of fees charged for product configuration, data migration, systems integration and training. Professional services revenue is recognized as services are performed and represents less than 5% of total revenue.

Customers with Multiple Performance Obligations

Some of our contracts with customers contain both subscriptions and professional services. For these contracts, we account for individual performance obligations separately. The transaction price is allocated to the separate performance obligations on the basis of relative SSP. We determine SSP by taking into consideration historical selling price of these performance obligations in similar transactions, as well as current pricing practices and other observable inputs including, but not limited to, customer size and geography. As our go-to-market strategies evolve, we may modify our pricing practices in the future, which could result in changes to SSP.

Capitalized Internal-Use Software Costs

We capitalize costs related to developing new functionality for our suite of products that are hosted by us and accessed by our customers on a subscription basis. We also capitalize costs related to specific upgrades and enhancements when it is probable the expenditures will result in additional functionality. Costs incurred in the preliminary stages of development are expensed as incurred. Once an application has reached the development stage, internal and external costs, if direct and incremental, are capitalized until the software is substantially complete and ready for its intended use. Capitalized costs are recorded as part of property and equipment, net in our consolidated balance sheets. Maintenance and training costs are expensed as incurred. Internal-use software is amortized on a straight-line basis over its estimated useful life, generally three years. We evaluate the useful lives of these assets on an annual basis and test for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets. There were no impairments to internal-use software during the fiscal 2019 and fiscal 2020.

Stock-Based Compensation

We recognize stock-based compensation expense in the consolidated statements of operations over the requisite service period, which is the vesting period of the respective awards, by using the straight-line attribution method. Forfeitures are accounted for when they occur. We estimate the fair value of stock options and restricted stock units issued to employees, consultants, and directors on the grant date. The fair value of each stock option award is estimated using the Black-Scholes option pricing model. The fair value of each restricted stock unit award is determined based on the estimated fair value of the Company’s common stock on the date of the grant. We have not granted any stock options since January 1, 2017.

Pursuant to our 2011 Stock Plan, as amended (2011 Plan), restricted stock units vest upon the satisfaction of both a service condition and a performance condition. The service condition is satisfied over a period of four years, and the performance condition will be satisfied upon the earlier of (i) a combination transaction provided that such transaction (or series of transactions) qualifies as a change of control, or (ii) the effective date of a registration statement of the Company filed under the Securities Act for the Company’s initial public offering (both collectively

known as the liquidity events). As of December 31, 2020, no stock-based compensation expense has been recognized for restricted stock unit because the liquidity events, as described above, were not probable.

Common Stock Valuations

The fair value of the common stock underlying our stock-based awards has historically been determined with input from management and contemporaneous third-party valuations.

Given the absence of a public trading market for our common stock, and in accordance with the American Institute of Certified Public Accountants Practice Guide, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation* (the AICPA Guide), our board of directors exercised reasonable judgment and considered numerous objective and subjective factors to determine the best estimate of the fair value of our common stock including:

- contemporaneous valuations performed at periodic intervals by independent third-party specialists;
- the prices, rights, preferences, and privileges of our convertible preferred stock relative to those of our common stock;
- the prices paid for redeemable convertible preferred stock sold to third-party investors by us and prices paid in secondary transactions of common stock, including any tender offers;
- the lack of marketability inherent in our common stock;
- our actual operating and financial performance;
- our current business conditions and projections;
- our stage of development;
- the likelihood of achieving a liquidity event, such as an initial public offering, a merger or acquisition of our company given prevailing market conditions and the nature and history of our business;
- market multiples of comparable companies in our industry;
- the operational and financial performance of comparable publicly traded companies; and
- macroeconomic conditions.

The enterprise value of our company was determined using the market approach. The market approach estimates value based on a comparison of the subject company to comparable public companies in a similar line of business. From the comparable companies, a representative market value multiple is determined and then applied to the subject company's financial results to estimate the enterprise value of our company. The enterprise value was then adjusted to the equity value based on cash and debt balances.

The resulting equity value was allocated to the common stock using a probability weighted expected return method (PWERM). The PWERM approach involves the estimation of multiple future potential outcomes for us, and estimates of the probability and expected timing of each respective potential outcome. The per share common stock value determined using this approach is ultimately based upon probability-weighted per share values resulting from the various future scenarios, which include an initial public offering, merger, or sale, or continued operation as a private company. Additionally, the Option Pricing Method (OPM), was considered. The OPM approach uses the preferred stockholders' liquidation preferences, participation rights, dividend rights, and conversion rights to determine the value of each share class in specific potential future outcomes. After applying a discount for lack of marketability to both approaches to reflect the increased risk arising from the inability to readily sell the shares, the PWERM and OPM per share values were probability weighted to estimate the fair value of our common stock.

We also considered any secondary transactions involving our capital stock. 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.

Application of these approaches involves the use of estimates, judgment, and assumptions that are highly complex and subjective, such as those regarding our expected future revenue, discount rates, market multiples, the selection of comparable companies, and the probability of possible future events. Changes in any or all of these estimates and assumptions or the relationships between those assumptions impact our valuations as of each valuation date and may have a material impact on the valuation of our common stock.

Following this offering, it will not be necessary to determine the fair value of our common stock as our shares will be traded in the public market.

Recent Accounting Pronouncements

See “Summary of Significant Accounting Policies” in Note 2 of the notes to our consolidated financial statements for more information.

BUSINESS

Overview

Our mission is to make it fast and easy for businesses to delight their customers and employees.

We provide businesses of all sizes with modern SaaS products that are designed with the user in mind. We started with Freshdesk, our customer experience (CX) product, and later expanded our offering to include Freshservice, our IT service management (ITSM) product. We then expanded our product offering to include a more complete customer relationship management (CRM) solution, which includes sales force and marketing automation. Finally, business users can have the power of modern SaaS technology with the ease of use of the most widely used consumer Internet services. Currently, more than 50,000 businesses use our software to delight their customers and employees.

The first generation of SaaS held enormous potential to give businesses more flexibility in the way they deployed software and make work easier. Despite the technological progress these companies have made, the first generation of SaaS has become too fragmented, unwieldy, and expensive, making it inaccessible for a wide swath of businesses. Organizations of all sizes, not just large enterprises, are facing increasing pressure to digitally transform and meet higher levels of customer and employee expectations. These stakeholders have become accustomed to the instant gratification of the digital economy, but the business software they use has not kept up.

At Freshworks, we build products that make it easier for businesses to delight their customers and employees. Our powerful software delivers the modern functionality and capabilities businesses need, while being intuitive and easy to use, rapid to onboard, agile, and affordable for organizations of all sizes. We build intelligence and automation into our products wherever possible to accelerate user productivity and allow them to quickly meet the increasing demands of customers and employees. By accelerating time to value, increasing productivity, and lowering costs, we provide businesses with a concrete return on their investment in Freshworks. With an increased ability to delight customers and employees, businesses also benefit from improved customer and employee retention, higher net promoter scores (NPS), and better business outcomes.

In 2011, we launched our first product, Freshdesk. As we continued to grow, we launched additional products and capabilities and expanded our go-to-market function. Over time, Freshworks products were discovered and embraced by teams and divisions within larger organizations, and we have become a leading provider of modern SaaS solutions that solve multiple, complex business problems to companies of all sizes around the globe. Businesses from more than 120 countries around the world use Freshworks products to delight their customers and employees every day. As of December 31, 2020, over 50% of our annual recurring revenue (ARR) was from customers with more than 250 employees, and we had 881 customers that each contributed $50,000 or more in ARR. We provide products across multiple massive markets in order to address the needs of businesses of all sizes that need to digitally transform to delight their customers and employees.

Our business model is powered by a strong product-led growth (PLG) motion that helps us serve businesses of all sizes. We make it simple and easy for businesses to find our products organically, trial the product to see if it fits the business use case, and quickly onboard users to the product. We supplement this PLG, or inbound motion, with an outbound motion to larger organizations and a robust partner ecosystem that helps customers extend our products with incremental capabilities to enable organizations of all sizes to have a superior experience. Once users within a business have started to use one of our products, we focus on driving further adoption within that business. We believe that the success of our business model is evidenced by our healthy net dollar retention rate of 111% as of December 31, 2020.

Our business has grown rapidly in recent periods as our customer base and operations have scaled. Our total revenue was $172.4 million and $249.7 million in the years ended December 31, 2019 and 2020, respectively, representing a year-over-year growth rate of 45%. We incurred operating losses of $29.7 million and $56.1 million in the years ended December 31, 2019 and 2020, respectively, and our net losses were $31.1 million and $57.3 million in the years ended December 31, 2019 and 2020, respectively. In the years ended December 31, 2019 and 2020, our net cash (used in) provided by operating activities was ($8.2) million and $32.5 million, respectively, and our free cash flow was ($23.0) million and $23.5 million, respectively. For more information about free cash flow, a

non-GAAP financial measure, and for a reconciliation of free cash flow to its corresponding GAAP measure, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures.”

Delighting Customers and Employees is Hard

Requirements for businesses to meet and exceed the demands of both customers and employees have never been higher. Advances in consumer technology and the proliferation of mobile devices over the last two decades have created the ability for anyone to leverage a simple app or website to search for, acquire, exchange, or return goods and services with little friction. Now, everyone is accustomed to the instant gratification of getting whatever they want, whenever they want it—at any time and from anywhere. These modern consumer experiences have led to higher expectations for business interactions, and attracting customers to stay, buy more, and share their delight is increasingly challenging.

The challenges placed upon businesses to consistently deliver highly satisfying business interactions extends to employee relationships as well. Consumers who can order meals from a smartphone application and have them delivered within minutes expect a similarly easy experience when they contact their own employer about an employee support issue. Employees who can buy a car with the click of a button and have it delivered the next day are understandably frustrated if it takes a week to provision a videoconference license through their employer’s IT department. Though it is a goal of almost every organization, truly delighting employees and customers is becoming more and more difficult.

Digital Transformation is Accelerating

To address the higher expectations of today’s consumers, organizations of all sizes are being compelled to digitally transform their marketing, sales, and service models. Despite these significant investments in technology and services, progress toward meeting the greater demands of customers and employees has lagged. Companies must undergo digital transformations in order to exceed customer and employee expectations.

The need to modernize through digital transformation was accelerated by the COVID-19 pandemic in 2020. This necessitated many previously in-person interactions to become digital experiences. Consumers had to adapt to buying goods and services online from new and unknown vendors. At the same time, many employees were forced to re-imagine how to collaborate and work productively in a disparate and remote environment. Existing businesses needed to become digital to adapt to prevailing economic conditions, while new, natively digital businesses arose to meet the new normal of consumer and employee needs. According to Twilio’s COVID-19 Digital Engagement Report, 79% of companies surveyed say COVID-19 increased their budget for digital transformation.

For many businesses, meeting the basic needs of customers and employees changed sharply, and delighting them became almost impossible without leveraging the technology they expect to use. As a result, well capitalized organizations that were further along the digital transformation curve, thrived. And organizations lacking the time, money, or other resources to meet the new challenges, suffered.

Users are Demanding Software that Meets their Needs

Business users need software that is powerful and intuitive in order to quickly solve problems for the customers and employees they serve. Yet, they are often forced into using software applications mandated by senior decision makers—executives who do not use the application day to day and have limited understanding of how it works or how it meets the users' needs. The user experience has become inconsistent across applications with complex integrations into several systems. Various business functions, such as sales, support, marketing, and IT are forced into “platform decisions” that require them to use tools that do not match their needs, resulting in poor engagement and low satisfaction with the product.

Unsatisfied users are pushing back against further software implementations and renewals, and are instead seeking out products that deliver the required functionality while being simple to use. In an era where consumers are able to trial and purchase subscription services for their personal needs, users are similarly demanding that their business software provides the best user experience for their business needs. Companies that force their employees

to use software with a poor user experience will ultimately suffer from low productivity and higher costs. According to a May 2021 survey by CMSWire, three-quarters of businesses believe that the digital experience employees have with internal applications is “Important” or “Very important” in affecting the quality of digital experience for external customers. Users are becoming more empowered to choose the tools that delight them, so they can in turn delight their customers.

The Cloud Promise Has Been Broken

In response to rising customer and employee expectations that have intensified over time, many companies are turning to cloud software. The SaaS revolution, born almost 20 years ago, promised to free organizations of all sizes from the shackles of the client-server paradigm of business software. While first generation SaaS providers were successful in reducing the burden of buying, provisioning, and managing on-premise infrastructure, they largely mimicked on-premise applications with the user experience. SaaS was supposed to make users’ lives easier by empowering them to better serve their customers and employees. In its ideal form, SaaS was meant to be quick to implement, easy to use, inexpensive to maintain without the need to hire teams of expensive consultants who spend months testing and installing complicated software in order to realize its value. It was supposed to give users the ability to find the data they needed quickly and work seamlessly with other users to solve customer and employee issues. It was supposed to make everyone’s experience better. SaaS was supposed to make work easy.

Over the following two decades, the initial vision of cloud software has not come to fruition. The first generation of SaaS platforms has become, we believe, too fragmented, bloated, and unwieldy to effectively use every day. Implementation times have stretched into years, and the software has become full of tabs, toggles, and jumbles of overcomplicated applications that are often unnecessary or go unused. Data is siloed across different SaaS products that cannot communicate with one another, leading to additional time wasted and increased user frustration. According to a May 2021 survey by CMSWire, when asked about the employee experience having the biggest direct impact on their customers' experiences, 62% of respondents cited access to collaboration tools and 55% of respondents cited easy access to information on customers. And now, in direct response to these challenges, there is a new economy of separate, additional third-party applications to address these issues, increasing the complexity, integration requirements, and total cost of ownership (TCO). All of this has made SaaS platforms of many legacy vendors accessible only to large, well capitalized enterprises.

Despite all the progress in technology and the massive investments from first generation SaaS providers, the enterprise software industry has failed to realize the cloud promise.

The Shortfalls of Legacy SaaS

Legacy SaaS software suffers from the following drawbacks:

Not purpose-built to meet users’ needs

We believe existing business software solutions are not purpose-built to meet the specific needs of the user, or focused on reducing the non value-add and repetitive tasks that encumber these users. The simple, yet powerful functionality of consumer technology that users are accustomed to in their personal lives has not translated to their business software. Instead, business software is plagued with complexity, feature bloat, and complicated user interfaces (UI) that often require extensive and ongoing training for users. Users are constantly switching between several software applications with inconsistent interfaces to perform their job, resulting in user dissatisfaction. According to a 2020 User Experience report by Forrester, most employees have to endure bad enterprise user experiences every day, leading to lower employee engagement and motivation, while good user experience leads to employees that are more motivated, engaged and productive.

Expensive with high total cost of ownership

Legacy SaaS software is often expensive to purchase. It often also requires an army of consultants, significant IT resources, and several months or years to implement and integrate across the IT stack—further increasing costs. The TCO continues to increase with third-party add-ons often required to unlock the full capabilities of the software, as well as ongoing data storage or other hidden fees.

Prolonged time to value

Legacy SaaS software suffers from lengthy approval, purchasing, and implementation cycles frequently extending over many months or even years. Exacerbating the problem, businesses also need buy-in from a wider group of users to justify the higher costs, further extending approval and onboarding times. Once the software is implemented, users undergo extensive training because the software is complex and cumbersome. Unable to do their job and derive value from the software right away, users often limit their engagement and as a result, businesses are saddled with software that suffers from a prolonged time to value.

Not accessible for companies of all sizes

In light of legacy SaaS solutions' prolonged time to value and high TCO, large enterprises with the requisite resources are typically the organizations that are able to purchase and access these solutions. Legacy SaaS solutions have effectively left behind most small- and mid-sized organizations on their digital transformation journey and concentrated the benefits to the few that can afford to adopt and maintain these high-priced solutions. As a result, we believe the vast majority of organizations are underserved or their needs are unmet by these legacy solutions.

The Freshworks Solution—Delivering on the Cloud Promise

At Freshworks, we strive to empower businesses with simple yet powerful software they can rely on to delight the customers and employees they serve.

Designed to delight the user

Our software products are designed so that our users—whether they serve their external customers or internal employees—love using them. We believe that business software should be as intuitive and simple to use as a smartphone application, and this design principle is core to the success of our solutions. We invest significant effort upfront in the product development lifecycle, studying and analyzing how the user will engage with the product end to end, and then designing our solutions with a user-first approach. We incorporate reporting, compliance, and administrative features needed by executives or IT administrators without compromising the experience for the user. Our unrelenting focus on simple, elegant, intuitive design empowers users of our software to delight their customers.

Designed for rapid onboarding, agility, and time to value

Our software makes it very easy to onboard, configure, use, and scale. Businesses that choose Freshworks do not have to endure long implementation cycles spanning months or even years. Instead, they can sign up for a 21-day free trial on our website and rapidly determine if the solution makes sense to purchase. Smaller businesses can be up and running in hours not days, and for larger organizations, time to value is just a few weeks away as compared to months and years with our major competitors.

Crucially, companies do not have to choose between moving fast and satisfying unique requirements; we offer a marketplace with over 1,200 pre-built apps to help companies customize their Freshworks solution. Through drag and drop functionality and low/no-code customization, companies can configure our solution to meet their needs just as easily as it is to try or initially buy. This simplicity makes troubleshooting or maintenance easy as well—there are no messy integrations between products that only a small number of users or outside consultants know how to manage. Because users onboard rapidly and almost immediately start to realize value, we quickly see them begin to rely on our software for their day-to-day workflows, expand usage within their organization, buy additional functionality from us, and evangelize our software within their organizations. As more users adopt our software, we generate better insights and automation capabilities, which further enhances our value proposition, and a virtuous cycle is established.

Powerful with low TCO

Our software delivers the functionality of leading technologies, like artificial intelligence and machine learning and workflow automation—priced and packaged to enable users to try and buy quickly. Our self-serve software drives down TCO and makes adopting our software affordable; it does not require an army of expensive consultants and IT resources to implement. Custom business requirements typically can be addressed through pre-built

applications available in our marketplace, rather than through expensive professional services. Maintenance is minimized through having a common platform that all our products use, and having a self-service library that addresses many common problems. Our subscription prices allow businesses to actually benefit from the solution as they trial and adopt it, which generates users who evangelize within their organizations because they can immediately begin to realize the benefits of our products, enabling a robust PLG motion.

Relevant to organizations of all sizes

Freshworks products appeal to organizations of all sizes across a wide range of geographies and industries. Our software is affordable for businesses without the resources to implement expensive legacy SaaS solutions. Our products help smaller-sized organizations bridge the technology gap existing with well capitalized organizations that have implemented or are implementing digital transformation solutions. We are singularly focused on giving users the powerful software features and functionality they need to be effective, such as AI/ML for greater automation, while reducing complexity and feature bloat. Our software appeals to businesses of all sizes whose employees demand effective, modern tools, and that are striving to compete effectively in a dynamic landscape.

Key Benefits for Our Customers

"Delight Made Easy." This simple mantra guides what we strive to enable for businesses. We provide them the following key benefits:

- ***Delight***. Our fresh approach to business software enables businesses to exceed customer and employee expectations and drive clear business results:
    - *Customer delight*: We help businesses delight their customers by enabling them to meet and exceed increasing and evolving sets of customer expectations. Our software enables personalized and context-aware interactions across multiple channels, enabling users to be highly responsive to customer inquiries. With Freshworks, businesses are able to consistently exceed customer expectations, enjoy higher retention and higher NPS, all of which promote increased growth.
    - *Employee delight*: With our intuitive, easy-to-use products, Freshworks users are able to focus on their job responsibilities and spend less time navigating bloated, unwieldy, difficult-to-use software. Users are delighted that our products are designed to optimize their experience, includes the most advanced technologies that are easily accessible, and is not burdened with unnecessary features or process layers. We believe our users are more motivated by software that helps them become more efficient and productive employees, and achieve better business outcomes.
- ***Made Easy***. Freshworks makes it fast and easy for businesses to delight their customers and employees. We take a fresh approach to how businesses discover, engage with, and realize value from software, throughout their journey.
    - *Transparent pricing*. Our pricing plans are designed for modern business use cases and affordable for organizations of all sizes. Our pricing is customizable based on users, features, and add-ons, to ensure businesses are paying only for the capabilities they need, while avoiding paying for unnecessary features and functionality. Our pricing is transparent, easy to understand, and easily found on our website, allowing businesses to readily assess TCO and feature differentiation within each of our pricing plans.
    - *Instant onboarding*. Businesses can access our website, try or purchase our software, and onboard in a matter of days not months. Our intuitive UI allows users to learn our products quickly, allowing them to better serve their customers' needs faster and more efficiently. With fast onboarding, easy-to-use products, and seamless upgrades, businesses using our software are able to avoid lengthy and expensive implementations and high ongoing software maintenance costs.
    - *Extensibility and customizability*. With out-of-the-box extensibility and drag-and-drop functionality organizations can use our solution to solve business issues that are unique to them. Businesses can also

build custom internal applications to extend the capabilities of our products, and to date, businesses have built over 2,700 custom apps to address their specific use cases. In addition, our marketplace provides access to over 1,300 applications developed and published by third parties that businesses can plug into their Freshworks solution to further extend the product.

- *Accelerated user productivity*. Our products contain automation and collaboration functionality that enhances user productivity. Freshworks' products augment human engagement by automating processes to address and answer customer and employee requests. For example, within Freshdesk, we provide features to support and empower users during customer interactions, which include auto-assigned rules and visibility into a customer's context. This enables users to serve customers faster and to be more proactive during each interaction, resulting in quick resolution of interactions and delighted customers. Additionally, we provide self-service and AI-powered chatbots that help reduce the overall volume of customer service tickets. Our products embed collaboration functionality to provide our users the ability to collaborate across their organization and get work done without having to leave the Freshworks product environment.

- *Tangible ROI.* Businesses achieve tangible return on their Freshworks investment driven by cost savings, improved employee productivity, and accelerated time to value. The cost savings attributable to our products include automating administrative tasks and reporting, and shifting customer interactions from more expensive service channels, like voice, to cheaper digital and other self-service channels. Improved employee productivity and reduced ticket volumes enable more lean and efficient customer support and IT service organizations, further driving cost savings for businesses that choose Freshworks. Additionally, through our go-to-market strategy and product design we reduce approval, purchasing, and implementation cycles, enabling our products to deliver accelerated time to value as compared to legacy SaaS solutions.

Our Market Opportunity

Digital transformation has driven companies to evaluate how and where they invest in technology solutions to better engage with customers and employees. We believe that companies around the world, regardless of size, need better software to better manage customer and employee relationships. We define our total addressable market in two ways, by utilizing industry research and by conducting our own analysis based on the customer behavior and adoption trends we see of our products.

First, based on industry research from International Data Corporation (IDC), we believe we have a large addressable market of approximately $105 billion. As defined by IDC, we offer products that provide powerful functionality addressing select markets within Customer Relationship Management (CRM)—including Customer Service, Contact Center, Salesforce Productivity and Management, and Marketing Campaign Management; and System and Service Management (SSM)—including IT Service Management, IT Operations Management and IT Automation and Configuration Management. According to IDC, by 2024, the markets we address within CRM will represent a $66 billion opportunity and the SSM market will represent a $39 billion opportunity.

Second, based on our internal data and analysis, we estimate the annual potential market opportunity for our products to be $77 billion. We calculate this estimate based on the total number of global companies using independent industry data from S&P Capital IQ and weighted average ARR of our products. We organize these companies into three cohorts based on how we organize our go-to-market efforts (SMB, Mid-Market, Enterprise). We then multiply the number of companies in each cohort by the weighted average ARR per customer for our largest product families of Freshdesk and Freshsales (CRM), and Freshservice (SSM) within each cohort, and sum the products for each cohort to arrive at our total market opportunity. We expect our estimated market opportunity will continue to expand as customers onboard more or expand usage of our products, increasing the weighted average ARR per customer for use of our products.

Our products offer broad applicability to organizations of all sizes across a wide range of geographies and industries. We believe our products offer compelling competitive differentiation with its transparent pricing, instant onboarding, extensibility and customizability, user productivity benefits, and tangible ROI. This competitive

differentiation positions us to replace incumbent solutions as well as address new greenfield opportunities replacing homegrown solutions, such as email or spreadsheets, with Freshworks products.

Our Business Model

Since our inception, our go-to-market strategy has centered on offering exceptional products that are designed for the user. PLG is the core foundation of Freshworks and has helped us serve organizations of all sizes. The simplicity and powerful functionality underpinning our Freshworks solutions acts as the primary driver of customer acquisition, conversion, and expansion by driving trials of our products that we supplement with our inbound and outbound sales motions. Our pricing is transparent, affordable, and easy to understand, reducing the length of sales cycles and increasing the efficiency of marketing and sales. This enables us to disrupt the traditional top-down sales motion, letting users, not executives, designate Freshworks as their software of choice.

Our go-to-market approach allows us to respond to how businesses want to buy our products. This flexible approach capitalizes on the strong user-driven adoption and user love for our products with a dedicated focus on driving successful adoption and expansion within organizations and divisions of large organizations. We offer our products under both free and paid subscription plans, further reducing friction to adoption and accelerating our go-to-market motion. We believe deep user engagement and an obsessive focus on user experience are catalysts for expanding product adoption within organizations. Currently, we have more than 50,000 paying customers. Our customer base was weighted toward smaller organizations, but over time the number of larger organizations has grown as a percentage of our total customers. As of December 31, 2020, 11,570 of our customers each contributed more than $5,000 in ARR and over half of our ARR came from customers with more than 250 employees.

We focus our go-to-market motion on businesses based on their size:

- ***Small- and Mid-Sized Businesses (SMB)*** (organizations with 250 or fewer employees): We service our SMB customers through inbound and partner demand generation, which is low-cost, low-touch, and self-service.
- ***Mid-Market*** (organizations with 251 to 5,000 employees): We service our mid-market customers through inbound, outbound and partner demand generation.
- ***Enterprise*** (organizations with 5,001 or more employees): We service our enterprise customers through inbound, outbound and partner demand generation. We focus on serving divisions or departments within enterprises.

We have three go-to-market motions to attract customers:

- ***Inbound motion***: We rely on efficient search marketing and word of mouth to encourage individual users or small teams within an organization to discover, try, and purchase our products. We drive potential customers to our website as the primary channel to learn about our solutions. We maintain a variety of resources on our website to ensure businesses who find Freshworks organically can quickly determine which solutions best suit their needs. We offer 21-day free trials of our premium tier products to businesses who want to test our solutions before requiring any purchase, giving them flexibility to try before they buy. We do not require businesses to provide payment information to begin a trial, further reducing friction to initial adoption. Our inbound motion is the primary way we sell to organizations, regardless of the organization’s size or industry.
- ***Outbound motion***: This approach is focused on mid-market and enterprise organizations. We rely on three main groups to drive our outbound business: outbound marketing, sales development representatives, and field sales representatives. We utilize our outbound motion in conjunction with our inbound efforts to help accelerate the adoption of our products, and the increased usage of our products within existing customers.

- ***Partner ecosystem***: Our growing partner ecosystem enriches our offerings, scales our geographic coverage, and helps us reach a broader audience than we would be able to reach on our own, thus amplifying our go-to-market investments. Our partner ecosystem consists of the following:
    - Channel Partners: These are our reselling and consulting partners who help us sell and onboard our products globally. Channel partners also help drive growth in local markets where we are not present, markets where we do not yet support the language, as well as in markets with sales teams where third-party services are required. Our 400+ channel partners are dispersed worldwide across 50+ countries.
    - ISV Partners: We partner with independent software vendors to provide integrations that drive product adoption and retention over the long term. We have 350+ ISV partners, including Ozonetel, as well as integrations with Slack and TeamViewer.
    - Marketplace: Our marketplace enables our channel partners, ISV partners, and individual developers to build value-added apps and integrations, thereby extending the capabilities of our platform. We provide developers the tools and flexibility to design, code, and publish their apps via a robust set of software development kits and application programming interfaces. Our marketplace allows us to address corner use cases across multiple verticals and geographies. We have over 1,300 marketplace apps, and nearly 30,000 customers using our marketplace apps.

Once a business has purchased a subscription to one of our products, we activate our customer success motion, aligned with the size and scale of each customer. We provide digital onboarding directly or with partners to all customers. Our customer success programs are designed to ensure businesses are getting the most out of their subscription. We conduct health checks and business reviews, monitor customer satisfaction and NPS, and identify gaps to proactively address any concerns. Our customer success team is also responsible for customer renewals and for identifying expansion opportunities.

Our Growth Strategy

Key elements of our growth strategy include:

- ***Continued Focus on Product-Led Growth.*** PLG increasingly governs the buying patterns of not just SMBs, but also mid-market and larger enterprises. Over time, as teams and divisions within larger organizations have discovered and embraced our products, Freshworks has been organically adopted by these enterprises, becoming the product of choice for CX, ITSM, and sales force and marketing automation products (Sales & Marketing). We have continued to evolve our go-to-market motion in response to organic demand—adding incremental outbound motion to drive sales to larger businesses and ensuring that organizations of all sizes have a great experience, which tends to accelerate product adoption. This has helped us achieve a healthy mix of all customer sizes within our customer base. We will maintain focus on our PLG so that a significant portion of our user acquisition, expansion, conversion, and retention efforts are driven primarily by the product itself.
- ***Drive New Customer Sales.*** We believe that our market remains largely underserved. We intend to invest aggressively in our direct and indirect sales and marketing capabilities, including investments in our outbound sales motion teams, to continue to acquire new mid-market and enterprise customers. We also believe the ongoing tailwinds of cloud adoption and digital transformation will drive further adoption of our products by organizations of all sizes.
- ***Expand Within Existing Customers.*** Our customer base of over 50,000 organizations represents a significant growth opportunity for us. Expansion in these organizations is driven by adding users, adoption of our products by other departments within the organization, moving customers to more premium products and cross-selling additional products. We believe that our multi-product offering provides significant cross-sell opportunities that have been largely untapped to date. As of December 31, 2020, 16% of our customers purchased subscriptions to at least two of our products, representing 44% of ARR. Our net dollar retention rate of 111% as of December 31, 2020 demonstrates our ability to extend both the scale and use cases within organizations and execute our land-and-expand strategy.

- ***Innovate and Enhance Our Products and Platform.*** We have significantly invested in our platform and product suite to serve the evolving needs of our customers for over a decade. Since our founding, our journey to a multi-product strategy has expanded from CX, to employee and IT support, to messaging and cloud telephony, to a unified customer vision. We believe our continued innovation, including delivery of advanced AI and ML capabilities, will translate to a higher value proposition for our customers and increased adoption of our products by both new and existing customers.

- ***Expand Our Partner Network.*** We are focused on expanding participation in our channel, ISV, and marketplace partner programs across geographies and industries to help us broaden our reach, and drive further customer acquisition and stickiness. Furthermore, we plan to leverage our leading technology partners like Amazon, Google, and Microsoft to explore additional go-to-market opportunities.

- ***Build Upon Our Global Presence.*** We have been global from our earliest product sales and our global footprint continues to expand, with customers in more than 120 countries. During the year ended December 31, 2020, 45%, 40%, and 15% of our revenue was derived from customers in North America; Europe, Middle East and Africa; and the rest of the world, respectively. In addition, we have physical sales offices in six countries. Additionally, we support our products in eight languages. We have a significant opportunity to further expand globally. We plan to support more languages, recruit partners, hire sales and customer service personnel in additional countries as needed, and expand our presence in countries where we already operate.

Products and Capabilities

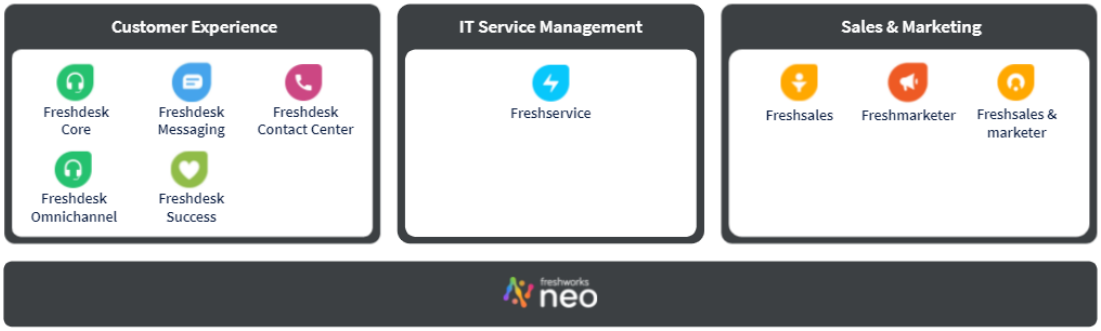
Freshworks provides solutions that serve the needs of users in the CX and ITSM categories, and we have also expanded our offering with sales force and marketing automation products (Sales & Marketing). These product offerings enable organizations to acquire, engage, and better serve their customers and employees.

We also offer additional products, including HR Management, and other products to extend our position in ITSM. These products and capabilities are relatively nascent but we believe they provide evidence of our continued focus on innovation and will be growth opportunities for Freshworks in the future.

For customer facing teams, we offer our CX family of products, Freshdesk, including Freshdesk Core, Freshdesk Omnichannel, Freshdesk Messaging, Freshdesk Contact Center, and Freshdesk Success. These products allow businesses to delight their customers across touchpoints, streamline customer conversations, and automate repetitive tasks. For employee facing teams, our ITSM product, Freshservice, provides both the intelligence and automation businesses need to give employees the “consumer” like experience they now expect. For go-to-market teams, our Sales & Marketing products of Freshsales, Freshmarketer, and Freshsales & marketer align users with a unified view of the customer journey to better acquire, engage, and close customers.

All of our products leverage our Freshworks Neo platform, which provides shared services that enable us to rapidly innovate and release new products. Businesses can use Neo—which provides a low-code development and a hassle free deployment environment—to extend and integrate Freshworks into their existing solutions and perform advanced analytics to gain insights that help them run their businesses more efficiently.

Freshworks Products Overview



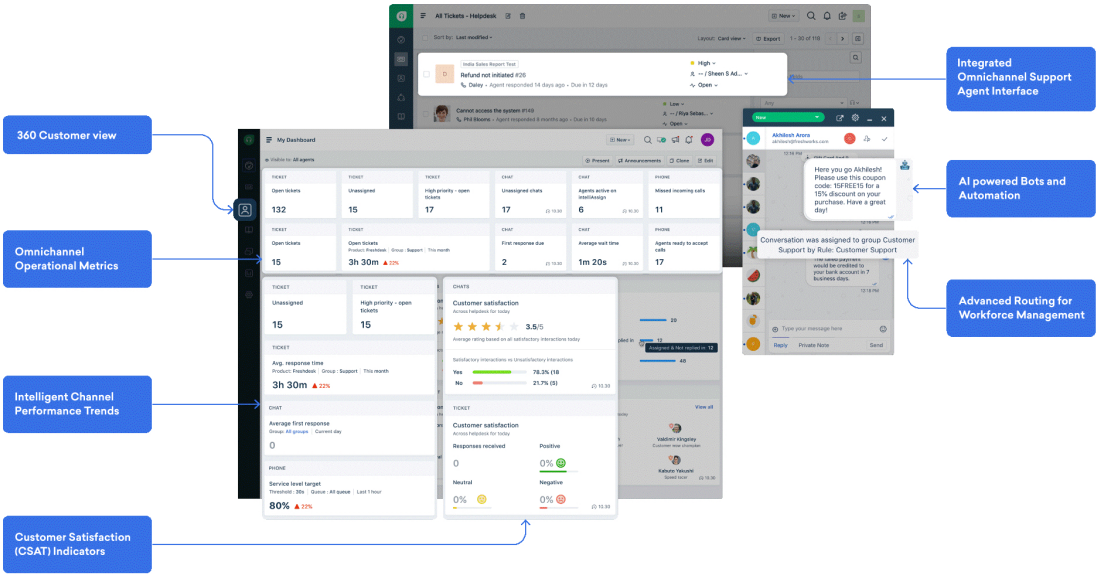
Customer Experience

The main product of our CX offerings is Freshdesk Core, which businesses use to interact with their customers and respond to customer service requests.

- **Freshdesk Core**. Freshdesk Core enables businesses to delight their customers at every service engagement touchpoint across traditional channels like email, telephony, and self-service, as well as modern channels like messaging and social media.

We also offer additional products in the CX space to address specific communication channels and use cases.

- **Freshdesk Messaging.** Freshdesk Messaging helps customer experience agents engage with customers across web, mobile, and social messaging applications. Our Freshdesk Messaging bot technology allows businesses to provide self service to customers by automating commonly performed transactions and providing answers to frequently asked questions.
- **Freshdesk Contact Center.** Freshdesk Contact Center provides agents with a modern, cloud-based telephony system to connect with customers that supports complex call-flows, IVR, and routing needs.
- **Freshdesk Omnichannel.** Freshdesk Omnichannel is an integrated suite that combines the capabilities of Freshdesk Core, Freshdesk Messaging, and Freshdesk Contact Center, allowing agents to provide seamless customer experience across both digital and traditional channels.
- **Freshdesk Success.** Freshdesk Success helps customer success managers at B2B subscription companies proactively manage their customers to increase customer retention and delight.



Freshdesk Core

Freshdesk Core provides businesses with differentiated customer experience capabilities in order to delight their customers:

- **Unified view of the customer to help agents resolve complex issues:** Provides advanced capabilities like integrated customer conversation timelines, activity logs, and AI-powered intent detection, prioritization, and auto-suggested resolutions, preempting escalations and reducing resolution time.
- **Intelligent automation for quicker and better resolution of queries:** Intelligently resolves routine queries with AI and automation for faster response times while routing complex asks for personalized response to human agents for higher customer satisfaction.
- **Powerful collaboration for faster resolution:** Drives collaboration across teams with context-rich customer-specific insights, AI-powered team productivity tools, and powerful integrations through our extensible Freshworks Neo platform and our technology partner marketplace.
- **Native technology that scales with you:** Manages global customer experience with enterprise-grade features like multi-language support, agent grouping and shift management, and prescriptive analytics supporting better insights and business decisions.
- **Multilingual capabilities:** Scales customer experience engagement with a multilingual knowledge base, intuitive help widget, and the ability to detect customer frustration automatically.
- **Omniroute technology for improved agent productivity:** Optimizes for operational efficiencies with advanced workforce management capabilities such as grouping agents by skills or regions, our patent-pending Omniroute technology balances agent workload intelligently across channels and bandwidth availability, event triggered workflows, and service-level agreement-based response times.
- **Embedded collaboration inside customer record:** Brings teams together to resolve complex customer issues with advanced collaboration capabilities like tagging collaborators within and outside the organization, contextual conversation threads on customer issues, and integration with business communication tools like Slack, Microsoft Teams, and Dropbox.

- **Native field service management capabilities:** Creates and assigns appointments to field technicians based on customer availability and technician schedule.
- **Prescriptive analytics and insights for better business decisions:** Provides insights and builds a data-driven support culture with curated custom reports and dashboards with attributes and visualizations unique to the customer's business, enabling businesses to run highly scalable customer experience functions with uniform work distribution, resource planning, and improved support center efficiency.

Freshdesk Messaging

Key capabilities include:

- **Modern digital engagement so that customers can connect in the manner they prefer:** Gives customers the option to engage at their convenience through every stage of the customer journey, inside existing applications or products, or on messaging apps such as WhatsApp, Facebook Messenger, and iMessage in the language of their choice. Unlike 'live chat', customers are not limited to time-bound sessions and can continue conversations at their own pace with a complete history of conversations and interactions available for context and future reference.
- **Chatbots to easily scale and accelerate responses:** Gives customers the option to use self-service with chatbots that automate frequently asked questions and transactional requests, with escalations to agents when necessary.
- **Proactive engagement for timely customer connections:** Nurtures leads with campaigns, onboards new users, upsells customers, and re-engages customers by sending targeted email, in-app, and push messages.
- **Intelligent routing and workflows to efficiently assign resources:** Intelligently allocates and assigns resources by routing incoming requests based on agents' workload, and query type. Offers connected workflows with external messaging apps, such as WhatsApp, Facebook Messenger, or Apple Business Chat, to allow customers to have richer experiences and complete requests faster.
- **Powerful agent interface to maximize agent productivity:** Leverages a single agent interface to view, manage, and prioritize all incoming messages from a common inbox. Reply to conversations, assign them to teammates, resolve them, or convert them to tickets— individually and in bulk. Resolve inquiries faster with response templates and collaborate internally using private notes.

Freshdesk Contact Center

Key capabilities include:

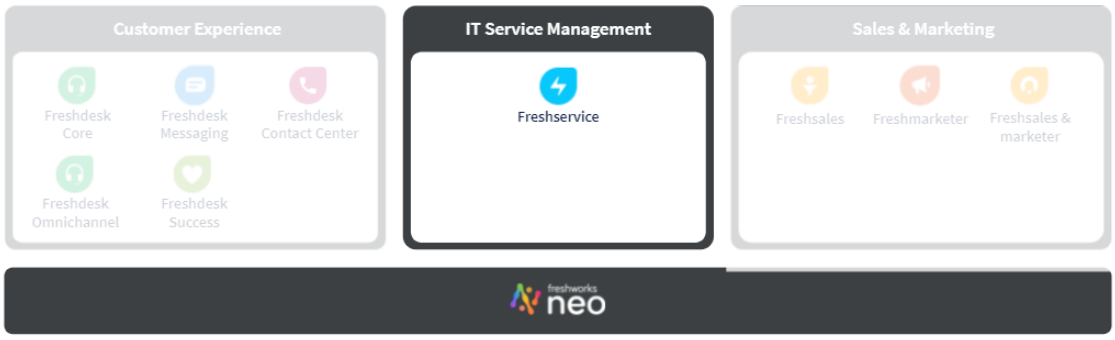
- **Number management to localize telephony:** Facilitates the purchase of local and toll-free numbers from over 90 countries across the world. Alternatively, businesses can port their existing phone numbers or bring their existing carrier's phone numbers into Freshdesk Contact Center.
- **Inbound call routing to efficiently handle inbound requests:** Directs the incoming calls to the teams or departments best suited to handle the requests through advanced routing capabilities, including setting up an IVR, routing calls to voicemail, and deflecting calls with AI-powered voice bots.
- **Agent productivity tools to boost performance:** Uses a wide range of features that increase agent productivity and enhance team collaboration, including call notes, call tags, and desktop notifications.
- **Call management for superior customer experience:** Provides agent-friendly features such as call transfers, conference calls, and automatic voicemail routing options, while supporting managers with call recordings to improve experience and resolve customer conflicts.
- **Live dashboard and reports to monitor call center health:** Easily monitor service-level agreement targets and provides real-time updates on the call center health through metrics like average talk time,

handle time, total missed calls, abandoned calls, among other measures, with customizable reporting and analytics providing additional insights.

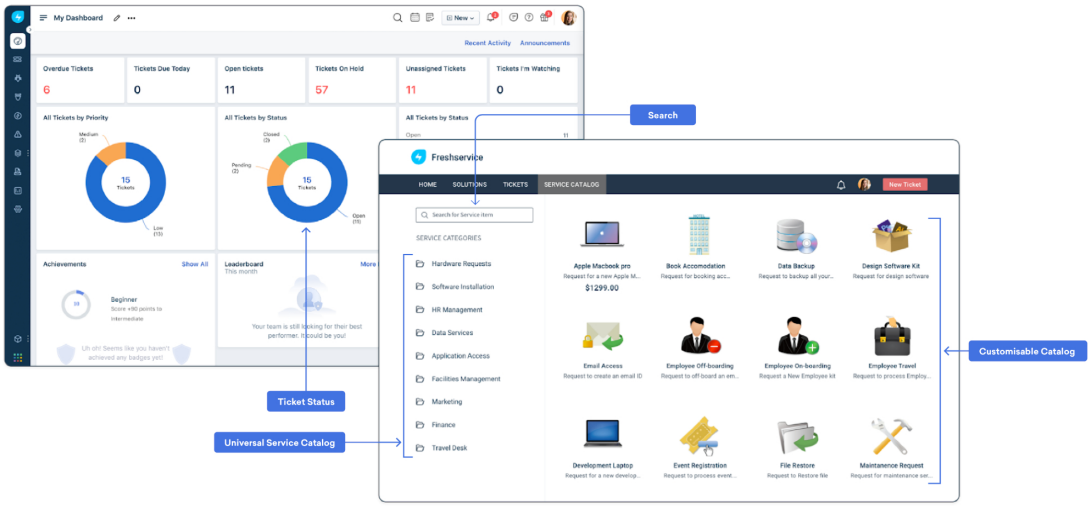
Freshdesk Omnichannel

Freshdesk Omnichannel, an integrated suite of Freshdesk Core, Freshdesk Messaging, and Freshdesk Contact Center solutions, delivers a single, unified customer experience that moves with the customer across multiple support channels. Customer experience agents that use Freshdesk Omnichannel are able to engage and track customers across digital and traditional channels to provide a superior customer experience to delight customers.

IT Service Management



The main product of our ITSM offering is Freshservice, which helps IT organizations ensure the allocation and availability of technology throughout the company. Freshservice capabilities increase employee productivity and job satisfaction so that each employee can best contribute to desired business outcomes.



Freshservice

Freshservice enables IT teams to manage the delivery of IT services to the organization and delight their employees - all with an intuitive consumer-grade user experience employees now expect. Increasingly, departments across the business are using Freshservice for service management workflows outside of IT, enabling non-IT departments to leverage capabilities like service request catalogs, workflow automation and orchestration, and reporting to deliver services and improve employee satisfaction.

Freshservice gives businesses:

ITSM capabilities

- **Multi-channel approach to service desk:** Empowers employees to interact with the IT service desk and service desks of other departments using their channel of choice, including Microsoft Teams, Slack, Email, and a web/mobile Self-Service Portal.
- **Service management for streamlined services:** Enables organizations to align with ITSM and IT infrastructure library (ITIL) best practices for incident management, problem management, change management, release management, service request management, service asset & configuration management and knowledge management.
- **Powerful dashboards and reports for greater insights:** Generates insights and improves service delivery with powerful predefined and custom dashboard and reporting.
- **Change management for governance and greater control:** Visually tracks changes to critical systems and services through their lifecycle, minimizing redundancy and manual efforts by automating change approvals and notifications, and reducing disruptions by planning maintenance more efficiently with predictive maintenance and blackout windows.
- **Asset management for efficient utilization of assets:** Gain visibility into IT assets of an organization, manage the inventory, fulfillment, and allocation of assets to employees to improve asset utilization and optimize costs. Additionally, provides IT with a system of record for IT infrastructure that enables IT to efficiently align to ITSM processes like incident and change management.
- **Integrated project management for collaboration and efficiency:** Enables different teams across an organization to collaborate on projects with powerful project management capabilities, including support for different frameworks, such as Agile and Waterfall, holistic and modern views of a project, and affording a consolidated view of projects across teams with project analytics.
- **Quick onboarding to accelerate employee readiness:** Enables internal teams to provide quality and consistent employee support, and empower agents to resolve tickets faster.
- **Extend beyond IT with service management for the Enterprise:** Helps non-IT organizations like HR, Legal, Facilities to provide best in class support and services with powerful service catalog, to their employees, track customer satisfaction and enhance service delivery.

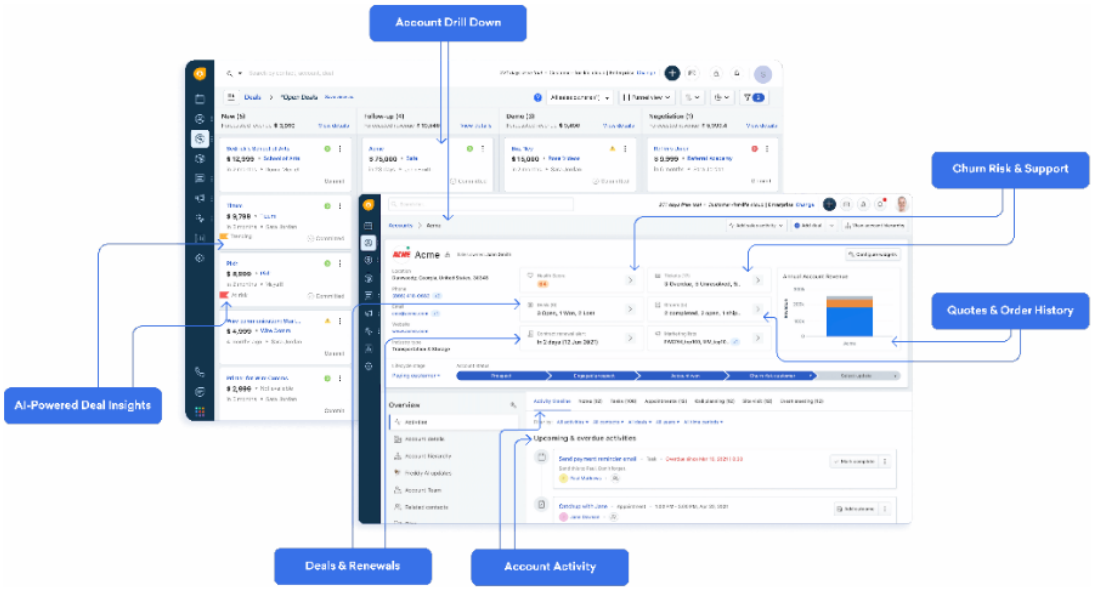
Additional capabilities

- **IT Orchestration to enhance user productivity and drive quicker resolution:** Intelligently resolves employee service requests and operational incidents with orchestration across IT/other workflows for faster resolution of both employee requests and business impacting disruptions to IT services.
- **Unified incident management for holistic handling of incidents:** Enables IT teams to proactively discover critical infrastructure alerts, plan better for major incident handling, prevent outages, reduce downtime, and consistently meet service-level agreements.

- **Integrated alert management for timely resolution of service-impacting incidents:** Enables IT alert management to unify alerts from different monitoring tools in a single place, then consolidate, triage, and remediate, allowing IT to deliver reliable and performant IT infrastructure and services.
- **Chatbots to handle employee requests:** Gives employees the option to use self-service with chatbots that automate responses to frequently asked questions and leverages orchestration to rapidly resolve employee service requests.

Sales & Marketing

The products for our Sales & Marketing offering are Freshsales, which businesses use for sales force automation, and Freshmarketer, which businesses use for marketing automation. We also offer Freshsales & marketer that includes the best of sales force and marketing automation with a unified customer record so businesses can better market and sell to each customer.



Freshsales

Key capabilities

- **Powerful sales automation for increased seller productivity:** Provides a multi-tiered approach to automating activities and sales processes, including emails, telephony, appointment setting, tasks, notes, etc. all in a salesperson's personalized activity dashboard.
- **AI-driven pipeline management to accelerate the sales cycle:** Predicts deals performance, forecast revenue, and makes smarter decisions to move deals more rapidly through the sales cycle.
- **Native CPQ to quickly create quotes:** Empowers sales teams to rapidly create accurate quotes and keep deals in sync by managing product catalogs in multiple currencies, personalizing quotes, and sharing documents directly with customers.
- **Reports and out-of-the-box dashboards for greater insights:** Provides real-time insights within the same application experience and are easily personalized by sales reps and managers, including the ability to create and share custom reports and metrics.

Freshmarketer

Key capabilities

- **Campaigns for stronger lead conversions:** Delivers personalized, creative campaigns that communicate and connect with target audiences to drive lead conversions.
- **Marketing journeys to customize experience by target audience:** Builds and automates customized, omni-channel journeys for different audience segments while driving acquisition, nurturing, or retention initiatives.
- **Conversion optimization for increased website performance:** Runs optimization experiments and increases website conversions with heat maps, session replay, and A/B and split testing.
- **Lead generation bots for proactive engagement:** Automates personalized chat messages to collect visitor information and provide relevant and valuable content.
- **Behavioral segmentation for better targeting:** Targets the right audiences, deliver consistent experiences, and improve conversion opportunities.

Freshsales & marketer

Freshsales & marketer, an integrated suite of Freshsales and Freshmarketer solutions, delivers a single, unified sales & marketing solution that allows businesses to engage and track customers across their buying journey. Freshsales & marketer includes a unified customer record for better engagement across each customer touchpoint.

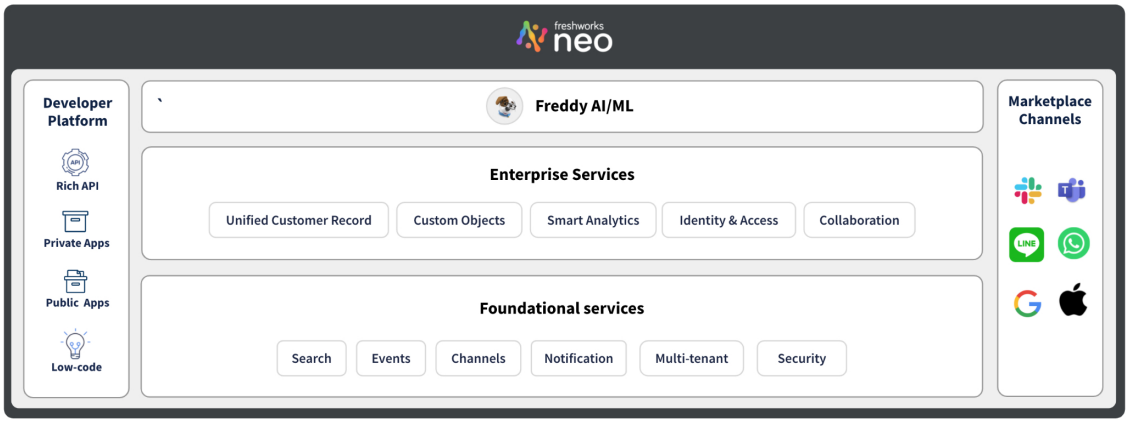
Additional products

Freshteam is our HR Management solution that allows businesses to manage the entire employee lifecycle, including recruiting, employee onboarding, and other HR workflows.

We also periodically experiment with offering free tools which, if they gain traction, will get integrated into one of our main products. For example, we introduced Freshping, which gives businesses the capabilities to monitor their website's availability and get multichannel alerts if their website goes down, and Freshstatus, which allows businesses to create a custom branded website status page for internal or external viewing to communicate website uptime and availability.

Freshworks Neo

Freshworks Neo enables customers to extend and integrate Freshworks solutions to mold their business processes today, and adapt to business changes in the future. In addition, it provides a set of common, shared services to rapidly innovate and release new products.



Key components of our Neo platform include a developer platform, enterprise services, foundational services, and the Freshworks Marketplace:

Developer Platform

A flexible and scalable developer platform that enables businesses and developer partners to build feature-rich apps using product APIs, webhooks, SDKs and the Freshworks low code serverless application stack. The platform enables businesses to extend the Freshworks products to serve their specific needs and integrate easily into their existing applications and, in turn, daily workflows.

Enterprise Services

- **Unified customer record to improve context and insight:** Affords organizations a unified view of their customers for deeper insights and more contextual, personalized engagement.
- **Easy custom object creation:** Defines new data objects to augment and customize workflows to meet specific business needs.
- **Analytics to increase insight:** Provides insights from user touchpoints and make business-critical decisions across their customer lifecycle with curated out-of-the-box and custom reporting capabilities, freeform NLP queries for ad-hoc insights, and cross-product analytics for Freshdesk Omnichannel and Freshsales & marketer.
- **Collaboration capabilities to improve teamwork:** Simplifies working with teams across Freshworks products and third party collaboration applications with a context-driven, channel-agnostic, native collaboration experience to help businesses achieve the efficiency and accuracy they need.

Foundational Services

- **Events and notifications to synchronize and trigger actions across business systems:** Leverages real-time and customizable notifications in all Freshworks products to seamlessly and securely stream events from Freshworks products to third-party apps and AWS.
- **Security:** Provides enterprise-grade security and governance for user and data access, availability, and resiliency.

- **Customer conversation channels to broadly engage with customers:** Enables organizations to engage with their customers on multiple digital channels such as Whatsapp, Apple Business Chat, Line, etc.
- **Neo Admin Center for unified control of platform services:** Simplifies security and authentication across Freshworks products with unified administrative capabilities.

Marketplace

The marketplace includes private and public apps to integrate Freshworks products with their existing ecosystem. The ecosystem of apps and integrations easily extends, enhances, and customizes the capabilities of Freshworks products. Users of any Freshworks product can install from over 1,300 free and paid applications across a wide range of categories, including agent productivity, e-commerce, bots, Sales & Marketing, reporting and analytics.

Our Culture and Employees

As of May 3, 2021, we had approximately 4,000 employees in offices in India, the United States, Europe, and Australia. The majority of our workforce, approximately 3,500 employees, is based in India, where most of engineering, product design, sales and marketing, customer support, and general and administrative personnel are located. Our company headquarters are based in San Mateo, California, where most of our executives are located, and our other global offices are primarily focused on regional sales and marketing activities. We consider our relations with employees in each geography to be good, and we have not experienced any work stoppages.

Our culture is supported by the focus on the following four pillars of our Culture Code: Craftsmanship, Happy Work Environment, Agility with Accountability, and True Friend to the Customer. Together, these principles create the acronym CHAT, and guide our people and talent strategy. That is, at every employee touchpoint, from early recruitment all the way through the employee lifecycle, we focus on creating a culture that supports high-quality work, joy and pride in that work, speed to execution, and intense customer focus. The Freshworks Culture Code is not simply words on a page—rather it is both a statement of what we are today and what we aspire to be as we continue to grow.

Employee programs are also designed to reflect our Freshworks' Culture Code. Freshworks aspires to be one of the most loved companies in the world. Creating "moments of wow" for employees is a key part of our talent strategy. We focus on supporting our employees not only within their own teams and careers, but also in employee wellness, including a clear focus on physical and mental health.

Full-spectrum diversity, equity, and inclusion are key priorities for us. The Freshworks Inclusion Board oversees diversity, equity, and inclusion initiatives. Freshworks Women 360 is our employee resource group focused on career growth, mentorship, and professional development for women at Freshworks. Additionally, we have publicly joined Pledge for Equality, stating our commitment that 40% of the Freshworks global workforce will be women within the next two years. Women represented 32% of our global workforce as of March 31, 2021.

Employee and leadership development are critical pieces of our talent management strategy. We focus on enhancing the team experience by strengthening our managers' leadership capabilities. "Lead with Heart" is an intensive 3-day managers workshop where our managers focus on learning how to build highly engaged teams, balancing strategy and execution, driving change, and role modeling the Freshworks culture. We plan to continue investing in leadership capabilities and employee experiences as we believe that this is a key differentiator for our employer brand and for delivering exceptional business outcomes.

On our recent employee engagement survey, we scored more than 10 points better than industry benchmarks in critical areas. For instance, Confidence in Freshworks' Prospects scored at 88%, Pride in Freshworks 87%, and Recommend Freshworks as a Great Place to Work at 86%. Our focus on culture has also earned us external recognition. As of May 4, 2021, our Glassdoor rating was 4.4 out of 5 with a 97% approval rating for our Chief Executive Officer. We have also been recognized as #16 on the Forbes Top 100 Private Cloud Companies, Battery Ventures/Glassdoor list of top 25 private cloud companies to work for during the pandemic, and have received a JobsForHer DivHERsity Award for most innovative hiring practices to attract women into the workplace.

Sales and Marketing

The foundation of our go-to-market strategy is a highly efficient inbound motion driven by PLG, as well as paid campaigns and search engine optimized (SEO) content marketing and listings across peer review sites to drive organic traffic. Leads are ushered into a trial where they experience in-app cues and functionality that prompts conversion to paying customers. We layer in both an outbound sales and marketing motion, as well as a partner-led sales distribution strategy to increase success across the breadth of our market opportunity. We have continually increased investments in our sales and marketing efforts globally. Our sales teams are organized by customer size, targeting SMBs with a highly efficient, cost-effective sales organization based in Chennai, in region sales teams focused on our larger customers, and partner-selling teams supporting our partners in other geographies. As an international company since day one, we have focused on businesses around the world with our first six customers representing four continents. Our early global go-to-market strategy enabled us to establish a geographically diverse revenue and customer base with meaningful contributions across the Americas, Europe, and Asia Pacific and Japan. Our sales organization includes both inside and field sales, and we maintain a physical presence in the top markets around the world, with major sales offices in Denver, Berlin, and Chennai.

Our marketing efforts are primarily focused on generating high-quality leads and building our sales pipeline through a combination of growth marketing and brand acceleration programs across online and offline channels. Our digital and content marketing teams generate strong inbound demand through effective paid, social media, and SEO tactics that support website traffic growth and conversions. We also market our solutions through targeted online events and webinars, along with offline events across different regions, including trade shows, roadshows, and our own flagship global user conference, Refresh. Our events are designed to promote favorable word of mouth, discovery, and demand generation. Our customer marketing team specifically focuses on accelerating engagement, growth, and advocacy from our growing base of customers, while also driving engagement with our online community. Finally, our press and analyst relations efforts help generate additional awareness and validation to accelerate and support the customer buying cycle.

Technology

Freshworks products are cloud-native SaaS systems that are based on modern, proven technologies—Ruby on Rails, Java, and MySQL. Leveraging these and other open source technologies, our systems are built to operate as independent ‘pods’ of compute, storage, and database infrastructure. Our products are hosted in AWS regions in the US, EU, India, and Australia.

In addition to their ease of use and functionality, the key characteristics of Freshworks products are:

- **Scalability**: As multi-tenant systems, our products are engineered to scale with increased usage by businesses and an increasing number of customers. Our products are architected to be horizontally scalable across compute and database infrastructure. We leverage the open source Kubernetes system for automated scaling of our containerized applications. Our independent ‘pod’ architecture enables our products to be provisioned across geographically distributed data centers, for additional scalability and data localization.

- **Reliability**: Our products are engineered with reliability as a key consideration from design through all phases of development and operation. We run our SaaS service with the built-in redundancy of independent ‘pods’ across multiple data centers within an AWS region, to provide continuity of service in the face of infrastructure disruptions in individual data centers. Every new version of our software undergoes stringent functional, security, and regression testing, and is deployed through controlled processes to production. Following the infrastructure-as-code allows for repeatable and reliable infrastructure provisioning. Our products are monitored for performance and anomalies 24x7 by a Network Operations Center to provide for system availability and prevent abuse.

- **Security**: We are ISO 27001 certified and SOC 2 attested. Our security posture is maintained through our internal Omniguard framework of effective controls encompassing product development, application security, production access and data security. Customer data is encrypted both at rest and in transit. Our production network and systems are accessible only to authorized Freshworks personnel.

- **Efficiency**: Our multi-tenant architecture delivers economies of scale, ensuring improved utilization of cloud infrastructure as businesses and customer usage grows. Our cost governance process is geared to identify and implement infrastructure and production architecture optimizations, and effectively utilize the capabilities of our technology and cloud vendors.

Research and Development

Our engineering and product teams are customer-oriented and work alongside businesses to deliver high value, high-quality features and functionality across the numerous products we support, including customer-requested features that would be valuable across our customer base. We deliver these product features and capabilities through Freshwave, our adaptation of the agile software development methodology, balancing development velocity, roadmap predictability and product quality. Our internal 'Idea-To-Product' process for rapid solutioning of product requirements is a key enabler of innovation and collaborative development. The choice of expressive and powerful development frameworks and languages in our technology stack enables us to innovate at scale across multiple products.

We have a research and development presence in both the United States and India, which we believe is a strategic advantage for us, allowing us to efficiently invest more in increasing our product capabilities.

Competition

The markets in which we operate are highly competitive. A significant number of companies have developed or are developing products and services that currently, or in the future may, compete with some or all of our offerings. Many of these services do not offer complete solutions—often they provide a feature comparable to a component of our platform (e.g., only customer experience management, only IT service management, only Sales & Marketing). Within CX, we primarily face competition from CX suites, such as Salesforce, Zendesk, and Zoho, legacy vendors, such as Oracle and SAP, and pure-play vendors. Within ITSM, we primarily face competition from traditional vendors, such as ServiceNow, BMC, Ivanti/Cherwell, and modern pure-play vendors, such as Atlassian. Within Sales & Marketing, we primarily face competition from full-featured vendors, such as Salesforce, HubSpot, and Microsoft Dynamics, legacy vendors, such as Oracle, SAP, and Sage, and pure-play vendors.

We believe we compete favorably based on the following competitive factors:

- designed for the user;
- lesser time to realize value of investment;
- unified experience;
- modern, end-to-end, and extensible platform;
- designed for businesses of all sizes;
- intelligent, automation-first and AI/ML-powered solutions;
- product-led go-to-market motion;
- fast to go-live;
- easy and intuitive; and
- affordable pricing.

Governmental Regulations

Our business is and will continue to be subject to extensive U.S. federal and state and foreign laws and regulations, including laws and regulations involving privacy, data protection, security, intellectual property, competition, taxation, anti-corruption, anti-bribery, anti-money laundering, and other similar laws. Many of these

laws and regulations are still evolving and are likely to remain uncertain for the foreseeable future, and these laws and regulations can vary significantly from jurisdiction to jurisdiction. The costs of complying with these laws and regulations are high and likely to increase in the future. Further, the impact of these laws and regulations may disproportionately affect our business in comparison to our competitors that have greater resources.

In the United States, we are subject to data security and privacy rules and regulations promulgated under the authority of the Federal Trade Commission, the Electronic Communications Privacy Act, the Computer Fraud and Abuse Act, the California Consumer Privacy Act of 2018 (CCPA), the California Privacy Rights Act (together with the CCPA, collectively, the California Privacy Regulations), and other state and federal laws relating to privacy and data security. The California Privacy Regulations require covered businesses to provide new disclosures to California residents and to provide them new ways to opt-out of the sale of personal information, and provide a private right of action and statutory damages for data breaches. Other jurisdictions in the United States are beginning to propose laws similar to the California Privacy Regulations.

As a result of our international operations, we must comply with a multitude of data security and privacy laws that may vary significantly from jurisdiction to jurisdiction. Virtually every jurisdiction in which we operate has established or is in the process of establishing data security and privacy legal frameworks with which we or our customers must comply. Our failure to comply with the laws of each jurisdiction may subject us to significant penalties. For example, the data protection landscape in Europe, including with respect to cross-border data transfers, is currently unstable and other countries outside of Europe have enacted or are considering enacting cross-border data transfer restrictions and laws requiring local data residency.

For a discussion of the various risks we face from regulation and compliance matters, see the sections titled “Risk Factors—Risks Related to Our Business” and “Risk Factors—Risks Related to International Operations.”

Intellectual Property

Intellectual property is an important component of our business. We rely on a combination of patents, trademarks, copyrights, trade secrets as well as contractual provisions and restrictions to establish and protect our proprietary rights.

As of March 31, 2021, we had seven issued U.S. patents that expire between 2037 and 2038, and six pending patent applications. While we believe our patents and patent applications in the aggregate are important to our competitive position, no single patent or patent application is material to us as a whole. We intend to pursue additional patent protection to the extent we believe it would be beneficial and cost effective. We have registered trademark rights in “Freshworks,” our logos and multiple product names in the United States and targeted foreign jurisdictions. We also have registered domain names for websites that we use in our business, such as freshworks.com and similar variations.

In addition to the protection offered by our intellectual property rights, it is our practice to enter into confidentiality and invention assignment agreements (or similar agreements) with our employees, consultants and contractors involved in the development of intellectual property on our behalf. We also enter into confidentiality agreements with other third parties in order to limit access to, and disclosure and use of, our confidential information and proprietary information. Our intellectual property rights, however, may be challenged, invalidated, circumvented, infringed, or misappropriated and the laws of certain countries do not protect proprietary rights to the same extent as the laws of the United States. Moreover, our products incorporate software components licensed to the general public under open source software licenses. We obtain many components from software developed and released by contributors to independent open source components of our platform. Open source licenses grant licensees broad permissions to use, copy, modify, and redistribute our platform. As a result, open source development and licensing practices can limit the value of our software copyright assets. We intend to pursue additional intellectual property protection to the extent we believe it would be beneficial and cost effective.

Legal Proceedings

From time to time, we are involved in various legal proceedings arising from the normal course of business activities. Except as otherwise set forth below, there are no pending or threatened legal proceedings to which we are

a party that, in our opinion, is likely to have a material adverse effect on our future financial results of operations; however, the results of litigation and claims are inherently unpredictable. 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.

On March 17, 2020, Zoho Corporation Pvt. Ltd. filed a lawsuit against us in the United States Court for the Northern District of California, alleging improper access of Zoho's internal customer relationship management database. The complaint, as amended, seeks injunctive relief, damages in an unspecified amount with interest, and attorneys' fees and costs. We reject the claims raised by Zoho and intend to vigorously defend the claims made against us. Based on our review of the latest information available, management does not expect the impact of pending legal proceedings and claims, either individually or in the aggregate, to have a material adverse effect on our results of operations, cash flows or financial position.

Defending any such proceedings, however, is costly and can impose a significant burden on management and employees. 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 due to defense and settlement costs, diversion of management resources and other factors.

Our Facilities

Our headquarters office is located in San Mateo, California, where we lease more than 20,000 square feet pursuant to a lease that expires in July 2026. We also maintain additional offices in the United States and internationally, including Denver, Seattle, our principal engineering facility in Chennai, India and other offices in Paris, France; Berlin, Germany; Utrecht, The Netherlands; Hyderabad, India; and Sydney and Melbourne, Australia. These offices are leased, and we do not own any real property. We may continue to open up satellite offices in strategic locations to gain access to new talent markets and to facilitate businesses operations. We believe that the facilities we occupy are suitable to meet our current needs.

MANAGEMENT

Executive Officers and Directors

The following table sets forth information for our executive officers and directors as of May 7, 2021:

Name	Age	Position
Executive Officers		
Rathna Girish Mathrubootham	46	Chief Executive Officer and Chairman
Tyler Sloat	48	Chief Financial Officer
Stacey Epstein	52	Chief Marketing Officer
Jose Morales	52	Chief Revenue Officer
Srinivasagopalan Ramamurthy	54	Chief Product Officer
Non-Employee Directors		
Roxanne S. Austin	60	Lead Independent Director
Mohit Bhatnagar	51	Director
Johanna Flower	46	Director
Eugene Frantz	54	Director
Sameer Gandhi	55	Director
Randy Gottfried	55	Director
Barry Padgett	50	Director

(1) Member of the audit committee.
(2) Member of the compensation committee.
(3) Member of the nominating and corporate governance committee.

Executive Officers

Rathna Girish Mathrubootham. Mr. Mathrubootham is a co-founder of our company and has served as our Chief Executive Officer since October 2010, as a member of our board of directors since August 2010 and as Chairman since May 2021. From August 2001 to October 2010, Mr. Mathrubootham served in various leadership positions with Zoho Corporation, a software development and cloud computing company. Mr. Mathrubootham holds a B.E. in Electrical and Electronics from Shanmugha Arts, Science, Technology and Research Academy, and an M.B.A. from the University of Madras.

We believe that Mr. Mathrubootham is qualified to serve as a member of our board of directors due to the perspective and experience he brings as our Chief Executive Officer and a co-founder and due to his extensive experience with technology companies.

Tyler Sloat. Mr. Sloat has served as our Chief Financial Officer since April 2020. From September 2010 to April 2020, Mr. Sloat served as Chief Financial Officer of Zuora, Inc., a subscription service management software company, where he was responsible for all finance related aspects of the business. In June 2007 Mr. Sloat was hired to serve as Vice President of Obopay, Inc., a mobile payments technology company, and during his tenure Mr. Sloat was promoted to Chief Financial Officer, a position he remained in until he transitioned to Zuora, Inc. in September 2010. Mr. Sloat holds a B.A. in Economics from Boston College and an M.B.A. from Stanford University Graduate School of Business.

Stacey Epstein. Ms. Epstein has served as our Chief Marketing Officer since March 2021. From August 2019 to February 2021, Ms. Epstein served as Chief Marketing and Customer Experience Officer of ServiceMax, Inc., a field service management company. From February 2019 to August 2019, Ms. Epstein served as President of the Zinc Division of ServiceMax. From February 2016 to February 2019, Ms. Epstein served as Chief Executive Officer of Zinc, Inc., a field service messaging company, which was acquired by ServiceMax in February 2019. From June 2009 to November 2015, Ms. Epstein served as Chief Marketing Officer at ServiceMax. From May 2005 to June

2009, Ms. Epstein served as Global Vice President of Marketing at SuccessFactors, a human resources management company, which was acquired by SAP in December 2011. Ms. Epstein holds a B.A. in English from Emory University.

Jose Morales. Mr. Morales has served as our Chief Revenue Officer since October 2020. From December 2012 to October 2020, Mr. Morales served as Head of Global Field Operations for Atlassian Corporation PLC, a software development tools company, where he built Atlassian's field operations organization which included direct sales, partner programs, services and other key go-to-market functions. Mr. Morales holds a B.A. in Mechanical Engineering from Loyola Marymount University and an M.B.A. from Thunderbird School of Management.

Srinivasagopalan Ramamurthy. Mr. Ramamurthy has served as our Chief Product Officer since October 2019. Since February 2019, Mr. Ramamurthy has also served as an outside advisor on strategic business decisions for States Title, Inc., a technology company focused on simplifying the title and escrow process. Since July 2019, Mr. Ramamurthy has also served as Operating Partner of Trinity Ventures, a venture capital firm, where he focuses on investments in early stage technology companies. From October 2013 to December 2018, Mr. Ramamurthy served as Senior Vice President of Product Development and GM, Systems Management and Security Products for Oracle Cloud at Oracle Corporation, a database software and technology company, where he oversaw product development, product management and strategy. Mr. Ramamurthy holds a B.E. in Computer Science from the College of Engineering, Guindy and a M.S. in Computer Engineering from Boston University.

Non-Employee Directors

Roxanne S. Austin. Ms. Austin has served as a member of our board of directors since May 2021. Since December 2004 she has served as the President and Chief Executive Officer of Austin Investment Advisors, a private investment and consulting firm. Since 2016, she has chaired the U.S. Mid-Market Investment Advisors Committee of EQT Partners, an investment organization. From 2002 to 2020, she served on the board of directors of Target Corporation. From 2008 to 2010, she served as the President and Chief Executive Officer of Move Networks, Inc., a provider of internet and television services. From 2000 to 2004, she served as the President and Chief Executive Officer of DIRECTV, Inc., a provider of internet and television services. From 1997 to 2000, she served as the Executive Vice President and Chief Financial Officer of Hughes Electronics Corporation, an electronics company. From 1983 to 1993, she served as a partner or employee of Deloitte & Touche LLP, a consulting firm. Ms. Austin currently serves on the boards of directors of several public companies including Verizon Communications, Inc., CrowdStrike Holdings, Inc., Abbott Laboratories Inc., and AbbVie, Inc. Ms. Austin holds a B.B.A. in Accounting and Business Administration from the University of Texas at San Antonio.

We believe Ms. Austin is qualified to serve as a member of our board because of her extensive experience serving on the boards of directors of public companies.

Mohit Bhatnagar. Mr. Bhatnagar has served on our board of directors since July 2018. Since April 2006, Mr. Bhatnagar has served as Managing Director of Sequoia Capital, a venture capital firm. Mr. Bhatnagar also serves on the boards of directors of several other privately-held companies. Mr. Bhatnagar holds a B.E. in Electrical Electronics Engineering from Thadomal Shahani Engineering College, a M.S.E.E. in Wireless Communications from Virginia Tech, and an M.B.A. from UNC Kenan-Flagler Business School.

We believe Mr. Bhatnagar is qualified to serve as a member of our board of directors because of his experience as a director of privately-held technology companies and his knowledge of the technology industry.

Johanna Flower. Ms. Flower has served on our board of directors since February 2020. From November 2014 to August 2020, Ms. Flower served as Chief Marketing Officer of CrowdStrike Holdings, Inc., a cybersecurity technology company. Ms. Flower currently serves on the board of directors of Theta Lake, Inc., a cybersecurity software company. Ms. Flower holds a B.A. in Business Administration from Brighton University, United Kingdom.

We believe Ms. Flower is qualified to serve as a member of our board of directors because of her significant management and leadership experience in the technology industry.

Eugene Frantz. Mr. Frantz has served on our board of directors since April 2015. Since May 2013, Mr. Frantz has served as General Partner at CapitalG, a late-stage growth venture capital fund financed by Alphabet Inc. Mr. Frantz currently serves on the boards of directors of several privately-held companies. Mr. Frantz holds a B.S. from the University of California, Berkeley and an M.B.A. from Stanford University Graduate School of Business.

We believe Mr. Frantz is qualified to serve as a member of our board of directors because of his experience in venture capital and his experience as a director of privately-held technology companies.

Sameer Gandhi. Mr. Gandhi has served on our board of directors since December 2019. Since June 2008, Mr. Gandhi has served as a partner of Accel, a venture capital firm, where he focuses on consumer, software and services companies. Mr. Gandhi currently serves on the board of directors of CrowdStrike, and also serves on the boards of directors of several privately-held companies. Mr. Gandhi holds a B.S. and an M.S. in Electrical Engineering and an M.S. in Computer Science from the Massachusetts Institute of Technology and an M.B.A. from the Stanford Graduate School of Business.

We believe Mr. Gandhi is qualified to serve as a member of our board of directors because of his extensive investment and business expertise in the technology industry.

Randy Gottfried. Mr. Gottfried has served on our board of directors since October 2019. From January 2015 to April 2017, Mr. Gottfried served as Chief Financial Officer of AppDynamics, Inc., an application performance management and IT operations analytics company. Since January 2019, Mr. Gottfried has served on the board of directors of Sumo Logic, Inc., a cloud-based machine data analytics company. Mr. Gottfried holds a B.B.A in Accounting from the University of Michigan and an M.B.A. in Strategy and Marketing from Northwestern University, Kellogg School of Management.

We believe Mr. Gottfried is qualified to serve as a member of our board of directors because of his experience serving on the board of directors of public companies and his knowledge of the industry.

Barry Padgett. Mr. Padgett has served on our board of directors since February 2020. He currently serves as Chief Operating Officer for Amperity, Inc., an enterprise customer data platform. From April 2019 to April 2020, Mr. Padgett served as Chief Revenue Officer for Stripe, Inc., a financial services and software-as-a-service company. From January 2016 to March 2019, Mr. Padgett served as President of SAP, a software and information technology services company. Mr. Padgett currently serves on the board of directors of Duetto Research Inc. Mr. Padgett holds a B.S. in Applied Mathematics from Union College, an M.B.A. from the University of New South Wales and an M.S. in Software Engineering from the University of Oxford.

We believe Mr. Padgett is qualified to serve as a member of our board because of his significant leadership experience in the industry.

Composition of Our Board of Directors

Our business and affairs are managed under the direction of our board of directors. We currently have eight directors. Our current directors will continue to serve as directors until their resignation, removal or successor is duly elected.

Certain members of our board of directors were elected pursuant to the provisions of an amended and restated voting agreement. Under the terms of this voting agreement, the stockholders who are party to the voting agreement have agreed to vote their respective shares so as to elect: (1) two directors nominated by the holders of a majority of the then-outstanding shares of common stock held by stockholders who are party to this voting agreement, currently Rathna Girish Mathrubootham and one vacancy, (2) one director nominated by Accel India III (Mauritius) Ltd. and its affiliates, currently Sameer Gandhi, (3) one director nominated by CapitalG 2014 LP and its affiliates, currently Eugene Frantz, (4) one director nominated by Sequoia Capital Global Growth Fund III – Endurance Partners, L.P. and its affiliates, currently Mohit Bhatnagar, and (5) two directors approved unanimously by the other members of our board of directors, currently Randy Gottfried and Barry Padgett. The voting agreement will terminate upon the

closing of this offering, following which none of our stockholders will have any special rights regarding the election or designation of members of our board of directors.

Our board of directors may establish the authorized number of directors from time to time by resolution. In accordance with our amended and restated certificate of incorporation that will be in effect upon the completion of this offering, 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 and , and their terms will expire at our first annual meeting of stockholders following this offering;
- the Class II directors will be and , and their terms will expire at our second annual meeting of stockholders following this offering; and
- the Class III directors will be and , and their terms will expire at our third annual meeting of stockholders following this offering.

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.

Director Independence

Our board of directors has undertaken a review of the independence of each director. Based on information provided by each director concerning his or her background, employment and affiliations, our board of directors has determined that each of and do not have relationships that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under the listing standards of . In making these determinations, our board of directors considered the current and prior relationships that each non-employee 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 shares held by each non-employee director and the transactions described in the section titled "Certain Relationships and Related Party Transactions."

Lead Independent Director

Effective as of the date the registration statement of which this prospectus forms a part is declared effective by the SEC, our corporate governance guidelines will provide that if the chairperson of the board of directors is not an independent director, our independent directors will designate one of the independent directors to serve as lead independent director, currently Ms. Austin, and if the chairperson of the board of directors is an independent director, our board of directors may determine whether it is appropriate to appoint a lead independent director. The corporate governance guidelines will provide that if our board of directors elects a lead independent director, such lead independent director will preside over meetings of our independent directors, coordinate activities of the independent directors, oversee, with our nominating and corporate governance committee, the self-evaluation of our board of directors, including committees of our board of directors, and preside over any portions of meetings of our board of directors at which the performance of our board of directors is presented or discussed, be available for consultation and director communication with stockholders as deemed appropriate, and perform such additional duties as our board of directors may otherwise determine and delegate.

Committees of Our Board of Directors

Our board of directors has established an audit committee, a compensation committee and a nominating and corporate governance committee. The composition and responsibilities of each of the committees of our board of directors are described below. Members serve on these committees until their resignation or until otherwise

determined by our board of directors. Our board of directors may establish other committees as it deems necessary or appropriate from time to time.

Audit Committee

Following this offering, our audit committee will consist of and . Our board of directors has determined that each member of the audit committee satisfies the independence requirements under the listing standards of and Rule 10A-3(b)(1) of the Securities Exchange Act of 1934, as amended (the Exchange Act). The chair of our audit committee will be . Our board of directors has determined that is an "audit committee financial expert" within the meaning of SEC regulations. Each member of our audit committee can read and understand fundamental financial statements in accordance with applicable requirements. In arriving at these determinations, our board of directors has examined each audit committee member's scope of experience and the nature of his employment.

The primary purpose of the audit committee is to discharge the responsibilities of our board of directors with respect to our corporate accounting and financial reporting processes, systems of internal control and financial statement audits, and to oversee our independent registered public accounting firm. Specific responsibilities of our audit committee include, among other things:

- helping our board of directors oversee our corporate accounting and financial reporting processes;
- managing the selection, engagement, qualifications, independence and performance of a qualified firm to serve as the independent registered public accounting firm to audit our financial statements;
- discussing the scope and results of the audit with the independent registered public accounting firm, and reviewing, with management and the independent accountants, our interim and year-end operating results;
- developing procedures for employees to submit concerns anonymously about questionable accounting or audit matters;
- reviewing related person transactions;
- obtaining and reviewing a report by the independent registered public accounting firm at least annually that describes our internal quality control procedures, any material issues with such procedures and any steps taken to deal with such issues when required by applicable law; and
- approving or, as permitted, pre-approving, all audit and all permissible non-audit services to be performed by the independent registered public accounting firm.

Our audit committee will operate under a written charter, to be effective prior to the completion of this offering, that satisfies the applicable listing standards of .

Compensation Committee

Following this offering, our compensation committee will consist of and . The chair of our compensation committee will be . Our board of directors has determined that each member of the compensation committee is independent under the listing standards of , and a "non-employee director" as defined in Rule 16b-3 promulgated under the Exchange Act.

The primary purpose of our compensation committee is to discharge the responsibilities of our board of directors in overseeing our compensation policies, plans and programs and to review and determine the compensation to be paid to our executive officers, directors and other senior management, as appropriate. Specific responsibilities of our compensation committee include, among other things:

- reviewing and recommending to our board of directors the compensation of our chief executive officer and other executive officers;
- reviewing and recommending to our board of directors the compensation of our directors;

- administering our equity incentive plans and other benefit programs;
- reviewing, adopting, amending and terminating incentive compensation and equity plans, severance agreements, profit sharing plans, bonus plans, change-of-control protections and any other compensatory arrangements for our executive officers and other senior management; and
- reviewing and establishing general policies relating to compensation and benefits of our employees, including our overall compensation philosophy.

Our compensation committee will operate under a written charter, to be effective prior to the completion of this offering, that satisfies the applicable listing standards of .

Nominating and Corporate Governance Committee

Following this offering, our nominating and corporate governance committee will consist of and . The chair of our nominating and corporate governance committee will be . Our board of directors has determined that each member of the nominating and corporate governance committee is independent under the listing standards of .

Specific responsibilities of our nominating and corporate governance committee include, among other things:

- identifying and evaluating candidates, including the nomination of incumbent directors for reelection and nominees recommended by stockholders, to serve on our board of directors;
- considering and making recommendations to our board of directors regarding the composition and chairmanship of the committees of our board of directors;
- developing and making recommendations to our board of directors regarding corporate governance guidelines and related matters; and
- overseeing periodic evaluations of the board of directors' performance, including committees of the board of directors.

Our nominating and corporate governance committee will operate under a written charter, to be effective prior to the completion of this offering, that satisfies the applicable listing standards of .

Code of Business Conduct and Ethics

We have adopted a 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. Upon the completion of this offering, our code of business conduct and ethics will be available under the Corporate Governance section of our website at freshworks.com. In addition, we intend to post on our website all disclosures that are required by law or the listing standards of concerning any amendments to, or waivers from, any provision of the code. The reference to our website address does not constitute incorporation by reference of the information contained at or available through our website, and you should not consider it to be a part of this prospectus.

Compensation Committee Interlocks and Insider Participation

None of the members of the compensation committee is currently or has been at any time one of our officers or employees. None of our executive officers currently serves, or has served during the last year, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our board of directors or compensation committee.

Director Compensation

During the fiscal year ended December 31, 2020, we did not pay cash compensation to any of our non-employee directors for service on our board of directors. We have reimbursed and will continue to reimburse all of

our non-employee directors for their reasonable out-of-pocket expenses incurred in attending board of directors and committee meetings.

The following table sets forth information regarding the compensation earned or paid to our directors during the fiscal year ended December 31, 2020, other than Rathna Girish Mathrubootham, our Chief Executive Officer, who is also a member of our board of directors but did not receive any additional compensation for service as a director. The compensation of Mr. Mathrubootham as a named executive officer is set forth in the section titled "Executive Compensation—Summary Compensation Table."

Name	Fees Earned or Paid in Cash	Stock Awards[1]	Total
Mohit Bhatnagar	$ —	$ —	$ —
Lee Fixel[2]	—	—	—
Johanna Flower[3]	—	2,657,250	2,657,250
Eugene Frantz	—	—	—
Sameer Gandhi	—	—	—
Randy Gottfried	—	—	—
Shanmugam Krishnasamy[4]	224,778	1,519,800	1,744,578
Barry Padgett[5]	—	2,657,250	2,657,250

(1) The amounts disclosed represent the aggregate grant date fair value of the restricted stock units granted under our 2011 Plan to our non-employee directors during the 2020 fiscal year, computed in accordance with ASC Topic 718. The assumptions used in calculating the grant date fair value of the restricted stock units are set forth in the notes to our audited consolidated financial statements included elsewhere in this prospectus. This amount does not reflect the actual economic value that may be realized by the non-employee directors.

(2) Mr. Fixel resigned from our board of directors as of February 2020.

(3) As of December 31, 2020, Ms. Flower held a restricted stock unit award for 37,500 shares of common stock granted during the fiscal year ended December 31, 2020. 1/48th of the shares subject to the restricted stock unit will vest in equal monthly installments over 48 months following March 2, 2020, subject to Ms. Flower's continued service with us as of each such date and the occurrence of either (1) an IPO or (2) a Sale Event (each as defined in the 2011 Plan), in each case, within 10 years following the grant date.

(4) Mr. Krishnasamy resigned from our board of directors as of July 2020. Compensation consists of (a) $224,778 in salary during the fiscal year ended December 31, 2020 for his role as our Chief Technology Officer and (b) and a restricted stock unit award for 20,000 shares of common stock granted during the fiscal year ended December 31, 2020. 1/4th of the shares subject to the restricted stock unit vest on the first anniversary of the vesting commencement date, and 1/8th of the remaining shares will vest in equal installments every six months thereafter over 36 months, subject to Mr. Krishnasamy's continued service with us as of each such date and the occurrence of either (1) an IPO or (2) a Sale Event (each as defined in the 2011 Plan), in each case, within 10 years following the grant date.

(5) As of December 31, 2020, Mr. Padgett held a restricted stock unit award for 37,500 shares of common stock granted during the fiscal year ended December 31, 2020. 1/48th of the shares subject to the restricted stock unit will vest in equal monthly installments over 48 months following February 28, 2020, subject to Mr. Padgett's continued service with us as of each such date and the occurrence of either (1) an IPO or (2) a Sale Event (each as defined in the 2011 Plan), in each case, within ten years following the grant date.

In May 2021, our board of directors granted Ms. Austin a restricted stock unit award for 55,000 shares of our common stock, with a vesting commencement date of May 8, 2021. 1/48th of the shares subject to the restricted stock unit will vest in equal monthly installments over 48 months following the vesting commencement date, subject to Ms. Austin's continued service with us as of each such date and the occurrence of either (1) an IPO or (2) a Sale Event (each as defined in the 2011 Plan), in each case, within 10 years following the grant date.

EXECUTIVE COMPENSATION

Our named executive officers for the fiscal year ended December 31, 2020, consisting of our principal executive officer and the next two most highly compensated executive officers, were:

- Rathna Girish Mathrubootham, our Chief Executive Officer;
- Tyler Sloat, our Chief Financial Officer; and
- Jose Morales, our Chief Revenue Officer.

Summary Compensation Table

The following table shows information regarding compensation awarded to our named executive officers for services performed during the fiscal year ended December 31, 2020.

Name and Principal Position	Year	Salary(1)	Stock Awards(2)	Non-Equity Incentive Plan Compensation(3)	Total
Rathna Girish Mathrubootham, *Chief Executive Officer*	2020	$ 331,504	$ 10,258,650	$ 156,274	$ 10,746,428
Tyler Sloat, *Chief Financial Officer*	2020	278,235	14,082,750	108,082	14,469,067
Jose Morales, *Chief Revenue Officer*	2020	87,015	14,174,442	88,767	14,350,224

(1) The amounts disclosed represent the base salaries earned during 2020.
(2) The amounts disclosed represent the aggregate grant date fair value of the restricted stock units granted under our 2011 Plan to our named executed officers during the 2020 fiscal year, computed in accordance with ASC Topic 718. The assumptions used in calculating the grant date fair value of the restricted stock units are set forth in the notes to our audited consolidated financial statements included elsewhere in this prospectus. This amount does not reflect the actual economic value that may be realized by the named executive officers.
(3) The amounts disclosed represents amounts earned under our cash incentive bonus plan.

Annual Base Salary

The compensation of our named executive officers is generally determined and approved by the compensation committee of our board of directors. The base salaries of each of our named executive officers for the fiscal year ended December 31, 2020 are listed in the table below.

Name	Fiscal Year Ended December 31, 2020 Base Salary
Rathna Girish Mathrubootham(1)	$ 315,000.00
Tyler Sloat	415,000.00
Jose Morales	400,000.00

(1) From January 2020 through March 2020, Mr. Mathrubootham's base salary of $625,000. Mr. Mathrubootham's base salary was temporarily reduced for a portion of 2020 pursuant to our mutual agreement with Mr.Mathrubootham in light of the impact of COVID-19 on our business. During the period from April 2020 through June 2020, Mr. Mathrubootham's base salary was temporarily reduced to $54,080. Effective July 2020, Mr. Mathrubootham's base salary was permanently reduced to $315,000 pursuant to our mutual agreement to restructure Mr. Mathrubootham's compensation to include fixed and performance-based components.

Cash Incentive Plan

In addition to base salaries, our named executive officers are eligible to receive performance-based cash bonuses pursuant to our cash incentive plan, which is designed to provide appropriate incentives to our executives to achieve defined performance goals. Under our cash incentive bonus plan, our board or compensation committee establishes specified performance periods during which participants, including our named executive officers, are eligible to earn a performance-based cash bonus based on achievement of performance goals established by our

board or compensation committee. Historically, our board or compensation committee has established quarterly performance periods, including for 2020.

Equity-Based Incentive Awards

Prior to this offering, we have granted restricted stock units to each of our named executive officers pursuant to the 2011 Stock Plan, as amended (2011 Plan), the terms of which are described below under "—Employee Benefit and Stock Plans."

In May 2020, our board of directors granted Mr. Sloat a restricted stock unit award for 225,000 shares of our common stock. 1/4th of the shares subject to the restricted stock unit vest on the first anniversary of the vesting commencement date, and the remaining shares will vest in equal monthly installments thereafter over 36 months, subject to Mr. Sloat's continued service with us as of each such date and the occurrence of either (1) an IPO or (2) a Sale Event (each as defined in the 2011 Plan), in each case, within 10 years following the grant date.

In August 2020, our board of directors granted Mr. Mathrubootham a restricted stock unit award for 135,000 shares of our common stock. 1/4th of the shares subject to the restricted stock unit vest on the first anniversary of the vesting commencement date, and 1/8th of the remaining shares will vest in equal installments every six months thereafter over 36 months, subject to Mr. Mathrubootham's continued service with us as of each such date and the occurrence of either (1) an IPO or (2) a Sale Event (each as defined in the 2011 Plan), in each case, within 10 years following the grant date.

In November 2020, our board of directors granted Mr. Morales a restricted stock unit award for 150,376 shares of our common stock. 1/4th of the shares subject to the restricted stock unit vest on the first anniversary of the vesting commencement date, and 1/8th of the remaining shares will vest in equal installments every six months thereafter over 36 months, subject to Mr. Morales' continued service with us as of each such date and the occurrence of either (1) an IPO or (2) a Sale Event (each as defined in the 2011 Plan), in each case, within 10 years following the grant date.

Agreements with Our Named Executive Officers

We have entered into offer letter agreements setting forth the terms and conditions of employment for each of our named executive officers as described below. These agreements provide for at-will employment. In addition, each of our named executive officers has executed our standard form of confidential information and inventions assignment agreement. For a discussion of the severance pay and other benefits to be provided in connection with a termination of employment or a change in control under the arrangements with our named executive officers, see "—Potential Payments Upon Termination or Change in Control" below.

Rathna Girish Mathrubootham

We entered into an offer letter agreement with Rathna Girish Mathrubootham in July 2019, which was amended by an ongoing employment letter agreement that we entered into with Mr. Mathrubootham in June 2020. Mr. Mathrubootham's 2020 base salary was temporarily reduced for a portion of 2020 pursuant to our mutual agreement with Mr. Mathrubootham in light of the impact of COVID-19 on our business. During the period from April 2020 through June 2020, Mr. Mathrubootham's base salary was temporarily reduced to $54,080. Effective July 2020, Mr. Mathrubootham's base salary was permanently reduced to $315,000 pursuant to our mutual agreement to restructure Mr. Mathrubootham's compensation to include fixed and performance-based components. Mr. Mathrubootham current annual base salary is $315,000, and he is eligible for a performance-based bonus equal to $310,000.

Tyler Sloat

We entered into an offer letter agreement with Tyler Sloat in January 2020, which was amended by an ongoing employment letter agreement that we entered into with Mr. Sloat in June 2020. Mr. Sloat's current annual base salary is $415,000, and he is eligible for a discretionary performance bonus equal to $210,000.

Jose Morales

We entered into an offer letter agreement with Jose Morales in September 2020. Mr. Morales' current annual base salary is $400,000, and he is eligible for a discretionary performance bonus equal to $400,000.

Potential Payments upon Termination or Change in Control

Rathna Girish Mathrubootham

Pursuant to Mr. Mathrubootham's offer letter agreement, as amended, in the event that Mr. Mathrubootham's employment is terminated, other than during the period commencing three months prior to or ending 12 months following the effective date of a "change in control" (the change in control period), by us without "cause" or by Mr. Mathrubootham for "good reason" (each, as defined in Mr. Mathrubootham's offer letter agreement), and subject to his delivery to us of a general release of claims, he will be entitled to continued payment of his base salary for 12 months after his termination or resignation date, the cost of COBRA continuation coverage under our group health plans for up to 12 months following his termination or resignation date, an amount equal to a pro-rata portion of his target annual performance bonus for the year in which his termination or resignation date occurs, and accelerated vesting of all time-based requirements for equity awards granted to Mr. Mathrubootham as of his termination or resignation date as to the number of shares that would have vested during the six-month period following his termination or resignation date. In the event that Mr. Mathrubootham's employment is terminated by us without cause or by Mr. Mathrubootham for good reason, in either case, during the change in control period, and subject to his delivery to us of a general release of claims, Mr. Mathrubootham will be entitled to continued payment of his base salary for 18 months after his termination or resignation date, the cost of COBRA continuation coverage under our group health plans for up to 18 months following his termination or resignation date, an amount equal to 150% of his target annual performance bonus for the year in which his termination or resignation occurs, and accelerated vesting of all time-based requirements for equity awards granted to Mr. Mathrubootham as of his termination or resignation date. Mr. Mathrubootham's offer letter agreement also provides that if any benefits payable to him thereunder or otherwise would constitute "parachute payments" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended, or the Code, then such benefits will be reduced if such reduction will provide Mr. Mathrubootham with a greater net after-tax benefit than would no reduction.

Tyler Sloat

Pursuant to Mr. Sloat's offer letter agreement, as amended, in the event that Mr. Sloat's employment is terminated, other than during a change in control period, by us without "cause" or by Mr. Sloat for "good reason" (each, as defined in Mr. Sloat's offer letter agreement), and subject to his delivery to us of a general release of claims, he will be entitled to continued payment of his base salary for six months after his termination or resignation date, the cost of COBRA continuation coverage under our group health plans for up to six months following his termination or resignation date, an amount equal to 50% of his target annual performance bonus for the year in which his termination or resignation date occurs, and accelerated vesting of all time-based requirements for equity awards granted to Mr. Sloat as of his termination or resignation date as to the number of shares that would have vested during the six-month period following his termination or resignation date. In the event that Mr. Sloat's employment is terminated by us without cause during the change in control period, and subject to his delivery to us of a general release of claims, Mr. Sloat will be entitled to continued payment of his base salary for 12 months after his termination date, the cost of COBRA continuation coverage under our group health plans for up to 12 months following his termination date, an amount equal to 100% of his target annual performance bonus for the year in which the termination occurs, and accelerated vesting of all time-based requirements for equity awards granted to Mr. Sloat as of his termination date. In the event that Mr. Sloat's employment is terminated by Mr. Sloat for good reason during the change in control period, and subject to his delivery to us of a general release of claims, Mr. Sloat will be entitled to continued payment of his base salary for six months after his resignation date, the cost of COBRA continuation coverage under our group health plans for up to six months following his resignation date, an amount equal to 50% of his target annual performance bonus for the year in which his resignation occurs, and accelerated vesting of all time-based requirements for equity awards granted to Mr. Sloat as of resignation date as to the number of shares that would have vested during the 12-month period following his resignation date. Mr. Sloat's offer letter agreement also provides that if any benefits payable to him thereunder or otherwise would constitute "parachute

payments" within the meaning of Section 280G of the Code, then such benefits will be reduced if such reduction will provide Mr. Sloat with a greater net after-tax benefit than would no reduction.

Jose Morales

Pursuant to Mr. Morales's offer letter agreement, in the event that Mr. Morales's employment is terminated, other than during a change in control period, by us without "cause" or by Mr. Morales for "good reason" (each, as defined in Mr. Morales's offer letter agreement), and subject to his delivery to us of a general release of claims, he will be entitled to continued payment of his base salary for six months after his termination or resignation date, the cost of COBRA continuation coverage under our group health plans for up to six months following his termination or resignation date, an amount equal to a pro-rata portion of his target annual performance bonus for the year in which his termination or resignation date occurs, and accelerated vesting of all time-based requirements for equity awards granted to Mr. Morales as of his termination or resignation date as to the number of shares that would have vested during the six-month period following his termination or resignation date. In the event that Mr. Morales's employment is terminated by us without cause during the change in control period, and subject to his delivery to us of a general release of claims, Mr. Morales will be entitled to continued payment of his base salary for 12 months after his termination date, the cost of COBRA continuation coverage under our group health plans for up to 12 months following his termination date, an amount equal to 100% of his target annual performance bonus for the year in which the termination occurs, and accelerated vesting of all time-based requirements for equity awards granted to Mr. Morales as of his termination date. In the event that Mr. Morales's employment is terminated by Mr. Morales for good reason during the change in control period, and subject to his delivery to us of a general release of claims, Mr. Morales will be entitled to continued payment of his base salary for six months after his resignation date, the cost of COBRA continuation coverage under our group health plans for up to six months following his resignation date, an amount equal to 50% of his target annual performance bonus for the year in which his resignation occurs, and accelerated vesting of all time-based requirements for equity awards granted to Mr. Morales as of resignation date as to the number of shares that would have vested during the 12-month period following his resignation date. Mr. Morales's offer letter agreement also provides that if any benefits payable to him thereunder or otherwise would constitute "parachute payments" within the meaning of Section 280G of the Code, then such benefits will be reduced if such reduction will provide Mr. Morales with a greater net after-tax benefit than would no reduction.

Outstanding Equity Awards at Fiscal Year-End

The following table presents the outstanding equity incentive plan awards held by each named executive officer as of December 31, 2020.

	Stock Awards[1]			
Name	**Grant Date**	**Vesting Commencement Date**	**Number of shares or units of stock that have not vested**	**Market value of shares or units of stock that have not vested**
Rathna Girish Mathrubootham	August 19, 2017[2]	March 31, 2016	202,275	$ 33,221,646
	May 17, 2019[3]	December 31, 2019	16,639	2,732,789
	August 26, 2020[2]	July 1, 2020	135,000	22,172,400
Tyler Sloat	May 15, 2020[4]	May 15, 2020	225,000	36,954,000
Jose Morales	November 23, 2020[2]	November 23, 2020	150,376	24,697,754

(1) All of the restricted stock unit awards were granted under the 2011 Plan, the terms of which plan is described below under "—Employee Benefit and Stock Plans."

(2) 1/4th of the shares subject to the restricted stock unit vest on the first anniversary of the vesting commencement date, and thereafter 1/8th of the shares subject to the restricted stock unit vest every six months over 36 months, subject to the executive officer's continued service with us as of each such date and the occurrence of either (a) an IPO or (b) a Sale Event (each as defined in the 2011 Plan), in each case, within 10 years following the grant date.

(3) All of the shares subject to the restricted stock unit vest on the first anniversary of the vesting commencement date, subject to Mr. Mathrubootham continued service with us as of each such date and the occurrence of either (a) an IPO or (b) a Sale Event (each as defined in the 2011 Plan), in each case, within 10 years following the grant date.

(4) 1/4th of the shares subject to the restricted stock unit vest on the first anniversary of the vesting commencement date, and the remaining shares will vest in equal monthly installments thereafter over 36 months, subject to Mr. Sloat's continued service with us as of each such

date and the occurrence of either (a) an IPO or (b) a Sale Event (each as defined in the 2011 Plan), in each case, within 10 years following the grant date.

Other Compensation and Benefits

All of our current named executive officers are eligible to participate in our broad-based employee benefit plans, generally available to our employees, including our medical, dental, vision, life, disability, and accidental death and dismemberment insurance plans, in each case on the same basis as all of our other employees. We pay the premiums for the life, disability, and accidental death and dismemberment insurance for all of our employees, including our named executive officers. Other than such broad-based benefits and our 401(k) plan as described below, we generally do not provide perquisites or personal benefits to our named executive officers.

We maintain a 401(k) plan that provides eligible U.S. employees with an opportunity to save for retirement on a tax advantaged basis. Eligible employees are able to defer eligible compensation up to certain Code limits, which are updated annually. We have the ability to make matching and discretionary contributions to the 401(k) plan. Currently, we do not make matching contributions or discretionary contributions to the 401(k) plan. The 401(k) plan is intended to be qualified under Section 401(a) of the Code, with the related trust intended to be tax exempt under Section 501(a) of the Code. As a tax-qualified retirement plan, contributions to the 401(k) plan are deductible by us when made and contributions and earnings on those amounts are not generally taxable to the employees until withdrawn or distributed from the 401(k) plan.

Our named executive officers did not participate in, or earn any benefits under, a nonqualified deferred compensation plan sponsored by us during the fiscal year ended December 31, 2020. Our board of directors may elect to provide our officers and other employees with nonqualified defined contribution or other nonqualified deferred compensation benefits in the future if it determines that doing so is in our best interests.

Our named executive officers did not participate in, or otherwise receive any benefits under, any pension or retirement plan sponsored by us during the fiscal year ended December 31, 2020.

Employee Stock Plans

2021 Equity Incentive Plan

Our board of directors intends to adopt the 2021 Equity Incentive Plan (the 2021 Plan) that will become effective on the date of the underwriting agreement related to this offering. Our 2021 Plan will come into existence upon its adoption by our board of directors, but no grants will be made under our 2021 Plan prior to its effectiveness. Once our 2021 Plan becomes effective, no further grants will be made under our 2011 Plan.

Types of Awards. Our 2021 Plan provides for the grant of incentive stock options (ISOs), nonstatutory stock options (NSOs), stock appreciation rights, restricted stock awards, restricted stock unit awards, performance-based awards and other awards (collectively, awards). ISOs may be granted only to our employees, including our officers, and the employees of our affiliates. All other awards may be granted to our employees, including our officers, our non-employee directors and consultants and the employees and consultants of our affiliates.

Authorized Shares. The maximum number of shares of common stock that may be issued under our 2021 Plan is shares, which is the sum of: (i) new shares, plus (ii) up to shares of our common stock subject to awards granted under our 2011 Plan that, after the effective date of our 2021 Plan, expire or otherwise terminate without having been exercised in full or are forfeited to or repurchased by us. The number of shares of common stock reserved for issuance under our 2021 Plan will automatically increase on January 1 of each year, beginning on January 1, 2022, and continuing through and including January 1, 2031, by % of the aggregate number of shares of common stock of all classes issued and outstanding on December 31 of the preceding calendar year, or a lesser number of shares determined by our board of directors prior to the applicable January 1. The maximum number of shares that may be issued upon the exercise of ISOs under our 2021 Plan is shares.

Shares issued under our 2021 Plan will be authorized but unissued or reacquired shares of common stock. Shares subject to awards granted under our 2021 Plan that expire or terminate without being exercised in full, or that are paid out in cash rather than in shares, will not reduce the number of shares available for issuance under our 2021

Plan. Additionally, shares issued pursuant to awards under our 2021 Plan that we repurchase or that are forfeited, as well as shares used to pay the exercise price of an award or to satisfy the tax withholding obligations to an award, will become available for future grant under our 2021 Plan.

The maximum number of shares of common stock subject to stock awards granted under the 2021 Plan or otherwise during any calendar year beginning in 2022 to any non-employee director, taken together with any cash fees paid by us to such non-employee director during such calendar year for service on the board of directors, will not exceed $ in total value (calculating the value of any such stock awards based on the grant date fair value of such stock awards for financial reporting purposes), or, with respect to the calendar year in which a non-employee director is first appointed or elected to our board of directors, $.

Plan Administration. Our board of directors, or a duly authorized committee of our board, may administer our 2021 Plan. Our board of directors has delegated concurrent authority to administer our 2021 Plan to the compensation committee under the terms of the compensation committee's charter. We sometimes refer to the board of directors, or the applicable committee with the power to administer our equity incentive plans, as the administrator. The administrator may also delegate to one or more of our officers the authority to (1) designate employees (other than officers) to receive specified awards, and (2) determine the number of shares subject to such awards.

The administrator has the authority to determine the terms of awards, including recipients, the exercise, purchase or strike price of awards, if any, the number of shares subject to each award, the fair market value of a share of common stock, the vesting schedule applicable to the awards, together with any vesting acceleration, and the form of consideration, if any, payable upon exercise or settlement of the award and the terms of the award agreements for use under our 2021 Plan.

In addition, subject to the terms of the 2021 Plan, the administrator also has the power to modify outstanding awards under our 2021 Plan, including the authority to reprice any outstanding option or stock appreciation right, cancel and re-grant any outstanding option or stock appreciation right in exchange for new stock awards, cash or other consideration, or take any other action that is treated as a repricing under generally accepted accounting principles, with the consent of any materially adversely affected participant.

Stock Options. ISOs and NSOs are granted pursuant to stock option agreements adopted by the administrator. The administrator determines the exercise price for a stock option, within the terms and conditions of the 2021 Plan, provided that the exercise price of a stock option generally cannot be less than 100% of the fair market value of our common stock on the date of grant. Options granted under the 2021 Plan vest at the rate specified in the stock option agreement as specified in the stock option agreement by the administrator.

The administrator determines the term of stock options granted under the 2021 Plan, up to a maximum of ten years. Unless the terms of an optionholder's stock option agreement provide otherwise, if an optionholder's service relationship with us, or any of our affiliates, ceases for any reason other than disability, death or cause, the optionholder may generally exercise any vested options for a period of three months following the cessation of service. The option term may be extended in the event that either an exercise of the option or an immediate sale of shares acquired upon exercise of the option following such a termination of service is prohibited by applicable securities laws or our insider trading policy. If an optionholder's service relationship with us or any of our affiliates ceases due to disability or death, or an optionholder dies within a certain period following cessation of service, the optionholder or a beneficiary may generally exercise any vested options for a period of 12 months in the event of disability and 18 months in the event of death. In the event of a termination for cause, options generally terminate immediately upon the termination of the individual for cause. In no event may an option be exercised beyond the expiration of its term.

Acceptable consideration for the purchase of common stock issued upon the exercise of a stock option will be determined by the administrator and may include (1) cash, check, bank draft or money order, (2) a broker-assisted cashless exercise, (3) the tender of shares of common stock previously owned by the optionholder, (4) a net exercise of the option if it is an NSO and (5) other legal consideration approved by the administrator.

Options may not be transferred to third-party financial institutions for value. Unless the administrator provides otherwise, options generally are not transferable except by will, the laws of descent and distribution or pursuant to a domestic relations order. An optionholder may designate a beneficiary, however, who may exercise the option following the optionholder's death.

Tax Limitations on ISOs. The aggregate fair market value, determined at the time of grant, of common stock with respect to ISOs that are exercisable for the first time by an option holder during any calendar year under all of our stock plans may not exceed $100,000. Options or portions thereof that exceed such limit will be treated as NSOs. No ISOs may be granted to any person who, at the time of the grant, owns or is deemed to own stock possessing more than 10 percent of our total combined voting power or that of any of our parent or subsidiary corporations, unless (1) the option exercise price is at least 110% of the fair market value of the stock subject to the option on the date of grant and (2) the term of the ISO does not exceed five years from the date of grant.

Restricted Stock Awards. Restricted stock awards are granted pursuant to restricted stock award agreements adopted by the administrator. Restricted stock awards may be granted in consideration for cash, check, bank draft or money order, services rendered to us or our affiliates or any other form of legal consideration. Common stock acquired under a restricted stock award may, but need not, be subject to a share repurchase option in our favor in accordance with a vesting schedule to be determined by the administrator. A restricted stock award may be transferred only upon such terms and conditions as set by the administrator. Except as otherwise provided in the applicable award agreement, restricted stock awards that have not vested may be forfeited or repurchased by us upon the participant's cessation of continuous service for any reason.

Restricted Stock Unit Awards. Restricted stock unit awards are granted pursuant to restricted stock unit award agreements adopted by the administrator. Restricted stock unit awards may be granted in consideration for any form of legal consideration. A restricted stock unit award may be settled by cash, delivery of stock, a combination of cash and stock as deemed appropriate by the administrator or in any other form of consideration set forth in the restricted stock unit award agreement. Additionally, dividend equivalents may be credited in respect of shares covered by a restricted stock unit award. Except as otherwise provided in the applicable award agreement, restricted stock units that have not vested will be forfeited upon the participant's cessation of continuous service for any reason.

Stock Appreciation Rights. Stock appreciation rights are granted pursuant to stock appreciation right grant agreements adopted by the administrator. The administrator determines the strike price for a stock appreciation right, which generally cannot be less than 100% of the fair market value of common stock on the date of grant. Upon the exercise of a stock appreciation right, we will pay the participant an amount equal to the product of (1) the excess of the per share fair market value of common stock on the date of exercise over the strike price, multiplied by (2) the number of shares of common stock with respect to which the stock appreciation right is exercised. A stock appreciation right granted under the 2021 Plan vests at the rate specified in the stock appreciation right agreement as determined by the administrator.

The administrator determines the term of stock appreciation rights granted under the 2021 Plan, up to a maximum of 10 years. Unless the terms of a participant's stock appreciation right agreement provide otherwise, if a participant's service relationship with us or any of our affiliates ceases for any reason other than cause, disability or death, the participant may generally exercise any vested stock appreciation right for a period of three months following the cessation of service. The stock appreciation right term may be further extended in the event that exercise of the stock appreciation right following such a termination of service is prohibited by applicable securities laws. If a participant's service relationship with us, or any of our affiliates, ceases due to disability or death, or a participant dies within a certain period following cessation of service, the participant or a beneficiary may generally exercise any vested stock appreciation right for a period of 12 months in the event of disability and 18 months in the event of death. In the event of a termination for cause, stock appreciation rights generally terminate immediately upon the occurrence of the event giving rise to the termination of the individual for cause. In no event may a stock appreciation right be exercised beyond the expiration of its term.

Performance Awards. Our 2021 Plan permits the grant of performance-based stock and cash awards. The compensation committee can structure such awards so that the stock or cash will be issued or paid pursuant to such award only following the achievement of certain pre-established performance goals during a designated performance

period. Performance awards that are settled in cash or other property are not required to be valued in whole or in part by reference to, or otherwise based on, the common stock.

The performance goals may be based on any measure of performance selected by the board of directors. The compensation committee may establish performance goals on a company-wide basis, with respect to one or more business units, divisions, affiliates or business segments, and in either absolute terms or relative to the performance of one or more comparable companies or the performance of one or more relevant indices. Unless specified otherwise (i) in the award agreement at the time the award is granted or (ii) in such other document setting forth the performance goals at the time the goals are established, the compensation committee will appropriately make adjustments in the method of calculating the attainment of the performance goals as follows: (1) to exclude restructuring and/or other nonrecurring charges; (2) to exclude exchange rate effects; (3) to exclude the effects of changes to generally accepted accounting principles; (4) to exclude the effects of any statutory adjustments to corporate tax rates; (5) to exclude the effects of items that are "unusual" in nature or occur "infrequently" as determined under generally accepted accounting principles; (6) to exclude the dilutive effects of acquisitions or joint ventures; (7) to assume that any business divested by us achieved performance objectives at targeted levels during the balance of a performance period following such divestiture; (8) to exclude the effect of any change in the outstanding shares of common stock by reason of any stock dividend or split, stock repurchase, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other similar corporate change, or any distributions to common stockholders other than regular cash dividends; (9) to exclude the effects of stock-based compensation and the award of bonuses under our bonus plans; (10) to exclude costs incurred in connection with potential acquisitions or divestitures that are required to be expensed under generally accepted accounting principles and (11) to exclude the goodwill and intangible asset impairment charges that are required to be recorded under generally accepted accounting principles.

Other Awards. The administrator may grant other awards based in whole or in part by reference to common stock. The administrator will set the number of shares under the award and all other terms and conditions of such awards.

Changes to Capital Structure. In the event there is a specified type of change in our capital structure, such as a stock split, reverse stock split or recapitalization, appropriate adjustments will be made to (1) the class and maximum number of shares reserved for issuance under the 2021 Plan; (2) the class and maximum number of shares by which the share reserve may increase automatically each year; (3) the class and maximum number of shares that may be issued upon the exercise of ISOs and (4) the class and number of shares and exercise price, strike price, or purchase price, if applicable, of all outstanding awards.

Corporate Transactions. The following applies to stock awards under the 2021 Plan in the event of a corporate transaction, unless otherwise provided in a participant's stock award agreement or other written agreement with us or one of our affiliates or unless otherwise expressly provided by the administrator at the time of grant. Under the 2021 Plan, a corporate transaction is generally the consummation of (1) a sale or other disposition of all or substantially all of our assets, (2) a sale or other disposition of at least 50% of our outstanding securities, (3) a merger, consolidation or similar transaction following which we are not the surviving corporation or (4) a merger, consolidation or similar transaction following which we are the surviving corporation but the shares of common stock outstanding immediately prior to such transaction are converted or exchanged into other property by virtue of the transaction.

In the event of a corporate transaction, any stock awards outstanding under the 2021 Plan may be assumed, continued or substituted for by any surviving or acquiring corporation (or its parent company), and any reacquisition or repurchase rights held by us with respect to the stock award may be assigned to the successor (or its parent company). If the surviving or acquiring corporation (or its parent company) does not assume, continue or substitute for such stock awards, then (i) with respect to any such stock awards that are held by participants whose continuous service has not terminated prior to the effective time of the corporate transaction, or current participants, the vesting (and exercisability, if applicable) of such stock awards will be accelerated in full to a date prior to the effective time of the corporate transaction (contingent upon the effectiveness of the corporate transaction), and such stock awards will terminate if not exercised (if applicable) at or prior to the effective time of the corporate transaction, and any reacquisition or repurchase rights held by us with respect to such stock awards will lapse (contingent upon the

effectiveness of the corporate transaction), and (ii) any such stock awards that are held by persons other than current participants will terminate if not exercised (if applicable) prior to the effective time of the corporate transaction, except that any reacquisition or repurchase rights held by us with respect to such stock awards will not terminate and may continue to be exercised notwithstanding the corporate transaction. In addition, the plan administrator may also provide, in its sole discretion, that the holder of a stock award that will terminate upon the occurrence of a corporate transaction if not previously exercised will receive a payment, if any, equal to the excess of the value of the property the participant would have received upon exercise of the stock award over the exercise price otherwise payable in connection with the stock award.

A stock award may be subject to additional acceleration of vesting and exercisability upon or after a change in control as may be provided in an applicable award agreement or other written agreement, but in the absence of such provision, no such acceleration will occur.

Transferability. A participant may not transfer awards under our 2021 Plan other than by will, the laws of descent and distribution or as otherwise provided under our 2021 Plan.

Plan Amendment or Termination. Our board has the authority to amend, suspend or terminate our 2021 Plan, provided that such action does not materially impair the existing rights of any participant without such participant's written consent. Certain material amendments also require the approval of our stockholders. No ISOs may be granted after the tenth anniversary of the date our board adopted our 2021 Plan. No awards may be granted under our 2021 Plan while it is suspended or after it is terminated.

2021 Employee Stock Purchase Plan

Our board of directors intends to adopt the 2021 Employee Stock Purchase Plan (the ESPP) that will become effective immediately prior to and contingent upon the date of the underwriting agreement related to this offering. The purpose of our ESPP will be to secure the services of new employees, to retain the services of existing employees, and to provide incentives for such individuals to exert maximum efforts toward our success and that of our affiliates. Our ESPP will include two components. One component will be designed to allow eligible U.S. employees to purchase our common stock in a manner that may qualify for favorable tax treatment under Section 423 of the Code. The other component will permit the grant of purchase rights that do not qualify for such favorable tax treatment in order to allow deviations necessary to permit participation by eligible employees who are foreign nationals or employed outside of the United States. while complying with applicable foreign laws.

Authorized Shares. The maximum aggregate number of shares of common stock that may be issued under our ESPP is shares. The number of shares of common stock reserved for issuance under our ESPP will automatically increase on January 1 of each calendar year, beginning on January 1, 2022 and continuing through and including January 1, 2031, by the lesser of (1) % of the aggregate number of shares of common stock of all classes issued and outstanding on December 31 of the preceding calendar year, (2) shares and (3) a number of shares determined by our board. Shares subject to purchase rights granted under our ESPP that terminate without having been exercised in full will not reduce the number of shares available for issuance under our ESPP.

Plan Administration. Our board, or a duly authorized committee thereof, will administer our ESPP. Our board has delegated concurrent authority to administer our ESPP to the compensation committee under the terms of the compensation committee's charter. The ESPP is implemented through a series of offerings with specific terms approved by the administrator and under which eligible employees are granted purchase rights to purchase shares of common stock on specified dates during such offerings. Under the ESPP, we may specify offerings with durations of not more than 27 months, and may specify shorter purchase periods within each offering. Each offering will have one or more purchase dates on which shares of common stock will be purchased for our eligible employees participating in the offering. An offering under the ESPP may be terminated under certain circumstances.

Payroll Deductions. Generally, all regular employees, including executive officers, employed by us or by any of our designated affiliates, may participate in the ESPP and may contribute, normally through payroll deductions, with a maximum dollar amount as designated by the board. Unless otherwise determined by the administrator, common stock will be purchased for the accounts of employees participating in the ESPP at a price per share equal to the lower of (a) 85% of the fair market value of a share of common stock on the first date of an offering or (b) 85% of

the fair market value of a share of common stock on the date of purchase. For the initial offering, which we expect will commence upon the execution and delivery of the underwriting agreement relating to this offering, the fair market value on the first day of the initial offering will be the price at which shares are first sold to the public.

Limitations. Our employees, including executive officers, or any of our designated affiliates may have to satisfy one or more of the following service requirements before participating in our ESPP, as determined by the administrator: (1) customary employment with us or one of our affiliates for more than 20 hours per week and more than five months per calendar year, or (2) continuous employment with us or one of our affiliates for a minimum period of time, not to exceed two years, prior to the first date of an offering. An employee may not be granted rights to purchase stock under our ESPP if such employee (1) immediately after the grant would own stock possessing 5% or more of the total combined voting power or value of common stock, or (2) holds rights to purchase stock under our ESPP that would accrue at a rate that exceeds $25,000 worth of our stock for each calendar year that the rights remain outstanding.

Changes to Capital Structure. In the event that there occurs a change in our capital structure through such actions as a stock split, merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or similar transaction, the board of directors will make appropriate adjustments to (1) the number of shares reserved under the ESPP, (2) the maximum number of shares by which the share reserve may increase automatically each year, (3) the number of shares and purchase price of all outstanding purchase rights and (4) the number of shares that are subject to purchase limits under ongoing offerings.

Corporate Transactions. In the event of certain corporate transactions, including: (1) a sale of all or substantially all of our assets, (2) the sale or disposition of 50% of our outstanding securities, (3) the consummation of a merger or consolidation where we do not survive the transaction, and (4) the consummation of a merger or consolidation where we do survive the transaction but the shares of our common stock outstanding immediately before such transaction are converted or exchanged into other property by virtue of the transaction, any then-outstanding rights to purchase our stock under the ESPP may be assumed, continued or substituted for by any surviving or acquiring entity (or its parent company). If the surviving or acquiring entity (or its parent company) elects not to assume, continue or substitute for such purchase rights, then the participants' accumulated payroll contributions will be used to purchase shares of common stock within 10 business days (or such other period specified by the board) prior to such corporate transaction, and such purchase rights will terminate immediately.

Under the ESPP, a corporate transaction is generally the consummation of: (1) a sale of all or substantially all of our assets, (2) the sale or disposition of more than 50% of our outstanding securities, (3) a merger or consolidation where we do not survive the transaction, and (4) a merger or consolidation where we do survive the transaction but the shares of our common stock outstanding immediately before such transaction are converted or exchanged into other property by virtue of the transaction.

ESPP Amendment or Termination. The administrator has the authority to amend or terminate our ESPP, provided that except in certain circumstances such amendment or termination may not materially impair any outstanding purchase rights without the holder's consent. We will obtain stockholder approval of any amendment to our ESPP as required by applicable law or listing requirements.

2011 Stock Plan

Our board of directors adopted, and our stockholders approved, our 2011 Plan in October 2011. Our 2011 Plan was most recently amended in June 2020. No further stock awards will be granted under our 2011 Plan on or after the effectiveness of our 2021 Plan; however, awards outstanding under our 2011 Plan will continue to be governed by their existing terms.

Types of Awards. Our 2011 Plan allows us to grant ISOs, NSOs, stock appreciation rights, restricted stock awards and restricted stock units to eligible employees, directors, officers and consultants of ours and any parent or subsidiary of ours.

Authorized Shares. As of , 2021, options to purchase shares of our common stock and restricted stock units remained outstanding under our 2011 Plan. In the event that an outstanding option, restricted stock unit award or other award for any reason expires or is canceled, the shares allocable to such award shall be added to the number of shares then available for issuance under our 2021 Plan once adopted by our board of directors and approved by our stockholders.

Plan Administration. Our board of directors or a committee of our board administers our 2011 Plan. Our board of directors has delegated concurrent authority to administer our 2011 Plan to the compensation committee under the terms of the compensation committee's charter. Subject to the provisions of the 2011 Plan, the administrator has the full authority and discretion to take any actions it deems necessary or advisable for the administration of the 2011 Plan. All decisions, interpretations and other actions of the administrator are final and binding on all participants in the 2011 Plan.

Options. Stock options have been granted under our 2011 Plan. Subject to the provisions of our 2011 Plan, the administrator determines the term of an option, the number of shares subject to an option, and the time period in which an option may be exercised. The term of an option is stated in the applicable award agreement, but the term of an option may not exceed 10 years from the grant date. The administrator determines the exercise price of options, which generally may not be less than 100% of the fair market value of our common stock on the grant date, unless expressly determined in writing by the administrator on the option's grant date. However, an ISO granted to an individual who directly or by attribution owns more than 10% of the total combined voting power of all of our classes of stock or of any our parent or subsidiary may have a term of no longer than five years from the grant date and will have an exercise price of at least 110% of the fair market value of our common stock on the grant date. In addition, to the extent that the aggregate fair market value of the shares with respect to which ISOs are exercisable for the first time by an employee during any calendar year (under all our plans and any parent or subsidiary) exceeds $100,000, such options will be treated as NSOs. The administrator determines how a participant may pay the exercise price of an option, and the permissible methods are generally set forth in the applicable award agreement. If a participant's status as a "service provider" (as defined in our 2011 Plan) terminates, that participant may exercise the vested portion of his or her option for the period of time stated in the applicable award agreement. Vested options generally will remain exercisable for three months or such longer period of time as set forth in the applicable award agreement if a participant's status as a service provider terminates for a reason other than death or disability. If a participant's status as a service provider terminates due to death or disability, vested options generally will remain exercisable for 12 months from the date of termination (or such other longer period as set forth in the applicable award agreement). In no event will an option remain exercisable beyond its original term. If a participant does not exercise his or her option within the time specified in the award agreement, the option will terminate. Except as described above, the administrator has the discretion to determine the post-termination exercisability periods for an option.

Restricted Stock Units. Restricted stock unit awards have been granted under our 2011 Plan. A restricted stock unit is a bookkeeping entity representing an amount equal to the fair market value of one share of our common stock. The administrator determines the vesting criteria applicable to restricted stock unit awards in its discretion, which, depending on the extent to which the criteria are met, will determine the number of restricted stock units that will be paid out to the participant. The administrator may set vesting criteria based upon the achievement of company-wide, business unit, or individual goals (including, but not limited to, continued employment or service), or any other basis determined by the administrator in its discretion. Upon meeting the applicable vesting criteria, the participant is entitled to receive a payout as determined by the administrator. Payment of earned restricted stock units will be made as soon as practicable after the date(s) determined by the administrator and set forth in the applicable award agreement. The administrator, in its sole discretion, may settle earned restricted stock units in cash, shares, or a combination of both. On the date set forth in the applicable award agreement, all unearned restricted stock units will be forfeited.

Certain Adjustments. In the event of a dividend or other distribution (whether in the form of cash, shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of shares or other securities of ours, or other change in the corporate structure affecting the our shares occurs, the administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under our 2011 Plan, will adjust the number and

class of shares that may be delivered under our 2011 Plan and/or the number, class, and price of shares covered by each outstanding award.

Merger or Change in Control. Our 2011 Plan provides that, in the event that we are a party to a merger or change in control, outstanding awards may be assumed or substituted by the successor corporation or a parent or subsidiary thereof. In the event the successor corporation refuses to assume or substitute for outstanding awards, then the vesting of such awards will be fully accelerated and, with respect to any stock options or stock appreciation rights, the administrator will notify the holder in writing or electronically that such awards will be fully exercisable and vested for a period as determined by the administrator, and such awards will terminate upon expiration of such period. In the event of a merger or change in control, our 2011 Plan provides that each outstanding award will be treated as the administrator determines without a participant's consent, including, without limitation, that: (i) upon written notice to the participant, awards will terminate upon or immediately prior to the consummation of such merger or change in control; (ii) outstanding awards will vest and become exercisable, realizable or payable, or restrictions applicable to an award will lapse, in whole or in part prior to or upon consummation of such merger or change in control, and, to the extent the administrator determines, terminate upon or immediately prior to the effectiveness of such merger or change in control; or (iii)(1) the termination of an award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise of such award or realization of the participant's rights as of the date of the occurrence of the transaction (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the administrator determines in good faith that no amount would have been attained upon the exercise of such award or realization of the participant's rights, then such award may be terminated by us without payment), or (2) the replacement of such award with other rights or property selected by the administrator in its sole discretion. In taking any of these actions, the administrator will not be obligated to treat all awards, all awards held by a participant, or all awards of the same type, similarly.

Transferability of Awards. Unless our administrator provides otherwise, our 2011 Plan generally does not allow for the transfer or assignment of awards, except by will or by the laws of descent and distribution. Shares issued upon exercise or settlement of an award will be subject to such terms and conditions as the administrator may determine, including rights of first refusal and other transfer restrictions.

Amendment; Termination. Our board of directors may amend, suspend or terminate our 2011 Plan at any time, provided that such action does not impair a participant's rights under outstanding awards without such participant's written consent. As noted above, in connection with this offering, our 2011 Plan will be terminated and no further awards will be granted thereunder. All outstanding awards will continue to be governed by their existing terms.

Limitations of Liability and Indemnification Matters

Upon the completion of this offering, our amended and restated certificate of incorporation will contain provisions that limit the liability of our current and former directors for monetary damages to the fullest extent permitted by Delaware law. Delaware law provides that directors of a corporation will not be personally liable for monetary damages for any breach of fiduciary duties as directors, except liability for:

- any breach of the director's duty of loyalty to the corporation or its stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions; or
- any transaction from which the director derived an improper personal benefit.

Such limitation of liability does not apply to liabilities arising under federal securities laws and does not affect the availability of equitable remedies such as injunctive relief or rescission.

Our amended and restated certificate of incorporation that will be in effect upon the completion of this offering will authorize us to indemnify our directors, officers, employees and other agents to the fullest extent permitted by Delaware law. Our amended and restated bylaws that will be in effect upon the completion of this offering will provide that we are required to indemnify our directors and officers to the fullest extent permitted by Delaware law

and may indemnify our other employees and agents. Our amended and restated bylaws that will be in effect upon the completion of this offering will also provide that, on satisfaction of certain conditions, we will advance expenses incurred by a director or officer in advance of the final disposition of any action or proceeding, and permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in that capacity regardless of whether we would otherwise be permitted to indemnify him or her under the provisions of Delaware law. We have entered and expect to continue to enter into agreements to indemnify our directors and executive officers. With certain exceptions, these agreements provide for indemnification for related expenses including attorneys' fees, judgments, fines and settlement amounts incurred by any of these individuals in connection with any action, proceeding or investigation. We believe that these amended and restated certificate of incorporation and amended and restated bylaw provisions are necessary to attract and retain qualified persons as directors and officers. We also maintain customary directors' and officers' liability insurance.

The limitation of liability and indemnification provisions in our amended and restated certificate of incorporation and amended and restated bylaws may discourage stockholders from bringing a lawsuit against our directors for breach of their fiduciary duty. They may also reduce the likelihood of derivative litigation against our directors and officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and officers as required by these indemnification provisions.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted for directors, executive officers or persons controlling us, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Other than compensation arrangements for our directors and executive officers, which are described elsewhere in this prospectus, the following describes transactions since January 1, 2018 and each currently proposed transaction in which:

- we have been or are to be a participant;
- the amounts involved exceeded or will exceed $120,000; and
- any of our directors, executive officers or holders of more than five percent of our outstanding capital stock, or any immediate family member of, or person sharing the household with, any of these individuals or entities, had or will have a direct or indirect material interest.

Sale of Common Stock and Series G Convertible Preferred Stock

In July and September 2018, we sold shares of our Common Stock and Series G convertible preferred stock to certain holders of more than 5% of our capital stock, our directors, officers or their respective affiliates, each as set forth below.

Name	Shares of Common Stock	Common Stock Aggregate Purchase Price	Shares of Series G Convertible Preferred Stock	Series G Aggregate Purchase Price
Entities affiliated with Accel India III (Mauritius) Ltd.[1]	329,451	$19,800,005.10	402,663	$24,200,046.30
Entities affiliated with CapitalG LP[2]	89,850	5,399,985.00	109,818	6,600,061.80
Entities affiliated with Sequoia Capital Global Growth Fund III[3]	329,451	19,800,005.10	402,663	24,200,046.30

(1) Sameer Gandhi, a member of our board of directors since December 2019, serves as a director at entities affiliated with Accel India III (Mauritius) Ltd.
(2) Eugene Frantz, a member of our board of directors since April 2015, serves as General Partner at CapitalG 2013 LP, CapitalG 2014 LP, CapitalG LP, and CapitalG II LP.
(3) Mohit Bhatnagar, a member of our board of directors since July 2018, serves as a Managing Director at Sequoia Capital.

Sale of Series A and Series H Convertible Preferred Stock

In December 2019, we sold shares of our Series A and Series H convertible preferred stock to certain holders of more than five percent of our capital stock, our directors, officers or their respective affiliates, each as set forth below.

Name	Shares of Series A Convertible Preferred Stock	Series A Aggregate Purchase Price	Shares of Series H Convertible Preferred Stock	Series H Aggregate Purchase Price
Entities affiliated with Accel India III (Mauritius) Ltd.[1]	—	$ —	375,874	$50,000,037.46
Entities affiliated with CapitalG LP[2]	—	—	375,874	50,000,037.46
Entities affiliated with Sequoia Capital Global Growth Fund III[3]	751,747	99,999,941.82	375,874	50,000,037.46

(1) Sameer Gandhi, a member of our board of directors since December 2019, serves as a director at entities affiliated with Accel India III (Mauritius) Ltd.
(2) Eugene Frantz, a member of our board of directors since April 2015, serves as General Partner at CapitalG 2013 LP, CapitalG 2014 LP, CapitalG LP and CapitalG II LP.
(3) Mohit Bhatnagar, a member of our board of directors since July 2018, serves as a Managing Director at Sequoia Capital.

Repurchases

In July 2018, we repurchased shares of common stock from the following related parties:

Name	Shares of Common Stock	Common Stock Aggregate Purchase Price
Rathna Girish Mathruboothamm	321,036	$19,294,263.60
Shanmugam Krishnasamy	138,126	$8,301,372.60

In December 2019, we repurchased shares of common stock from the following related parties:

Name	Shares of Series A Preferred Stock	Series A Preferred Stock Aggregate Purchase Price
Entities affiliated with Accel India III (Mauritius) Ltd.[1]	751,747	$99,999,941.82

(1) Sameer Gandhi, a member of our board of directors since December 2019, serves as a director at entities affiliated with Accel India III (Mauritius) Ltd.

Rights of First Refusal

Pursuant to our bylaws, equity compensation plans and certain agreements with our stockholders, including a right of first refusal and co-sale agreement with certain holders of our capital stock, including entities affiliated with Accel India III (Mauritius) Ltd., entities affiliated with CapitalG LP, entities affiliates with Tiger Global PIP VI Holdings, and entities affiliated with Sequoia Capital Global Growth Fund III, we or our assignees have a right to purchase shares of our capital stock which stockholders propose to sell to other parties. This right will terminate upon the completion of this offering. Since January 1, 2018, we have waived our right of first refusal in connection with the sale of certain shares of our capital stock, including sales by certain of our executive officers, resulting in the purchase of such shares by certain of our stockholders, including related persons. See the section titled “Principal Stockholders” for additional information regarding beneficial ownership of our capital stock.

Investors’ Rights Agreement

We are party to an amended and restated investors’ rights agreement (IRA), with certain holders of our capital stock, including entities affiliated with Accel India III (Mauritius) Ltd., entities affiliated with CapitalG LP, entities affiliates with Tiger Global PIP VI Holdings, and entities affiliated with Sequoia Capital Global Growth Fund III. The IRA provides the holders of our convertible preferred stock with certain registration rights, including the right to demand that we file a registration statement or request that their shares be covered by a registration statement that we are otherwise filing, including the registration statement related to this offering. The IRA also provides these stockholders with information rights, which will terminate upon the completion of this offering, and a right of first refusal with regard to certain issuances of our capital stock, which will not apply to, and will terminate upon, the completion of this offering. As of December 31, 2020, the holders of up to 18,826,134 shares of our common stock, including shares of our common stock issuable on conversion of outstanding preferred stock, will be entitled to rights with respect to the registration of their shares under the Securities Act under this agreement. For a description of these registration rights, see the section titled “Description of Capital Stock—Registration Rights.”

Indemnification

Our amended and restated certificate of incorporation that will be in effect upon the completion of this offering will contain provisions limiting the liability of directors, and our amended and restated bylaws that will be in effect upon the completion of this offering will provide that we will indemnify each of our directors and officers to the fullest extent permitted under Delaware law. Our amended and restated certificate of incorporation and amended and restated bylaws that will be in effect upon the completion of this offering will also provide our board of directors with discretion to indemnify our employees and other agents when determined appropriate by the board. In addition, we have entered into an indemnification agreement with each of our directors and executive officers, which requires

us to indemnify them. For more information regarding these agreements, see the section titled “Executive Compensation—Limitations of Liability and Indemnification Matters.”

Policies and Procedures for Related Person Transactions

Prior to the completion of this offering, our board of directors will adopt a related person transaction policy to be effective in connection with this offering. Pursuant to this policy, our executive officers, directors, nominees for election as a director, beneficial owners of more than five percent of our common stock, and any members of the immediate family of any of the foregoing persons are not permitted to enter into a related person transaction with us without the approval or ratification of our board of directors or our audit committee. Any request for us to enter into a transaction with an executive officer, director, nominee for election as a director, beneficial owner of more than five percent of our common stock, or any member of the immediate family of any of the foregoing persons, in which the amount involved exceeds $120,000 and such person would have a direct or indirect interest, must be presented to our board of directors or our audit committee for review, consideration, and approval. In approving or rejecting any such proposal, our board of directors or our audit committee is to consider the material facts of the transaction, including whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related person’s interest in the transaction.

PRINCIPAL STOCKHOLDERS

The following table sets forth information with respect to the beneficial ownership of our capital stock as of March 31, 2021, and as adjusted to reflect the sale of our common stock offered by us in this offering assuming no exercise of the underwriters' option to purchase additional shares, for:

- each of our named executive officers;
- each of our directors;
- all of our executive officers and directors as a group; and
- each person or group of affiliated persons known by us to beneficially own more than 5% of our common stock.

We have determined beneficial ownership in accordance with the rules and regulations of the SEC and the information is not necessarily indicative of beneficial ownership for any other purpose. Except as indicated by the footnotes below, we believe, based on information furnished to us, that the persons and entities named in the table below have sole voting and sole investment power with respect to all shares that they beneficially own, subject to applicable community property laws.

Applicable percentage ownership before the offering is based on 23,163,196 shares of common stock outstanding as of March 31, 2021, assuming (1) the automatic conversion of all 15,393,773 outstanding shares of our convertible preferred stock as of March 31, 2021 into an equal number of shares of our common stock, effective immediately prior to the completion of this offering, and (2) no exercise by the underwriters of their option to purchase additional shares of common stock. In computing the number of shares beneficially owned by a person and the percentage ownership of such person, we deemed to be outstanding all shares subject to options held by the person that are currently exercisable, or exercisable within 60 days of March 31, 2021. However, except as described above, we did not deem such shares outstanding for the purpose of computing the percentage ownership of any other person.

Unless otherwise indicated, the address of each beneficial owner listed below is c/o Freshworks Inc., 2950 S. Delaware Street, Suite 201, San Mateo, California 94403.

Name of beneficial owner	Shares beneficially owned prior to this offering		Shares beneficially owned after this offering	
	Shares	%	Shares	%
Principal stockholders				
Entities affiliated with Accel India III (Mauritius) Ltd.[1]	6,442,595	27.81		
Entities affiliated with CapitalG LP[2]	2,075,262	8.96		
Entities affiliated with Tiger Global PIP VI Holdings[3]	6,555,181	28.30		
Entities affiliated with Sequoia Capital Global Growth Fund III[4]	3,063,127	13.22		
Directors and named executive officers				
Rathna Girish Mathrubootham[5]	1,748,022	7.48		
Jose Morales	—	*		
Tyler Sloat[6]	60,937	*		
Roxanne S. Austin	—	*		
Mohit Bhatnagar[4]	3,063,127	13.22		
Johanna Flower[7]	10,937	*		
Eugene Frantz[2]	2,075,262	8.96		
Sameer Gandhi[1]	6,442,595	27.81		
Randy Gottfried[8]	28,125	*		
Barry Padgett[9]	11,719	*		
All directors and officers as a group (12 persons)[10]	13,440,724	57.21		

* Represents beneficial ownership of less than one percent.

(1) Consists of (i) 3,313,267 shares of common stock held of record by Accel India III (Mauritius) Ltd. (AIN3M), (ii) 66,504 shares of common stock held of record by Accel India IV (Mauritius) Ltd. (AIN4M), (iii) 2,320,894 shares of common stock held of record by Accel Growth FII (Mauritius) Ltd. (AGF2M), (iv) 366,056 shares of common stock held of record by Accel Leaders Holdings (Mauritius) Ltd. (ALM), and (v) 375,874 shares of common stock held of record by Accel Leaders II Holdings (Mauritius) Ltd. (AL2M). AIN3M is a wholly owned subsidiary of Accel India III Holdings (Mauritius) Ltd., which is owned by Accel India III L.P. (AIN3) and Accel India III Investors L.L.C. Accel India III GP Associates Ltd. is the general partner of Accel India III Associates L.P., which is the general partner of AIN3. Sameer Gandhi, Clarence Don Clay Jr., Suzanne Gujadhur and Aslam Koomar are the directors of AIN3M and collectively make investment and voting decisions with respect to the shares held by AIN3M. AIN4M is a wholly owned subsidiary of Accel India Holdings IV (Mauritius) Ltd., which is owned by Accel India IV L.P. (AIN4) and Accel India IV Investors L.L.C. Accel India IV GP Associates Ltd. is the general partner of Accel India IV Associates L.P., which is the general partner of AIN4. Sameer Gandhi, Clarence Don Clay Jr., Suzanne Gujadhur and Aslam Koomar are the directors of AIN4M and collectively make investment and voting decisions with respect to the shares held by AIN4M. AGF2M is a wholly owned subsidiary of Accel Growth Holdings (Mauritius) Ltd., which is owned by Accel Growth Fund II L.P. (AGF2), Accel Growth Fund II Strategic Partners L.P. (AGF2SP) and Accel Growth Fund Investors 2012 L.L.C. Accel Growth Fund II Associates L.L.C. is the general partner of AGF2 and AGF2SP. Sameer Gandhi, Clarence Don Clay Jr., Suzanne Gujadhur and Aslam Koomar are the directors of AGF2M and collectively make investment and voting decisions with respect to the shares held by AGF2M. ALM is owned by Accel Leaders Fund L.P. (ALF), and Accel Leaders Fund Investors 2016 L.L.C. Accel Leaders Fund Associates L.L.C. is the general partner of ALF. Sameer Gandhi, Clarence Don Clay Jr., Suzanne Gujadhur and Aslam Koomar are the directors of ALM and collectively make investment and voting decisions with respect to the shares held by ALM. AL2M is owned by Accel Leaders Fund II L.P. (ALF2), Accel Leaders Fund II Strategic Partners L.P. (ALF2SP) and Accel Leaders Fund II Investors (2019) L.L.C. Accel Leaders Fund II Associates L.L.C. is the general partner of ALF2 and ALF2SP. Sameer Gandhi, Clarence Don Clay Jr., Suzanne Gujadhur and Aslam Koomar are the directors of AL2M and collectively make investment and voting decisions with respect to the shares held by AL2M. The address of the foregoing Accel entities is 500 University Avenue, Palo Alto, California, 94301.

(2) Consists of (i) 741,793 shares of common stock held by CapitalG 2013 LP, (ii) 757,927 shares of common stock held by CapitalG 2014 LP, (iii) 199,668 shares of common stock held by CapitalG LP and (iv) 375,874 shares of common stock held by CapitalG II LP. CapitalG 2013 GP LLC, the general partner of CapitalG 2013 LP, CapitalG 2014 GP LLC, the general partner of CapitalG 2014 LP, CapitalG GP LLC, the general partner of CapitalG LP, CapitalG II GP LLC, the general partner of CapitalG II LP, Alphabet Holdings LLC, the managing member of each of CapitalG 2013 GP LLC, CapitalG 2014 GP LLC, CapitalG GP LLC and CapitalG II GP LLC, XXVI Holdings Inc., the managing member of Alphabet Holdings LLC, and Alphabet Inc., the controlling stockholder of XXVI Holdings Inc., may each be deemed to share voting and investment power over the shares held by CapitalG 2013 LP, CapitalG 2014 LP, CapitalG LP and CapitalG II LP. Eugene Frantz, a member of our board of directors, is a General Partner at CapitalG 2013 LP, CapitalG 2014 LP, CapitalG LP and CapitalG II LP. and may be deemed to share voting and investment power over the shares held by CapitalG 2013 LP, CapitalG 2014 LP, CapitalG LP and CapitalG II LP. The address of each of these entities 1600 Amphitheatre Parkway, Mountain View, CA 94043.

(3) Consists of 6,555,181 shares of common stock held by Tiger Global PIP VI Holdings and other affiliates of Tiger Global Management, LLC. All such shares are controlled by Tiger Global Management, LLC, Chase Coleman and Scott Shleifer. The address for such parties is 9 West 57th Street, 35th Floor, New York, New York 10019.

(4) Consists of (i) 1,859,735 shares of common stock held of record by Sequoia Capital Global Growth Fund III – Endurance Partners, L.P. (GGF III); and (ii) 1,203,392 shares of common stock held of record by SCI Investments V. SC US (TTGP), Ltd. is the general partner of SCGGF III – Endurance Partners Management, L.P., which is the general partner of GGFIII. As a result, SC US (TTGP), Ltd. may be deemed to share voting and dispositive power with respect to the shares held by GGF III. The directors and stockholders of SC US (TTGP), Ltd. who exercise voting and investment discretion with respect to GGF III are Messrs. Douglas M. Leone and Roelof Botha. As a result, and by virtue of the relationships described in this paragraph, each such person may be deemed to share voting and dispositive power with respect to the shares held by GGF III. Messrs. Botha and Leone, together GGF III, SCGGF III – Endurance Partners Management, L.P. and SC US (TTGP), Ltd., are collectively referred to as Sequoia Capital Global Growth. Sequoia Capital India V Ltd. and SC India Principals Fund V Ltd are the sole shareholders of SCI Investments V. Voting and investment discretion with respect to the shares held by SCI Investments V is exercised by the board of directors of SCI Investments V. Sequoia Capital India V Ltd. and SC India Principals Fund V Ltd, together with SCI Investments V, are collectively referred to as Sequoia Capital India. Capital India and Sequoia Capital Global Growth may be deemed to be a group within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, with respect to their ownership of our shares, and are collectively referred to as the Sequoia Funds. The address for each of the Sequoia Capital India entities is SANNE House, Bank Street, TwentyEight CyberCity, Ebène 72201, Republic of Mauritius, and the address for each of the Sequoia Capital Global Growth entities is 2800 Sand Hill Road, Suite 101, Menlo Park, CA 94025.

(5) Includes 218,914 shares of common stock that may be acquired upon the settlement of outstanding restricted stock units within 60 days of March 31, 2021.

(6) Includes 60,937 shares of common stock that may be acquired upon the settlement of outstanding restricted stock units within 60 days of March 31, 2021.

(7) Consists of 10,937 shares of common stock that may be acquired upon the settlement of outstanding restricted stock units within 60 days of March 31, 2021.

(8) Consists of 28,125 shares of common stock that may be acquired upon the settlement of outstanding restricted stock units within 60 days of March 31, 2021.

(9) Consists of 11,719 shares of common stock that may be acquired upon the settlement of outstanding restricted stock units within 60 days of March 31, 2021.

(10) Consists of (i) 13,110,092 shares of common stock held by our current directors and executive officers as a group and (ii) 330,632 shares of common stock that may be acquired upon the settlement of outstanding restricted stock units within 60 days of March 31, 2021.

DESCRIPTION OF CAPITAL STOCK

General

The following is a summary of the rights of our common and preferred stock and some of the provisions of our amended and restated certificate of incorporation and amended and restated bylaws, which will each become effective upon the completion of this offering, the amended and restated investors' rights agreement and relevant provisions of Delaware General Corporation Law. The descriptions herein are qualified in their entirety by our amended and restated certificate of incorporation, amended and restated bylaws, and amended and restated investors' rights agreement, copies of which have been filed as exhibits to the registration statement of which this prospectus is a part, as well as the relevant provisions of Delaware General Corporation Law.

Upon the completion of this offering, our authorized capital stock will consist of the following shares, all with a par value of $0.0001 per share, of which:

- shares are designated as common stock; and
- shares are designated as preferred stock.

After giving effect to the conversion of all outstanding shares of convertible preferred stock, there would have been 23,155,676 shares of common stock outstanding on December 31, 2020, held by 267 stockholders of record.

As of December 31, 2020, we had outstanding options to acquire 209,608 shares of common stock under our 2011 Stock Plan, as amended (2011 Plan).

Common Stock

All issued and outstanding shares of our common stock will be duly authorized, validly issued, fully paid and non-assessable. All authorized but unissued shares of our common stock will be available for issuance by our board of directors without any further stockholder action, except as required by the listing standards of .

Voting Rights

Holders of common stock will be entitled to one vote per share on all matters to be voted upon by the stockholders. Our amended and restated certificate of incorporation that will be in effect upon the completion of this offering will not provide for cumulative voting for the election of directors.

Dividend Rights

Holders of common stock will be entitled to ratably receive dividends if, as and when declared from time to time by our board of directors at its own discretion out of funds legally available for that purpose, after payment of dividends required to be paid on outstanding preferred stock, if any. Under Delaware law, we can only pay dividends either out of "surplus" or out of the current or the immediately preceding year's net profits. Surplus is defined as the excess, if any, at any given time, of the total assets of a corporation over its total liabilities and statutory capital. The value of a corporation's assets can be measured in a number of ways and may not necessarily equal their book value.

Right to Receive Liquidation Distributions

Upon our dissolution, liquidation or winding-up, the assets legally available for distribution to our stockholders are distributable ratably among the holders of our common stock, subject to prior satisfaction of all outstanding debt and liabilities and the preferential rights and payment of liquidation preferences, if any, on any outstanding shares of preferred stock.

Other Matters

The common stock will have no preemptive rights pursuant to the terms of our amended and restated certificate of incorporation and our amended and restated bylaws. There will be no redemption or sinking fund provisions

applicable to the common stock. All outstanding shares of our common stock will be fully paid and non-assessable, and the shares of our common stock offered in this offering, upon payment and delivery in accordance with the underwriting agreement, will be fully paid and non-assessable.

Preferred Stock

As of December 31, 2020, there were 15,393,773 shares of convertible preferred stock outstanding. See Note 8 to our consolidated financial statements included elsewhere in this prospectus for more information regarding the terms of our outstanding convertible preferred stock. Immediately prior to the completion of this offering, each outstanding share of convertible preferred stock will convert into one share of our common stock.

Upon the completion of this offering, our board of directors may, without further action by our stockholders, fix the rights, preferences, privileges, and restrictions of up to an aggregate of shares of preferred stock in one or more series and authorize their issuance. These rights, preferences, and privileges could include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund terms and the number of shares constituting any series or the designation of such series, any or all of which may be greater than the rights of our common stock. The issuance of our preferred stock could adversely affect the voting power of holders of our common stock and the likelihood that such holders will receive dividend payments and payments upon liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring or preventing a change of control or other corporate action. Upon the completion of this offering, no shares of preferred stock will be outstanding, and we have no present plan to issue any shares of preferred stock.

Options

As of December 31, 2020, we had outstanding options under our equity compensation plans to purchase an aggregate of 209,608 shares of our common stock under the 2011 Plan, with a weighted-average exercise price of $2.2842 per share.

Registration Rights

We are party to an amended and restated investors' rights agreement (IRA) that provides that certain holders of our preferred stock and certain shares of our preferred stock, including certain holders of at least one percent of our outstanding capital stock, have certain registration rights as set forth below. The registration of shares of our 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. We will pay the registration expenses, not to exceed $50,000, of the shares registered by the demand, piggyback and Form S-3 registrations described below.

Generally, in an underwritten offering, the managing underwriter, if any, has the right, subject to specified conditions, to limit the number of shares such holders may include. The demand, piggyback and Form S-3 registration rights described below will expire five years after the completion of this offering, of which this prospectus is a part, or with respect to any particular stockholder, (1) such time after the completion of this offering that such stockholder can sell all of its shares entitled to registration rights under Rule 144(b)(1)(i) of the Securities Act or (2) such time that such stockholder owns one percent or less of our outstanding common stock as converted pursuant to this offering and all registrable securities held by such stockholder can be sold in any three month period without registration in compliance with Rule 144.

Demand Registration Rights

The holders of an aggregate of 18,826,134 shares of our common stock will be entitled to certain demand registration rights. At any time beginning six months after the completion of this offering, the holders of a 30% or more of these shares may request that we register all or a portion of their shares. We are obligated to effect only two such registrations.

Piggyback Registration Rights

In connection with this offering, the holders of an aggregate of 18,826,134 shares of our common stock were entitled to, and the necessary percentage of holders waived, their rights to notice of this offering and to include their shares of registrable securities in this offering. After this offering, if 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 these shares will be entitled to certain piggyback registration rights allowing the holder 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 (1) a registration relating solely to the sale of securities of participants in a Company stock plan, (2) a registration relating to a corporate reorganization or other Rule 145 transaction, (3) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of these shares, or (4) a registration relating to the offer and sale of debt securities, subject to limitations that the underwriters may impose on the number of shares included in the offering.

Form S-3 Registration Rights

The holders of an aggregate of 18,826,134 shares of common stock will be entitled to certain Form S-3 registration rights. The holders of these shares can make a request that we register their shares on Form S-3 if we are qualified to file a registration statement on Form S-3 and if the reasonably anticipated aggregate net proceeds of the shares offered would equal or exceed $5.0 million.

Anti-Takeover Effects of Delaware Law and Our Certificate of Incorporation and Bylaws

Some provisions of Delaware law, our amended and restated certificate of incorporation and our amended and restated bylaws contain or will contain provisions that could make the following transactions more difficult: (1) an acquisition of us by means of a tender offer; (2) an acquisition of us by means of a proxy contest or otherwise; (3) or the removal of our incumbent officers and directors. It is possible that these provisions could make it more difficult to accomplish or could deter transactions that stockholders may otherwise consider to be in their best interest or in our best interests, including transactions which provide for payment of a premium over the market price for our shares.

These provisions, summarized below, are intended to discourage coercive takeover practices and 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. We believe that the benefits of the increased protection of our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging these proposals because negotiation of these proposals could result in an improvement of their terms.

Stockholder Meetings

Our amended and restated bylaws will provide that a special meeting of stockholders may be called only by our chairperson of the board, chief executive officer or president, or by a resolution adopted by a majority of our board of directors.

Requirements for Advance Notification of Stockholder Nominations and Proposals

Our amended and restated bylaws will establish advance notice procedures with respect to stockholder proposals to be brought before a stockholder meeting and the nomination of candidates for election as directors, other than nominations made by or at the direction of the board of directors or a committee of the board of directors.

Elimination of Stockholder Action by Written Consent

Our amended and restated certificate of incorporation and amended and restated bylaws will eliminate the right of stockholders to act by written consent without a meeting.

Staggered Board

Our board of directors will be divided into three classes. The directors in each class will serve for a three-year term, one class being elected each year by our stockholders. For more information on the classified board, see the section titled "Management—Composition of Our Board of Directors." This system of electing and removing directors 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.

Removal of Directors

Our amended and restated certificate of incorporation will provide that no member of our board of directors may be removed from office by our stockholders except for cause and, in addition to any other vote required by law, upon the approval of not less than two thirds of the total voting power of all of our outstanding voting stock then entitled to vote in the election of directors.

Stockholders Not Entitled to Cumulative Voting

Our amended and restated certificate of incorporation will not permit stockholders to cumulate their votes in the election of directors. Accordingly, the holders of a majority of the outstanding shares of our common stock entitled to vote in any election of directors can elect all of the directors standing for election, if they choose, other than any directors that holders of our preferred stock may be entitled to elect.

Delaware Anti-Takeover Statute

We are subject to Section 203 of the Delaware General Corporation Law, which prohibits persons deemed to be "interested stockholders" from engaging in a "business combination" with a publicly held Delaware corporation for three years following the date these persons become interested stockholders unless the business combination is, or the transaction in which the person became an interested stockholder was, approved in a prescribed manner or another prescribed exception applies. Generally, an "interested stockholder" is a person who, together with affiliates and associates, owns, or within three years prior to the determination of interested stockholder status did own, 15% or more of a corporation's voting stock. Generally, a "business combination" includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. The existence of this provision may have an anti-takeover effect with respect to transactions not approved in advance by the board of directors.

Choice of Forum

Our amended and restated certificate of incorporation that will be in effect upon the closing of this offering will provide that the Court of Chancery of the State of Delaware (or, if the Court of Chancery of the State of Delaware lacks subject matter jurisdiction, any state court located within the State of Delaware or, if all such state courts lack subject matter jurisdiction, the federal district court for the District of Delaware) will be the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (1) any derivative claim or cause of action brought on our behalf; (2) any claim or cause of action for breach of a fiduciary duty owed by any of our current or former directors, officers or other employees to us or our stockholders; (3) any claim or cause of action against us or any of our current or former directors, officers or other employees, arising out of or pursuant to any provision of the General Corporation Law of the State of Delaware or our certificate of incorporation or bylaws; (4) any claim or cause of action seeking to interpret, apply, enforce or determine the validity of our certificate of incorporation or bylaws; (5) any claim or cause of action as to which the General Corporation Law of the State of Delaware confers jurisdiction on the Court of Chancery of the State of Delaware; or (6) any claim or cause of action against us or any of our current or former directors, officers or other employees, governed by the internal-affairs doctrine or otherwise related to our internal affairs. These provisions would not apply to claims or causes of action brought to enforce a duty or liability created by the Securities Act, the Exchange Act, or any other claim for which the U.S. federal courts have exclusive jurisdiction. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims.

Further, our amended and restated certificate of incorporation to be effective immediately prior to the completion of this offering will provide that unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States will be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act, including all causes of action asserted against any defendant named in such complaint. For the avoidance of doubt, this provision is intended to benefit and may be enforced by us, our officers and directors, the underwriters for any offering giving rise to such complaint, and any other professional 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.

Additionally, our amended and restated certificate of incorporation to be effective immediately prior to the completion of this offering will provide that any person or entity holding, owning or otherwise acquiring any interest in any of our securities shall be deemed to have notice of and consented to these provisions.

Amendment of Charter Provisions

The amendment of any of the above provisions, except for the provision making it possible for our board of directors to issue preferred stock, would require approval by holders of at least two-thirds of the total voting power of all of our outstanding voting stock.

The provisions of Delaware law, our amended and restated certificate of incorporation, and our amended and restated bylaws could have the effect of discouraging others from attempting hostile takeovers, and as a consequence, they may also inhibit temporary fluctuations in the market price of our common stock that often result from actual or rumored hostile takeover attempts. These provisions may also have the effect of preventing changes in the composition of our board and management. It is possible that these provisions could make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock will be . The transfer agent's address is .

Exchange Listing

Our common stock is currently not listed on any securities exchange. We intend to apply to list our common stock on under the symbol "FRSH."

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock. Future sales of substantial amounts of common stock in the public market, or the perception that such sales may occur, could adversely affect the market price of our common stock. Although we intend to apply to list our common stock on , we cannot assure you that there will be an active public market for our common stock.

Following the completion of this offering, based on the number of shares of our common stock outstanding as of December 31, 2020, and assuming (1) the conversion of all outstanding shares of our convertible preferred stock, and (2) no exercise of the underwriters' option to purchase additional shares of common stock, we will have outstanding an aggregate of approximately shares of common stock.

Of these shares, all shares of common stock sold in this offering will be freely tradable without restriction or further registration under the Securities Act, except for any shares of common stock purchased by our "affiliates," as that term is defined in Rule 144 under the Securities Act. Shares purchased by our affiliates would be subject to the Rule 144 resale restrictions described below, other than the holding period requirement.

The outstanding shares of common stock not sold in this offering will be "restricted securities," as that term is defined in Rule 144 under the Securities Act. These restricted securities are eligible for public sale only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rules 144 or 701 under the Securities Act, each of which is summarized below. All of these shares will be subject to a lock-up period under the lock-up agreements and market standoff agreements described below.

In addition, of the 209,608 shares of our common stock that were subject to stock options outstanding under the 2011 Stock Plan, as amended (2011 Plan), as of December 31, 2020, all of which were vested as of such date, upon exercise, these shares will be eligible for sale subject to the lock–up agreements described below and Rules 144 and 701 under the Securities Act.

Lock-Up Agreements and Market Standoff Provisions

We, and all of our directors, executive officers and the holders of substantially all of our common stock and securities exercisable for or convertible into our common stock outstanding immediately on the completion of this offering, have agreed, or will agree, with the underwriters that, until 180 days after the date of this prospectus, or the restricted period, subject to certain exceptions, we and they will not, without the prior written consent of , offer, sell, contract to sell, pledge, sell any option or contract to purchase, purchase any option or contract to sell, grant any option to purchase, make any short sale or otherwise dispose of any of our shares of common stock, any options or warrants to purchase any of our shares of common stock or any securities convertible into or exchangeable for or that represent the right to receive shares of our common stock. These agreements are described in the section titled "Underwriters." may release any of the securities subject to these lock-up agreements at any time, subject to applicable notice requirements.

In addition to the restrictions contained in the lock-up agreements described above, we have entered into agreements with all of our security holders that contain market stand-off provisions imposing restrictions on the ability of such security holders to offer, sell or transfer our equity securities for a period of 180 days following the date of this prospectus.

Upon expiration of the lock-up period, certain of our stockholders will have the right to require us to register their shares under the Securities Act. See the sections titled "—Registration Rights" below and "Description of Capital Stock—Registration Rights."

Upon the expiration of the lock-up period, substantially all of the shares subject to such lock-up restrictions will become eligible for sale, subject to the exceptions and limitations discussed below.

After the offering, certain of our employees, including our executive officers, and/or directors may enter into written trading plans that are intended to comply with Rule 10b5-1 under the Securities Act. Sales under these

trading plans would not be permitted until the expiration of the lock-up agreements relating to the offering described above.

Rule 144

Affiliate Resales of Restricted Securities

In general, under Rule 144 as currently in effect, beginning 90 days after the effective date of the registration statement of which this prospectus is a part, a person who is an affiliate of ours, or who was an affiliate at any time during the 90 days before a sale, and who has beneficially owned shares of our capital stock for at least six months would be entitled to sell in "broker's transactions" or certain "riskless principal transactions" or to market makers, a number of shares within any three-month period that does not exceed the greater of:

- one percent of the number of shares of our common stock then outstanding, which will equal approximately shares immediately after this offering; or
- the average weekly trading volume in our common stock on during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Affiliate resales under Rule 144 are also subject to the availability of current public information about us. In addition, if the number of shares being sold under Rule 144 by an affiliate during any three-month period exceeds 5,000 shares or has an aggregate sale price in excess of $50,000, the seller must file a notice on Form 144 with the Securities and Exchange Commission and concurrently with either the placing of a sale order with the broker or the execution of a sale directly with a market maker.

Non-Affiliate Resales of Restricted Securities

In general, under Rule 144 as currently in effect, beginning 90 days after the effective date of the registration statement of which this prospectus is a part, a person who is not an affiliate of ours at the time of sale, and has not been an affiliate at any time during the 90 days preceding a sale, and who has beneficially owned shares of our capital stock for at least six months but less than a year, is entitled to sell such shares subject only to the availability of current public information about us. If such person has held our shares for at least one year, such person can resell under Rule 144(b)(1) without regard to any Rule 144 restrictions, including the 90-day public company requirement and the current public information requirement.

Non-affiliate resales are not subject to the manner of sale, volume limitation or notice filing provisions of Rule 144.

Rule 701

In general, under Rule 701, any of our employees, directors, officers, consultants or advisors who purchases shares from us in connection with a compensatory stock or option plan or other written agreement before the effective date of a registration statement under the Securities Act is entitled to sell such shares 90 days after such effective date in reliance on Rule 144. Securities issued in reliance on Rule 701 are restricted securities and, subject to the contractual restrictions described above, beginning 90 days after the date of this prospectus, may be sold by persons other than "affiliates," as defined in Rule 144, subject only to the manner of sale provisions of Rule 144 and by "affiliates" under Rule 144 without compliance with its one-year minimum holding period requirement. However, substantially all Rule 701 shares are subject to lock-up agreements as described above and will become eligible for sale upon the expiration of the restrictions set forth in those agreements.

Form S-8 Registration Statement

We intend to file one or more registration statements on Form S-8 under the Securities Act to register all shares of common stock subject to outstanding stock options and common stock issued or issuable under the 2021 Equity Incentive Plan (2021 Plan), the 2011 Plan and the 2021 Employee Stock Purchase Plan (ESPP). We expect to file the registration statement covering shares offered pursuant to these stock plans shortly after the date of this prospectus, permitting the resale of such shares by non-affiliates in the public market without restriction under the

Securities Act and the sale by affiliates in the public market subject to compliance with the resale provisions of Rule 144.

Registration Rights

As of December 31, 2020, holders of up to 18,826,134 shares of our common stock, which includes all of the shares of common stock issuable upon the automatic conversion of our convertible preferred stock immediately prior to the completion of this offering, or their transferees, will be entitled to various rights with respect to the registration of these shares under the Securities Act upon the completion of this offering and the expiration of lock-up agreements. Registration of these shares under the Securities Act would result in these shares becoming fully tradable without restriction under the Securities Act immediately upon the effectiveness of the registration, except for shares purchased by affiliates. See the section titled “Description of Capital Stock—Registration Rights” for additional information. Shares covered by a registration statement will be eligible for sale in the public market upon the expiration or release from the terms of the lock-up agreement.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS OF OUR COMMON STOCK

The following discussion is a summary of the material U.S. federal income tax consequences to non-U.S. holders (as defined below) of the acquisition, ownership and disposition of our common stock issued pursuant to this offering. This discussion is not a complete analysis of all potential U.S. federal income tax consequences relating thereto, does not address the potential application of the Medicare contribution tax on net investment income, or the alternative minimum tax or the treatment of person subject to special tax accounting rules under Section 451(b) of the Internal Revenue Code of 1986, as amended (Code), and does not address any estate or gift tax consequences or any tax consequences arising under any state, local or foreign tax laws, or any other U.S. federal tax laws. This discussion is based on the Code, Treasury Regulations promulgated thereunder, judicial decisions and published rulings and administrative pronouncements of the Internal Revenue Service (IRS), all as in effect as of the date of this prospectus. These authorities are subject to differing interpretations and may change, possibly retroactively, resulting in U.S. federal income tax consequences different from those discussed below. We have not requested a ruling from the IRS with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS or a court will agree with such statements and conclusions.

This discussion is limited to non-U.S. holders who purchase our common stock pursuant to this offering and who hold our common stock as a "capital asset" within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a particular holder in light of such holder's particular circumstances. This discussion also does not consider any specific facts or circumstances that may be relevant to holders subject to special rules under the U.S. federal income tax laws, including:

- certain former citizens or long-term residents of the United States;
- partnerships or other pass-through entities (and investors therein);
- "controlled foreign corporations";
- "passive foreign investment companies";
- corporations that accumulate earnings to avoid U.S. federal income tax;
- banks, financial institutions, investment funds, insurance companies, brokers, dealers or traders in securities;
- tax-exempt organizations and governmental organizations;
- tax-qualified retirement plans;
- persons who hold or receive our common stock pursuant to the exercise of any employee stock option or otherwise as compensation;
- "qualified foreign pension funds" as defined in Section 897(l)(2) of the Code and entities all of the interests of which are held by qualified foreign pension funds;
- persons that own, or have owned, actually or constructively, more than 5% of our common stock;
- persons who have elected to mark securities to market; and
- persons holding our common stock as part of a hedging or conversion transaction or straddle, or a constructive sale, or other risk reduction strategy or integrated investment.

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes holds our common stock, the U.S. federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. Partnerships holding our common stock and the partners in

such partnerships are urged to consult their tax advisors about the particular U.S. federal income tax consequences to them of holding and disposing of our common stock.

THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE PARTICULAR U.S. FEDERAL INCOME TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING AND DISPOSING OF OUR COMMON STOCK, AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER ANY STATE, LOCAL OR FOREIGN TAX LAWS AND ANY OTHER U.S. FEDERAL TAX LAWS.

Definition of Non-U.S. Holder

For purposes of this discussion, a non-U.S. holder is any beneficial owner of our common stock that is not a "U.S. person" or a partnership (including any entity or arrangement 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 (or any entity treated as a corporation for U.S. federal income tax purposes) 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 (1) whose administration is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust or (2) that has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

Distributions on Our Common Stock

As described under the section titled "Dividend Policy," we have not paid and do not anticipate paying any cash distributions in the foreseeable future. However, if we make cash or other property distributions on our 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 that exceed such current and accumulated earnings and profits and, therefore, are not treated as dividends for U.S. federal income tax purposes will constitute a return of capital and will first be applied against and reduce a holder's tax basis in our common stock, but not below zero. Any excess amount distributed will be treated as gain realized on the sale or other disposition of our common stock and will be treated as described under the section titled "—Gain On Disposition of Our Common Stock" below.

Subject to the discussions below regarding effectively connected income, backup withholding and FATCA (as defined below), dividends paid to a non-U.S. holder of our common stock generally 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. To receive the benefit of a reduced treaty rate, a non-U.S. holder must furnish us or the applicable withholding agent a valid IRS Form W-8BEN or IRS Form W-8BEN-E (or applicable successor form) certifying such holder's qualification for the reduced rate. This certification must be provided to us or the withholding agent before the payment of dividends and must be updated periodically. If the non-U.S. holder holds the stock through a financial institution or other agent acting on the non-U.S. holder's behalf, the non-U.S. holder will be required to provide appropriate documentation to the agent, which then will be required to provide certification to us or the withholding agent, either directly or through other intermediaries.

If a non-U.S. holder holds our common stock in connection with the conduct of a trade or business in the United States, and dividends paid on our common stock are effectively connected with such holder's U.S. trade or business (and are attributable to such holder's permanent establishment or fixed base in the United States if required by an applicable tax treaty), the non-U.S. holder will be exempt from U.S. federal withholding tax. To claim the

exemption, the non-U.S. holder must generally furnish a valid IRS Form W-8ECI (or applicable successor form) to the applicable withholding agent.

However, any such effectively connected dividends paid on our common stock generally will be subject to U.S. federal income tax on a net income basis at the regular U.S. federal income tax rates in the same manner as if such holder were a resident of the United States. A non-U.S. holder that is a foreign corporation also may be subject to an additional branch profits tax equal to 30% (or such lower rate specified by an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, as adjusted for certain items.

Non-U.S. holders that do not provide the required certification on a timely basis, but that qualify 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 any applicable income tax treaties that may provide for different rules.

Gain on Disposition of Our Common Stock

Subject to the discussions below regarding backup withholding and FATCA, a non-U.S. holder generally will not be subject to U.S. federal income tax on any gain realized on the sale or other disposition of our common stock, unless:

- the gain is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States and, if required by an applicable income tax treaty, is attributable to a permanent establishment or fixed base maintained by the non-U.S. holder in the United States;
- 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 common stock constitutes a "U.S. real property interest" by reason of our status as a U.S. real property holding corporation (a USRPHC), for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding the disposition or the non-U.S. holder's holding period for our common stock, and our common stock is not regularly traded on an established securities market (as defined in applicable Treasury Regulations).

Determining whether we are a USRPHC depends on the fair market value of our U.S. real property interests relative to the fair market value of our other trade or business assets and our worldwide real property interests. We believe that we are not currently and have not been a USRPHC for U.S. federal income tax purposes, although there can be no assurance we will not in the future become a USRPHC.

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 U.S. federal income tax rates in the same manner as if such holder were a resident of the United States. A non-U.S. holder that is a foreign corporation also may be subject to an additional branch profits tax equal to 30% (or such lower rate specified by an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, as adjusted for certain items. Gain described in the second bullet point above will be subject to U.S. federal income tax at a flat 30% rate (or such lower rate specified by an applicable income tax treaty), but may be offset by certain U.S.-source capital losses (even though the individual is not considered a resident of the United States), provided that the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses. Gain described in the third bullet point above will generally be subject to U.S. federal income tax in the same manner as gain that is effectively connected with the conduct of a U.S. trade or business (subject to any provisions under an applicable income tax treaty), except that the branch profits tax generally will not apply. Non-U.S. holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules.

Information Reporting and Backup Withholding

Annual reports are required to be filed with the IRS and provided to each non-U.S. holder indicating the amount of distributions on our common stock paid to such holder and the amount of any tax withheld with respect to those distributions. These information reporting requirements apply even if no withholding was required because the distributions were effectively connected with the holder's conduct of a U.S. trade or business, or withholding was reduced or eliminated by an applicable income tax treaty. This information also may be made available under a specific treaty or agreement with the tax authorities in the country in which the non-U.S. holder resides or is established. Backup withholding, currently at a 24% rate, generally will not apply to payments to a non-U.S. holder of dividends on or the gross proceeds of a disposition of our common stock provided the non-U.S. holder furnishes the required certification for its non-U.S. status, such as by providing a valid IRS Form W-8BEN, IRS Form W-8BEN-E or IRS Form W-8ECI (or applicable successor form), or certain other requirements are met. Backup withholding may apply if the payor has actual knowledge, or reason to know, that the holder is a U.S. person who is not an exempt recipient.

Backup withholding is not an additional tax. If any amount is withheld under the backup withholding rules, the non-U.S. holder should consult with a U.S. tax advisor regarding the possibility of and procedure for obtaining a refund or a credit against the non-U.S. holder's U.S. federal income tax liability, if any.

Withholding on Foreign Entities

Sections 1471 through 1474 of the Code (commonly referred to as FATCA), impose a U.S. federal withholding tax of 30% on certain payments made to a "foreign financial institution" (as specially defined under these rules) unless such institution enters into an agreement with the U.S. government to withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding certain U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners) or an exemption applies. FATCA also generally will impose a U.S. federal withholding tax of 30% on certain payments made to a non-financial foreign entity unless such entity either certifies that it does not have any "substantial U.S. owners" as defined in the Code or provides the withholding agent a certification identifying certain direct and indirect U.S. owners of the entity or an exemption applies. An intergovernmental agreement between the United States and an applicable foreign country may modify these requirements. Under certain circumstances, a non-U.S. holder might be eligible for refunds or credits of such taxes. FATCA currently applies to dividends paid on our common stock. FATCA would have applied to payments of gross proceeds from the sale or other disposition of stock, but under proposed regulations (the preamble to which specifies that taxpayers are permitted to rely on such proposed regulations pending finalization), no withholding would apply with respect to payments of gross proceeds.

Prospective investors are encouraged to consult with their own tax advisors regarding the possible implications of FATCA on their investment in our common stock.

UNDERWRITERS

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. LLC, J.P. Morgan Securities LLC, and BofA Securities, Inc. are acting as representatives, have severally agreed to purchase, and we have agreed to sell to them, severally, the number of shares indicated below:

Name	Number of Shares
Morgan Stanley & Co. LLC	
J.P. Morgan Securities LLC	
BofA Securities, Inc.	
Total	

The underwriters and the representatives are collectively referred to as the "underwriters" and the "representatives," respectively. The underwriters are offering the shares of common stock subject to their acceptance of the shares from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of common stock offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the shares of common stock offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters' over-allotment option described below.

The underwriters initially propose to offer part of the shares of common stock directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers at a price that represents a concession not in excess of $ per share under the public offering price. After the initial offering of the shares of common stock, the offering price and other selling terms may from time to time be varied by the representatives.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to additional shares of common stock at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the shares of common stock offered by this prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional shares of common stock as the number listed next to the underwriter's name in the preceding table bears to the total number of shares of common stock listed next to the names of all underwriters in the preceding table.

The following table shows the per share and total public offering price, underwriting discounts and commissions, and proceeds before expenses to us. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase up to an additional shares of common stock.

Total	Per Share	No Exercise	Full Exercise
Public offering price	$	$	$ $
Underwriting discounts and commissions to be paid by us			
Proceeds, before expenses, to us	$	$	$

The estimated offering expenses payable by us, exclusive of the underwriting discounts and commissions, are approximately $. We have agreed to reimburse the underwriters for expenses relating to the clearance of this offering with the Financial Industry Regulatory Authority up to $.

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed 5% of the total number of shares of common stock offered by them.

Our common stock has been approved for listing on the under the trading symbol "FRSH."

We, all directors and officers and the holders of all of our outstanding stock and stock options have agreed that, without the prior written consent of the representatives on behalf of the underwriters, we and they will not, and will not publicly disclose an intention to, during the period ending 180 days after the date of this prospectus (the restricted period):

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock;
- file any registration statement with the Securities and Exchange Commission relating to the offering of any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock,

whether any such transaction described above is to be settled by delivery of common stock or such other securities, in cash or otherwise. In addition, we and each such person agrees that, without the prior written consent of the representatives on behalf of the underwriters, we or such other person will not, during the restricted period, make any demand for, or exercise any right with respect to, the registration of any shares of common stock or any security convertible into or exercisable or exchangeable for common stock.

The restrictions described in the immediately preceding paragraph do not apply to:

- the sale of shares of common stock to the underwriters pursuant to the terms of the underwriting agreement;
- the issuance by the Company of shares of common stock upon the exercise of an option or a warrant or the conversion of a security outstanding on the date of this prospectus of which the underwriters have been advised in writing;
- transactions by any person other than us relating to shares of common stock or other securities acquired in open market transactions after the completion of the offering of the shares; provided that no filing under Section 16(a) of the Exchange Act, is required or voluntarily made in connection with subsequent sales of the common stock or other securities acquired in such open market transactions; and
- facilitating the establishment of a trading plan on behalf of a shareholder, officer or director of the Company pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of common stock, provided that (i) such plan does not provide for the transfer of common stock during the restricted period and (ii) to the extent a public announcement or filing under the Exchange Act, if any, is required of or voluntarily made by the Company regarding the establishment of such plan, such announcement or filing shall include a statement to the effect that no transfer of common stock may be made under such plan during the restricted period.

The representatives, in their sole discretion, may release the common stock and other securities subject to the lock-up agreements described above in whole or in part at any time.

In order to facilitate the offering of the common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the common stock. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under the over-allotment option. The underwriters can close out a covered short sale by exercising the over-allotment option or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under the over-allotment option. The underwriters may also sell shares in excess of the over-allotment option, creating a naked short position. The underwriters must close out any naked short position by purchasing

shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, shares of common stock in the open market to stabilize the price of the common stock. These activities may raise or maintain the market price of the common stock above independent market levels or prevent or retard a decline in the market price of the common stock. The underwriters are not required to engage in these activities and may end any of these activities at any time.

We and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

A prospectus in electronic format may be made available on websites maintained by one or more underwriters, or selling group members, if any, participating in this offering. The representatives may agree to allocate a number of shares of common stock to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters that may make Internet distributions on the same basis as other allocations.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses.

In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. The underwriters and their respective affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

Pricing of the Offering

Prior to this offering, there has been no public market for our common stock. The initial public offering price was determined by negotiations between us and the representatives. Among the factors considered in determining the initial public offering price were our future prospects and those of our industry in general, our sales, earnings and certain other financial and operating information in recent periods, and the price-earnings ratios, price-sales ratios, market prices of securities, and certain financial and operating information of companies engaged in activities similar to ours.

Selling Restrictions

European Economic Area

In relation to each Member State of the European Economic Area (the EEA and each Member State, a Relevant State), no securities have been offered or will be offered pursuant to the offering to the public in that Relevant State prior to the publication of a prospectus in relation to the securities which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of securities may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the representatives for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of shares of our common stock shall result in a requirement for the publication by us or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to any shares of our common stock in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares of our common stock to be offered so as to enable an investor to decide to purchase any shares of our common stock, the expression "Prospectus Regulation" means Regulation (EU) 2017/1129 (as amended).

United Kingdom

In relation to the United Kingdom, no securities have been offered or will be offered pursuant to this offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the securities that either (i) has been approved by the Financial Conduct Authority, or (ii) is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, except that offers of securities may be made to the public in the United Kingdom at any time under the following exemptions under the UK Prospectus Regulation:

- to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Representative for any such offer; or
- in any other circumstances falling within section 86 of the Financial Services and Markets Act 2000, as amended (the FSMA),

Each underwriter has represented and agreed that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (FSMA), received by it in connection with the issue or sale of the shares of our common stock in circumstances in which Section 21(1) of the FSMA does not apply to us; and
- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares of our common stock in, from or otherwise involving the United Kingdom.

Canada

The shares of our common stock may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the shares of our common stock must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions

of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

LEGAL MATTERS

The validity of the shares of common stock being offered by this prospectus will be passed upon for us by Cooley LLP, Palo Alto, California. Orrick, Herrington & Sutcliffe LLP, San Francisco, California, is acting as counsel to the underwriters in connection with this offering.

EXPERTS

The financial statements included in this Prospectus have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing herein. Such financial statements are included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1, including exhibits and schedules, under the Securities Act, with respect to the shares of common stock being offered by this prospectus. This prospectus, which constitutes part of the registration statement, does not contain all of the information in the registration statement and its exhibits. For further information with respect to us and the common stock offered by this prospectus, we refer you to the registration statement and its exhibits. Statements contained in this prospectus as to the contents of any contract or any other document referred to are not necessarily complete, and in each instance, we refer you to the copy of the contract or other document filed as an exhibit to the registration statement. Each of these statements is qualified in all respects by this reference.

You can read our SEC filings, including the registration statement, over the Internet at the SEC's website at www.sec.gov.

Upon the completion of this offering, we will be subject to the information reporting requirements of the Securities Exchange Act of 1934 and we will file reports, proxy statements and other information with the SEC. We also maintain a website at freshworks.com, at which, following the completion of this offering, you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Information contained on or accessible through our website is not a part of this prospectus, and the inclusion of our website address in this prospectus is an inactive textual reference only.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Freshworks, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Freshworks, Inc. (the "Company") as of December 31, 2019 and 2020, the related statements of operations, comprehensive loss, redeemable convertible preferred stock and stockholders' deficit, and cash flows, for each of the two years in the period ended December 31, 2020, and the related notes (collectively referred to as the "financial statements"). In our opinion, the 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 two years in the period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's 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 financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the 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 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 financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ DELOITTE & TOUCHE LLP

San Jose, California
May 14, 2021

We have served as the Company's auditor since 2018.

FRESHWORKS INC.
CONSOLIDATED BALANCE SHEETS
(in thousands)

	As of December 31,		
	2019	2020	
	Actual	Actual	Pro Forma
Assets			
Current assets:			
Cash and cash equivalents	$ 74,999	$ 95,382	
Marketable securities	147,863	142,733	
Accounts receivable, net	24,295	34,270	
Deferred contract acquisition costs	5,452	9,167	
Prepaid expenses and other current assets	23,887	30,852	
Total current assets	276,496	312,404	
Property and equipment, net	19,962	20,784	
Deferred contract acquisition costs, noncurrent	6,158	9,106	
Intangible assets, net	4,404	6,223	
Goodwill	4,473	6,181	
Deferred tax assets	2,065	4,393	
Other assets	8,210	8,333	
Total assets	$ 321,768	$ 367,424	
Liabilities, Redeemable Convertible Preferred Stock and Stockholders' Deficit			
Current liabilities:			
Accounts payable	$ 3,655	$ 3,710	
Accrued liabilities	23,797	35,608	
Deferred revenue	67,540	104,184	
Income tax payable	3,391	8,740	
Total current liabilities	98,383	152,242	
Other liabilities	11,534	16,827	
Total liabilities	109,917	169,069	
Commitments and contingencies (Note 10)			
Redeemable Convertible Preferred Stock			
Redeemable convertible preferred stock, $0.0001 par value; 15,406 shares authorized; 15,394 shares issued and outstanding; and $326,559 aggregate liquidation preference as of December 31, 2019 and 2020	1,334,572	2,895,096	
Stockholders' Deficit			
Common stock, $0.00001 par value; 28,500 shares authorized; 7,683 and 7,762 shares issued and outstanding as of December 31, 2019 and 2020, respectively.	—	—	
Accumulated other comprehensive income	139	411	
Accumulated deficit	(1,122,860)	(2,697,152)	
Total stockholders' deficit	(1,122,721)	(2,696,741)	
Total liabilities, redeemable convertible preferred stock and stockholders' deficit	$ 321,768	$ 367,424	

The accompanying notes are an integral part of these consolidated financial statements.

FRESHWORKS INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)

	Year Ended December 31,	
	2019	**2020**
Revenue	$ 172,377	$ 249,659
Cost of revenue	36,462	52,492
Gross profit	135,915	197,167
Operating expense:		
Research and development	38,559	69,210
Sales and marketing	111,115	133,277
General and administrative	15,911	50,792
Total operating expenses	165,585	253,279
Loss from operations	(29,670)	(56,112)
Interest and other income, net	2,180	2,833
Loss before income taxes	(27,490)	(53,279)
Provision for income taxes	3,635	4,015
Net loss	(31,125)	(57,294)
Accretion of redeemable convertible preferred stock	(553,339)	(1,560,524)
Deemed dividend distribution	(40,071)	—
Net loss attributable to common stockholders	$ (624,535)	$ (1,617,818)
Net loss per share attributable to common stockholders - basic and diluted	$ (82.14)	$ (210.24)
Weighted-average shares used in computing net loss per share attributable to common stockholders - basic and diluted	7,603	7,695

The accompanying notes are an integral part of these consolidated financial statements.

FRESHWORKS INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in thousands)

	Year Ended December 31,	
	2019	**2020**
Net loss	$ (31,125)	$ (57,294)
Other comprehensive income (loss)		
Adjustment for the adoption of ASU 2016-01	(981)	—
Unrealized (loss) gain on marketable securities	(21)	272
Comprehensive loss	$ (32,127)	$ (57,022)

The accompanying notes are an integral part of these consolidated financial statements.

FRESHWORKS INC.
CONSOLIDATED STATEMENTS OF REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT
(in thousands)

	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit *As Adjusted	Total Stockholders' Deficit *As Adjusted
	Shares	Amount	Shares	Amount				
Balances as of January 1, 2019	14,266	$ 631,413	7,427	$ —	$ —	$ 1,141	$ (540,339)	$ (539,198)
Adjustment for the adoption of ASU 2016-01	—	—	—	—	—	(981)	981	—
Issuance of Series H redeemable convertible, preferred stock, net issuance costs of $181	1,128	149,820	—	—	—	—	—	—
Sale of redeemable convertible preferred stock (Note 11)	752	59,929	—	—	—	—	—	—
Deemed contribution (Note 11)	—	—	—	—	—	—	40,071	40,071
Repurchase of redeemable convertible preferred stock (Note 11)	(752)	(59,929)	—	—	—	—	—	—
Accretion of redeemable convertible preferred	—	553,339	—	—	(962)	—	(552,377)	(553,339)
Deemed dividend distribution (Note 11)	—	—	—	—	—	—	(40,071)	(40,071)
Issuance of common stock upon exercise of stock options	—	—	256	—	689	—	—	689
Stock-based compensation	—	—	—	—	273	—	—	273
Unrealized loss on marketable securities	—	—	—	—	—	(21)	—	(21)
Net loss	—	—	—	—	—	—	(31,125)	(31,125)
Balances as of December 31, 2019	15,394	1,334,572	7,683	—	—	139	(1,122,860)	(1,122,721)
Accretion of redeemable convertible preferred stock	—	1,560,524	—	—	(43,526)	—	(1,516,998)	(1,560,524)
Issuance of common stock upon exercise of stock options	—	—	79	—	246	—	—	246
Stock-based compensation	—	—	—	—	43,280	—	—	43,280
Unrealized gain on marketable securities	—	—	—	—	—	272	—	272
Net loss	—	—	—	—	—	—	(57,294)	(57,294)
Balances as of December 31, 2020	15,394	$ 2,895,096	7,762	$ —	$ —	$ 411	$ (2,697,152)	$ (2,696,741)

* See Note 2—*Recently Adopted Accounting Pronouncements* for adjustment related to the adoption of Accounting Standards Update No. 2014-09, Revenue from Contracts with Customers (ASU 2014-09).

The accompanying notes are an integral part of these consolidated financial statements.

FRESHWORKS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,	
	2019	**2020**
Cash Flows Operating Activities:		
Net loss	$ (31,125)	$ (57,294)
Adjustments to reconcile net floss to net cash used in operating activities:		
Depreciation and amortization	6,260	11,169
Amortization of deferred contract acquisition costs	4,038	7,681
Stock-based compensation	273	43,280
(Discount) Premium amortization on marketable securities	(194)	1,227
Gain realized on sale of marketable securities	(316)	(132)
Change in fair value of equity securities	(266)	(107)
Deferred income taxes	(939)	(2,360)
Other	386	142
Changes in operating assets and liabilities:		
Accounts receivable	(9,366)	(9,932)
Deferred contract acquisition costs	(9,579)	(14,343)
Prepaid expenses and other assets	(11,340)	(8,165)
Accounts payable	2,665	53
Accrued and other liabilities	13,902	24,867
Deferred revenue	27,437	36,444
Net cash (used in) provided by operating activities	(8,164)	32,530
Cash Flows from Investing Activities:		
Purchases of property and equipment	(11,505)	(4,383)
Capitalized internal-use software	(3,323)	(4,631)
Purchases of marketable securities	(176,575)	(115,689)
Sales of marketable securities	24,707	18,658
Maturities and redemptions of marketable securities	23,719	101,445
Acquired intangible assets	—	(1,750)
Business combination, net of cash acquired	(5,972)	(5,075)
Net cash used in investing activities	(148,949)	(11,425)
Cash Flows from Financing Activities:		
Proceeds from issuance of Series H redeemable convertible preferred stock, net of issuance costs	149,820	—
Sale of redeemable convertible preferred stock	100,000	—
Repurchase of redeemable convertible preferred stock	(100,000)	—
Proceeds from exercise of stock options	689	246
Payment of acquisition-related liabilities	(277)	(2,155)
Net cash provided by (used in) financing activities	150,232	(1,909)
Net (decrease) increase in cash, cash equivalents and restricted cash	(6,881)	19,196
Cash, cash equivalents and restricted cash, beginning of period	86,016	79,135
Cash, cash equivalents and restricted cash, end of period	$ 79,135	$ 98,331
Reconciliation of cash, cash equivalents and restricted cash to consolidated balance sheets:		
Cash and cash equivalents	$ 74,999	$ 95,382
Restricted cash included in prepaid expenses and other current assets	3,114	1,930
Restricted cash included in other assets	1,022	1,019
Total cash, cash equivalents and restricted cash	$ 79,135	$ 98,331

The accompanying notes are an integral part of these consolidated financial statements.

FRESHWORKS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,	
	2019	2020
Supplemental cash flow information:		
Cash paid for taxes	$ 3,461	$ 5,075
Non-cash investing and financing activities:		
Purchased property and equipment included in accrued expenses	$ 1,393	$ 62
Property and equipment acquired through tenant improvement allowance	$ 1,524	$ 322
Deferred purchase consideration for acquisition	$ 2,883	$ 900
Accretion of redeemable convertible preferred stock	$ 553,339	$ 1,560,524

The accompanying notes are an integral part of these consolidated financial statements.

1. Description of Business

Freshworks Inc. (Freshworks, or the Company) is a software development company that provides modern software-as-a-service (SaaS) products that are designed with the user in mind. The Company was incorporated in Delaware in 2010 and is headquartered in San Mateo, California, and has foreign subsidiaries located in India, Australia, the United Kingdom, Ireland, Germany, France, the Netherlands, and Singapore.

2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

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

Foreign Currency Remeasurement and Transactions

The functional currency of the Company's foreign subsidiaries is the U.S. dollar. Accordingly, each foreign subsidiary remeasures monetary assets and liabilities at period-end exchange rates, while non-monetary items are remeasured at historical rates. The Company derives all revenues in U.S. dollars. Expenses are remeasured at the exchange rates in effect on the day the transaction occurred, except for those expenses related to non-monetary assets and liabilities, which are remeasured at historical exchange rates. Remeasurement adjustments are recognized in interest and other income, net in the consolidated statements of operations, and have not been material for the years ended December 31, 2019 and 2020.

Use of Estimates

The preparation of consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of income and expense during the reporting period. Significant items subject to such estimates and assumptions include, but are not limited to, the following:

- determination of standalone selling price (SSP) for each distinct performance obligation included in customer contracts with multiple performance obligations;
- allowance for doubtful accounts;
- expected benefit period of deferred contract acquisition costs;
- capitalization of internal-use software;
- fair value of acquired intangible assets and goodwill;
- useful lives of long-lived assets;
- valuation of deferred tax assets;
- valuation of employee defined benefit plan;

- fair value of share-based awards; and
- fair value of redeemable convertible preferred stock.

Risk and Uncertainties

Due to the COVID-19 pandemic, the Company has temporarily closed its headquarters in San Mateo, California, and other offices around the world, required its employees to work remotely from home, and implemented travel restrictions, all of which have caused significant disruption in how the Company operates its business. At the same time, the operations of its partners and customers have also been disrupted. While the duration and extent of the COVID-19 pandemic depends largely on future developments that cannot be accurately predicted at this time, such as the extent of and effectiveness of containment actions and developed vaccines, it has already had an adverse effect on the global economy and the ultimate societal and economic impact of the COVID-19 pandemic remains unknown. In particular, the conditions caused by this pandemic could adversely affect demand for the Company's products and services, lead to longer sales cycles, reduce the value or duration of subscriptions, negatively impact collections of accounts receivable, reduce expected spending from new customers, cause some of the existing customers to go out of business, limit the potential to generate additional business with new customers due to travel restrictions imposed, and affect contraction or attrition rates of the Company's customers, all of which could adversely affect the Company's business, results of operations, and financial condition. As of the issuance date of the financial statements, the Company is not aware of any specific event or circumstances related to COVID-19 or other estimates that would require it to update estimates or judgments or adjust the carrying value of its assets or liabilities. Actual results could differ from those estimates and any such differences may be material to the consolidated financial statements.

Segment Information

The Company operates in a single operating segment. The Chief Executive Officer (CEO) is the chief operating decision maker of the Company and makes operating decisions, assesses financial performance, and allocates resources based upon discrete financial information at a consolidated level.

Revenue Recognition

The Company derives revenue from subscription fees and related professional services. The Company sells subscriptions for its cloud-based solutions through arrangements that are non-cancelable and non-refundable. The Company's subscription arrangements do not provide customers with the right to take possession of the software supporting the solutions and, as a result, are accounted for as service arrangements. The treatment of the arrangements is consistent with sales directly to customers and indirectly through channel partners. The Company records revenue net of sales or value-added taxes.

On occasion, the Company sells subscriptions to third-party resellers. The price at which subscriptions are sold to the reseller is typically discounted, as compared to the price at which the Company would sell to an end customer, in order to enable the reseller to realize a margin on the eventual sale to the end customer. As pricing to the reseller is fixed, and the Company lacks visibility into the pricing provided by the reseller to the end customer, reseller revenue is recorded net of any reseller margin.

Subscription Revenue

Subscription revenue is primarily comprised of fees paid by the Company's customers for accessing its cloud-based software during the term of the arrangement. Cloud-based services allow customers to use the Company's multi-tenant software without requiring them to take possession of the software. Given that access to the cloud-based software represents a series of distinct services that comprise a single performance obligation that is satisfied over time, subscription revenue is recognized ratably over the contract term beginning on the commencement date of each contract, which is the date that the cloud-based software is made available to customers.

Professional Services Revenue

Professional services revenue is comprised of fees charged for services ranging from product configuration, data migration, systems integration, and training. The Company recognizes professional services revenues as services are performed.

Customers with Multiple Performance Obligations

Some of the Company's contracts with customers contain both subscriptions and professional services. For these contracts, the Company accounts for individual performance obligations separately. The transaction price is allocated to the separate performance obligations on the basis of relative SSP. The Company determines SSP by taking into consideration historical selling price of these performance obligations in similar transactions, as well as current pricing practices and other observable inputs including, but not limited to, customer size and geography. As the Company's go-to-market strategies evolve, it may modify its pricing practices in the future, which could result in changes to SSP.

Cost of Revenue

Cost of revenue consists primarily of personnel-related expenses (primarily including salaries, related benefits, and stock-based compensation) for employees associated with the Company's cloud-based infrastructure, payment gateway fees, voice, product support, and professional service organizations, as well as costs incurred by the Company for third-party hosting capabilities. Cost of revenue also includes third-party license fees, amortization of acquired intangibles, amortization of capitalized internal-use software, and allocation of general overhead expenses such as facilities and information technology.

Research and Development

Research and development costs are expensed as incurred and consist primarily of personnel-related expenses such as salaries and related benefits for the Company's product development employees. Research and development expenses also include non-personnel-related expenses such as third-party services for product development and consulting expenses, depreciation expense related to equipment used in research and development activities, and allocation of the Company's general overhead expenses.

Advertising Costs

Advertising costs are charged to sales and marketing expense in the consolidated statements of operations as incurred. The Company recognized $31.3 million and $31.1 million for the years ended December 31, 2019 and 2020, respectively.

Stock-Based Compensation

The Company recognizes stock-based compensation expense in the consolidated statements of operations over the requisite service period, which is the vesting period of the respective awards by using the straight-line attribution method. Forfeitures are accounted for when they occur. The Company estimates the fair value of stock options and restricted stock units (RSUs) issued to employees, consultants, and directors on the grant date. The fair value of each stock option award is estimated using the Black-Scholes option pricing model. The fair value of each RSU award is determined based on the estimated fair value of the Company's common stock on the date of the grant.

As the Company's common stock has no public market, the Company determines the fair value of the common stock underlying stock options and RSUs by considering numerous objective and subjective factors including, but not limited to: (i) independent third-party valuations, (ii) the prices, rights, preferences, and privileges of the Company's redeemable convertible preferred stock relative to its common stock, (iii) the lack of marketability of the common stock, (iv) current business conditions and financial projections, and (iv) the likelihood of achieving an initial public offering (IPO) or sale event.

Pursuant to the Company's 2011 Stock Plan, RSUs vest upon the satisfaction of both a service condition and a performance condition. The service condition is satisfied over a period of four years, and the performance condition

will be satisfied upon the earlier of (i) a combination transaction provided that such transaction (or series of transactions) qualifies as a change of control (as defined in the Company's 2011 Stock Plan), or (ii) the effective date of a registration statement of the Company filed under the Securities Act for the Company's IPO (both collectively known as the liquidity events). As of December 31, 2020, no stock-based compensation expense has been recognized for RSUs because the liquidity events, as described above, were not probable.

Income 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 bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income 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. A valuation allowance is recorded for deferred tax assets if it is more likely than not that some portion or all of the deferred tax assets will not be realized. As of December 31, 2019 and 2020, the Company has recorded a full valuation allowance against its U.S. deferred tax assets.

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 more likely than not of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

The Company recognizes interest and penalties related to income tax matters as a component of income tax expense.

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents consist of deposits held at financial institutions, money market funds, as well as highly liquid investments with an original maturity of three months or less when purchased. Cash and cash equivalents are recorded at cost, which approximates fair value.

As of December 31, 2019 and 2020, short-term restricted cash, which is classified in prepaid expenses and other current assets in the consolidated balance sheets, consisted of $3.1 million and $1.9 million, respectively, for cash deposits held as collateral for the settlement of foreign exchange forward contracts. The Company is required to maintain these cash deposits through the duration of the forward contracts. Long-term restricted cash, which is classified in other assets in the consolidated balance sheets, consisted of $1.0 million at December 31, 2019 and 2020 primarily for collateralized letters of credit established in connection with lease agreements for the Company's facilities expiring more than one year from the balance sheet date.

Marketable Securities

Marketable securities consist primarily of debt securities such as corporate bonds, commercial paper, asset-backed securities and U.S. Treasury securities. These securities are classified as available-for-sale securities at the time of purchase as they represent funds readily available for current operations, and the Company also has the ability and intent to liquidate them at any time to meet its operating cash needs, if necessary. All short-term investments are recorded at their estimated fair value, with changes in fair value recognized as unrealized gains or losses in accumulated other comprehensive income. For any security in an unrealized loss position, the Company evaluates it to assess whether the associated unrealized loss is considered other than temporary. Impairments are considered other-than-temporary if they are related to a deterioration in credit risk or if it is likely that the Company will sell the security before the recovery of its cost basis. Realized gains and losses and declines in value determined to be other than temporary are determined based on the specific identification method and are reported in interest and other income, net in the consolidated statements of operations. There was no impairment recorded for the years ended December 31, 2019 and 2020.

Marketable securities also include mutual funds comprised of certain term bonds. These mutual funds meet certain criteria for equity investments in accordance with ASU 2016-01, Recognition and Measurement of Financial Assets and Liabilities. Under this guidance, the Company measures these mutual funds at their estimated fair value, with changes in fair value recognized in interest and other income, net in the consolidated statements of operations.

Non-Marketable Equity Securities

The Company owns interests in non-marketable equity investments, which consist of minority equity interests in privately held companies. The Company does not have significant influence over these investments, which do not have readily determinable fair values. Under ASU 2016-01, the Company has elected the measurement alternative to carry them at cost, less any impairment charges.

Accounts Receivable and Allowance for Doubtful Accounts

Trade accounts receivable are recorded at the invoiced amount, net of allowances for doubtful accounts. The allowance is based on the Company's assessment of the collectability of accounts and is recorded as an offset to revenue and deferred revenue. Management regularly reviews the adequacy of the allowance by considering the age of each outstanding invoice, each customer's expected ability to pay, and the collection history with each customer, where applicable, to determine whether a specific allowance is appropriate. Accounts receivable deemed uncollectible are recognized as bad debt expense and classified as general and administrative expenses in the consolidated statements of operations. As of December 31, 2019 and 2020, the Company's allowance for doubtful accounts was $6.1 million and $6.4 million, respectively.

Concentrations of Credit Risk

Financial instruments that potentially expose the Company to significant concentration of credit risk consist primarily of cash, cash equivalents, marketable securities, and accounts receivable. The Company's cash and cash equivalents and marketable securities are generally held with large financial institutions and are in excess of the federally insured limits provided on such deposits. In addition, the Company has cash and cash equivalents held in international bank accounts, which are denominated primarily in Euros, British Pounds, Indian Rupees, and Australian Dollars.

There were no customers that individually exceeded 10% of the Company's revenue for the years ended December 31, 2019 and 2020, or that represented 10% or more of the Company's consolidated accounts receivable balance as of December 31, 2019 and 2020.

Deferred Contract Acquisition Costs

Deferred contract acquisition costs are incremental costs that are associated with acquiring customer contracts and consist primarily of sales commissions and the associated payroll taxes and certain referral fees paid to independent third-parties. The costs incurred upon the execution of initial and expansion contracts are primarily deferred and amortized over an expected benefit period of three years. The expected benefit period is determined by taking into consideration the Company's contracts with customers, technology life cycle and other factors. The Company considers the expected benefit period to exceed the initial contract term for certain costs because of anticipated renewals and because sales commission rates for renewal contracts are not commensurate with sales commissions for initial contracts. The Company includes amortization of deferred commissions in sales and marketing expense in its consolidated statements of operations. There was no impairment loss in relation to the incremental selling costs capitalized for all periods presented.

The Company has elected to apply the practical expedient under Accounting Standards Codification (ASC) No. 340-40—Other Assets and Deferred Costs to account for costs incurred in obtaining a contract with the expected benefit period of one year or less as commission expenses, which are included in sales and marketing expense in its consolidated statements of operations.

Property and Equipment, net

Property and equipment, net, including capitalized internally-developed software, is stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets as follows:

	Estimated Useful Life
Computers	3 years
Capitalized internal-use software	3 years
Office equipment, furniture and fixtures	5 years
Motor vehicles	5 years
Leasehold improvements	Lesser of lease term or 5 years

Expenditures for maintenance and repairs are charged to expense as incurred.

Capitalized Internal-Use Software

The Company capitalizes costs incurred in its software development projects as intangible assets during the application development stage. Costs related to preliminary project activities and post implementation activities are expensed as incurred. Once the development project is available for general release, capitalization ceases, and the Company estimates the useful life of the asset and begins amortization. Internal-use software is amortized on a straight-line basis over its estimated useful life, which is generally three years. The Company evaluates the useful lives of these assets on an annual basis and tests for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets.

Business Combinations

The Company applies a screen test to determine whether a transaction is more akin to an asset acquisition or a business combination. If this screen test indicates that substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets, the transaction is accounted for as an asset acquisition. In a business combination, the purchase consideration is allocated to the tangible assets acquired, liabilities assumed, and intangible assets acquired based on their estimated respective fair values. The excess of the fair value of purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. The Company's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable, and consequently, actual results may differ from estimates.

Long-Lived Assets (Including Goodwill and Intangible Assets)

Long-lived assets with finite lives include property and equipment, capitalized internal-use software, and acquired intangible assets. The Company evaluates long-lived assets, including acquired intangible assets and capitalized internal-use software, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. 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 these estimated future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the assets exceeds the fair value of the asset or asset group.

Goodwill is not amortized but rather is tested for impairment at least annually in the fourth quarter, or more frequently if events or changes in circumstances indicate that goodwill may be impaired. Goodwill impairment is recognized when the quantitative assessment results in the carrying value of the reporting unit exceeding its fair value, in which case an impairment charge in the amount of such excess is recorded to goodwill, limited to the amount of goodwill. The Company did not recognize any impairment of goodwill during the years ended December 31, 2019 and 2020.

Deferred Revenue

Deferred revenue consists of customer billings in advance of revenue being recognized from the Company's subscription and professional services arrangements. Customers are invoiced for subscription services arrangements in advance for monthly, quarterly, semi-annual and annual subscription plans. The Company's payment terms generally provide that customers pay the invoiced portion of the total arrangement fee either in advance or within 30 days from the invoice date.

Comprehensive Loss

Comprehensive loss is comprised of two components—net loss and other comprehensive income (loss). Other comprehensive income (loss) includes unrealized gains or losses on available-for-sale debt securities recognized during the period.

The following tables shows the change in unrealized gains or losses within accumulated other comprehensive income:

	December 31,	
	2019	2020
	(in thousands)	
Beginning balance	$ 1,141	$ 139
Add: Unrealized gains on available-for-sale debt securities	—	405
Less: Adjustment for the adoption of ASU 2016-01	(981)	—
Less: Reclassification of unrealized gains to interest and other income, net, in the consolidated statements of operations	(21)	(133)
Net impact to other comprehensive income (loss) in current period	(1,002)	272
Ending balance	$ 139	$ 411

Net Loss per Share Attributable to Common Stockholders

Basic and diluted net loss per share attributable to common stockholders are presented in conformity with the two-class method required for participating securities. Under the two-class method, net income is attributed to common stockholders and participating securities based on their participation rights. The Company considers all series of its redeemable convertible preferred stock to be participating securities. Net loss attributable to common stockholders is not allocated to the redeemable convertible preferred stock as the holders of the redeemable convertible preferred stock are not contractually obligated to share in the losses of the Company.

Basic net loss per share attributable to common stockholders is computed by dividing the net loss attributable to common stockholders by the number of weighted-average shares of common stock outstanding during the reporting period. Net loss attributable to common stockholders is adjusted for accretion of the carrying value of redeemable convertible preferred stock and deemed dividend distribution (see Note 11 for detail). Since the Company has reported net losses for all periods presented, all potentially dilutive securities are considered antidilutive, and accordingly, diluted net loss per share is the same as basic net loss per share.

Defined Benefit Plan

Employees in India are entitled to benefits under the Gratuity Act, a defined benefit retirement plan covering eligible employees. The plan requires employers to provide for a lump-sum payment to eligible employees at retirement, death, and incapacitation or on termination of employment, of an amount based on the respective employee's salary and tenure of employment. Employees in India are also entitled to a defined benefit plan with benefits based on an employee's accumulated leave balance and salary. Both plans are unfunded arrangements.

Current service costs are accrued in the period to which they relate. The benefit obligations are calculated by a qualified actuary using the projected unit credit method and the unfunded position is recognized as a liability in the consolidated balance sheets. In measuring the defined benefit obligations, the Company uses a discount rate at the

reporting date based on yields of local government treasury bills denominated in the same currency in which the benefits are expected to be paid, with maturities approximating the terms of the Company's obligations.

Since the plan is unfunded, no annual contributions are required to be made as per applicable regulations. Disclosures required under ASC 715—Compensation—Retirement Benefits, have been omitted because the Company has deemed them immaterial to its consolidated financial statements. The benefit plans had a plan benefit obligation of $3.1 million and $5.6 million for the years ended December 31, 2019 and 2020, respectively, included in other liabilities in the consolidated balance sheets.

Leases

The Company accounts for its existing leases of office facilities as operating leases. Certain facility lease agreements contain rent holidays, allowances and rent escalation provisions. For leases that contain rent escalation or rent concession provisions, the Company records the total rent expense during the lease term on a straight-line basis over the term of the lease. The difference between the amount of rent paid and the straight-line rent expense is recorded as deferred rent, with its current and long-term portions classified in accrued liabilities and other liabilities, respectively, in the consolidated balance sheets.

Recent Accounting Pronouncements

New accounting pronouncements are issued by the Financial Accounting Standards Board (FASB) under its ASC or ASU and adopted by the Company as of the specified effective date.

As an emerging growth company, the Jumpstart Our Business Startups Act (the JOBS Act) allows the Company to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are made applicable to private companies. The Company has elected to use the adoption dates applicable to private companies. As a result, the Company's financial statements may not be comparable to the financial statements of issuers who are required to comply with the effective date for new or revised accounting standards that are applicable to public companies.

Recently Adopted Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606). The new guidance supersedes ASC 605, Revenue Recognition, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Company expects to be entitled to in exchange for those goods or services. The new guidance also includes ASC Subtopic 340-40, Other Assets and Deferred Costs—Contracts with Customers, which requires the deferral of incremental costs of obtaining a contract with a customer. Collectively, the Company refers to Topic 606 and Subtopic 340-40 as ASC 606.

The Company early adopted ASC 606 on January 1, 2019 utilizing the full retrospective method. Upon adoption, the Company recorded a net increase of $5.8 million to the opening balance of accumulated deficit due to the cumulative impact associated with the deferral of incremental costs of obtaining contracts with customers.

In January 2016, the FASB issued ASU 2016-01, Recognition and Measurement of Financial Assets and Liabilities, which revises the classification and measurement of equity investments and amends certain presentation and disclosure requirements. On January 1, 2019, the Company adopted the relevant requirements of the guidance as follows:

- Marketable equity investments with readily determinable fair values – The Company invests in term bond mutual funds previously classified as available-for sale securities, with the associated unrealized gains or losses recognized in other comprehensive income (loss) in the consolidated balance sheets. The guidance requires changes in fair value of the mutual funds to be recognized in the consolidated statements of operations. Upon adoption, a cumulative-effect adjustment of $1.0 million was recorded as an increase to accumulated deficit using the modified retrospective approach. Changes in fair value for the year ended December 31, 2019 were recorded in interest and other income, net in the consolidated statements of

operations. In addition to the term bond mutual funds, money market funds are also considered as highly liquid marketable equity investments.

- Non-marketable equity investments without readily determinable fair values – Interests in private entities currently carried at cost do not have readily determinable fair values, nor do they qualify for the net asset value practical expedient. The Company has elected the measurement alternative under ASU 2016-01 to continue carrying these equity interests at cost, less impairment, adjusted for observable price changes from orderly transactions for identical or similar investments of the same issuer. Impairment charges and changes in observable prices, if any, are recognized in the consolidated statements of operations. The measurement alternative is applied prospectively effective January 1, 2019, resulting in no impact to the Company's consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, Fair Value Measurement (ASC 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement, which modifies the disclosure requirements for fair value measurements by removing, modifying, or adding certain disclosures. On January 1, 2020, the Company adopted this guidance, which did not result in a material impact to its consolidated financial statements for all periods presented.

Accounting Pronouncements Not Yet Adopted

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which requires lessees to recognize most leases on their balance sheets as right-of-use assets with corresponding lease liabilities and eliminates certain real estate-specific provisions. Under the standard, lease expenses will continue to be recorded over the lease term in the consolidated statements of operations in a manner similar to the current standard. Certain practical expedients are available for lessees to elect upon adopting the new standard. This standard is effective for the Company on January 1, 2022, and early adoption is permitted. The Company has a choice of applying the full retrospective approach, or upon electing the associated practical expedient, the modified retrospective approach. The Company expects the impact of adoption to materially increase the right-of-use assets and lease liabilities in its consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments — Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. ASU 2016-13 requires measurement and recognition of expected credit losses for financial assets by requiring an allowance to be recorded as an offset to the amortized cost of such assets. ASU 2016-13 will become effective for the Company on January 1, 2023, and the modified retrospective approach is the only available option, with a cumulative effect adjustment recorded to accumulated deficit as of the date of the adoption. The Company is currently evaluating the impact of adopting this standard on its consolidated financial statements.

In August 2018, the FASB issued ASU 2018-15, Intangibles — Goodwill and Other — Internal-Use Software (Subtopic 350-40), Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract. The ASU aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal-use software license). The Company will adopt this standard on January 1, 2021 and does not expect the impact to be material to its consolidated financial statements.

In December 2019, the FASB issued ASU 2019-12, Simplifying the Accounting for Income Taxes (Topic 740). The standard eliminates certain exceptions related to the approach for intraperiod tax allocation and the methodology for calculating income taxes in an interim period. The standard also simplifies aspects of accounting for franchise taxes and enacted changes in tax or rates, and clarifies the accounting for transactions that result in a step-up in the tax basis for goodwill. The guidance is effective for the Company on January 1, 2022; early adoption is permitted. The Company is currently evaluating the impact of adoption to its consolidated financial statements.

3. Revenue From Contracts with Customers

Revenue

The Company derives revenue from subscription fees and related professional services. The Company sells subscriptions for its cloud-based solutions through arrangements that are non-cancelable and non-refundable. The Company's subscription arrangements do not provide customers with the right to take possession of the software supporting the solutions and, as a result, are accounted for as service arrangements. The treatment of the arrangements is consistent with sales directly to customers and indirectly through channel partners. The Company records revenue net of sales or value-added taxes.

Disaggregation of Revenues

The following table summarizes revenue by the Company's service offerings:

	Year Ended December 31,	
	2019	2020
	(in thousands)	
Subscription services	$ 168,682	$ 242,879
Professional services	3,695	6,780
Total revenue	$ 172,377	$ 249,659

See Note 15 for revenue by geographic location.

Deferred Revenue and Remaining Performance Obligations

Deferred revenue consists of customer billings in advance of revenue being recognized from the Company's subscription and professional services arrangements. The following table summarizes the changes in the balance of deferred revenue during the periods:

	December 31,	
	2019	2020
	(in thousands)	
Balance at beginning of the year	$ 39,739	$ 67,540
Add: Billings during the year	200,178	286,303
Less: Revenue recognized during the year	(172,377)	(249,659)
Balance at end of the year	$ 67,540	$ 104,184

Deferred revenue at the beginning of the years ended December 31, 2019 and 2020 included subscription and professional services revenues totaling $39.7 million and $67.5 million recognized during the respective periods.

The aggregate balance of remaining performance obligations as of December 31, 2020 was $140.6 million. The Company expects to recognize $114.1 million of the balance as revenue in the next 12 months and the remainder thereafter. The aggregate balance of remaining performance obligations represents contracted revenue that has not yet been recognized, including contracted revenue from renewals, and does not include contract amounts which are cancelable by the customer and amounts associated with optional renewal periods.

Deferred Contract Acquisition Costs

The change in the balance of deferred contract acquisition costs during the periods is as follows:

	December 31,	
	2019	2020
	(in thousands)	
Balance at beginning of the year	$ 6,069	$ 11,610
Add: Contract costs capitalized during the year	9,579	14,344
Less: Amortization of contract costs during the year	(4,038)	(7,681)
Balance at end of the year	$ 11,610	$ 18,273

4. Marketable Securities

Debt Securities

Debt securities are classified as available-for-sale and reported under marketable securities in the consolidated balance sheets. The following table summarizes carrying amounts and fair value as of December 31, 2019 and 2020:

	December 31, 2019			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
	(in thousands)			
Debt Securities:				
U.S. Treasury securities	$ 41,361	$ 22	$ —	$ 41,383
Corporate debt securities	97,035	119	(4)	97,150
Asset-backed securities	5,860	2	—	5,862
Total	$ 144,256	$ 143	$ (4)	$ 144,395

	December 31, 2020			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
	(in thousands)			
Debt Securities:				
U.S. Treasury securities	$ 50,087	$ 136	$ —	$ 50,223
Corporate debt securities	85,413	265	(5)	85,673
Asset-backed securities	3,247	15	—	3,262
Total	$ 138,747	$ 416	$ (5)	$ 139,158

The amortized cost and fair value of the debt securities based on contractual maturities are as follows:

	December 31, 2020	
	Amortized Cost	Fair Value
	(in thousands)	
Due within one year	$ 125,272	$ 125,657
Due after one year and but within five years	13,475	13,501
Total	$ 138,747	$ 139,158

Equity Investments

Marketable equity investments consist of money market funds and term bond mutual funds, and are measured at fair value. The cost of the money market funds approximates fair value. The change in fair value of the term bond mutual funds is recorded in interest and other income, net in the consolidated statements of operations.

Non-marketable equity investments represent the Company's interest in privately held entities which have no readily determinable fair values. The Company carries these investments at cost, less impairment.

The types of equity investments are summarized in the following table:

Type	Description	Consolidated Balance Sheets Classification	December 31, 2019	December 31, 2020
Marketable equity investments	Money market funds	Cash and cash equivalents	$ 58,687	$ 56,474
Marketable equity investments	Term bond mutual funds	Marketable securities	3,468	3,575
Non-marketable equity investments	Investments in equity securities without a readily determinable fair value	Other assets	517	517
			$ 62,672	$ 60,566

The following table summarizes the realized and unrealized gains recognized in the consolidated statements of operations for the term bond mutual funds during the years ended December 31, 2019 and 2020:

	Year Ended December 31, 2019	Year Ended December 31, 2020
	(in thousands)	
Net gains recognized on marketable equity investments	$ 582	$ 107
Less: Net gains recognized on sale of marketable equity investments	(316)	—
Unrealized gains at the end of the period	$ 266	$ 107

5. Fair Value Measurements

The Company measures its financial assets at fair value each reporting period using a fair value hierarchy that prioritizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1—Inputs are observable and reflect quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2—Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.

Level 3—Inputs that are unobservable.

Cash equivalents and marketable equity securities are classified within Level 1 because they are valued using quoted market prices or alternative pricing sources and models utilizing market observable inputs. Available-for-sale debt securities and derivative assets are classified within Level 2 if the investments are valued using model driven valuations which use observable inputs such as quoted market prices, benchmark yields, reported trades, broker/dealer quotes or alternative pricing sources with reasonable levels of price transparency. Available-for-sale debt securities are held by custodians who obtain investment prices from a third-party pricing provider that incorporates standard inputs in various asset price models.

In connection with the acquisition of Natero, Inc. (Natero) (as described in Note 7), the Company recognized a liability on the acquisition date for the estimated fair value of the contingent consideration based on the probability of achieving certain milestones pursuant to the acquisition agreement. The fair value measurement of the contingent consideration is based on significant unobservable inputs and management judgment; therefore, it is categorized under Level 3.

The Company does not have any assets or liabilities subject to fair value remeasurement on a nonrecurring basis as of December 31, 2019 and 2020.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following table represents the fair value hierarchy for the Company's financial assets and financial liabilities measured at fair value on a recurring basis as of December 31, 2019 and 2020:

	December 31, 2019			
	Fair Value Measured Using			
	Level 1	Level 2	Level 3	Total
	(in thousands)			
Financial assets:				
Money market funds	$ 58,687	$ —	$ —	$ 58,687
US treasury securities	41,383	—	—	41,383
Corporate debt securities	—	97,150	—	97,150
Asset-backed securities	—	5,862	—	5,862
Term bond mutual funds	—	3,468	—	3,468
Foreign exchange derivative assets	—	142	—	142
Total financial assets	$ 100,070	$ 106,622	$ —	$ 206,692
Financial liabilities:				
Acquisition-related contingent consideration	$ —	$ —	$ 1,950	$ 1,950

	December 31, 2020				
	Fair Value Measured Using				
	Level 1	Level 2	Level 3		Total
	(in thousands)				
Financial assets:					
Money market funds	$ 56,474	$ —	$ —		$ 56,474
US treasury securities	50,223	—	—		50,223
Corporate debt securities	—	85,673	—		85,673
Asset-backed securities	—	3,262	—		3,262
Term bond mutual funds	—	3,575	—		3,575
Total financial assets	$ 106,697	$ 92,510	$ —	$201,313	$ 199,207
Financial liabilities:					
Acquisition-related contingent consideration	$ —	$ —	$ 775		$ 775

The following table represents a reconciliation of the contingent consideration liability measured at fair value on a recurring basis, using Level 3 significant unobservable inputs:

	December 31,	
	2019	2020
	(in thousands)	
Beginning balance	$ —	$ 1,950
Additions during the period	1,900	—
Payments during the period	—	(1,200)
Change in estimated fair value	50	25
Ending balance	$ 1,950	$ 775

6. Balance Sheet Components

Property and Equipment, net

The following table summarizes property and equipment, net as of December 31, 2019 and 2020:

	December 31,	
	2019	2020
	(in thousands)	
Computers	$ 6,968	$ 9,249
Capitalized internal-use software	5,410	10,041
Office equipment	2,530	2,770
Furniture and fixtures	9,332	9,472
Motor vehicles	2,425	2,423
Leasehold improvements	3,794	4,274
Construction in progress	829	322
Total property and equipment	31,288	38,551
Less: accumulated depreciation	(11,326)	(17,767)
Property and equipment, net	$ 19,962	$ 20,784

Capitalization of costs associated with internal-use software was $3.3 million and $4.6 million for the years ended December 31, 2019 and 2020, respectively. Amortization expense of capitalized internal-use software totaled $0.9 million and $1.5 million for the years ended December 31, 2019 and 2020, respectively. The net carrying value of capitalized internal-use software was $3.6 million and $6.7 million as of December 31, 2019 and 2020, respectively.

Total depreciation expense and amortization of internal-use software for the year ended December 31, 2019 was $4.9 million, of which $1.3 million was recorded in cost of revenue, $1.3 million in research and development expense, $2.0 million in sales and marketing expense, and $0.3 million in general and administrative expense in the consolidated statements of operations. For the year ended December 31, 2020, depreciation expense and amortization of internal-use software totaled $6.9 million, of which $2.1 million was recorded in cost of revenue, $1.8 million in research and development expense, $2.7 million in sales and marketing expense, and $0.3 million in general and administrative expense in the consolidated statements of operations.

Accrued Liabilities

The following tables summarizes accrued liabilities as of December 31, 2019 and 2020:

	December 31,	
	2019	2020
	(in thousands)	
Accrued compensation	$ 6,734	$ 8,983
Acquisition-related liabilities	2,996	1,942
Accrued third-party cloud infrastructure expenses	2,432	1,572
Accrued reseller commissions	2,378	3,999
Accrued advertising and marketing expenses	1,811	2,412
Advanced payments from customers	1,140	2,815
Accrued taxes	1,413	8,645
Other accrued expenses	4,893	5,240
Total accrued liabilities	$ 23,797	$ 35,608

7. Business Combinations and Asset Purchase

Natero Inc. (Natero)

In May 2019, the Company acquired all issued and outstanding shares of Natero, a provider of data-driven customer success software for business-to-business (B2B) SaaS companies. Total consideration consisted of $8.0 million in cash and $1.9 million of contingent consideration. The Company allocated $3.7 million of the consideration to developed technology and $1.6 million to customer relationships intangible assets (with estimated useful lives of three and four years, respectively), with the excess of $4.2 million recognized as goodwill primarily attributable to the assembled workforce. The Company incurred $1.0 million of acquisition-related costs, recorded as general and administrative expense in the consolidated statements of operations for the year ended December 31, 2019.

AnsweriQ Inc. (AIQ)

In January 2020, the Company acquired all issued and outstanding shares of AIQ, a provider of machine learning and artificial intelligence self-service tools. The acquisition date cash consideration paid was $5.7 million. The Company acquired $4.0 million of developed technology with an estimated useful life of two years, and $1.7 million of goodwill which is primarily attributed to the assembled workforce. The Company incurred $0.2 million of acquisition related costs, recorded as general and administrative expense in the consolidated statements of operations for the year ended December 31, 2020.

Infiverve Technologies Private Ltd. and Infiverve Technologies Pte. Ltd. (collectively known as Flint)

In March 2020, the Company entered into an asset purchase agreement with Flint, an IT orchestration and cloud management platform, to complement Freshservice's IT service management and IT operations management product capabilities, for a total consideration of $2.0 million in cash. The transaction was accounted for as an asset acquisition as the developed technology was the only asset acquired.

None of the above transactions had a material impact on the Company's consolidated financial statements; therefore, historical and proforma disclosures have not been presented.

8. Goodwill and Intangible Assets, Net

The following table presents changes in the carrying value of goodwill for the years ended December 31, 2019 and 2020:

	Amount (in thousands)
Balance as of December 31, 2018	$ 237
Goodwill acquired	4,236
Balance as of December 31, 2019	4,473
Goodwill acquired	1,708
Balance as of December 31, 2020	$ 6,181

Acquired intangibles consist of developed technology and customer relationships and are amortized on a straight-line basis over their estimated useful lives. The following tables summarize acquired intangible assets as of December 31, 2019 and 2020:

	As of December 31, 2019			
	Gross Amount	Accumulated Amortization	Net Carrying Value	Weighted Average Remaining Useful Life
	(amounts in thousands)			(in years)
Developed technology	$ 4,409	$ (1,351)	$ 3,058	2.3
Customer relationships	1,600	(254)	1,346	3.3
Total	$ 6,009	$ (1,605)	$ 4,404	

	As of December 31, 2020			
	Gross Amount	Accumulated Amortization	Net Carrying Value	Weighted Average Remaining Useful Life
	(amount in thousands)			(in years)
Developed technology	$ 10,496	$ (5,218)	$ 5,278	1.5
Customer relationships	1,600	(655)	945	2.4
Total	$ 12,096	$ (5,873)	$ 6,223	

Total amortization of acquired intangible assets was $1.4 million and $4.3 million for the years ended December 31, 2019 and 2020, respectively. The Company recorded amortization of developed technology of $1.1 million and $3.9 million in cost of revenue and customer relationships of $0.3 million and $0.4 million in sales and marketing expenses in each of the respective periods in the consolidated statements of operations.

Expected future amortization expenses related to acquired intangible assets is as follows:

Year Ending December 31,	Amortization Expense
	(in thousands)
2021	$ 4,300
2022	1,562
2023	361
Total Future amortization	$ 6,223

9. Derivative Instruments

The Company generally uses forward contracts to economically hedge against its foreign exchange exposures denominated in Indian Rupee and does not designate any of its forward contracts as hedges. All forward contracts are recorded at fair value and are classified as either a derivative asset or liability in the consolidated balance sheets. Changes in fair value are classified as interest and other income, net in the consolidated statements of operations.

During the years ended December 31, 2019 and 2020, the Company recorded insignificant gains or losses on its foreign exchange forward contracts and terminated all forward contracts in July 2020. As of December 31, 2019, the Company had forward contracts with notional amounts totaling approximately $18.0 million.

10. Commitments and Contingencies

Operating Leases

The Company leases office space under non-cancelable operating lease agreements, which expire on various dates through September 2028. Certain lease agreements include options to renew or terminate the lease, which are not reasonably certain to be exercised and therefore are not factored into the determination of lease payments.

In September 2018, the Company entered into a lease agreement for its corporate headquarters located in San Mateo, California, which it occupied in January 2019. This lease covers approximately 22,000 square feet of office spaces at a monthly base rent of $113,246, increasing approximately 3% annually. The lease expires in July 2026, with an option to extend the lease for another five years, subject to certain requirements. The total commitment is $10.5 million with a tenant improvement allowance of $1.5 million. The Company maintains a $1.0 million cash deposit in a financial institution securing a letter of credit for the lease, which is classified as restricted cash under other assets in the consolidated balance sheets.

Deferred rent was $3.7 million and $5.1 million as of December 31, 2019 and 2020, respectively, of which $3.5 million and $4.6 million was classified in other liabilities in the consolidated balance sheets, in each of the two periods, respectively. Rent expense for operating leases for the years ended December 31, 2019 and 2020 was $7.1 million and $10.2 million, respectively.

Future minimum lease payments under non-cancelable operating leases as of December 31, 2020, are as follows:

Year ending December 31,	Operating Leases (in thousands)
2021	$ 7,478
2022	7,800
2023	7,456
2024	7,310
2025	6,501
Thereafter	8,397
Total minimum future payments	$ 44,942

Contractual Commitments

Other contractual commitments relate mainly to third-party cloud infrastructure agreements and subscription arrangements used to facilitate the Company's operations at the enterprise level. Future minimum payments under the Company's non-cancelable purchase commitments as of December 31, 2020 are presented in the table below:

Year ending December 31,	Contractual Commitments (in thousands)
2021	$ 18,637
2022	23,557
2023	20,166
Total	$ 62,360

Litigation and Loss Contingencies

From time to time, the Company may be subject to other legal proceedings, claims, investigations, and government inquiries (collectively, Legal Proceedings) in the ordinary course of business. It may receive claims from third parties asserting, among other things, infringement of their intellectual property rights, defamation, labor and employment rights, privacy, and contractual rights. There are no currently pending Legal Proceedings that the Company believes will have a material adverse impact on the business or consolidated financial statements.

Indemnifications

In the ordinary course of business, the Company enters into contractual arrangements under which the Company agrees to provide indemnification of varying scope and terms to customers, business partners, and other parties with respect to certain matters, including losses arising out of intellectual property infringement claims made by third parties, if the Company has violated applicable laws, if the Company is negligent or commits acts of willful

misconduct, and other liabilities with respect to its products and services and its business. In these circumstances, payment is typically conditional on the other party making a claim pursuant to the procedures specified in the particular contract. To date, the Company has not incurred any material costs as a result of such indemnifications and has not accrued any liabilities related to such obligations in its consolidated financial statements.

11. Redeemable Convertible Preferred Stock

The following table summarizes the Company's redeemable convertible preferred stock as of December 31, 2019 and 2020:

	As of December 31, 2019 and 2020				Carrying Value	
	Shares Authorized	Shares Outstanding	Original Issue Price	Liquidation Preference	December 31, 2019	December 31, 2020
	(in thousands, except per share amounts)					
Series A	2,143	2,131	$ 0.50	$ 1,059	$ 174,570	$ 397,172
Series B	3,623	3,623	1.38	5,000	296,801	675,223
Series C	1,531	1,531	4.57	7,000	125,442	285,280
Series D	3,066	3,066	10.11	31,000	251,627	571,476
Series E	2,129	2,129	23.48	50,000	176,625	396,927
Series F	871	871	31.58	27,500	73,268	162,439
Series G	915	915	60.11	55,000	84,857	172,344
Series H	1,128	1,128	133.02	150,000	151,382	234,235
Total	15,406	15,394		$ 326,559	$ 1,334,572	$ 2,895,096

Series H Financing and Series A Transaction

In November 2019, the Company entered into a Series H preferred stock and Series A preferred stock purchase agreement with several existing stockholders, and sold 1,127,622 shares of redeemable convertible Series H preferred stock for net proceeds of $150.0 million.

In December 2019, the Company facilitated the sale of 751,747 shares of redeemable convertible Series A preferred stock by first selling the shares of redeemable convertible Series A preferred stock to an investor, followed by repurchasing the same number of shares of redeemable convertible Series A preferred stock from another investor. The fair value of the Series A preferred shares as of that date was $59.9 million. The Company received and paid cash consideration of $100.0 million to repurchase and sell the shares, resulting in an excess value of $40.1 million accounted for as both a deemed dividend distribution to the seller and a deemed contribution for the corresponding sale. The Company recorded the deemed dividend and contribution against accumulated deficit in the consolidated balance sheets.

Preferred Stock Transactions

In January 2020, an investor, also a member of the Board of Directors of the Company (the Board) at that time, entered into a secondary transaction to sell 2,621 shares of redeemable convertible Series A preferred stock, 131,483 shares of redeemable convertible Series B preferred stock, and 44,811 shares of redeemable convertible Series C preferred stock to a new investor for a total price in excess of the fair value of the shares. The sale was facilitated by the Company and deemed compensatory to the seller. The amount paid by the investor to acquire the shares was $25.5 million, while the fair value of the shares on the transaction date was $14.7 million. The excess value of $10.8 million was recognized as stock-based compensation expense by the Company in general and administrative expense in its consolidated statements of operations.

See Note 12 for a discussion of stock-based compensation recognized from the secondary transaction involving the repurchases of redeemable convertible preferred stock (as described above) and common stock from the Company's founders and employees.

Redeemable Convertible Preferred Stock Rights and Preferences

The holders of redeemable convertible preferred stock have various rights and preferences as follows:

Voting—Each share of redeemable convertible preferred stock has voting rights equal to an equivalent number of common stock into which it is convertible and votes together as one class with the common stock. The holders of redeemable convertible Series A preferred stock, the holders of redeemable convertible Series E preferred stock, and the holders of redeemable convertible Series G preferred stock are each entitled to elect one director to serve on the Company's board of directors. The holders of common stock are entitled to elect two directors to serve on the Company's board of directors. The holders of redeemable convertible preferred stock and common stock, voting as a single class, on an as-converted to common stock basis, are entitled to elect any remaining directors to serve on the Company's board of directors.

Liquidation Preference—In the event of any liquidation, dissolution, or winding-up of the Company, either voluntary or involuntary, the holders of redeemable convertible preferred stock shall be entitled to receive, prior and in preference to any distribution of the assets or funds of the Company to the holders of the common stock, an amount equal to the original issue price of Series A, Series B, Series C, Series D, Series E, Series F, Series G and Series H redeemable convertible preferred stock, respectively, as adjusted for stock splits, stock dividends, combinations, recapitalizations, and similar transactions, plus any declared but unpaid dividends. If the Company has insufficient assets to permit payment of the liquidation preference in full to all holders of preferred stock, then the assets of the Company shall be distributed ratably to the holders of preferred stock in proportion to the liquidation preference such holders would otherwise be entitled to receive.

After payment of the liquidation preference to the holders of redeemable convertible preferred stock, the remaining assets of the Company shall be distributed ratably to the holders of common stock. If the holders of redeemable convertible preferred stock would have been entitled to a larger distribution had they converted their shares to common stock, then the redeemable convertible preferred stock will be deemed to have converted to common stock.

Dividends—The holders of Series A, Series B, Series C, Series D, Series E, Series F, Series G and Series H redeemable convertible preferred stock are entitled to receive, out of any funds legally available, dividends prior and in preference to any dividends paid on the common stock, as adjusted for stock splits, stock dividends, combinations, recapitalizations, and similar transactions, when, as and if declared by the Board at a rate of $0.0397, $0.1104, $0.3658, $0.8088, $1.8786, $2.5261, $4.8080 and $10.6419, respectively. Dividends are non-cumulative, and no dividends have been declared or paid on the Company's preferred stock.

Conversion—Each share of redeemable convertible preferred stock is convertible at the option of the holder, at any time after the date of issuance of such share, into shares of common stock as is determined by dividing the original purchase price of redeemable convertible preferred stock by the conversion price in effect at the time of conversion for such series of redeemable convertible preferred stock. The initial conversion price per share of redeemable convertible preferred stock is equal to the original issue price of each series, and therefore, the conversion ratio is one-to-one.

Each share shall be automatically converted into common stock at the conversion ratio (i) upon the closing of the sale of the Company's common stock in a firm commitment underwritten IPO, provided that the aggregate proceeds from the offering are no less than $100.0 million, net of fees and underwriting discounts and commissions or (ii) at the specified date following a vote from the holders of at least 66.67% of the shares of the redeemable convertible preferred stock outstanding (voting together as a single class and not as a separate series, and on an as-converted basis).

Redemption— At any time after September 30, 2022, the holders of at least 66.67% of the shares of the redeemable convertible preferred stock outstanding (voting together as a single class on an as-converted basis) can request redemption in writing after which the Company will redeem the then outstanding shares of redeemable convertible preferred stock by paying in cash a sum per share equal to the greater of (i) the fair market value of such shares of preferred stock as of the redemption date and (ii) the applicable original issue price for such shares of redeemable convertible preferred stock (as adjusted for any stock splits, stock dividends, combinations,

subdivisions, recapitalizations or the like) plus all declared but unpaid dividends on such shares plus 25% per annum compounded annually beginning on the date of first issue of such series of preferred stock. Any redemptions of redeemable convertible preferred stock shall be made on a pro rata basis among the holders of redeemable convertible preferred stock in proportion to the aggregate redemption price each such holder would otherwise be entitled to receive on the redemption date.

Each share shall be automatically converted into common stock at the conversion ratio (i) upon the closing of the sale of the Company's common stock in a firm commitment underwritten IPO, provided that the aggregate proceeds from the offering are no less than $100.0 million net of fees and underwriting discounts and commissions or (ii) at the specified date following a vote from the holders of at least 66.67% of the shares of the redeemable convertible preferred stock outstanding (voting together as a single class and not as a separate series, and on an as-converted basis).

Accretion of Redeemable Convertible Preferred Stock

The Company records its redeemable convertible preferred stock at the amount of cash proceeds received (which also approximates fair value) on the dates of issuance, net of issuance costs. Since the preferred stock is not currently redeemable, but is probable of becoming redeemable at the option of the preferred stockholders at a future date, the Company recognizes changes in the redemption value immediately as they occur and accretes the carrying amount of its redeemable convertible preferred stock to equal the redemption value at the end of each reporting period. The accretion is first recorded against additional paid-in capital to the extent that it becomes exhausted, with the remainder charged against accumulated deficit. The redemption value of the redeemable convertible preferred stock is the greater of (i) the fair market value of such shares of redeemable convertible preferred stock as of the redemption date or (ii) the applicable original issue price for such shares of redeemable convertible preferred stock (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like), plus all declared but unpaid dividends on such shares plus 25% per annum compounded annually, beginning on the date of first issue of such series of redeemable convertible preferred stock.

Accretion of the redemption price of the redeemable convertible preferred stock was $553.3 million and $1,560.5 million for the years ended December 31, 2019 and 2020, respectively.

Classification of Redeemable Convertible Preferred Stock

The redeemable convertible preferred stock is contingently redeemable upon certain deemed liquidation events such as an IPO, a merger or sale of substantially all the assets of the Company, or upon a vote of the redeemable convertible preferred stockholders after September 30, 2022, as described above. The redeemable convertible preferred stock is not mandatorily redeemable, but since such liquidation events would constitute a redemption event outside of the Company's control, all shares of redeemable convertible preferred stock have been presented outside of permanent equity in mezzanine equity on the consolidated balance sheets.

12. Common Stock and Stock Based Compensation

As of December 31, 2019 and 2020, the Company had authorized the issuance of 28,500,000 shares of its common stock, at a par value of $0.00001; and there were 7,682,121 and 7,761,903 shares issued and outstanding, respectively. Shares of common stock reserved for future issuance were as follows:

	December 31,	
	2019	2020
	(Shares in thousands)	
Redeemable convertible preferred stock	15,394	15,394
Options and RSUs outstanding	2,550	3,603
Shares reserved for future award issuances	685	998
Total shares of common stock reserved for issuance	18,629	19,995

2011 Stock Plan

In 2011, the Company adopted the 2011 Stock Plan (the Plan) pursuant to which the Board may grant incentive stock options to purchase shares of the Company's common stock, non-statutory stock options to purchase shares of the Company's common stock, stock appreciation rights, restricted stock and RSUs. Upon adoption, the Plan reserved a total of 914,820 shares of common stock for future issuances of stock-based awards. From time to time, the Board may authorize an increase in the number of shares reserved for issuance under the Plan. The reserve is lowered by the number of shares granted and increased by shares returning to the Plan from cancelled awards. As of December 31, 2020, the reserve had been increased to 6,218,946 shares, of which 998,125 shares remained available for issuance.

Stock Options

Stock options are granted with an exercise price equal to the stock's fair market value at the date of grant, and they have 10-year contractual terms and vest over a four-year period.

The following is a summary of stock options as of December 31, 2019 and 2020, and changes during the years then ended:

Share Information:	Number of Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value [1]
	(in thousands, except per share data)			
Balance as of December 31, 2018	546	$ 3.63	6.6	$ 16,356
Stock options granted	—	$ —		
Stock options exercised	(256)	$ 2.69		
Stock options cancelled / forfeited / expired	—	$ —		
Balance as of December 31, 2019	290	$ 2.51	5.4	$ 19,808
Stock options granted	—	$ —		
Stock options exercised	(79)	$ 3.11		
Stock options cancelled / forfeited / expired	(1)	$ 3.14		
Balance as of December 31, 2020	210	$ 2.28	4.1	$ 33,947

(1) Aggregate intrinsic value for stock options represents the difference between the exercise price and the per share fair value of the Company's common stock as of the end of the period, multiplied by the number of stock options outstanding, exercisable, or vested.
(2) The ending balance as of December 31, 2020 represents options that were fully vested and exercisable.

Total intrinsic value of options exercised during the years ended December 31, 2019 and 2020 was $9.5 million and $9.8 million, respectively, and the total fair value of options vested during the year ended December 31, 2019 and 2020 was insignificant.

Restricted Stock Units

RSUs are granted at fair market value at the date of the grant, and they have 10-year contractual terms and vest over a four-year period.

RSU activity as of December 31, 2019 and 2020 is as follows:

Share Information:	Number of Shares	Weighted-Average Grant Date Fair Value
	(in thousands, except per share data)	
Unvested, as of December 31, 2018	1,765	$ 24.92
Granted	774	$ 52.41
Vested	—	$ —
Forfeited	(279)	$ 29.61
Unvested, as of December 31, 2019	2,260	$ 33.75
Granted	1,309	$ 87.34
Vested	—	$ —
Forfeited	(176)	$ 40.13
Unvested, as of December 31, 2020	3,393	$ 54.09

Performance-Based Awards

In May 2019, the Board approved a grant of 16,639 shares of performance-based RSUs (PRSUs) to the Company's chief executive officer. The vesting of these PRSUs is contingent upon satisfaction of all three of the following: (i) the achievement of certain revenue related milestones on or before December 31, 2019, (ii) vesting over the requisite service period in accordance with the Plan, and (iii) the liquidity event, as described in Note 2—Stock-based Compensation. As of December 31, 2020, the revenue related milestone and a portion of the time-based vesting have been fulfilled, while the liquidity event was not considered to be probable of being achieved. Accordingly, no stock-based compensation expense associated with the PRSUs has been recorded.

Stock-Based Compensation

Stock-based compensation included expenses recognized from employee stock-based awards, and the excess value of $43.2 million paid to repurchase shares in a secondary transaction during the year ended December 31, 2020. The excess value was comprised of $10.8 million recorded in general and administrative expense for the repurchase of redeemable convertible preferred stock (as described in Note 11), and $32.4 million for the repurchases of common shares from the Company's founders and a number of employees, of which $16.5 million and $15.9 million were recorded in general and administrative expense and research and development expense, respectively.

Total stock-based compensation expense recorded in the years ended December 31, 2019 and 2020 was as follows:

	Year Ended December 31, 2019				
	Cost of Revenue	Research and Development	Sales and Marketing	General and Administrative	Total
	(in thousands)				
Employee awards	$ 13	$ 151	$ 104	$ 5	$ 273
Total stock-based compensation expense	$ 13	$ 151	$ 104	$ 5	$ 273

	Year Ended December 31, 2020				
	Cost of Revenue	Research and Development	Sales and Marketing	General and Administrative	Total
			(in thousands)		
Employee awards	$ —	$ 8	$ 7	$ 29	$ 44
Secondary transaction	—	15,882	—	27,354	43,236
Total stock-based compensation expense	$ —	$ 15,890	$ 7	$ 27,383	$ 43,280

As of December 31, 2020, unrecognized stock-based compensation expense related to unvested RSUs was approximately $183.5 million, which is expected to be recognized over a weighted-average period of approximately 3.1 years, assuming the liquidity event milestone is probable of being achieved at that time.

13. Net Loss Per Share

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

	Year Ended December 31,	
	2019	2020
	(in thousands, except per share data)	
Numerator:		
Net loss	$ (31,125)	$ (57,294)
Accretion of redeemable convertible preferred stock	(553,339)	(1,560,524)
Deemed dividend distribution	(40,071)	—
Net loss attributable to common stockholders	$ (624,535)	$ (1,617,818)
Denominator:		
Weighted-average shares used in computing net loss per share attributable to common stockholders - basic and diluted	7,603	7,695
Net loss per share attributable to common stockholders - basic and diluted	$ (82.14)	$ (210.24)

Basic net loss per share attributable to common stockholders is computed by dividing the net loss by the number of weighted-average outstanding common shares. Diluted loss per share attributable to common stockholders is determined by giving effect to all potential common equivalents during the reporting period, unless including them yields an antidilutive result. The Company considers its redeemable convertible preferred stock, stock options and restricted stock units as potential common equivalents, but has excluded them from the computation of diluted net loss per share attributable to common stockholders as their effect is antidilutive.

The following table summarizes the potential common equivalents that were excluded from the computation of diluted net loss per share attributable to common stockholders for the periods presented:

	Year Ended December 31,	
	2019	2020
	(in thousands)	
Redeemable convertible preferred stock	15,394	15,394
Stock options	290	210
RSUs	2,260	3,393
Total	17,944	18,997

14. Income Taxes

The Company's net loss before provision for income taxes for the years ended December 31, 2019 and 2020 was as follows:

	Year Ended December 31,	
	2019	2020
	(in thousands)	
Domestic	$ (40,616)	$ (69,102)
Foreign	13,126	15,823
Total	$ (27,490)	$ (53,279)

The components of the provision for income taxes for the years ended December 31, 2019 and 2020 were as follows:

	Year Ended December 31,	
	2019	2020
	(in thousands)	
Current:		
Domestic	$ 11	$ (12)
Foreign	4,563	6,387
Deferred:		
Domestic	(194)	—
Foreign	(745)	(2,360)
Total provision for income taxes	$ 3,635	$ 4,015

The following is a reconciliation of the federal statutory income tax rate to the Company's effective tax rate for the years ended December 31, 2019 and 2020:

	Years Ended December 31,	
	2019	2020
Federal income tax	21.0 %	21.0 %
State taxes, net of federal benefit	3.2	—
Stock Based Compensation	(0.2)	(17.1)
Change in valuation allowance	(32.8)	(11.8)
Earnings from foreign subsidiaries	(3.9)	(1.3)
Other items	(0.5)	1.6
Total provision for income taxes	(13.2)%	(7.6)%

The components of the Company's net deferred tax assets as of December 31, 2019 and 2020, were as follows:

	December 31,	
	2019	2020
	(in thousands)	
Deferred tax assets:		
Net operating loss carryforwards	$ 27,917	$ 36,702
Foreign tax credit carryforwards	4,955	4,955
Other	3,291	5,433
Depreciation and amortization	18	354
Allowance for uncollectible accounts	—	1,383
Total deferred tax assets	36,181	48,828
Less: valuation allowance	(32,078)	(41,111)
Deferred tax assets, net of valuation allowance	4,103	7,717
Deferred tax liabilities:		
Commissions	(2,002)	(3,323)
Change in fair value of investments and hedging instruments	(36)	—
Total deferred tax liabilities	(2,038)	(3,323)
Net deferred tax assets	$ 2,065	$ 4,393

The Company accounts for income taxes using the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the Company's consolidated financial statements. In estimating the future tax consequences, generally all expected future events are considered. Valuation allowances are provided to reduce deferred tax assets to an amount that is more-likely-than-not to be realized. Based on available evidence, the Company believes it is not more likely than not that the net U.S. deferred tax assets will be fully realizable. As such, the Company has recorded a valuation allowance against net deferred tax assets. The Company regularly reviews its deferred tax assets for recoverability based on historical taxable income, projected future taxable income, the expected timing of the reversals of existing taxable temporary differences and tax planning strategies. The Company's judgment regarding future profitability may change due to many factors, including future market conditions and the ability to successfully execute the business plans and/or tax planning strategies. Should there be a change in the ability to recover deferred tax assets, the Company's income tax provision would increase or decrease in the period in which the assessment is changed. The Company's valuation allowance increased by $8.5 million and $9.0 million during the years ended December 31, 2019 and 2020, respectively.

The Company has not provided U.S. income taxes and foreign withholding taxes on undistributed earnings of foreign subsidiaries because the Company intends to permanently reinvest such earnings outside the U.S. If these foreign earnings were to be repatriated in the future, the related U.S. tax liability may be reduced by any foreign income taxes previously paid on these earnings. The Company has controlling interest in all foreign subsidiaries, which are classified as controlled foreign corporations for U.S. federal income tax purposes. In accordance with the 2017 Tax Cuts and Jobs Act (Tax Act), the Company has computed the transition tax liability on all undistributed earnings from foreign subsidiaries, and as such, future distributions of these earnings are not taxable in the United States. For the years ended after December 31, 2017, the Company has assessed the Global Intangible Low Taxed Income provisions on undistributed earnings from foreign subsidiaries, and as such, future distributions of any previously taxed earnings are not taxable in the United States.

Net Operating Loss and Credit Carryforwards

As of December 31, 2020, the Company has U.S. federal net operating loss carryforwards of approximately $157.9 million of which $5.5 million are subject to limitation under Internal Revenue Code Section 382 (IRC Section 382). The net operating loss carryforwards for all the states in the United States is $176.0 million as of

December 31, 2020. The federal net operating loss carryforwards that were generated prior to the 2018 tax year will begin to expire in 2030 if not utilized. For net operating loss carryforwards arising in tax years beginning after December 31, 2017, the Tax Act limits the Company's ability to utilize carryforwards to 80% of taxable income, however, these operating losses may be carried forward indefinitely. The state net operating loss carryforwards will begin to expire in 2032 if not utilized. The Company has foreign tax credits of $5.0 million that will expire in 2027 if not utilized.

Utilization of the net operating loss carryforwards may be subject to a substantial annual limitation due to the ownership change provisions of IRC Section 382 and similar state provisions. The annual limitation may result in the inability to fully offset future annual taxable income and could result in the expiration of net operating loss carryforwards before utilization. The Company has performed a formal IRC Section 382 analysis as December 31, 2019 and continually reviews the impact to net operating losses of any ownership changes.

Unrecognized Tax Benefits

The Company has adopted authoritative guidance which prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of uncertain tax positions taken or expected to be taken in the Company's income tax return, and also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

The Company recognizes financial statement benefit of a tax position only after determining that the relevant tax authority would more-likely-than-not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the consolidated financial statements is the largest benefit that has no likelihood of being realized upon ultimate settlement with the relevant tax authority. As of December 31, 2019 and 2020, the Company does not have any unrecognized tax benefits that with a significant impact on its consolidated financial statements.

The Company recognizes interest and penalties related to income tax matters as a component of income tax expense. No accrued interest and penalties have been recorded as of December 31, 2019 and 2020.

The Company's major tax jurisdictions are India and the U.S. and also files income tax returns in other various U.S. states and international jurisdictions. Carryover attributes beginning December 31, 2008, remain open to adjustment by the United States and state authorities. The U.S. federal, state, and foreign jurisdictions have statutes of limitations that generally range from three to five years. Due to the Company's net losses, substantially all of its federal and state income tax returns are subject to examination for federal and state purposes since inception. As of December 31, 2020, there were no on-going examinations. We are continually under review by the Indian tax authorities and have not received any assessments to date that would have a material impact to the Company's financial statements.

15. Geographic Information

The following table summarizes revenue by geographic location, based upon the billing address of the customer:

	Year Ended December 31,	
	2019	2020
	(in thousands)	
North America	$ 79,805	$ 111,644
Europe, Middle East and Africa	65,038	98,992
Asia Pacific	23,528	33,445
Other	4,006	5,578
Total revenue	$ 172,377	$ 249,659

The following table summarizes long-lived assets by geographic information:

	Year Ended December 31,	
	2019	2020
	(in thousands)	
North America	$ 12,256	$ 16,796
Europe, Middle East and Africa	644	606
Asia Pacific	11,466	9,605
Total long-lived assets	$ 24,366	$ 27,007

16. Subsequent Events

The Company evaluated subsequent events from December 31, 2020, the date of these financial statements, through May 14, 2021, and during this period, the Company has granted a total of 326,740 RSUs to its employees.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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table indicates the expenses to be incurred in connection with the offering described in this registration statement, other than underwriting discounts and commissions, all of which will be paid by us. All amounts are estimated except the SEC registration fee, the Financial Industry Regulatory Authority, Inc. (FINRA), filing fee and the exchange listing fee.

	Amount
SEC registration fee	$
FINRA filing fee	
Exchange listing fee	
Accountants' fees and expenses	
Legal fees and expenses	
Transfer agent's fees and expenses	
Printing and engraving expenses	
Miscellaneous	
Total expenses	$

* To be provided by amendment.

Item 14. Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law authorizes a court to award, or a corporation's board of directors to grant, indemnity to directors and officers in terms sufficiently broad to permit such indemnification under certain circumstances for liabilities, including reimbursement for expenses incurred, arising under the Securities Act. Our amended and restated certificate of incorporation that will be in effect upon the completion of this offering permits indemnification of our directors, officers, employees and other agents to the maximum extent permitted by the Delaware General Corporation Law, and our amended and restated bylaws that will be in effect upon the completion of this offering provide that we will indemnify our directors and officers and permit us to indemnify our employees and other agents, in each case to the maximum extent permitted by the Delaware General Corporation Law.

We have entered into indemnification agreements with our directors and officers, whereby we have agreed to indemnify our directors and officers to the fullest extent permitted by law, including indemnification against expenses and liabilities incurred in legal proceedings to which the director or officer was, or is threatened to be made, a party by reason of the fact that such director or officer is or was a director, officer, employee or agent of Freshworks Inc., provided that such director or officer acted in good faith and in a manner that the director or officer reasonably believed to be in, or not opposed to, the best interest of Freshworks Inc. At present, there is no pending litigation or proceeding involving a director or officer of Freshworks Inc. regarding which indemnification is sought, nor is the registrant aware of any threatened litigation that may result in claims for indemnification.

We maintain insurance policies that indemnify our directors and officers against various liabilities arising under the Securities Act and the Exchange Act that might be incurred by any director or officer in his or her capacity as such.

Item 15. Recent Sales of Unregistered Securities.

Since January 1, 2018, we have issued the following unregistered securities:

- In July and September 2018, we sold (1) an aggregate of 915,144 shares of our Series G convertible preferred stock to four accredited investors and (2) an aggregate of 748,752 shares of our common stock to four accredited investors, in each case at a purchase price of $60.10 per share for aggregate cash proceeds of approximately $100.0 million.
- In December 2019, we sold (1) an aggregate of 1,127,622 shares of our Series H convertible preferred stock to three accredited investors and (2) an aggregate of 751,747 shares of our Series A convertible preferred stock to one accredited investor, in each case at a purchase price of $133.0234 per share for aggregate cash proceeds of approximately $250.0 million.
- Since January 1, 2018, we have granted to certain employees, consultants and directors restricted stock units representing an aggregate of 3,222,138 shares of our common stock under our 2011 Stock Plan, as amended (the 2011 Plan).
- Since January 1, 2018, we have issued and sold an aggregate of 918,657 shares of our common stock upon the exercise of options under our 2011 Plan, at exercise prices ranging from $0.2080 to $4.2000 per share, for an aggregate exercise price of approximately $1.9 million.

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions, or any public offering. Unless otherwise specified above, we believe these transactions were exempt from registration under the Securities Act in reliance on Section 4(a)(2) of the Securities Act (and Regulation D or Regulation S promulgated thereunder) or Rule 701 promulgated under Section 3(b) of the Securities Act as transactions by an issuer not involving any public offering or under benefit plans and contracts relating to compensation as provided under Rule 701. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed on the share certificates issued in these transactions. All recipients had adequate access, through their relationships with us, to information about us. The sales of these securities were made without any general solicitation or advertising.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits.

Exhibit Number	Description of Exhibit
1.1*	Form of Underwriting Agreement.
3.1*	Amended and Restated Certificate of Incorporation of the Registrant, as currently in effect.
3.2	Amended and Restated Bylaws of the Registrant, as currently in effect.
3.3*	Form of Amended and Restated Certificate of Incorporation of the Registrant, to be effective immediately prior to the completion of this offering.
3.4*	Form of Amended and Restated Bylaws of the Registrant, to be effective immediately prior to the completion of this offering.
4.1*	Form of common stock certificate of the Registrant.
4.2	Seventh Amended and Restated Investors' Rights Agreement by and among the Registrant and certain of its stockholders, dated December 16, 2019.
5.1*	Opinion of Cooley LLP.
10.1+*	Freshworks Inc. 2011 Stock Plan, as amended, and forms of agreements thereunder.
10.2+*	Freshworks Inc. 2021 Equity Incentive Plan and forms of agreements thereunder.
10.3+*	Freshworks Inc. 2021 Employee Stock Purchase Plan.
10.4+*	Freshworks Inc. Cash Incentive Bonus Plan.
10.5+*	Amended and Restated Offer Letter by and between the Registrant and Rathna Girish Mathrubootham, dated June 1, 2020.
10.6+*	Amended and Restated Offer Letter by and between the Registrant and Tyler Sloat, dated June 3, 2020.
10.7+*	Offer Letter by and between the Registrant and Jose Morales, dated September 4, 2020.
10.8	Lease by and between the Registrant and Bay Meadows Station 2 Investors, LLC, dated September 20, 2018.
10.9*	Lease Deed by and between Registrant and Faery Estates Private Limited, dated December 12, 2017.
10.10*	Addendum Agreement to the Lease Deed by and between Registrant and Faery Estates Private Limited, dated May 10, 2018.
10.11*	Lease Deed by and between Registrant and Faery Estates Private Limited, dated December 20, 2018.
10.12*	Lease Deed by and between Registrant and Faery Estates Private Limited, dated May 20, 2019.
10.13*	Lease Deed by and between Registrant and Faery Estates Private Limited, dated May 31, 2019.
10.14*	Lease Deed by and between Registrant and Faery Estates Private Limited, dated November 29, 2019.
21.1*	List of subsidiaries of the Registrant.
23.1*	Consent of Deloitte & Touche LLP, independent registered public accounting firm.
23.2*	Consent of Cooley LLP (included in Exhibit 5.1).
24.1*	Power of Attorney.

* To be filed by amendment
\+ Indicates management contract or compensatory plan

(b) Financial Statement Schedules.

All financial statement schedules are omitted because the information required to be set forth therein is not applicable or is shown in the consolidated financial statements or the notes thereto.

Item 17. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant under the foregoing provisions or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. If 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 under 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.

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 Redwood City, State of California, on , 2021.

Freshworks Inc.

By: _____
Rathna Girish Mathruboothan
Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Rathna Girish Mathruboothan and Tyler Sloat and each one of them, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in their name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to sign any registration statement for the same offering covered by this registration statement that is to be effective on filing pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and all post-effective amendments thereto, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

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
Rathna Girish Mathruboothan	Chief Executive Officer and Chairman (Principal Executive Officer)	, 2021
Tyler Sloat	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	, 2021
Roxanne S. Austin	Director	, 2021
Mohit Bhatnagar	Director	, 2021
Johanna Flower	Director	, 2021
Eugene Frantz	Director	, 2021
Sameer Gandhi	Director	, 2021
Randy Gottfried	Director	, 2021
Barry Padgett	Director	, 2021

BYLAWS

of

FRESHDESK INC.

A Delaware Corporation

ARTICLE 1 - OFFICES

1.1 **Registered Office**. The registered office of the corporation in the State of Delaware shall be 1220 North Market Street, Suite 806, in the City of Wilmington, County of New Castle, Delaware, 19801.

1.2 **Other Offices**. The corporation shall also have and maintain an office or principal place of business at such place as may be fixed by the Board of Directors, and may also have offices at such other places, both within and without the State of Delaware, as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE 2 - CORPORATE SEAL

2.1 **Corporate Seal**. The Board of Directors may adopt a corporate seal. The corporate seal shall consist of a die bearing the name of the corporation and the inscription, "Corporate Seal Delaware." Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE 3 - STOCKHOLDERS MEETINGS

3. 1 **Place of Meetings**. Meetings of the stockholders of the corporation may be held at such place, either within or without the State of Delaware, as may be determined from time to time by the Board of Directors. The Board of Directors may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication as provided under the Delaware General Corporation Law ("***DGCL***").

3. 2 **Annual Meeting**.

(a) The annual meeting of the stockholders of the corporation, for the purpose of election of directors and for such other business as may lawfully come before it, shall be held on such date and at such time as may be designated from time to time by the Board of Directors. Nominations of persons for election to the Board of Directors of the corporation and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders: (i) pursuant to the corporation's notice of meeting of stockholders; (ii) by or at the direction of the Board of Directors; or (iii) by any stockholder of the corporation who was a stockholder of record at the time of giving of notice provided for in the following paragraph, who is entitled to vote at the meeting and who complied with the notice procedures set forth in Section 3.2.

(b) At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of Section 3.2(a) of these Bylaws, (i) the stockholder must have given timely notice thereof in writing to the Secretary of the corporation, (ii) such other business must be a proper matter for stockholder action under the DGCL, (iii) if the stockholder, or the beneficial owner on whose behalf any such proposal or nomination is made, has provided the corporation with a Solicitation Notice (as defined in this Section 3.2(b)), such stockholder or beneficial owner must, in the case of a proposal, have delivered a proxy statement and form of proxy to holders of at least the percentage of the corporation's voting shares required under applicable law to carry any such proposal, or, in the case of a nomination or nominations, have delivered a proxy statement and form of proxy to holders of a percentage of the corporation's voting shares reasonably believed by such stockholder or beneficial owner to be sufficient to elect the nominee or nominees proposed to be nominated by such stockholder, and must, in either case, have included in such materials the Solicitation Notice, and (iv) if no Solicitation Notice relating thereto has been timely provided pursuant to this section, the stockholder or beneficial owner proposing such business or nomination must not have solicited a number of proxies sufficient to have required the delivery of such a Solicitation Notice under this Section 3.2. To be timely, a stockholder's notice shall be delivered to the Secretary of the corporation at the principal executive offices of the Corporation not later than the close of business on the ninetieth (90^{th}) day nor earlier than the close of business on the one hundred twentieth (120^{th}) day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced more than thirty (30) days prior to or delayed by more than thirty (30) days after the anniversary of the preceding year's annual meeting, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the one hundred twentieth (120^{th}) day prior to such annual meeting and not later than the close of business on the later of the ninetieth (90^{th}) day prior to such annual meeting or the tenth (10^{th}) day following the day on which public announcement of the date of such meeting is first made. In no event shall the public announcement of an adjournment of an annual meeting commence a new time period for the giving of a stockholder's notice as described above.

(c) Notwithstanding anything in the second sentence of Section 3.2(b) of these Bylaws to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Corporation is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors made by the corporation at least one hundred (100) days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 3.2 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary of the corporation at the principal executive offices of the corporation not later than the close of business on the tenth (10^{th}) day following the day on which such public announcement is first made by the corporation.

(d) Only such persons who are nominated in accordance with the procedures set forth in this Section 3.2 shall be eligible to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in

accordance with the procedures set forth in this Section 3.2. Except as otherwise provided by law, the chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made, or proposed, as the case may be, in accordance with the procedures set forth in these Bylaws and, if any proposed nomination or business is not in compliance with these Bylaws, to declare that such defective proposal or nomination shall not be presented for stockholder action at the meeting and shall be disregarded.

3.3. **Special Meetings**.

(a) Special meetings of the stockholders of the corporation may be called, for any purpose or purposes, by (i) the Chairman of the Board of Directors, (ii) the Chief Executive Officer, (iii) the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board of Directors for adoption) or (iv) by the holders of shares entitled to cast not less than ten percent (10%) of the votes at the meeting, and shall be held at such place, on such date, and at such time as the Board of Directors shall fix.

(b) If a special meeting is properly called by any person or persons other than the Board of Directors, the request shall be in writing, specifying the general nature of the business proposed to be transacted, and shall be delivered personally or sent by certified or registered mail, return receipt requested, or by telegraphic or other facsimile transmission to the Chairman of the Board of Directors, the Chief Executive Officer, or the Secretary. No business may be transacted at such special meeting otherwise than specified in such notice. The Board of Directors shall determine the time and place of such special meeting, which shall be held not less than thirty-five (35) nor more than one hundred twenty (120) days after the date of the receipt of the request. Upon determination of the time and place of the meeting, the officer receiving the request shall cause notice to be given to the stockholders entitled to vote, in accordance with the provisions of Section 3.4 of these Bylaws. Nothing contained in this paragraph shall be construed as limiting, fixing, or affecting the time when a meeting of stockholders called by action of the Board of Directors may be held.

3.4 **Notice of Meetings**. Except as otherwise provided by law, notice, given in writing or by electronic transmission, of each meeting of stockholders shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting, such notice to specify the place, if any, date and hour, in the case of special meetings, the purpose or purposes of the meeting, and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at any such meeting. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder’s address as it appears on the records of the corporation. Notice of the time, place, if any, and purpose of any meeting of stockholders may be waived in writing, signed by the person entitled to notice thereof or by electronic transmission by such person, either before or after such meeting, and will be waived by any stockholder by his attendance thereat in person, by remote communication, if applicable, or by

proxy, except when the stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Any stockholder so waiving notice of such meeting shall be bound by the proceedings of any such meeting in all respects as if due notice thereof had been given.

3.5 **Quorum**. At all meetings of stockholders, except where otherwise provided by statute or by the Certificate of Incorporation, or by these Bylaws, the presence, in person, by remote communication, if applicable, or by proxy duly authorized, of the holders of a majority of the outstanding shares of stock entitled to vote shall constitute a quorum for the transaction of business. In the absence of a quorum, any meeting of stockholders may be adjourned, from time to time, either by the chairman of the meeting or by vote of the holders of a majority of the shares represented thereat, but no other business shall be transacted at such meeting. The stockholders present at a duly called or convened meeting, at which a quorum is present, may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum. Except as otherwise provided by statute, or by the Certificate of Incorporation or these Bylaws, in all matters other than the election of directors, the affirmative vote of a majority of shares present in person, by remote communication, if applicable, or represented by proxy duly authorized at the meeting and entitled to vote generally on the subject matter shall be the act of the stockholders. Except as otherwise provided by statute, the Certificate of Incorporation or these Bylaws, directors shall be elected by a plurality of the votes of the shares present in person, by remote communication, if applicable, or represented by proxy duly authorized at the meeting and entitled to vote generally on the election of directors. Where a separate vote by a class or classes or series is required, except where otherwise provided by the statute or by the Certificate of Incorporation or these Bylaws, a majority of the outstanding shares of such class or classes or series, present in person, by remote communication, if applicable, or represented by proxy duly authorized, shall constitute a quorum entitled to take action with respect to that vote on that matter. Except where otherwise provided by statute or by the Certificate of Incorporation or these Bylaws, the affirmative vote of the majority (plurality, in the case of the election of directors) of shares of such class or classes or series present in person, by remote communication, if applicable, or represented by proxy at the meeting shall be the act of such class or classes or series.

3.6 **Adjournment and Notice of Adjourned Meetings**. Any meeting of stockholders, whether annual or special, may be adjourned from time to time either by the chairman of the meeting or by the vote of a majority of the shares present in person, by remote communication, if applicable, or represented by proxy. When a meeting is adjourned to another time or place, if any, notice need not be given of the adjourned meeting if the time and place, if any, thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the corporation may transact any business that might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

3.7 **Voting Rights**. For the purpose of determining those stockholders entitled to vote at any meeting of the stockholders, except as otherwise provided by law, only persons in whose names

shares stand on the stock records of the corporation on the record date shall be entitled to vote at any meeting of stockholders. Every person entitled to vote or execute consents shall have the right to do so either in person, by remote communication, if applicable, or by an agent or agents authorized by a proxy granted in accordance with Delaware law. An agent so appointed need not be a stockholder. No proxy shall be voted after three (3) years from its date of creation unless the proxy provides for a longer period.

3.8 **Joint Owners of Stock**. If shares or other securities having voting power stand of record in the names of two (2) or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, tenants by the entirety, or otherwise, or if two (2) or more persons have the same fiduciary relationship respecting the same shares, unless the Secretary of the corporation is given written notice to the contrary and is furnished with a copy of the instrument or order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect: (a) if only one (1) votes, his act binds all; (b) if more than one (1) votes, the act of the majority so voting binds all; (c) if more than one (1) votes, but the vote is evenly split on any particular matter, each faction may vote the securities in question proportionally, or may apply to the Delaware Court of Chancery for relief as provided in Section 217(b) of the DGCL. If the instrument filed with the Secretary of the corporation shows that any such tenancy is held in unequal interests, a majority or evensplit for the purpose of subsection (c) shall be a majority or evensplit in interest.

3.9 **List of Stockholders**. The Secretary shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at said meeting, arranged in alphabetical order, showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, provided that the information required to gain access to such list is provided with the notice of the meeting, or during ordinary business hours, at the principal place of business of the corporation. In the event that the corporation determines to make the list available on an electronic network, the corporation may take reasonable steps to ensure that such information is available only to stockholders of the corporation. The list shall be open to examination of any stockholder during the time of the meeting as provided by law.

3.10 **Action Without Meeting**.

(a) Unless otherwise provided in the Certificate of Incorporation, any action required by statute to be taken at any annual or special meeting of the stockholders, or any action which may be taken at any annual or special meeting of the stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, or by electronic transmission setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.

(b) Every written consent or electronic transmission shall bear the date of signature of each stockholder who signs the consent, and no written consent or electronic transmission shall be effective to take the corporate action referred to therein unless, within sixty (60) days of the

earliest dated consent delivered to the corporation in the manner herein required, written consents or electronic transmissions signed by a sufficient number of stockholders to take action are delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded.

(c) Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing or by electronic transmission and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of stockholders to take action were delivered to the corporation as provided in Section 228(c) of the DGCL. If the action which is consented to is such as would have required the filing of a certificate under any section of the DGCL if such action had been voted on by stockholders at a meeting thereof, then the certificate filed under such section shall state, in lieu of any statement required by such section concerning any vote of stockholders, that written consent has been given in accordance with Section 228 of the DGCL.

(d) A telegram, cablegram or other electronic transmission consenting to an action to be taken and transmitted by a stockholder or proxyholder, shall be deemed to be written, signed and dated for the purposes of this section, provided that any such telegram, cablegram or other electronic transmission sets forth or is delivered with information from which the corporation can determine (i) that the telegram, cablegram or other electronic transmission was transmitted by the stockholder or proxyholder or by a person or persons authorized to act for the stockholder and (ii) the date on which such stockholder or proxyholder or authorized person or persons transmitted such telegram, cablegram or electronic transmission. The date on which such telegram, cablegram or electronic transmission is transmitted shall be deemed to be the date on which such consent was signed. No consent given by telegram, cablegram or other electronic transmission shall be deemed to have been delivered until such consent is reproduced in paper form and until such paper form shall be delivered to the corporation by delivery to its registered office in the state of Delaware, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to a corporation’s registered office shall be made by hand or by certified or registered mail, return receipt requested. Notwithstanding the foregoing limitations on delivery, consents given by telegram, cablegram or other electronic transmission may be otherwise delivered to the principal place of business of the corporation or to an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded if, to the extent and in the manner provided by resolution of the board of directors of the corporation. Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing.

3. 11. **Organization**.

(a) At every meeting of stockholders, the Chairman of the Board of Directors, or, if a Chairman of the Board of Directors has not been appointed or is absent, the President, or, if the President is absent, a chairman of the meeting chosen by a majority in interest of the stockholders entitled to vote, present in person or by proxy, shall act as chairman. The Secretary, or, in his absence, an Assistant Secretary directed to do so by the President, shall act as secretary of the meeting.

(b) The Board of Directors of the corporation shall be entitled to make such rules or regulations for the conduct of meetings of stockholders as it shall deem necessary, appropriate or convenient. Subject to such rules and regulations of the Board of Directors, if any, the chairman of the meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are necessary, appropriate or convenient for the proper conduct of the meeting, including, without limitation, establishing an agenda or order of business for the meeting, rules and procedures for maintaining order at the meeting and the safety of those present, limitations on participation in such meeting to stockholders of record of the corporation and their duly authorized and constituted proxies and such other persons as the chairman shall permit, restrictions on entry to the meeting after the time fixed for the commencement thereof, limitations on the time allotted to questions or comments by participants and regulation of the opening and closing of the polls for balloting on matters which are to be voted on by ballot. The date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at the meeting shall be announced at the meeting. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with rules of parliamentary procedure.

ARTICLE 4 - DIRECTORS

4.1 **Number and Term of Office**. The authorized number of directors of the corporation shall be fixed by the Board of Directors from time to time. Directors need not be stockholders unless so required by the Certificate of Incorporation. If for any cause, the directors shall not have been elected at an annual meeting, they may be elected as soon thereafter as convenient.

4.2 **Powers**. The powers of the corporation shall be exercised, its business conducted and its property controlled by the Board of Directors, except as may be otherwise provided by statute or by the Certificate of Incorporation.

4.3 **Term of Directors**. Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, directors shall be elected at each annual meeting of stockholders for a term of one year. Each director shall serve until his successor is duly elected and qualified or until his death, resignation or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

4.4 **Vacancies**. Unless otherwise provided in the Certificate of Incorporation, and subject to the rights of the holders of any series of Preferred Stock, any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other causes and any newly created directorships resulting from any increase in the number of directors shall, unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by stockholders, be filled only by the affirmative vote of a majority of the directors then in office, even though less than a quorum of the Board of Directors. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the director for which the vacancy was created or occurred and until such director's successor shall have been elected and qualified. A vacancy in the Board of Directors shall be deemed to exist under this Bylaw in the case of the death, removal or resignation of any director.

4.5 **Resignation**. Any director may resign at any time by delivering his or her notice in writing or by electronic transmission to the Secretary, such resignation to specify whether it will be effective at a particular time, upon receipt by the Secretary or at the pleasure of the Board of Directors. If no such specification is made, it shall be deemed effective at the pleasure of the Board of Directors. Unless otherwise provided in the Certificate of Incorporation, and subject to the rights of the holders of any series of Preferred Stock, when one or more directors shall resign from the Board of Directors, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office for the unexpired portion of the term of the director whose place shall be vacated and until his successor shall have been duly elected and qualified.

4.6 **Removal**. Subject to any limitations imposed by applicable law, and unless otherwise provided in the Certificate of Incorporation and subject to the rights of the holders of any series of Preferred Stock, the Board of Directors or any director may be removed from office at any time (i) with cause by the affirmative vote of the holders of a majority of the voting power of all then-outstanding shares of capital stock of the corporation entitled to vote generally at an election of directors or (ii) without cause by the affirmative vote of the holders of a majority of the voting power of all then-outstanding shares of capital stock of the corporation, entitled to vote generally at an election of directors.

4.7 **Meetings**.

(a) *Regular Meetings*. Unless otherwise restricted by the Certificate of Incorporation, regular meetings of the Board of Directors may be held at any time or date and at any place within or without the State of Delaware which has been designated by the Board of Directors and publicized among all directors, either orally or in writing, including a voice-messaging system or other system designated to record and communicate messages, facsimile, telegraph or telex, or by electronic mail or other electronic means. No further notice shall be required for a regular meeting of the Board of Directors.

(b) *Special Meetings*. Unless otherwise restricted by the Certificate of Incorporation, special meetings of the Board of Directors may be held at any time and place within or without

the State of Delaware whenever called by the Chairman of the Board of Directors, the President or any director.

(c) *Meetings by Electronic Communications Equipment*. Any member of the Board of Directors, or of any committee thereof, may participate in a meeting by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

(d) *Notice of Special Meetings*. Notice of the time and place of all special meetings of the Board of Directors shall be orally or in writing, by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, facsimile, telegraph or telex, or by electronic mail or other electronic means, during normal business hours, at least twenty-four (24) hours before the date and time of the meeting. If notice is sent by US mail, it shall be sent by first class mail, postage prepaid at least three (3) days before the date of the meeting. Notice of any meeting may be waived in writing or by electronic transmission at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

(e) *Waiver of Notice*. The transaction of all business at any meeting of the Board of Directors, or any committee thereof, however called or noticed, or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present and if, either before or after the meeting, each of the directors not present who did not receive notice shall sign a written waiver of notice or shall waive notice by electronic transmission. All such waivers shall be filed with the corporate records or made a part of the minutes of the meeting.

4.8. **Quorum and Voting**.

i.Unless the Certificate of Incorporation requires a greater number, a quorum of the Board of Directors shall consist of a majority of the exact number of directors fixed from time to time by the Board of Directors in accordance with the Certificate of Incorporation; provided, however, at any meeting, whether a quorum be present or otherwise, a majority of the directors present may adjourn from time to time until the time fixed for the next regular meeting of the Board of Directors, without notice other than by announcement at the meeting.

ii.At each meeting of the Board of Directors at which a quorum is present, all questions and business shall be determined by the affirmative vote of a majority of the directors present, unless a different vote be required by law, the Certificate of Incorporation or these Bylaws.

4.9. **Action Without Meeting**. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board of Directors or committee, as the case may be, consent thereto in writing or by electronic

transmission, and such writing or writings or transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

4.10. **Fees and Compensation**. Directors shall be entitled to such compensation for their services as may be approved by the Board of Directors, including, if so approved, by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, for attendance at each regular or special meeting of the Board of Directors and at any meeting of a committee of the Board of Directors. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity as an officer, agent, employee, or otherwise and receiving compensation therefor.

4.11. **Committees**.

(a) *Executive Committee*. The Board of Directors may appoint an Executive Committee to consist of one (1) or more members of the Board of Directors. The Executive Committee, to the extent permitted by law and provided in a resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers that may require it; but no such committee shall have the power or authority in reference to (i) approving or adopting, or recommending to the stockholders, any action or matter expressly required by the DGCL to be submitted to stockholders for approval, or (ii) adopting, amending or repealing any bylaw of the corporation.

(b) *Other Committees*. The Board of Directors may, from time to time, appoint such other committees as may be permitted by law. Such other committees appointed by the Board of Directors shall consist of one (1) or more members of the Board of Directors and shall have such powers and perform such duties as may be prescribed by the resolution or resolutions creating such committees, but in no event shall any such committee have the powers denied to the Executive Committee in these Bylaws.

(c) *Term*. The Board of Directors, subject to any requirements of any outstanding series of Preferred Stock and the provisions of subsections (a) or (b) of this Bylaw, may at any time increase or decrease the number of members of a committee or terminate the existence of a committee. The membership of a committee member shall terminate on the date of his death or voluntary resignation from the committee or from the Board of Directors. The Board of Directors may at any time for any reason remove any individual committee member and the Board of Directors may fill any committee vacancy created by death, resignation, removal or increase in the number of members of the committee. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee, and, in addition, in the absence or disqualification of any member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

(d) *Meetings*. Unless the Board of Directors shall otherwise provide, regular meetings of the Executive Committee or any other committee appointed shall be held at such times and places as are determined by the Board of Directors, or by any such committee, and when notice thereof has been given to each member of such committee, no further notice of such regular meetings need be given thereafter. Special meetings of any such committee may be held at any place which has been determined from time to time by such committee, and may be called by any director who is a member of such committee, upon notice to the members of such committee of the time and place of such special meeting given in the manner provided for the giving of notice to members of the Board of Directors of the time and place of special meetings of the Board of Directors. Notice of any special meeting of any committee may be waived in writing at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends such special meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Unless otherwise provided by the Board of Directors in the resolutions authorizing the creation of the committee, a majority of the authorized number of members of any such committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at any meeting at which a quorum is present shall be the act of such committee.

4.12. **Organization**. At every meeting of the directors, the Chairman of the Board of Directors, or, if a Chairman of the Board of Directors has not been appointed or is absent, the President, or if the President is absent, the most senior Vice President (if a director) or, in the absence of any such person, a chairman of the meeting chosen by a majority of the directors present, shall preside over the meeting. The Secretary, or in his absence, any Assistant Secretary directed to do so by the President, shall act as secretary of the meeting.

ARTICLE 5 - OFFICERS

5.1 **Officers Designated**. The officers of the corporation shall include, if and when designated by the Board of Directors, the Chairman of the Board, the Chief Executive Officer, the President, one or more Vice Presidents, the Secretary, the Chief Financial Officer, the Treasurer and the Controller, all of whom shall be elected at the annual organizational meeting of the Board of Directors. The Board of Directors may also appoint one or more Assistant Secretaries, Assistant Treasurers, Assistant Controllers and such other officers and agents with such powers and duties as it shall deem necessary. The Board of Directors may assign such additional titles to one or more of the officers as it shall deem appropriate. Any one person may hold any number of offices of the corporation at any one time unless specifically prohibited therefrom by law. The salaries and other compensation of the officers of the corporation shall be fixed by or in the manner designated by the Board of Directors.

5.2 **Tenure and Duties of Officers**.

(a) *General*. All officers shall hold office at the pleasure of the Board of Directors and until their successors shall have been duly elected and qualified, unless sooner removed. Any officer elected or appointed by the Board of Directors may be removed at any time by the Board

of Directors. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board of Directors.

(b) *Duties of Chairman of the Board of Directors*. The Chairman of the Board of Directors, when present, shall preside at all meetings of the stockholders and the Board of Directors. The Chairman of the Board of Directors shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors shall designate from time to time. If there is no President, then the Chairman of the Board of Directors shall also serve as the Chief Executive Officer of the corporation and shall have the powers and duties prescribed in paragraph (c) of this Section.

(c) *Duties of President*. The President shall preside at all meetings of the stockholders and at all meetings of the Board of Directors, unless the Chairman of the Board of Directors has been appointed and is present. Unless some other officer has been elected Chief Executive Officer of the corporation, the President shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the corporation. The President shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors shall designate from time to time.

(d) *Duties of Vice Presidents*. The Vice Presidents may assume and perform the duties of the President in the absence or disability of the President or whenever the office of President is vacant. The Vice Presidents shall perform other duties commonly incident to their office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

(e) *Duties of Secretary*. The Secretary shall attend all meetings of the stockholders and of the Board of Directors and shall record all acts and proceedings thereof in the minute book of the corporation. The Secretary shall give notice in conformity with these Bylaws of all meetings of the stockholders and of all meetings of the Board of Directors and any committee thereof requiring notice. The Secretary shall perform all other duties provided for in these Bylaws and other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors shall designate from time to time. The President may direct any Assistant Secretary to assume and perform the duties of the Secretary in the absence or disability of the Secretary, and each Assistant Secretary shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

(f) *Duties of Chief Financial Officer*. The Chief Financial Officer shall keep or cause to be kept the books of account of the corporation in a thorough and proper manner and shall render statements of the financial affairs of the corporation in such form and as often as required by the Board of Directors or the President. The Chief Financial Officer, subject to the order of the Board of Directors, shall have the custody of all funds and securities of the corporation. The Chief Financial Officer shall perform other duties commonly incident to his office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time. The President may direct the Treasurer or any Assistant

Treasurer, or the Controller or any Assistant Controller to assume and perform the duties of the Chief Financial Officer in the absence or disability of the Chief Financial Officer, and each Treasurer and Assistant Treasurer and each Controller and Assistant Controller shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

5.3 **Delegation of Authority**. The Board of Directors may from time to time delegate the powers or duties of any officer to any other officer or agent, notwithstanding any provision hereof.

5.4 **Resignations**. Any officer may resign at any time by giving notice in writing or by electronic transmission notice to the Board of Directors or to the President or to the Secretary. Any such resignation shall be effective when received by the person or persons to whom such notice is given, unless a later time is specified therein, in which event the resignation shall become effective at such later time. Unless otherwise specified in such notice, the acceptance of any such resignation shall not be necessary to make it effective. Any resignation shall be without prejudice to the rights, if any, of the corporation under any contract with the resigning officer.

5.5 **Removal**. Any officer may be removed from office at any time, either with or without cause, by the affirmative vote of a majority of the directors in office at the time, or by the unanimous written consent of the directors in office at the time, or by any committee or superior officers upon whom such power of removal may have been conferred by the Board of Directors.

ARTICLE 6 - EXECUTION OF CORPORATE INSTRUMENTS AND VOTING OF SECURITIES OWNED BY THE CORPORATION

6.1 **Execution of Corporate Instruments**. The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute on behalf of the corporation any corporate instrument or document, or to sign on behalf of the corporation the corporate name without limitation, or to enter into contracts on behalf of the corporation, except where otherwise provided by law or these Bylaws, and such execution or signature shall be binding upon the corporation.

(a) All checks and drafts drawn on banks or other depositaries on funds to the credit of the corporation or in special accounts of the corporation shall be signed by such person or persons as the Board of Directors shall authorize so to do.

(b) Unless authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

6.2 **Voting of Securities Owned by the Corporation**. All stock and other securities of other corporations owned or held by the corporation for itself, or for other parties in any capacity, shall be voted, and all proxies with respect thereto shall be executed, by the person authorized so to do

by resolution of the Board of Directors, or, in the absence of such authorization, by the Chairman of the Board of Directors, the Chief Executive Officer, the President, or any Vice President.

ARTICLE 7 - SHARES OF STOCK

7.1 **Form and Execution of Certificates**. Certificates for the shares of stock of the corporation shall be in such form as is consistent with the Certificate of Incorporation and applicable law. Every holder of stock in the corporation shall be entitled to have a certificate signed by or in the name of the corporation by the Chairman of the Board of Directors, or the President or any Vice President and by the Treasurer or Assistant Treasurer or the Secretary or Assistant Secretary, certifying the number of shares owned by him in the corporation. Any or all of the signatures on the certificate may be facsimiles. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued with the same effect as if he were such officer, transfer agent, or registrar at the date of issue. Each certificate shall state upon the face or back thereof, in full or in summary, all of the powers, designations, preferences, and rights, and the limitations or restrictions of the shares authorized to be issued or shall, except as otherwise required by law, set forth on the face or back a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional, or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Within a reasonable time after the issuance or transfer of uncertificated stock, the corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates pursuant to this section or otherwise required by law or with respect to this section a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

7.2 **Lost Certificates**. A new certificate or certificates shall be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed. The corporation may require, as a condition precedent to the issuance of a new certificate or certificates, the owner of such lost, stolen, or destroyed certificate or certificates, or the owner's legal representative, to agree to indemnify the corporation in such manner as it shall require or to give the corporation a surety bond in such form and amount as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen, or destroyed.

7.3 **Transfers**.

(a) Transfers of record of shares of stock of the corporation shall be made only upon its books by the holders thereof, in person or by attorney duly authorized, and upon the surrender of a properly endorsed certificate or certificates for a like number of shares.

(b) The corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the corporation to restrict the transfer of shares of stock of the corporation of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.

7.4 **Fixing Record Dates**.

(a) In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix, in advance, a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall, subject to applicable law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

(b) In order that the corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which date shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. Any stockholder of record seeking to have the stockholders authorize or take corporate action by written consent shall, by written notice to the Secretary, request the Board of Directors to fix a record date. The Board of Directors shall promptly, but in all events within ten (10) days after the date on which such a request is received, adopt a resolution fixing the record date. If no record date has been fixed by the Board of Directors within ten (10) days of the date on which such a request is received, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by applicable law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

(c) In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders

entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty (60) days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

7.5 **Registered Stockholders**. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE 8 - OTHER SECURITIES OF THE CORPORATION

8 1 **Execution of Other Securities**. All bonds, debentures and other corporate securities of the corporation, other than stock certificates, may be signed by the Chairman of the Board of Directors, the President or any Vice President, or such other person as may be authorized by the Board of Directors, and the corporate seal impressed thereon or a facsimile of such seal imprinted thereon and attested by the signature of the Secretary or an Assistant Secretary, or the Chief Financial Officer or Treasurer or an Assistant Treasurer; provided, however, that where any such bond, debenture or other corporate security shall be authenticated by the manual signature, or where permissible facsimile signature, of a trustee under an indenture pursuant to which such bond, debenture or other corporate security shall be issued, the signatures of the persons signing and attesting the corporate seal on such bond, debenture or other corporate security may be the imprinted facsimile of the signatures of such persons. Interest coupons appertaining to any such bond, debenture or other corporate security, authenticated by a trustee as aforesaid, shall be signed by the Treasurer or an Assistant Treasurer of the corporation or such other person as may be authorized by the Board of Directors, or bear imprinted thereon the facsimile signature of such person. In case any officer who shall have signed or attested any bond, debenture or other corporate security, or whose facsimile signature shall appear thereon or on any such interest coupon, shall have ceased to be such officer before the bond, debenture or other corporate security so signed or attested shall have been delivered, such bond, debenture or other corporate security nevertheless may be adopted by the corporation and issued and delivered as though the person who signed the same or whose facsimile signature shall have been used thereon had not ceased to be such officer of the corporation.

ARTICLE 9 - DIVIDENDS

9 1 **Declaration of Dividends**. Dividends upon the capital stock of the corporation, subject to the provisions of the Certificate of Incorporation and applicable law, if any, may be declared by the Board of Directors pursuant to law at any regular or special meeting. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation and applicable law.

9 2 **Dividend Reserve**. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the Board of Directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the Board of Directors shall think conducive to the interests of the corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created.

ARTICLE 10 -FISCAL YEAR

10. 1 **Fiscal Year**. The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

ARTICLE 11 - INDEMNIFICATION

11. 1 **Indemnification of Directors, Executive Officers, Other Officers, Employees and Other Agents**.

(a) *Directors and Executive Officers*. The corporation shall indemnify its directors and executive officers (for the purposes of this Article 11, "***executive officers***" shall have the meaning defined in Rule 3b-7 promulgated under the Securities Exchange Act of 1934, as amended) to the fullest extent not prohibited by the DGCL or any other applicable law; provided, however, that the corporation may modify the extent of such indemnification by individual contracts with its directors and executive officers; and, provided, further, that the corporation shall not be required to indemnify any director or executive officer in connection with any proceeding (or part thereof) initiated by such person unless (i) such indemnification is expressly required to be made by law, (ii) the proceeding was authorized by the Board of Directors of the corporation, (iii) such indemnification is provided by the corporation, in its sole discretion, pursuant to the powers vested in the corporation under the DGCL or any other applicable law or (iv) such indemnification is required to be made under Section 11.1(d).

(b) *Other Officers, Employees and Other Agents*. The corporation shall have power to indemnify its other officers, employees and other agents as set forth in the DGCL or any other applicable law. The Board of Directors shall have the power to delegate the determination of whether indemnification shall be given to any such person except executive officers to such officers or other persons as the Board of Directors shall determine.

(c) *Expenses*. The corporation shall advance to any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director or executive officer, of the corporation, or is or was serving at the request of the corporation as a director or executive officer of another corporation, partnership, joint venture, trust or other enterprise, prior to the final disposition of the proceeding, promptly following request therefor, all expenses incurred by any director or executive officer in connection with such proceeding; provided, however, that, if the DGCL requires, an advancement of expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other

capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the corporation of an undertaking, by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal that such indemnitee is not entitled to be indemnified for such expenses under this Section or otherwise.

Notwithstanding the foregoing, unless otherwise determined pursuant to Section 11.1(e), no advance shall be made by the corporation to an executive officer of the corporation (except by reason of the fact that such executive officer is or was a director of the corporation, in which event this paragraph shall not apply) in any action, suit or proceeding, whether civil, criminal, administrative or investigative, if a determination is reasonably and promptly made (i) by a majority vote of a quorum consisting of directors who were not parties to the proceeding, even if not a quorum, or (ii) by a committee of such directors designated by a majority of such directors, even though less than a quorum, or (iii) if there are no such directors, or such directors so direct, by independent legal counsel in a written opinion, that the facts known to the decision-making party at the time such determination is made demonstrate clearly and convincingly that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the corporation.

(d) *Enforcement*. Without the necessity of entering into an express contract, all rights to indemnification and advances to directors and executive officers under this Bylaw shall be deemed to be contractual rights and be effective to the same extent and as if provided for in a contract between the corporation and the director or executive officer. Any right to indemnification or advances granted by this Bylaw to a director or executive officer shall be enforceable by or on behalf of the person holding such right in any court of competent jurisdiction if (i) the claim for indemnification or advances is denied, in whole or in part, or (ii) no disposition of such claim is made within ninety (90) days of request therefor. The claimant in such enforcement action, if successful in whole or in part, shall be entitled to be paid also the expense of prosecuting the claim. In connection with any claim for indemnification, the corporation shall be entitled to raise as a defense to any such action that the claimant has not met the standards of conduct that make it permissible under the DGCL or any other applicable law for the corporation to indemnify the claimant for the amount claimed. Neither the failure of the corporation (including its Board of Directors, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in the DGCL or any other applicable law, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that claimant has not met the applicable standard of conduct.

(e) *Non-Exclusivity of Rights*. The rights conferred on any person by this Bylaw shall not be exclusive of any other right which such person may have or hereafter acquire under any applicable statute, provision of the Certificate of Incorporation, Bylaws, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and

as to action in another capacity while holding office. The corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advances, to the fullest extent not prohibited by the DGCL or any other applicable law.

(f) *Survival of Rights*. The rights conferred on any person by this Bylaw shall continue as to a person who has ceased to be a director, or executive officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

(g) *Insurance*. To the fullest extent permitted by the DGCL, or any other applicable law, the corporation, upon approval by the Board of Directors, may purchase insurance on behalf of any person required or permitted to be indemnified pursuant to this Bylaw.

(h) *Amendments*. Any repeal or modification of this Bylaw shall only be prospective and shall not affect the rights under this Bylaw in effect at the time of the alleged occurrence of any action or omission to act that is the cause of any proceeding against any agent of the corporation.

(i) *Saving Clause*. If this Bylaw or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the corporation shall nevertheless indemnify each director and executive officer to the full extent not prohibited by any applicable portion of this Bylaw that shall not have been invalidated, or by any other applicable law. If this paragraph shall be invalid due to the application of the indemnification provisions of another jurisdiction, then the corporation shall indemnify each director and executive officer to the full extent under applicable law.

(j) *Certain Definitions*. For the purposes of this Bylaw, the following definitions shall apply:

(1) The term “proceeding” shall be broadly construed and shall include, without limitation, the investigation, preparation, prosecution, defense, settlement, arbitration and appeal of, and the giving of testimony in, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative.

(2) The term “expenses” shall be broadly construed and shall include, without limitation, court costs, attorneys’ fees, witness fees, fines, amounts paid in settlement or judgment and any other costs and expenses of any nature or kind incurred in connection with any proceeding.

(3) The term the “corporation” shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same

position under the provisions of this Bylaw with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

(4) References to a “director,” “executive officer,” “officer,” “employee,” or “agent” of the corporation shall include, without limitation, situations where such person is serving at the request of the corporation as, respectively, a director, executive officer, officer, employee, trustee or agent of another corporation, partnership, joint venture, trust or other enterprise.

(5) References to “other enterprises” shall include employee benefit plans; references to “fines” shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to “serving at the request of the corporation” shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “not opposed to the best interests of the corporation” as referred to in this Bylaw.

ARTICLE 12 - NOTICES

12.1 **Notices**.

(a) *Notice to Stockholders*. Written notice to stockholders of stockholder meetings shall be given as provided herein. Without limiting the manner by which notice may otherwise be given effectively to stockholders under any agreement or contract with such stockholder, and except as otherwise required by law, written notice to stockholders for purposes other than stockholder meetings may be sent by United States mail or nationally recognized overnight courier, or by facsimile, telegraph or telex or by electronic mail or other electronic means.

(b) *Notice to Directors*. Any notice required to be given to any director may be given by the method stated in subsection (a), or as provided for in these Bylaws. If such notice is not delivered personally, it shall be sent to such address as such director shall have filed in writing with the Secretary, or, in the absence of such filing, to the last known post office address of such director.

(c) *Affidavit of Mailing*. An affidavit of mailing, executed by a duly authorized and competent employee of the corporation or its transfer agent appointed with respect to the class of stock affected or other agent, specifying the name and address or the names and addresses of the stockholder or stockholders, or director or directors, to whom any such notice or notices was or were given, and the time and method of giving the same, shall in the absence of fraud, be prima facie evidence of the facts therein contained.

(d) *Methods of Notice*. It shall not be necessary that the same method of giving notice be employed in respect of all recipients of notice, but one permissible method may be

employed in respect of any one or more, and any other permissible method or methods may be employed in respect of any other or others.

(e) *Notice to Person with Whom Communication Is Unlawful*. Whenever notice is required to be given, under any provision of law or of the Certificate of Incorporation or Bylaws of the corporation, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the corporation is such as to require the filing of a certificate under any provision of the DGCL, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

(f) *Notice to Stockholders Sharing an Address*. Except as otherwise prohibited under DGCL, any notice given under the provisions of DGCL, the Certificate of Incorporation or the Bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Such consent shall have been deemed to have been given if such stockholder fails to object in writing to the corporation within 60 days of having been given notice by the corporation of its intention to send the single notice. Any consent shall be revocable by the stockholder by written notice to the corporation.

ARTICLE 13 - AMENDMENTS

13. 1 **Amendments**. The Board of Directors is expressly empowered to adopt, amend or repeal Bylaws of the corporation. The stockholders shall also have power to adopt, amend or repeal the Bylaws of the corporation; provided, however, that, in addition to any vote of the holders of any class or series of stock of the corporation required by law or by the Certificate of Incorporation, the affirmative vote of the holders of at least a majority of the voting power of all of the then-outstanding shares of the capital stock of the corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to adopt, amend or repeal any provision of the Bylaws of the corporation.

ARTICLE 14 - LOANS TO OFFICERS

14 1 **Loans to Officers**. Except as otherwise prohibited under applicable law, the corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the corporation or of its subsidiaries, including any officer or employee who is a director of the corporation or its subsidiaries, whenever, in the judgment of the Board of Directors, such loan, guarantee or assistance may reasonably be expected to benefit the corporation. The loan, guarantee or other assistance may be with or without interest and may be unsecured, or secured in such manner as the Board of Directors shall approve, including, without limitation, a pledge of shares of stock of the corporation. Nothing in these Bylaws shall be

deemed to deny, limit or restrict the powers of guaranty or warranty of the corporation at common law or under any statute.

ADOPTED by the board of directors on August 26, 2010.

/s/ Shanmugam Krishnaswamy

Shanmugam Krishnaswamy, Secretary

FRESHWORKS INC.
SEVENTH AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

December 16, 2019

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SEVENTH AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

THIS SEVENTH AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT (the "Agreement") is made as of December 16, 2019, by and among FRESHWORKS INC., a Delaware corporation (the "Company"), and the investors listed on Schedule A hereto, each of which is herein referred to as an "Investor" and collectively as the "Investors".

RECITALS

WHEREAS, certain of the Investors (the "Existing Investors") hold shares of the Company's Series A Preferred Stock, par value $0.0001 per share (the "Series A Preferred Stock"), shares of the Company's Series B Preferred Stock, par value $0.0001 per share (the "Series B Preferred Stock"), shares of the Company's Series C Preferred Stock, par value $0.0001 per share (the "Series C Preferred Stock"), shares of the Company's Series D Preferred Stock, par value $0.0001 per share (the "Series D Preferred Stock"), shares of the Company's Series E Preferred Stock, par value $0.0001 per share (the "Series E Preferred Stock"), shares of the Company's Series F Preferred Stock, par value $0.0001 per share (the "Series F Preferred Stock"), shares of the Company's Series G Preferred Stock, par value $0.0001 per share (the "Series G Preferred Stock") and/or shares of common stock, par value $0.00001 per share (the "Common Stock") issued upon conversion thereof and possess registration rights, information rights, rights of first offer and other rights pursuant to that certain Sixth Amended and Restated Investors' Rights Agreement dated as of July 25, 2018, by and among the Company and such Existing Investors (the "Prior Agreement");

WHEREAS, the Company and certain of the Investors have entered into that certain Series H Preferred and Series A Preferred Stock Purchase Agreement dated as of November 8, 2019 (the "Purchase Agreement"), which provides for, among other things, the purchase by such Investors of shares of the Company's Series H Preferred Stock, par value $0.0001 per share (the "Series H Preferred Stock" and collectively with the Series A Preferred Stock, the Series B Preferred Stock, the Series C Preferred Stock, the Series D Preferred Stock, the Series E Preferred Stock, the Series F Preferred Stock and the Series G Preferred Stock, the "Preferred Stock") and Series A Preferred Stock;

WHEREAS, in order to induce certain of the Investors to purchase shares of Series H Preferred Stock, the Existing Investors desire to terminate the Prior Agreement and to accept the rights created pursuant hereto in lieu of the rights granted to them under the Prior Agreement; and

WHEREAS, the Prior Agreement (other than Sections 2.1, 2.2, 2.3 and 2.4) may be amended, and the observance of any term therein waived, with the written consent of the Company and the Investors holding at least 66 2/3% of the Registrable Securities (as defined therein) then outstanding, and the provisions of Sections 2.1, 2.2, 2.3 and 2.4 of the Prior Agreement may be amended or waived with the written consent of the Company and the Major Investors (as defined therein) holding at least 66 2/3% of the Registrable Securities then outstanding that are held by all of the Major Investors.

NOW, THEREFORE, in consideration of the foregoing premises and certain other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the

Company and the Existing Investors hereby agree that the Prior Agreement shall be superseded and replaced in its entirety by this Agreement, and the parties hereto further agree as follows:

1. Registration Rights. The Company covenants and agrees as follows:

1.1 Definitions. For purposes of this Agreement:

(a) The term "Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

(b) The term "Affiliate" means, with respect to any specified person, any other person who or which, directly or indirectly, controls, is controlled by, or is under common control with such specified person, including, without limitation, any general partner, officer, director or manager of such person and any venture capital fund now or hereafter existing that is controlled by one or more general partners or managing members of, or is under common investment management with, such person.

© The term "Board" means the Company's Board of Directors, as constituted from time to time.

(d) The term "Form S-3" means such form under the Act as in effect on the date hereof or any registration form under the Act subsequently adopted by the SEC (as defined below) that permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

(e) The term "Free Writing Prospectus" means a free-writing prospectus, as defined in Rule 405.

(f) The term "Holder" means any person owning or having the right to acquire Registrable Securities (as defined below) or any assignee thereof in accordance with Section 1.11 hereof.

(g) The term "Initial Offering" means the Company's first firm commitment underwritten public offering of its Common Stock under the Act.

(h) The term "1934 Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(i) The terms "register," "registered" and "registration" refer to a registration effected by preparing and filing a registration statement or similar document in compliance with the Act, and the declaration or ordering of effectiveness of such registration statement or document.

(j) The term "Registrable Securities" means (i) the Common Stock issuable upon conversion of the Preferred Stock, (ii) any Common Stock held by an Investor and (iii) any Common Stock of the Company issued as (or issuable upon the conversion or exercise of any warrant, right or other security that is issued as) a dividend or other distribution with respect to, or in exchange for, or in replacement of, the shares referenced in (i) above, excluding in all

cases, however, any Registrable Securities sold by an Investor in a transaction in which its rights under this Section 1 are not assigned. In addition, the number of shares of Registrable Securities outstanding shall equal the aggregate of the number of shares of Common Stock outstanding that are, and the number of shares of Common Stock issuable pursuant to then exercisable or convertible securities that are, Registrable Securities.

(k) The term "Restated Certificate" shall mean the Company's Amended and Restated Certificate of Incorporation, as amended and/or restated from time to time.

(l) The term "Rule 144" shall mean Rule 144 under the Act.

(m) The term "Rule 144(b)(1)(i)" shall mean subsection (b)(1)(i) of Rule 144 as it applies to persons who have held shares for more than one (1) year.

(n) The term "Rule 405" shall mean Rule 405 under the Act.

(o) The term "SEC" shall mean the Securities and Exchange Commission.

(p) The term "Series A Director" shall have the meaning set forth in the Restated Certificate.

(q) The term "Series B Director" shall have the meaning set forth in the Restated Certificate.

(r) The term "Stock Plan" shall have the meaning set forth in the Purchase Agreement.

1.2 Request for Registration.

(a) Subject to the conditions of this Section 1.2, if the Company shall receive at any time after the earlier of (i) four (4) years after the date of this Agreement or (ii) six (6) months after the effective date of the Initial Offering, a written request from the Holders of thirty percent (30%) or more of the Registrable Securities then outstanding (for purposes of this Section 1.2, the "Initiating Holders") that the Company file a registration statement under the Act covering the registration of Registrable Securities with an anticipated aggregate offering price of at least $10,000,000, then the Company shall, within twenty (20) days of the receipt thereof, give written notice of such request to all Holders, and subject to the limitations of this Section 1.2, use commercially reasonable efforts to effect, as soon as practicable, the registration under the Act of all Registrable Securities that the Holders request to be registered in a written request received by the Company within twenty (20) days of the mailing of the Company's notice pursuant to this Section 1.2(a).

(b) If the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to this Section 1.2, and the Company shall include such information in the written notice referred to in Section 1.2(a). In such event, the right of any Holder to include its Registrable Securities in such registration shall be conditioned upon such Holder's

participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting (unless otherwise mutually agreed by a majority in interest of the Initiating Holders and such Holder) to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by the Company (which underwriter or underwriters shall be reasonably acceptable to those Initiating Holders holding a majority of the Registrable Securities held by all Initiating Holders). Notwithstanding any other provision of this Section 1.2, if the underwriter advises the Company that marketing factors require a limitation on the number of securities underwritten (including Registrable Securities), then the Company shall so advise all Holders of Registrable Securities that would otherwise be underwritten pursuant hereto, and the number of shares that may be included in the underwriting shall be allocated to the Holders of such Registrable Securities pro rata based on the number of Registrable Securities held by all such Holders (including the Initiating Holders). In no event shall any Registrable Securities be excluded from such underwriting unless all other securities are first excluded. Any Registrable Securities excluded or withdrawn from such underwriting shall be withdrawn from the registration.

(c) Notwithstanding the foregoing, the Company shall not be required to effect a registration pursuant to this Section 1.2:

(i) in any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration, unless the Company is already required to qualify to do business or is already subject to service in such jurisdiction and except as may be required under the Act; or

(ii) after the Company has effected two (2) registrations pursuant to this Section 1.2, and such registrations have been declared or ordered effective; or

(iii) during the period starting with the date sixty (60) days prior to the Company's good faith estimate of the date of the filing of and ending on a date ninety (90) days following the effective date of a Company-initiated registration subject to Section 1.3 below, provided that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; or

(iv) if the Initiating Holders propose to dispose of Registrable Securities that may be registered on Form S-3 pursuant to Section 1.4 hereof; or

(v) if the Company shall furnish to all Holders requesting a registration statement pursuant to this Section 1.2 a certificate signed by the Company's Chief Executive Officer or Chairman of the Board stating that in the good faith judgment of the Board, it would be seriously detrimental to the Company and its stockholders for such registration statement to be effected at such time, in which event the Company shall have the right to defer such filing for a period of not more than ninety (90) days after receipt of the request of the Initiating Holders, provided that such right shall be exercised by the Company not more than once in any twelve (12) month period.

1.3 Company Registration.

(a) If (but without any obligation to do so) the Company proposes to register (including for this purpose a registration effected by the Company for stockholders other than the Initiating Holders) any of its stock or other securities under the Act in connection with the public offering of such securities (other than (i) a registration relating to a demand pursuant to Section 1.2 or (ii) a registration relating solely to the sale of securities of participants in a Company stock plan, a registration relating to a corporate reorganization or transaction under Rule 145 of the Act, a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities, or a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered), the Company shall, at such time, promptly give each Holder written notice of such registration. Upon the written request of each Holder given within twenty (20) days after mailing of such notice by the Company in accordance with Section 3.5, the Company shall, subject to the provisions of Section 1.3(c), use commercially reasonable efforts to cause to be registered under the Act all of the Registrable Securities that each such Holder requests to be registered.

(b) Right to Terminate Registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 1.3 prior to the effectiveness of such registration whether or not any Holder has elected to include securities in such registration. The expenses of such withdrawn registration shall be borne by the Company in accordance with Section 1.7 hereof.

(c) Underwriting Requirements. In connection with any offering involving an underwriting of shares of the Company's capital stock, the Company shall not be required under this Section 1.3 to include any of the Holders' securities in such underwriting unless they accept the terms of the underwriting as agreed upon between the Company and the underwriters selected by the Company (or by other persons entitled to select the underwriters) and enter into an underwriting agreement in customary form with such underwriters, and then only in such quantity as the underwriters determine in their sole discretion will not jeopardize the success of the offering by the Company. If the total amount of securities, including Registrable Securities, requested by stockholders to be included in such offering exceeds the amount of securities sold other than by the Company that the underwriters determine in their sole discretion is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, that the underwriters determine in their sole discretion will not jeopardize the success of the offering. In no event shall any Registrable Securities be excluded from such offering unless all other stockholders' securities have been first excluded. In the event that the underwriters determine that less than all of the Registrable Securities requested to be registered can be included in such offering, then the Registrable Securities that are included in such offering shall be apportioned pro rata among the selling Holders based on the number of Registrable Securities held by all selling Holders or in such other proportions as shall mutually be agreed to by all such selling Holders holding a majority of the Registrable Securities requested to be so registered. Notwithstanding the foregoing, in no event shall the amount of securities of the selling Holders included in the offering be reduced below thirty percent (30%) of the total amount of securities included in such offering, unless such offering is the Initial Offering, in which case the selling Holders may be excluded if the underwriters make the determination described above and no other stockholder's securities are included in such offering. For purposes of the preceding sentence concerning apportionment, for any selling

stockholder that is a Holder of Registrable Securities and that is a venture capital fund, partnership or corporation, the affiliated venture capital funds, partners, retired partners and stockholders of such Holder, or the estates and family members of any such partners and retired partners and any trusts for the benefit of any of the foregoing persons shall be deemed to be a single "selling Holder," and any pro rata reduction with respect to such "selling Holder" shall be based upon the aggregate amount of Registrable Securities owned by all such related entities and individuals.

1.4 Form S-3 Registration. In case the Company shall receive from the Holders of at least thirty percent (30%) of the Registrable Securities then outstanding (for purposes of this Section 1.4, the "S-3 Initiating Holders") a written request or requests that the Company effect a registration on Form S-3 and any related qualification or compliance with respect to all or a part of the Registrable Securities owned by such Holder or Holders, the Company shall:

(a) promptly, and in any event within ten (10) days after the Company's receipt of such request by the S-3 Initiating Holders, give written notice of the proposed registration, and any related qualification or compliance, to all other Holders; and

(b) use commercially reasonable efforts to effect, as soon as practicable, such registration and all such qualifications and compliances as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holders joining in such request as are specified in a written request given within fifteen (15) days after the date notice was provided to such other Holders pursuant to this Section 1.4(a), provided, however, that the Company shall not be obligated to effect any such registration, qualification or compliance, pursuant to this Section 1.4:

(i) if Form S-3 is not available for such offering by the Holders;

(ii) if the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) at an aggregate price to the public (net of any underwriters' discounts or commissions) of less than $5,000,000;

(iii) if the Company shall furnish to all Holders requesting a registration statement pursuant to this Section 1.4 a certificate signed by the Company's Chief Executive Officer or Chairman of the Board stating that in the good faith judgment of the Board, it would be seriously detrimental to the Company and its stockholders for such registration statement to be effected at such time, in which event the Company shall have the right to defer such filing for a period of not more than ninety (90) days after receipt of the request of the S-3 Initiating Holders, provided that such right shall be exercised by the Company not more than once in any twelve (12) month period;

(iv) if the Company has, within the twelve (12) month period preceding the date of such request, already effected two (2) registrations on Form S-3 pursuant to this Section 1.4;

(v) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in

effecting such registration, qualification or compliance, unless the Company is already required to qualify to do business or is already subject to service in such jurisdiction and except as may be required under the Act;

(vi) if the Company, within thirty (30) days of receipt of the request of such S-3 Initiating Holders, gives notice to such S-3 Initiating Holders of its bona fide intention to effect the filing of a registration statement with the SEC within ninety (90) days of receipt of such request (other than a registration effected solely to qualify an employee benefit plan or to effect a business combination pursuant to Rule 145), provided that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; or

(vii) during the period starting with the date thirty (30) days prior to the Company's good faith estimate of the date of the filing of and ending on a date ninety (90) days following the effective date of a Company-initiated registration subject to Section 1.3 above, provided that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective.

(c) If the S-3 Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to this Section 1.4 and the Company shall include such information in the written notice referred to in Section 1.4(a). The provisions of Section 1.2(b) shall be applicable to such request (with the substitution of Section 1.4 for references to Section 1.2).

(d) Subject to the foregoing, the Company shall file a registration statement covering the Registrable Securities and other securities so requested to be registered as soon as practicable after receipt of the request or requests of the S-3 Initiating Holders. Registrations effected pursuant to this Section 1.4 shall not be counted as requests for registration effected pursuant to Section 1.2.

1.5 Obligations of the Company. Whenever required under this Section 1 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use commercially reasonable efforts to cause such registration statement to become effective, and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for a period of not less than one hundred twenty (120) days or, if earlier, until the distribution contemplated in the registration statement has been completed;

(b) prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Act with respect to the disposition of all securities covered by such registration statement;

(c) furnish to the Holders and underwriters (if applicable) such number of copies of a prospectus, including a preliminary prospectus and any Free Writing Prospectus, in conformity with the requirements of the Act, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them;

(d) use commercially reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or Blue Sky laws of such jurisdictions as shall be required by law or reasonably requested by the Holders, provided that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, unless the Company is already required to qualify to do business or is already subject to service in such jurisdiction and except as may be required under the Act;

(e) in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter of such offering;

(f) notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus or Free Writing Prospectus (to the extent prepared by or on behalf of the Company) relating thereto is required to be delivered under the Act or the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, and, at the request of any such Holder, the Company will, as soon as reasonably practicable, file and furnish to all such Holders a supplement or amendment to such prospectus or Free Writing Prospectus (to the extent prepared by or on behalf of the Company) so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any fact necessary to make the statements therein not misleading in light of the circumstances under which they were made;

(g) cause all such Registrable Securities registered pursuant to this Section 1 to be listed on a national exchange or trading system and on each securities exchange and trading system on which similar securities issued by the Company are then listed; and

(h) provide a transfer agent and registrar for all Registrable Securities registered pursuant to this Agreement and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration.

Notwithstanding the provisions of this Section 1, the Company shall be entitled to postpone or suspend, for a reasonable period of time, the filing, effectiveness or use of, or trading under, any registration statement if the Company shall determine that any such filing or the sale of any securities pursuant to such registration statement would, in the good faith judgment of the Board:

(i) materially impede, delay or interfere with any material pending or proposed financing, acquisition, corporate reorganization or other similar transaction involving the Company for which the Board has authorized negotiations;

(ii) materially adversely impair the consummation of any pending or proposed material offering or sale of any class of securities by the Company; or

(iii) require disclosure of material nonpublic information that, if disclosed at such time, would be materially harmful to the interests of the Company and its stockholders; provided, however, that during any such period all executive officers and directors of the Company are also prohibited from selling securities of the Company (or any security of any of the Company's subsidiaries or affiliates).

In the event of the suspension of effectiveness of any registration statement pursuant to this Section 1.5, the applicable time period during which such registration statement is to remain effective shall be extended by that number of days equal to the number of days the effectiveness of such registration statement was suspended.

1.6 Information from Holder. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 1 with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as shall be reasonably required to effect the registration of such Holder's Registrable Securities.

1.7 Expenses of Registration. All expenses other than underwriting discounts and commissions incurred in connection with registrations, filings or qualifications pursuant to Sections 1.2, 1.3 and 1.4, including, without limitation, all registration, filing and qualification fees, printers' and accounting fees, fees and disbursements of counsel for the Company and the reasonable fees and disbursements of one counsel for the selling Holders (not to exceed $50,000) shall be borne by the Company. Notwithstanding the foregoing, the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Section 1.2 or Section 1.4 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all participating Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration), provided, however, that if at the time of such withdrawal, the Holders have learned of a material adverse change in the condition, business or prospects of the Company from that known to the Holders at the time of their request and have withdrawn the request with reasonable promptness following disclosure by the Company of such material adverse change, then the Holders shall not be required to pay any of such expenses and shall retain their rights pursuant to Section 1.2 and 1.4.

1.8 Delay of Registration. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any such registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 1.

1.9 Indemnification. In the event any Registrable Securities are included in a registration statement under this Section 1:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each Holder, the partners, members, officers, directors and stockholders of each

Holder, legal counsel and accountants for each Holder, any underwriter (as defined in the Act) for such Holder and each person, if any, who controls such Holder or underwriter within the meaning of the Act or the 1934 Act, against any losses, claims, damages or liabilities (joint or several) to which they may become subject under the Act, the 1934 Act, any state securities laws or any rule or regulation promulgated under the Act, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively a "Violation"): (i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement, including any preliminary prospectus, final prospectus or Free Writing Prospectus contained therein or any amendments or supplements thereto, any issuer information (as defined in Rule 433 of the Act) filed or required to be filed pursuant to Rule 433(d) under the Act or any other document incidental to such registration prepared by or on behalf of the Company or used or referred to by the Company, (ii) the omission or alleged omission to state in such registration statement a material fact required to be stated therein, or necessary to make the statements therein not misleading or (iii) any violation or alleged violation by the Company of the Act, the 1934 Act, any state securities laws or any rule or regulation promulgated under the Act, the 1934 Act or any state securities laws, and the Company will reimburse each such Holder, underwriter, controlling person or other aforementioned person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the indemnity agreement contained in this subsection l.9(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld), nor shall the Company be liable in any such case for any such loss, claim, damage, liability or action to the extent that it arises out of or is based upon a Violation that occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by any such Holder, underwriter, controlling person or other aforementioned person.

(b) To the extent permitted by law, each selling Holder, severally and not jointly, will indemnify and hold harmless the Company, each of its directors, each of its officers who has signed the registration statement, each person, if any, who controls the Company within the meaning of the Act, legal counsel and accountants for the Company, any underwriter, any other Holder selling securities in such registration statement and any controlling person of any such underwriter or other Holder, against any losses, claims, damages or liabilities (joint or several) to which any of the foregoing persons may become subject, under the Act, the 1934 Act, any state securities laws or any rule or regulation promulgated under the Act, the 1934 Act or any state securities laws, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Holder expressly for use in connection with such registration; and each such Holder will reimburse any person intended to be indemnified pursuant to this subsection l.9(b) for any legal or other expenses reasonably incurred by such person in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the indemnity agreement contained in this subsection l.9(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder (which consent shall not be unreasonably withheld), and provided that

in no event shall any indemnity under this subsection l.9(b) exceed the net proceeds from the offering received by such Holder.

(c) Promptly after receipt by an indemnified party under this Section 1.9 of notice of the commencement of any action (including any governmental action) for which a party may be entitled to indemnification, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 1.9, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one (1) separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, if prejudicial to its ability to defend such action, shall relieve such indemnifying party of liability to the indemnified party under this Section 1.9 to the extent of such prejudice, but the omission to so deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 1.9.

(d) If the indemnification provided for in this Section 1.9 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to herein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and the indemnified party on the other hand in connection with the statements or omissions that resulted in such loss, liability, claim, damage or expense, as well as any other relevant equitable considerations; provided, however, that (i) no contribution by any Holder, when combined with any amounts paid by such Holder pursuant to Section 1.9(b), shall exceed the net proceeds from the offering received by such Holder and (ii) no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) will be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation; and provided further that in no event shall a Holder’s liability pursuant to this Section 1.9(d), when combined with the amounts paid or payable by such Holder pursuant to Section 1.9(b), exceed the proceeds from the offering received by such Holder (net of any expenses paid by such Holder). The relative fault of the indemnifying party and the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties’ relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in

connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

(f) The obligations of the Company and Holders under this Section 1.9 shall survive the completion of any offering of Registrable Securities in a registration statement under this Section 1 and otherwise.

1.10 Reports Under the 1934 Act. With a view to making available to the Holders the benefits of Rule 144 and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration or pursuant to a registration on Form S-3, the Company agrees to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144, at all times after the effective date of the Initial Offering;

(b) file with the SEC in a timely manner all reports and other documents required of the Company under the Act and the 1934 Act; and

(c) furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) a written statement by the Company that it has complied with the reporting requirements of Rule 144 (at any time after ninety (90) days after the effective date of the first registration statement filed by the Company), the Act and the 1934 Act (at any time after it has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 (at any time after it so qualifies), (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company and (iii) such other information as may be reasonably requested to avail any Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration or pursuant to such form.

1.11 Assignment of Registration Rights. The rights to cause the Company to register Registrable Securities pursuant to this Section 1 may be assigned (but only with all related obligations) by a Holder to a transferee or assignee of such securities that (a) is an Affiliate, subsidiary, parent, partner, limited partner, retired partner or stockholder of a Holder, (b) is a Holder's family member or trust for the benefit of an individual Holder or (c) after such assignment or transfer, holds at least five hundred thousand (500,000) shares of Registrable Securities (appropriately adjusted for any stock split, dividend, combination or other recapitalization), provided: (i) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are being assigned; (ii) such transferee or assignee agrees in writing to be bound by and subject to the terms and conditions of this Agreement, including, without limitation, the provisions of Section 1.13 below; and (iii) such assignment shall be effective only if immediately following such transfer, the further disposition of such securities by the transferee or assignee is restricted under the Act.

1.12 Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of the Holders of at least 66 2/3% of the Registrable Securities then held by the holders of Preferred Stock, enter into any

agreement with any holder or prospective holder of any securities of the Company that would allow such holder or prospective holder (a) to include any of such securities in any registration filed under Section 1.2, Section 1.3 or Section 1.4 hereof, unless under the terms of such agreement, such holder or prospective holder may include such securities in any such registration only to the extent that the inclusion of such securities will not reduce the amount of the Registrable Securities of the Holders that are included or (b) to demand registration of their securities.

1.13 "Market Stand-Off" Agreement.

(a) Each Holder hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to the Company's Initial Offering and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (l80) days), (i) lend, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock held immediately prior to the effectiveness of the registration statement for such offering, or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or other securities, in cash or otherwise. The foregoing provisions of this Section 1.13 shall apply only to the Company's Initial Offering, shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, and shall only be applicable to the Holders if all officers, directors and greater than one percent (1%) stockholders of the Company enter into similar agreements. The underwriters in connection with the Company's Initial Offering are intended third-party beneficiaries of this Section 1.13 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in the Company's Initial Offering that are consistent with this Section 1.13 or that are necessary to give further effect thereto. Any discretionary waiver or termination of the restrictions of any or all of such agreements by the Company or the underwriters shall apply to all Holders subject to such agreements pro rata based on the number of shares subject to such agreements.

In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the Registrable Securities of each Holder (and the shares or securities of every other person subject to the foregoing restriction) until the end of such period.

(b) Each Holder agrees that a legend reading substantially as follows shall be placed on all certificates representing all Registrable Securities of each Holder (and the shares or securities of every other person subject to the restriction contained in this Section 1.13):

> THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A LOCK-UP PERIOD AFTER THE EFFECTIVE DATE OF THE ISSUER'S REGISTRATION STATEMENT FILED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AS SET FORTH IN AN AGREEMENT BETWEEN THE COMPANY AND THE ORIGINAL HOLDER OF THESE SECURITIES, A COPY OF WHICH MAY BE OBTAINED AT THE ISSUER'S PRINCIPAL

OFFICE. SUCH LOCK-UP PERIOD IS BINDING ON TRANSFEREES OF THESE SHARES.

1.14 Termination of Registration Rights. No Holder shall be entitled to exercise any right provided for in this Section 1 (a) after five (5) years following the consummation of a Qualified Public Offering (as such term is defined in the Restated Certificate), (b) as to any Holder, such earlier time after the Initial Offering at which such Holder (i) can sell all shares held by it in compliance with Rule 144(b)(1)(i) or (ii) holds one percent (1%) or less of the Company's outstanding Common Stock and all Registrable Securities held by such Holder (together with any Affiliate of the Holder with whom such Holder must aggregate its sales under Rule 144) can be sold in any three (3) month period without registration in compliance with Rule 144 or (c) after the consummation of a Liquidation Event, as that term is defined in the Restated Certificate.

2. Covenants of the Company.

2.1 Delivery of Financial Statements. The Company shall, upon request, deliver to each Investor (or transferee of an Investor) that (individually or collectively with its Affiliates) holds at least 500,000 shares of Registrable Securities (appropriately adjusted for any stock split, dividend, combination or other recapitalization) (each, a "Major Investor"):

(a) as soon as practicable, but in any event within ninety (90) days after the end of each fiscal year of the Company, (i) a balance sheet as of the end of such year, (ii) statements of income and of cash flows for such year, and a comparison between (x) the actual amounts as of and for such fiscal year and (y) the comparable amounts for the prior year and as included in the budget for such year, with an explanation of any material differences between such amounts and a schedule as to the sources and applications of funds for such year, and (iii) a statement of stockholders' equity as of the end of such year, all such financial statements audited and certified by independent public accountants of nationally recognized standing selected by the Company;

(b) as soon as practicable, but in any event within forty-five (45) days after the end of each of the first three (3) quarters of each fiscal year of the Company, unaudited statements of income and of cash flows for such fiscal quarter, an unaudited balance sheet and a statement of stockholders' equity as of the end of such fiscal quarter, all prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end audit adjustments and (ii) not contain all notes thereto that may be required in accordance with GAAP);

(c) as soon as practicable, but in any event within the earlier of (i) thirty (30) days of the end of each month and (ii) ten (10) days following each meeting of the Board in any given month, an unaudited income statement and statement of cash flows for such month, and an unaudited balance sheet and statement of stockholders' equity as of the end of such month, all prepared in accordance with GAAP (except that such financial statements may (1) be subject to normal year-end audit adjustments and (2) not contain all notes thereto that may be required in accordance with GAAP);

(d) as soon as practicable, but in any event thirty (30) days after the end of each fiscal year, a budget and business plan for the next fiscal year, approved by the Board of

Directors and prepared on a monthly basis, including balance sheets, income statements and statements of cash flow for such months and, promptly after prepared, any other budgets or revised budgets prepared by the Company; and

(e) such other information relating to the financial condition, business or corporate affairs of the Company as the Major Investor may from time to time request, provided, however, that the Company shall not be obligated under this subsection (e) or any other subsection of Section 2.1 to provide information that (i) it deems in good faith to be a trade secret or similar confidential information, (ii) the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel, or (iii) the disclosure of which could violate applicable antitrust laws.

(f) If, for any period, the Company has any subsidiary whose accounts are consolidated with those of the Company, then in respect of such period the financial statements delivered pursuant to the foregoing sections shall be the consolidated and consolidating financial statements of the Company and all such consolidated subsidiaries. Notwithstanding anything else in this Section 2.1 to the contrary, the Company may cease providing the information set forth in this Section 2.1 during the period starting with the date thirty (30) days before the Company's good-faith estimate of the date of submission or filing of a registration statement if it reasonably concludes it must do so to comply with the SEC rules applicable to such registration statement and related offering; provided that the Company's covenants under this Section 2.1 shall be reinstated at such time as the Company is no longer actively employing its commercially reasonable efforts to cause such registration statement to become effective.

2.2 Inspection. The Company shall permit each Major Investor to visit and inspect the Company's properties, to examine its books of account and records and to discuss the Company's affairs, finances and accounts with its officers, all at such reasonable times as may be requested by the Major Investor; provided, however, that the Company shall not be obligated pursuant to this Section 2.2 to provide access to any information that it reasonably considers to be a trade secret or similar confidential information or the disclosure of which could violate applicable antitrust laws. Any costs associated with the exercise of such inspection rights shall be borne by the Company.

2.3 Termination of Information and Inspection Covenants. The covenants set forth in Sections 2.1 and 2.2 shall terminate and be of no further force or effect upon the earlier to occur of (a) the consummation of a Qualified Public Offering (as that term is defined in the Restated Certificate), (b) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the 1934 Act or (c) the consummation of a Liquidation Event (as that term is defined in the Restated Certificate).

2.4 Right of First Offer. Subject to the terms and conditions specified in this Section 2.4, the Company hereby grants to each Major Investor a right of first offer with respect to future sales by the Company of its Shares (as hereinafter defined). For purposes of this Section 2.4, the term "Major Investor" includes, without duplication, (1) Lee Fixel and (2) any general partners and Affiliates of a Major Investor. A Major Investor shall be entitled to apportion the right of first offer hereby granted among itself and its partners and Affiliates in such proportions as it deems appropriate.

Each time the Company proposes to offer any shares of, or securities convertible into or exchangeable or exercisable for any shares of, its capital stock ("Shares"), the Company shall first make an offering of such Shares to each Major Investor in accordance with the following provisions:

(a) The Company shall deliver a notice in accordance with Section 3.5 ("Notice") to the Major Investors stating (i) its bona fide intention to offer such Shares, (ii) the number of such Shares to be offered and (iii) the price and terms upon which it proposes to offer such Shares.

(b) By written notification received by the Company within twenty (20) calendar days after the giving of Notice, each Major Investor may elect to purchase, at the price and on the terms specified in the Notice, up to that portion of such Shares that equals the proportion that the number of shares of Common Stock held by such Major Investor (assuming full conversion and exercise of all convertible and exercisable securities then outstanding) bears to the total number of shares of Common Stock of the Company then outstanding (assuming full conversion and exercise of all convertible and exercisable securities then outstanding). At the expiration of such twenty (20) calendar day period, the Company shall promptly, in writing, notify each Major Investor that elects to purchase all the shares available to it (a "Fully-Exercising Investor") of any other Major Investor's failure to do likewise. During the ten (10) calendar day period commencing after the Company has given such notice to the Fully-Exercising Investors, each Fully-Exercising Investor may elect to purchase that portion of the Shares for which Major Investors were entitled to subscribe, but which were not subscribed for by the Major Investors, that is equal to the proportion that the number of shares of Registrable Securities issued and held by such Fully-Exercising Investor bears to the total number of shares of Common Stock issued and held, or issuable upon conversion of the Preferred Stock then held, by all Fully-Exercising Investors who wish to purchase some of the unsubscribed shares.

(c) If all Shares that Major Investors are entitled to obtain pursuant to subsection 2.4(b) are not elected to be obtained as provided in subsection 2.4(b) hereof, the Company may, during the ninety (90) day period following the expiration of the period provided in subsection 2.4(b) hereof, offer the remaining unsubscribed portion of such Shares to any person or persons at a price not less than that, and upon terms no more favorable to the offeree than those, specified in the Notice. If the Company does not enter into an agreement for the sale of the Shares within such period, or if such agreement is not consummated within sixty (60) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such Shares shall not be offered unless first reoffered to the Major Investors in accordance herewith.

(d) The right of first offer in this Section 2.4 shall not be applicable to (i) the issuance or sale of Common Stock (or options therefor) to employees, directors, consultants and other service providers for the primary purpose of soliciting or retaining their services pursuant to (1) the Company's Stock Plan, or (2) plans or agreements approved by the Board, including the Series A Director and the Series B Director; (ii) the issuance of securities pursuant to a bona fide, firmly underwritten public offering of shares of Common Stock registered under the Act, approved by the Board, including the Series A Director and the Series B Director, (iii) the issuance of securities pursuant to the conversion or exercise of convertible or exercisable securities outstanding as of the date hereof, (iv) the issuance of securities in connection with a bona fide

business acquisition of or by the Company, approved by the Board, including the Series A Director and the Series B Director, whether by merger, consolidation, sale of assets, sale or exchange of stock or otherwise, (v) the issuance and sale of Series H Preferred Stock pursuant to the Purchase Agreement and the issuance of Common Stock upon the conversion thereof, (vi) the issuance of stock, warrants or other securities or rights to persons or entities with which the Company has business relationships approved by the Board, including the Series A Director and the Series B Director, (vii) the issuance of Common Stock pursuant to any equipment leasing arrangement or debt financing arrangement, which arrangement is approved by the Board, including the Series A Director and the Series B Director, provided such issuances are primarily for other than equity financing purposes, or (viii) Additional Stock (as defined in the Restated Certificate). In addition to the foregoing, the right of first offer in this Section 2.4 shall not be applicable with respect to any Major Investor in any subsequent offering of Shares if (i) at the time of such offering, the Major Investor is not an "accredited investor," as that term is then defined in Rule 501(a) of the Act and (ii) such offering of Shares is otherwise being offered only to accredited investors.

(e) The rights provided in this Section 2.4 may not be assigned or transferred by any Major Investor; provided, however, that a Major Investor that is a venture capital fund may assign or transfer such rights to its Affiliates.

(f) The covenants set forth in this Section 2.4 shall terminate and be of no further force or effect upon the consummation of (i) a Qualified Public Offering (as that term is defined in the Restated Certificate) or (ii) a Liquidation Event (as that term is defined in the Restated Certificate).

2.5 Letter of Appointment; Consulting Agreement. The Company and its subsidiaries shall require all employees and consultants to execute and deliver a Letter of Appointment and a Consulting Agreement, respectively, in substantially the form approved by the Board.

2.6 Employee Agreements. Unless otherwise approved by the Board, including the Series A Director and the Series B Director, or an authorized committee thereof, all employees of the Company or its subsidiaries who shall purchase, or receive options to purchase, shares of Common Stock following the date hereof shall be required to execute stock purchase or option agreements providing for (a) vesting of shares over a four (4) year period with the first twenty five percent (25%) of such shares vesting following twelve (12) months of continued employment or services, and the remaining shares vesting in equal monthly installments over the following thirty six (36) months thereafter and (b) a one hundred and eighty (180)-day lockup period in connection with the Company's initial public offering. The Company shall retain a right of first refusal on transfers until the Company's initial public offering and the right to repurchase unvested shares at cost.

2.7 Indemnification Matters. The Company hereby acknowledges that one (1) or more of the directors nominated to serve on the Board by the Investors (each a "Fund Director") may have certain rights to indemnification, advancement of expenses and/or insurance provided by one or more of the Investors and certain of their affiliates (collectively, the "Fund Indemnitors"). The Company hereby agrees (a) that it is the indemnitor of first resort (i.e., its obligations to any such Fund Director are primary and any obligation of the Fund Indemnitors to

advance expenses or to provide indemnification for the same expenses or liabilities incurred by such Fund Director are secondary), (b) that it shall be required to advance the full amount of expenses incurred by such Fund Director and shall be liable for the full amount of all expenses, judgments, penalties, fines and amounts paid in settlement by or on behalf of any such Fund Director to the extent legally permitted and as required by the Restated Certificate or Bylaws of the Company (or any agreement between the Company and such Fund Director), without regard to any rights such Fund Director may have against the Fund Indemnitors, and, (c) that it irrevocably waives, relinquishes and releases the Fund Indemnitors from any and all claims against the Fund Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Fund Indemnitors on behalf of any such Fund Director with respect to any claim for which such Fund Director has sought indemnification from the Company shall affect the foregoing and the Fund Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of such Fund Director against the Company.

2.8 Qualified Small Business. Within twenty (20) business days after any Investor's written request therefor, the Company shall deliver to such Investor (including the Investors) such factual information in the Company's possession as is reasonably necessary to enable such Investor to determine whether (and what portion of) such Investor's interest in the Company constitutes "qualified small business stock" as defined in Section 1202(c) of the Code.

2.9 Directors and Officers Liability Insurance. If so determined by the Board, the Company shall obtain and maintain in full force and effect directors and officers liability insurance from a financially sound and reputable insurer in an amount and on terms satisfactory to the Series A Director and the Series B Director. Such insurance, when obtained, shall at all times be with an insurance carrier and in an amount satisfactory to the Board, including the Series A Director and the Series B Director.

2.10 Observer Rights. As long as Accel India III (Mauritius) Ltd. ("Accel") holds any capital stock of the Company, the Company shall invite a representative of Accel to attend all meetings of its Board in a nonvoting observer capacity, as long as CapitalG LP ("CapitalG") holds any capital stock in the Company, the Company shall invite a representative of CapitalG to attend all meetings of its Board in a nonvoting observer capacity, and as long as Sequoia Capital Global Growth Fund III – Endurance Partners, L.P. ("Sequoia") holds any capital stock in the Company, the Company shall invite a representative of Sequoia to attend all meetings of its Board in a nonvoting observer capacity (each, a "Board Observer") and, in this respect, shall give such representatives copies of all notices, minutes, consents and other materials that it provides to its directors; provided, however, that such representatives shall agree to hold in confidence and trust and to act in a fiduciary manner with respect to all information so provided; and, provided further, that the Company reserves the right to withhold any information and to exclude such representatives from any meeting or portion thereof if access to such information or attendance at such meeting could violate any applicable antitrust law or adversely affect the attorney-client privilege between the Company and its counsel or would result in disclosure of trade secrets to such representatives or if Accel, CapitalG, Sequoia, as applicable, or its representative is or is affiliated with a direct competitor of the Company (it being acknowledged that (a) a portfolio company of Accel, CapitalG or Sequoia, as applicable, will not be deemed a competitor and (b) Accel, CapitalG or Sequoia, as applicable, and its representative shall not be

considered a competitor of the Company for purposes of this section solely as a result of any portfolio company of such Investor).

2.11 Confidentiality. Each Investor agrees, severally and not jointly, to use the same degree of care as such Investor uses to protect its own confidential information for any information obtained pursuant to Section 2.1 or Section 2.2 hereof or in connection with the transactions contemplated by the Purchase Agreement and such Investor acknowledges that it will not, unless otherwise required by law or the rules of any national securities exchange, association or marketplace, disclose such information without the prior written consent of the Company except such information that (a) was in the public domain prior to the time it was furnished to such Investor, (b) is or becomes (through no willful improper action or inaction by such Investor) generally available to the public, (c) was in its possession or known by such Investor without restriction prior to receipt from the Company, (d) was rightfully disclosed to such Investor by a third party without restriction or (e) was independently developed without any use of the Company's confidential information. Notwithstanding the foregoing, and as consistent with applicable laws, each Investor that is a limited partnership or limited liability company may disclose such proprietary or confidential information to any former partners or members who retained an economic interest in such Investor, current or prospective partner of the partnership or any subsequent partnership under common investment management, limited partner, general partner, member or management company of such Investor (or any employee or representative of any of the foregoing) (each of the foregoing persons, a "Permitted Disclosee") or legal counsel, accountants or representatives for such Investor. Furthermore, nothing contained herein shall prevent any Investor or any Permitted Disclosee from (i) entering into any business, entering into any agreement with a third party, or investing in or engaging in investment discussions with any other company (whether or not competitive with the Company), provided that such Investor or Permitted Disclosee does not, except as permitted in accordance with this Section 2.11, disclose or otherwise make use of any proprietary or confidential information of the Company in connection with such activities, or (ii) making any disclosures required by law, rule, regulation or court or other governmental order.

2.12 Use of Name. The Company, the Investors (other than CapitalG), and their respective subsidiaries and any of their respective representatives shall not (a) use Google Inc.'s or CapitalG's name in any manner or format (including reference on or links to websites, press releases, etc.) without the prior approval of CapitalG, or (b) issue any statement or communication to any third party (other than to their legal, accounting and financial advisors, and other than to potential investors or acquirers under a duty of confidentiality) regarding Google Inc.'s or CapitalG's investment in the Company, without the consent of CapitalG. This Section 2.12 shall survive for so long as CapitalG continues to hold capital stock of the Company.

2.13 Charter Amendment. Within ten (10) days of the closing of the transactions contemplated by the Repurchase Agreements (as defined in the Purchase Agreement), the Company shall file an amendment to its Restated Certificate to decrease the number of authorized shares of Series A Preferred Stock such that there are no authorized but unissued shares of Series A Preferred Stock.

2.14 Termination of Certain Covenants. The covenants set forth in Section 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, and 2.10, shall terminate and be of no further force or effect upon the

consummation of (a) a Qualified Public Offering (as that term is defined in the Restated Certificate), (b) a Liquidation Event (as that term is defined in the Restated Certificate), or (c) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the 1934 Act.

3. Miscellaneous.

3.1 Successors and Assigns. Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties hereto (including transferees of any shares of Registrable Securities). Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

3.2 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Delaware as applied to agreements among Delaware residents entered into and to be performed entirely within Delaware, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Delaware.

3.3 Counterparts; Facsimile. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

3.4 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

3.5 Notices. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed effectively given upon the earlier to occur of actual receipt or: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient; if not, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the respective parties at the addresses set forth on the signature pages attached hereto (or at such other addresses as shall be specified by notice given in accordance with this Section 3.5).

3.6 Expenses. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

3.7 Additional Investors. Notwithstanding anything to the contrary contained herein, if the Company issues additional shares of the Company's Series H Preferred Stock after the date hereof, pursuant to the Purchase Agreement or otherwise, any purchaser of such shares of

Series H Preferred Stock may become a party to this Agreement by executing and delivering an additional counterpart signature page to this Agreement, and thereafter shall be deemed an "Investor" for all purposes hereunder. No action or consent by the Investors shall be required for such joinder to this Agreement by such additional Investor, so long as such additional Investor has agreed in writing to be bound by all of the obligations as an "Investor" hereunder.

3.8 Entire Agreement; Amendments and Waivers. This Agreement together with the Purchase Agreement and the agreements contemplated thereby constitute the full and entire understanding and agreement among the parties with regard to the subjects hereof and thereof. Any term of this Agreement (other than Section 2.1, Section 2.2, Section 2.3, Section 2.4 and Section 2.12) may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Investors holding at least 66 2/3% of the Registrable Securities then outstanding. The provisions of Section 2.1, Section 2.2, Section 2.3 and Section 2.4 may be amended or waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and the Major Investors holding at least 66 2/3% of the Registrable Securities then outstanding that are held by all of the Major Investors. The provisions of Section 2.12 and this sentence of Section 3.8 may be amended or waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of CapitalG. Any amendment or waiver effected in accordance with this paragraph shall be binding upon each holder of any Registrable Securities, each future holder of all such Registrable Securities and the Company.

3.9 Severability. In the event that any provision of this Agreement becomes void or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Agreement, and such court will replace such illegal, void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the greatest extent possible, the same economic, business and other purposes of the illegal, void or unenforceable provision. The balance of this Agreement shall remain enforceable in accordance with its terms.

3.10 Aggregation of Stock. All shares of Registrable Securities held or acquired by affiliated entities (including affiliated venture capital funds or venture capital funds under common investment management) or persons shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

3.11 Effect on Prior Agreement. Upon the effectiveness of this Agreement, the Prior Agreement shall be superseded and replaced in its entirety by this Agreement and shall be of no further force and effect.

[*The remainder of this page is intentionally left blank.*]

IN WITNESS WHEREOF, the Parties hereto have executed this Seventh Amended and Restated Investors' Rights Agreement as of the date first above written.

FRESHWORKS INC.

By: */s/ Rathnagirish Mathrubootham*

Name: Rathnagirish Mathrubootham

Title: Chief Executive Officer

Address: 2950 S Delaware St Suite 201
San Mateo, CA 94403

IN WITNESS WHEREOF, the Parties hereto have executed this Seventh Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTORS:

Tiger Global PIP VI Holdings

/s/ Moussa Taujoo
By: Moussa Taujoo
Title: Director

Internet Fund II Pte Ltd.

/s/ Venkatagiri Mudeliar
By: Venkatagiri Mudeliar
Title: Director

Internet Fund III Pte Ltd.

/s/ Venkatagiri Mudeliar
By: Venkatagiri Mudeliar
Title: Director

Address: 9 West 57th Street, 35th Floor
New York, NY 10019

IN WITNESS WHEREOF, the Parties hereto have executed this Seventh Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTORS:

LFX TRUST LLC

By: */s/ Lee Fixel*
Name: Lee Fixel
Title: Managing Partner

Address: 9 West 57th Street, 35th Floor
New York, NY 10019

IN WITNESS WHEREOF, the Parties hereto have executed this Seventh Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTORS:

/s/ Evan Feinberg
Evan Feinberg

Address: 9 West 57th Street, 35th Floor
New York, NY 10019

Facsimile: (212) 557-1701

IN WITNESS WHEREOF, the Parties hereto have executed this Seventh Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTORS:

ACCEL GROWTH FII (MAURITIUS) LTD.

By: */s/ Aslam Koomar*
Name: Aslam Koomar
Title: Director

ACCEL LEADERS II HOLDINGS (MAURITIUS) LTD.

By: */s/ Aslam Koomar*
Name: Aslam Koomar
Title: Director

ACCEL INDIA IV (MAURITIUS) LIMITED

By: Accel Growth Fund II Associates L.L.C.
Its: General Partner

By: */s/ Aslam Koomar*
Name: Aslam Koomar
Title: Director

ACCEL INDIA III (MAURITIUS) LTD

By: */s/ Aslam Koomar*
Name: Aslam Koomar
Title: Director

Address: Fifth Floor, Ebene Esplanade
24 Bank Street, Cybercity
Ebene, Mauritius

IN WITNESS WHEREOF, the Parties hereto have executed this Seventh Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTOR:

ACCEL LEADERS HOLDINGS (MAURITIUS) LTD.

By: */s/ Aslam Koomar*
Name: Aslam Koomar
Title: Director

Address: Fifth Floor, Ebene Esplanade
24 Bank Street, Cybercity
Ebene, Mauritius

N WITNESS WHEREOF, the Parties hereto have executed this Seventh Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTORS:

CAPITALG LP

By: CapitalG GP LLC,
Its: General Partner

By: */s/ Jeremiah Gordon*
Name: Jeremiah Gordon
Title: General Counsel

Address: 1600 Amphitheatre Parkway
Mountain View, CA 94043

IN WITNESS WHEREOF, the Parties hereto have executed this Seventh Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTORS:

CAPITALG 2014 LP

By: CapitalG 2014 GP, LLC
Its: General Partner

By: */s/ Jeremiah Gordon*
Name: Jeremiah Gordon
Title: General Counsel

Address: 1600 Amphitheatre Parkway
Mountain View, CA 94043

IN WITNESS WHEREOF, the Parties hereto have executed this Seventh Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTORS:

CAPITALG 2013 LP

By: CapitalG 2013 GP, LLC
Its: General Partner

By: */s/ Jeremiah Gordon*
Name: Jeremiah Gordon
Title: General Counsel

Address: 1600 Amphitheatre Parkway
Mountain View, CA 94043

CAPITALG II LP

By: CapitalG II GP LLC
Its: General Partner

By: */s/ Jeremiah Gordon*
Name: Jeremiah Gordon
Title: General Counsel and Secretary

Address: 1600 Amphitheatre Parkway
Mountain View, CA 94043

Email: legal@capitalg.com

IN WITNESS WHEREOF, the Parties hereto have executed this Seventh Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTORS:

SEQUOIA CAPITAL GLOBAL GROWTH FUND III – *ENDURANCE PARTNERS*, L.P., for itself and as nominee

By: SCGGF III – Endurance Partners Management, L.P., its General Partner

By: SC US (TTGP), Ltd., its General Partner

By: */s/ Douglas M. Leone*

Name: Douglas M. Leone

Title: Authorized Signatory

Address:
2800 Sand Hill Road, Suite 101
Menlo Park, CA 94025

Email: sequoiacapital@sequoiacap.com

IN WITNESS WHEREOF, the Parties hereto have executed this Seventh Amended and Restated Investors' Rights Agreement as of the date first above written.

INVESTORS:

STEADVIEW CAPITAL MAURITIUS LIMITED

By: */s/ Ravi Mehta*

Name: Ravi Mehta

Title: Authorized Signatory

Address: 4th Floor, Tower A, 1 CyberCity,
Ebene, Mauritius

SCHEDULE A

SCHEDULE OF INVESTORS

TIGER GLOBAL PIP VI HOLDINGS

INTERNET FUND II PTE LTD

INTERNET FUND III PTE LTD

LFX TRUST LLC

EVAN FEINBERG

ACCEL GROWTH FII (MAURITIUS) LTD.

ACCEL LEADERS HOLDINGS (MAURITIUS) LTD.

ACCEL LEADERS II HOLDINGS (MAURITIUS) LTD.

ACCEL INDIA III (MAURITIUS) LTD

ACCEL INDIA IV (MAURITIUS) LIMITED

CAPITALG LP

CAPITALG II LP

CAPITALG 2014 LP

CAPITALG 2013 LP

RAMAN RAVI RAMAN

RAJESH RAJASEKAR

SCI INVESTMENTS V

SEQUOIA CAPITAL GLOBAL GROWTH FUND III – ENDURANCE PARTNERS, L.P.

MATRIX PARTNERS INDIA II LLC

MATRIX PARTNERS INDIA EXTENSION, LLC

STEADVIEW CAPITAL MAURITIUS LIMITED

BAY MEADOWS STATION
STATION 3
2950 SOUTH DELAWARE STREET
SAN MATEO, CALIFORNIA

LEASE

by and between

BAY MEADOWS STATION 3 INVESTORS, LLC
a Delaware limited liability company

(“Landlord”)

and

FRESHWORKS INC.
a Delaware corporation,
doing business in California as Freshworks Enterprise Inc.
(“Tenant”)

dated

September 20, 2018

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BASIC LEASE INFORMATION

Lease Date:	September 20, 2018
Tenant:	Freshworks Inc., a Delaware corporation, doing business in California as Freshworks Enterprise Inc.
Tenant's Notice Address:	
Prior To Term Commencement Date:	1250 Bayhill Drive, Suite 315 San Bruno, California 94066
From And After Term Commencement Date:	1250 Bayhill Drive, Suite 315 San Bruno, California 94066 With a copy to: Valence Law Group, PC Attn: Krista Kim krista@valencelaw.com
Tenant Contact: Angie Negherbon	**Phone Number:** 650-296-0577
Landlord:	Bay Meadows Station 3 Investors, LLC, a Delaware limited liability company
Landlord's Notice Address:	Bay Meadows Station 3 Investors, LLC c/o Wilson Meany Four Embarcadero Center, Suite 3300 San Francisco, California 94111 Attn: Elizabeth Billante With a copy to: Stockbridge Real Estate Funds Four Embarcadero Center, Suite 3300 San Francisco, California 94111 Attn: Stephen Pilch
Landlord's Rent Remittance Address:	Bay Meadows Station 3 Investors, LLC c/o Wilson Meany Four Embarcadero Center, Suite 3330 San Francisco, California 94111

Project:	The commercial project to be constructed by Landlord located in San Mateo, California, to be comprised of five (5) office buildings which may include ground floor retail space, a school building, retail space within certain non-commercial buildings, subterranean parking facilities under certain office buildings, a parking garage and Common Areas (as defined in Paragraph 4.1), as depicted on **Exhibit B**.
Building:	The approximately 173,833 rentable square foot building within the Project, having an address of 2950 South Delaware and commonly known as Station 3, as depicted on **Exhibit A**.
Premises:	Approximately 21,778 rentable square feet located on the 2nd floor of the Building, known as Suite 201, as depicted on **Exhibit A**.
Delivery Date:	September ___, 2018
Term Commencement Date:	The earlier to occur of (a) the date Tenant commences business operations in any portion of the Premises and (ii) April 1, 2019.
Term:	Approximately eighty-eight (88) months commencing on the Term Commencement Date and, unless terminated earlier in accordance with this Lease, ending on the Expiration Date.
Expiration Date:	The last day of the 88th full calendar month following the Term Commencement Date.
Base Rent Commencement Date:	One hundred twenty (120) days following the Term Commencement Date.

Base Rent:

Period	Base Monthly Rent/Sq. Ft. / Annual Increase	Monthly Base Rent
Base Rent Commencement Date through the last day of the 12th full calendar month following the Term Commencement Date	$5.20	$113,245.60
First day of the 13th full calendar month following the Term Commencement Date through the last day of the 24th full calendar month following the Term Commencement Date	$5.36	$116,730.08

First day of the 25th full calendar month following the Term Commencement Date through the last day of the 36th full calendar month following the Term Commencement Date	$5.52	$120,214.56
First day of the 37th full calendar month following the Term Commencement Date through the last day of the 48th full calendar month following the Term Commencement Date	$5.68	$123,699.04
First day of the 49th full calendar month following the Term Commencement Date through the last day of the 60th full calendar month following the Term Commencement Date	$5.85	$127,401.30
First day of the 61st full calendar month following the Term Commencement Date through the last day of the 72nd full calendar month following the Term Commencement Date	$6.03	$131,321.34
First day of the 73rd full calendar month following the Term Commencement Date through the last day of the 84th full calendar month following the Term Commencement Date	$6.21	$135,241.38
First day of the 85th full calendar month following the Term Commencement Date through the Expiration Date.	$6.40	$139,379.20
Extension Options	As determined pursuant to Paragraph 3.2	

Prepaid Base Rent and Tenant's Proportionate Share of Estimated Operating Expenses: One Hundred Thirteen Thousand Two Hundred Forty-Five and 60/100 Dollars ($113,245.60) as prepaid Base Rent and Twenty-Six Thousand One Hundred Thirty-Three and 60/100 Dollars ($26,133.60), as Tenant's Proportionate Share of Estimated Operating Expenses.

Security Deposit: One Million Nineteen Thousand Two Hundred Ten and 40/100 Dollars ($1,019,210.40), subject to reduction as provided in Paragraph 20.

Permitted Use: General office and administrative use, and other uses incidental thereto, to the extent permitted by and in accordance with Applicable Laws and the CC&R's and consistent with the standards of a first-class office building, as further described in Paragraph 4.1 and as limited in Paragraph 4.2.

Parking:	2.5 parking spaces per 1,000 rentable square feet of the Premises shall be provided at no charge during the Term as may be extended, on an unassigned basis in the subterranean parking facility under the parcel of land upon which the Building is constructed (the "**Building's Subterranean Parking Facility**").
Tenant's Proportionate Share:	12.53% except with respect to certain Cost Pools, as more fully described in Paragraph 7.3.
Landlord's Broker	Newmark Cornish & Carey (Robert Garner, Josh Rowell and Jack Troedson)
Tenant's Broker:	Newmark Cornish & Carey (Hannah Potter and Sarah Bohannon)
Tenant Improvement Allowance:	One Million Five Hundred Twenty Four Thousand Four Hundred Sixty and 00/100 Dollars ($1,524,460.00), being Seventy and 00/100 Dollars ($70.00) per rentable square foot of the Premises, subject to the terms of the Tenant Improvement Agreement.
Business Day:	Monday through Friday of each week, exclusive of New Year's Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day ("**Holidays**"). Landlord may designate additional Holidays that are commonly recognized by other Comparable Buildings.
Building Business Hours:	7:00 a.m. to 6:00 p.m. on Business Days.

The foregoing Basic Lease Information is incorporated into and made a part of this Lease. The Lease includes **Exhibits A** through **I**, all of which are incorporated herein and made a part of this Lease. Each reference in this Lease to any of the Basic Lease Information shall mean the respective information above and shall be construed to incorporate all of the terms provided under the particular Lease paragraph pertaining to such information. In the event of any conflict between the Basic Lease Information and the Lease, the latter shall control.

LEASE

THIS LEASE is made as of the Lease Date set forth in the Basic Lease Information, by and between BAY MEADOWS STATION 3 INVESTORS, LLC, a Delaware limited liability company ("**Landlord**"), and FRESHWORKS INC., a Delaware corporation (hereinafter called "**Tenant**").

1. PREMISES

Landlord leases to Tenant and Tenant leases from Landlord upon the terms and conditions hereinafter set forth the Premises (as defined in the Basic Lease Information). If the Premises include one or more floors in their entirety, all corridors and restroom facilities located on such full floor(s) shall be considered part of the Premises. Landlord may from time to time remeasure the Premises and/or the Building in accordance with generally accepted remeasurement standards selected by Landlord and adjust Tenant's Proportionate Share based on such remeasurement; provided, however, that any such remeasurement based on a change in measurement standard only shall not affect the amount of Base Rent payable for the Premises or any allowance applicable to the initial Term based on the rentable square footage of the Premises. Landlord and Tenant acknowledge that physical changes may occur from time to time in the Premises or Building, which may result in an adjustment in Tenant's Proportionate Share, as provided in Paragraph 7.1.

2. DELIVERY, POSSESSION AND LEASE COMMENCEMENT

2.1 Delivery of Premises. Landlord shall deliver possession of the Premises to Tenant on the Delivery Date broom clean and vacant and otherwise in its "as is" "where is" condition existing as of the Delivery Date. Tenant shall accept such delivery of the Premises, without representation or warranty by Landlord, except as expressly provided herein, and with no obligation of Landlord to perform any construction or other work of improvement upon the Premises, or contribute to the cost of any of the foregoing, except as expressly set forth in this Lease, including in the Tenant Improvement Agreement attached hereto as **Exhibit D**. Without limiting the generality of the foregoing, but except as set forth in Paragraph 10.2, Tenant 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, the suitability of the Premises for Tenant's use, the condition, capacity or performance of the Base Building Improvements or the identity of other tenants or potential tenants of the Project. Tenant's possession of the Premises as of the Delivery Date shall be pursuant to all of the terms, conditions and covenants of this Lease notwithstanding the later commencement of the Term and the later obligation to commence paying Base Rent.

2.2 Term Commencement Date Letter. Upon Landlord's request, Tenant shall promptly execute and return to Landlord a "Term Commencement Date Letter" in the form attached hereto as **Exhibit C** in which Tenant shall agree to the determination of the Term Commencement Date and the Base Rent Commencement Date, in accordance with the terms of this Lease, but Tenant's failure or refusal to do so shall not negate Tenant's acceptance of the Premises or affect determination of the Term Commencement Date. Should Tenant fail to execute and return, or provide comments to, the Term Commencement Date Letter within ten (10) Business Days after Landlord's request, the information set forth in such letter provided by Landlord shall be conclusively presumed to be agreed and correct.

3. TERM

3.1 Initial Term. The term of this Lease (the "**Term**") shall commence on the Term Commencement Date and continue in full force and effect for the Term of this Lease as provided in the Basic Lease Information or until this Lease is terminated as otherwise provided herein. If the Term

Commencement Date is a date other than the first day of the calendar month, the Term shall be the number of months of the length of Term in addition to the remainder of the calendar month following the Term Commencement Date. This Lease shall be a binding contractual obligation effective upon execution and delivery hereof by Landlord and Tenant, notwithstanding the later commencement of the Term.

3.2 Tenant's Option to Extend.

3.2.1 Extension Option. Landlord hereby grants to Tenant one (1) option to extend the Term (the "**Extension Option**" for a successive period of five (5) years (the "**Extension Term**") commencing on the first day following the Expiration Date, on the terms and subject to the conditions set forth in this Paragraph; provided, however, that (a) the Extension Option shall be exercised, if at all, only with respect to the entire Premises; and (b) if Tenant is in monetary or material non-monetary default beyond applicable notice and cure periods under any of the terms, covenants or conditions of this Lease either at the time Tenant exercises the Extension Option or upon the commencement of the Extension Term, Landlord shall have, in addition to all of Landlord's other rights and remedies provided in this Lease, the right to terminate the Extension Option and to unilaterally nullify Tenant's exercise of the Extension Option, in which event this Lease shall expire on the then-current Expiration Date (as the same may have previously been extended), unless sooner terminated pursuant to the terms hereof, and Tenant shall have no further rights under this Lease to renew or extend the Term.

3.2.2 Exercise. Tenant shall exercise the Extension Option, if at all, by giving Landlord unconditional, irrevocable written notice of such election not earlier than three hundred sixty five (365) days and not later than two hundred seventy (270) day prior to the Expiration Date, the time of such exercise being of the essence (the "**Exercise Period**"). Subject to the provisions of this Paragraph 3.2, upon the giving of such notice, this Lease and the Term shall be extended without execution or delivery of any other or further documents, with the same force and effect as if the Extension Term had originally been included in the Term.

3.2.3 Conditions. If Tenant exercises the Extension Option pursuant to Paragraph 3.2.2, all of the terms, covenants and conditions of this Lease shall continue in full force and effect during the Extension Term, including provisions regarding payment of Additional Rent, which shall remain payable on the terms herein set forth, except that (a) the Base Rent during the Extension Term shall be as determined in accordance with Paragraph 3.2.4, (b) Tenant shall continue to possess and occupy the Premises in their existing condition, "as is," as of the commencement of the Extension Term, and, subject to and without limiting Landlord's repair, maintenance and other obligations under this Lease, Landlord shall have no obligation to repair, remodel, improve or alter the Premises, to perform any other construction or other work of improvement upon the Premises, or to provide Tenant with any construction or refurbishing allowance whatsoever, and (c) Tenant shall have no further rights to extend the Term after the expiration of the Extension Term.

3.2.4 Prevailing Market Rate. The Base Rent payable by Tenant for the Premises during the Extension Term shall be of the Prevailing Market Rate (as defined below) for the Premises, valued as of the commencement of such Extension Term, determined in the manner hereinafter provided. As used herein, the term "**Prevailing Market Rate**" shall mean the annual Base Rent that a willing tenant would pay, and that a willing landlord would accept, at arm's length, for space comparable to the Premises within other comparable first class office buildings having more than two (2) stories located in the area including and bounded by South San Francisco to the north to Sunnyvale to the south (the "**Comparable Buildings**"), based upon binding lease transactions for tenants in Comparable Buildings ("**Comparable Leases**"). Comparable Leases shall include renewal and new non-renewal tenancies, but shall exclude subleases and leases of space subject to another tenant's expansion rights. Rent rates payable under Comparable Leases shall be adjusted to account for variations between this Lease and the

Comparable Leases with respect to: (a) the length of the Extension Term compared to the lease term of the Comparable Leases; (b) the rental structure, including, without limitation, rental rates per rentable square foot (including whether gross or net, and if gross, adjusting for base year or expense stop), additional rental, all other payments and escalations; (c) the size of the Premises compared to the size of the premises of the Comparable Leases; (d) the location, floor levels and efficiencies of the floor(s) of the Premises compared to the premises of the Comparable Lease; (e) free rent, moving expenses and other cash payments, allowances or other monetary concessions affecting the rental rate; (f) the age and quality of construction of the Building compared to the Comparable Building; (g) the leasehold improvements and/or allowances, including the amounts thereof in renewal leases, and taking into account, in the case of renewal leases (including this Lease), the value of existing leasehold improvements to the renewal tenant, (h) access and proximity to Caltrain, (i) the amenities available to tenants in the Building compared to amenities available to tenants in Comparable Buildings; (j) the energy efficiencies and environmental elements of the Building compared to Comparable Buildings, including improvements required for the U.S. Green Building Council's Leadership in Energy and Environmental Design ("**LEED**") certification, and (k) the availability of parking, the parking ratio and parking charges.

3.2.5 Landlord's Proposal. Not later than one hundred eighty (180) days prior to the commencement of the Extension Term, provided Tenant has given valid notice of exercise of the applicable Extension Option, Landlord shall deliver to Tenant a good faith written proposal of the Prevailing Market Rate for the Premises for such Extension Term. At Tenant's request, Landlord and Tenant shall meet to discuss the basis of Landlord's proposed Prevailing Market Rate. Within forty-five (45) days after receipt of Landlord's proposal, Tenant shall notify Landlord in writing (a) that Tenant accepts Landlord's proposal or (b) that Tenant elects to submit the determination of Prevailing Market Rate to arbitration in accordance with Paragraph 3.2.6. If Tenant does not give Landlord a timely notice in response to Landlord's proposal, Landlord's proposal of Prevailing Market Rate for the applicable Extension Term shall be binding upon Tenant.

3.2.6 Arbitration.

(a) If Tenant timely elects to submit the determination of Prevailing Market Rate to arbitration, Landlord and Tenant shall first negotiate in good faith in an attempt to determine the Prevailing Market Rate for the applicable Extension Term. If Landlord and Tenant are able to agree within thirty (30) days following the delivery of Tenant's notice to Landlord electing arbitration, then such agreement shall constitute a determination of Prevailing Market Rate for purposes of this Paragraph, and the parties shall immediately execute an amendment to this Lease stating the Base Rent for such Extension Term. If Landlord and Tenant are unable to agree on the Prevailing Market Rate within such negotiating period, then within fifteen (15) days after the expiration of such negotiating period, the parties shall meet and concurrently deliver to each other their respective written estimates of Prevailing Market Rate for the applicable Extension Term, supported by the reasons therefor (each, a "**Determination**"). Landlord's Determination may be more or less than its initial proposal of Prevailing Market Rate. If either party fails to deliver its Determination in a timely manner, then the Prevailing Market Rate shall be the amount specified by the other party. The Prevailing Market Rate shall be determined as set forth below, each party being bound to its Determination and such Determinations establishing the only two choices available to the Arbitration Panel (as hereinafter defined).

(b) Within ten (10) days after the parties exchange Landlord's and Tenant's Determinations, the parties shall each appoint an arbitrator who shall be a licensed California real estate broker with at least ten (10) years' experience in leasing commercial office space in Comparable Buildings immediately prior to his or her appointment, and be familiar with the rentals then being charged in the Comparable Buildings. The parties may appoint the real estate brokers who assisted them in making their Determinations as their respective arbitrators. If either Landlord or Tenant fails to timely

appoint an arbitrator, then the Prevailing Market Rate for the applicable Extension Term shall be the Determination of the other party.

(c) Within twenty (20) days following their appointment, the two arbitrators so selected shall appoint a third, similarly-qualified, independent arbitrator who has not had any prior business relationship with either party (the "**Independent Arbitrator**"). If an Independent Arbitrator has not been so selected by the end of such twenty (20) day period, then either party, on behalf of both, may request such appointment by the local office of the American Arbitration Association (or any successor thereto), or in the absence, failure, refusal or inability of such entity to act, then either party may apply to the presiding judge for the San Mateo Superior Court, for the appointment of such an Independent Arbitrator, and the other party shall not raise any question as to the court's full power and jurisdiction to entertain the application and make the appointment.

(d) Within five (5) days following notification of the identity of the Independent Arbitrator so appointed, Landlord and Tenant shall submit copies of Landlord's Determination and Tenant's Determination to the three arbitrators (the "**Arbitration Panel**"). The Arbitration Panel, by majority vote, shall select either Landlord's Determination or Tenant's Determination as the Base Rent for the applicable Extension Term, and shall have no right to propose a middle ground or to modify either of the two proposals or the provisions of this Lease. The Arbitration Panel shall attempt to render a decision within fifteen (15) Business Days after appointment of the Independent Arbitrator. In any case, the Arbitration Panel shall render a decision within forty-five (45) days after appointment of the Independent Arbitrator.

(e) The decision of the Arbitration Panel shall be final and binding upon the parties, and may be enforced in accordance with the provisions of California law. In the event of the failure, refusal or inability of any member of the Arbitration Panel to act, a successor shall be appointed in the manner that applied to the selection of the member being replaced.

(f) Each party may submit any written materials to the Arbitration Panel within five (5) Business Days after selection of the Independent Arbitrator. No witnesses or oral testimony (i.e. no hearing) shall be permitted in connection with the Arbitration Panel's decision unless agreed to by both parties. No ex parte communications shall be permitted between any member of the Arbitration Panel and either Landlord or Tenant following appointment of the Arbitrator Panel until conclusion of the arbitration process. The members of the Arbitration Panel are authorized to walk both the Premises and any space in Comparable Buildings (to the extent access is made available).

(g) Each party shall pay the fees and expenses of the arbitrator designated by such party, and one-half of the fees and expenses of the Independent Arbitrator and the expenses incident to the proceedings (excluding attorneys' fees and similar expenses of the parties which shall be borne separately by each of the parties).

3.2.7 Rent Payment Before Resolution. Until the matter is resolved by agreement between the parties or a decision is rendered in any arbitration commenced pursuant to this Paragraph 3.2, Tenant's monthly payments of Base Rent shall be in an amount equal to the Base Rent in effect prior to the commencement of the Extension Term. Within ten (10) Business Days following the resolution of such dispute by the parties or the decision of the arbitrators, as applicable, Tenant shall pay to Landlord, or Landlord shall pay to Tenant, the amount of any deficiency or excess, as the case may be, in the Base Rent previously paid.

3.2.8 Rights Personal to Original Tenant. Tenant's right to exercise the Extension Option is personal to, and may be exercised only by, Freshworks Inc., a Delaware corporation ("**Original**

Tenant") or to its Permitted Assignee (as defined below) and only so long as the Original Tenant (or Permitted Assignee) continues to occupy the entire Premises at the time of such exercise. If Original Tenant shall assign this Lease (other than to a Permitted Assignee) or sublet all or any portion of the Premises, then immediately upon such assignment or subletting, Tenant's right to exercise the Extension Option shall simultaneously terminate and be of no further force or effect. No assignee (other than a Permitted Assignee) or subtenant shall have any right to exercise the Extension Option granted herein.

4. USE

4.1 General. Tenant shall use the Premises for the permitted use specified in the Basic Lease Information ("**Permitted Use**") and for no other use or purpose. Uses incidental to a general office use in the Premises may include (a) storage areas for records, furniture, equipment, and supplies of the type customarily used by office building tenants, (b) kitchen, lunchroom, vending area, lounge, or break areas, (c) training centers, meetings, and conference rooms, and (d) printing, mail handling, duplicating, word processing, data processing, and such other communication technology areas as customarily needed by office building tenants, except as limited by Paragraph 4.2 and provided that such uses described in clauses (a) through (d) are consistent with the usage of a Comparable Building, comply with Applicable Laws, the Recorded Documents (as defined in Paragraph 4.2), and the Rules and Regulations (as defined in Paragraph 5) and do not result in an increase in any costs (including costs of insurance) or liabilities to Landlord, unless Tenant agrees to pay the same. Tenant acknowledges that the prohibition on a change in use contained in this Paragraph 4.1 is expressly authorized by California Civil Code Section 1997.230 and is fully enforceable by Landlord against Tenant. So long as Tenant is occupying the Premises, Tenant and Tenant's subtenants and their respective employees, agents, customers, visitors, invitees, licensees, concessionaires, and contractors (each a "**Tenant Party**" and collectively, "**Tenant Parties**") shall have the nonexclusive right to use, in common with other parties occupying the Building or Project, the portions of the Building or Project that are designated from time to time by Landlord for such common use (the "**Common Areas**"), subject to the terms of this Lease and the Rules and Regulations. Landlord reserves the right, without notice or liability to Tenant, and without the same constituting an actual or constructive eviction, to alter or modify the Common Areas from time to time, including the location and configuration thereof, and the amenities and facilities which Landlord may determine to provide from time to time, provided that no such alterations or modifications materially and adversely impair Tenant's use of or access to the Premises or the Project.

4.2 Limitations. Tenant shall not do anything in or about the Premises or the Building that (a) violates any Applicable Laws, any provision of the Recorded Documents, or any of the Rules and Regulations; (b) is prohibited by a standard form of fire insurance policy or that materially increases the rate of fire or other insurance on the Building or any of its contents; (c) unreasonably interferes with or materially disturbs other occupants of the Building; or (d) constitutes waste or a nuisance. Without limiting the generality of the foregoing, the Premises shall not be used for a place of public accommodation under the Americans With Disabilities Act and in no event shall the density of personnel in the Premises exceed one (1) person per 140 rentable square feet of space in the Premises. The provisions of this Paragraph 4.2 are for the benefit of Landlord only and shall not be construed to be for the benefit of any tenant or occupant of the Building. Landlord shall not be responsible to Tenant for the non-compliance by any other tenant or occupant of the Building or Project with any of the above-referenced rules or any other terms or provisions of such tenant's or occupant's lease or other contract. As used herein, "**Recorded Documents**" means all easement agreements, cost sharing agreements, covenants, conditions, and restrictions, and all similar agreements affecting the Project, whether now or hereafter recorded against the Project, including the Declaration of Covenants, Conditions, Restrictions and Reservations of Easements for the Delaware Street Properties at Bay Meadows dated January 23, 2013 and recorded January 24, 2013 as Document Number 2013-012341, as amended (the "**CC&R's**").

4.3 Compliance with Applicable Laws. Tenant shall at its sole cost and expense strictly comply with all existing or future applicable municipal, state and federal and other governmental statutes, rules, requirements, regulations, laws and ordinances, including zoning ordinances and regulations, approvals and conditions to approvals, and all covenants, easements and restrictions within the Recorded Documents governing and relating to (a) the use, occupancy or possession of the Premises, (b) Tenant Systems, (c) the use of the Common Areas, or (d) the use, storage, generation or disposal of Hazardous Materials (hereinafter defined) (collectively "**Applicable Laws**"). Tenant shall at its sole cost and expense obtain any and all licenses, permits, or other government approvals necessary for Tenant's use of the Premises. Tenant shall at its sole cost and expense promptly comply with the requirements of any board of fire underwriters or other similar body now or hereafter constituted. Tenant shall not do or permit anything to be done in, on, under or about the Project or bring or keep anything which will in any way increase the rate of any insurance upon the Premises, Building or Project or upon any contents therein or cause a cancellation of said insurance or otherwise affect said insurance in any manner. Tenant shall indemnify, defend (by counsel reasonably acceptable to Landlord), protect and hold Landlord and Landlord Parties harmless from and against any Loss arising out of the failure of Tenant to comply with any Applicable Law. Tenant's obligations pursuant to the foregoing indemnity shall survive the expiration or earlier termination of this Lease.

4.4 Hazardous Materials.

4.4.1 Prohibition Against Hazardous Material. Tenant shall not cause, or allow any Tenant Party to cause, any Hazardous Materials (as defined below) to be handled, used, generated, stored, released or disposed of in, on, under or about the Premises, the Building or the Project or surrounding land or environment in violation of any Applicable Laws. Tenant must obtain Landlord's written consent prior to the introduction of any Hazardous Materials onto the Project. Notwithstanding the foregoing, Tenant may handle, store, use and dispose of products containing small quantities of Hazardous Materials for general office purposes (such as toner for copiers) to the extent customary and necessary for the Permitted Use of the Premises; provided that Tenant shall always handle, store, use, and dispose of any such Hazardous Materials in a safe and lawful manner and never allow such Hazardous Materials to contaminate the Premises, Building, or Project or surrounding land or environment. Except for Losses that are as a result of the gross negligence or willful misconduct of Landlord or any of Landlord's employees, agents, or contractors, Tenant shall indemnify, defend (by counsel reasonably acceptable to Landlord), protect and hold Landlord and the Landlord Parties harmless from and against any and all Losses directly or indirectly arising out of or related to the use, generation, handling, storage, release, or disposal of Hazardous Materials by Tenant or any of Tenant Parties in, on, under or about the Premises, the Building or the Project or surrounding land or environment (even though the same may be permissible under all Applicable Laws or the provisions of this Lease), which indemnity shall include, without limitation, damages for personal or bodily injury, property damage, damage to the environment or natural resources occurring on or off the Premises, losses attributable to diminution in value or adverse effects on marketability, the cost of any investigation, monitoring, government oversight, repair, removal, remediation, restoration, abatement, and disposal, and the preparation of any closure or other required plans, whether such action is required or necessary prior to or following the expiration or earlier termination of this Lease. Neither the consent by Landlord to the use, generation, storage, release or disposal of Hazardous Materials nor the strict compliance by Tenant with all Applicable Laws pertaining to Hazardous Materials shall excuse Tenant from Tenant's obligation of indemnification pursuant to this Paragraph 4.4.1. Tenant's obligations pursuant to the foregoing indemnity shall survive the expiration or earlier termination of this Lease

4.4.2 Landlord Notification and Inspection. Tenant shall immediately notify Landlord in writing of any Hazardous Materials contamination of any portion of the Project of which Tenant becomes aware, whether or not caused by Tenant. Subject to compliance with Paragraph 14.1,

Landlord shall have the right at all reasonable times and if Landlord determines in good faith that Tenant may not be in compliance with this Paragraph 4.4 to inspect the Premises and to conduct tests and investigations to determine whether Tenant is in compliance with the foregoing provisions, the costs of all such inspections, tests and investigations to be borne by Tenant.

4.4.3 Third Party Hazardous Materials. If it is determined that the materials incorporated into the Premises contain Hazardous Materials that are not in compliance with Applicable Law as of the Lease Date, then Landlord shall not be liable to Tenant for any damages, but as Tenant's sole remedy, Landlord, at no cost to Tenant (including as Operating Expenses), shall perform such work or take such other action as may be necessary to remediate the non-compliant condition of the materials. If any Hazardous Materials are discovered to have been present in the Premises as of the date of this Lease in violation of Applicable Laws, then Landlord, at Landlord's expense (without pass through as an Operating Expense), shall diligently remove or otherwise remediate such condition, as required by Applicable Laws. Further, in no event shall Tenant be required to clean up, remove or remediate any Hazardous Materials in, on, or about the Premises, that were not brought upon, produced, treated, stored, used, discharged or disposed of by Tenant or Tenant Parties (collectively, "**Third Party Hazardous Materials**"), except to the extent that any hazard posed by such Third Party Hazardous Materials is exacerbated by the negligent acts or omissions or willful misconduct of Tenant or Tenant Parties. Landlord, at Landlord's expense (without pass through as an Operating Expense), shall remove or otherwise remediate any Third Party Hazardous Materials, as required by Applicable Laws. In addition, Landlord shall indemnify, protect, defend (with counsel reasonably acceptable to Tenant) and hold harmless Tenant from and against (i) any fine or cost or expense (including reasonable legal expenses and consultants' fees) ("**Remediation Cost**") that Tenant may incur as a result of any Remedial Work required of Tenant by a governmental authority resulting from the introduction, production, use, generation, storage, treatment, disposal, discharge, release or other handling or disposition of any Third Party Hazardous Materials, and (ii) any Losses asserted against Tenant or any Tenant Party arising from any injury or death of any person or damage to or destruction of any property occurring as a result of any such Third Party Hazardous Materials; provided, however, that the foregoing indemnity obligation shall not apply to any Remediation Cost or Claim to the extent arising from the negligence or willful misconduct of any Tenant Party, or to the extent that any hazard posed by such Third Party Hazardous Materials is exacerbated by, or the cost of the Remedial Work is increased as a result of, the negligent acts or omissions or willful misconduct of Tenant or Tenant Parties. Landlord's obligations pursuant to this Subparagraph 4.4.3 and the foregoing indemnity shall survive the expiration or earlier termination of this Lease.

4.4.4 Definitions. As used in this Lease, "**Hazardous Materials**" shall include, but not be limited to, hazardous, toxic and radioactive materials and wastes, flammables, explosives or other similar substances, petroleum products or derivatives or any substance subject to regulation by or under any federal, state and local laws and ordinances relating to the protection of the environment including those substances defined as "hazardous substances," "hazardous materials," "hazardous wastes," "toxic substances," or other similar designations in any Applicable Law.

4.5 Transportation Demand Management Plan. Tenant shall participate in the Transportation Management Association ("**TMA**") responsible for implementing and administering the Transportation Demand Management Plan ("**TDMP**") for the Project and shall cooperate with Landlord and comply with those elements of the TDMP that are applicable to the Building or to Tenant's occupancy and use of the Premises. Tenant acknowledges that Operating Expenses shall include expenses and assessments related to the TMA and TDMP. Neither this Paragraph nor any other provision of this Lease is intended to or shall create any rights or benefits in any other person, firm, company, governmental entity or the public.

4.6 Accessibility. To Landlord's actual knowledge, the property being leased pursuant to this Lease has not undergone inspection by a Certified Access Specialist (CASp). The foregoing verification is included in this Lease solely for the purpose of complying with California Civil Code Section 1938 and will not in any manner affect Landlord's and Tenant's respective responsibilities for compliance with construction-related accessibility standards as provided under this Lease. Landlord makes no representations, express or implied, as to the compliance of the Premises or the Project with applicable construction-related accessibility standards. As specified in California Civil Code Section 1938: "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." Tenant shall be solely responsible for (a) any CASp inspection fees, if Tenant elects to obtain a CASp inspection, and (b) any costs related to addressing and/or correcting any violations of construction-related accessibility standards within the Premises.

5. RULES AND REGULATIONS

Tenant shall faithfully observe and comply with the building rules and regulations attached hereto as **Exhibit E** (the "**Rules and Regulations**") and any other rules and regulations and any modifications or additions thereto which Landlord may from time to time prescribe in writing for the purpose of maintaining the proper care, cleanliness, safety, traffic flow and general order of the Premises or the Building or the Project so long as such other rules, modifications or additions do not materially and adversely impair Tenant's use of or access to the Premises or the Project. Tenant shall cause Tenant Parties to comply with such Rules and Regulations. Landlord shall not be responsible to Tenant for the non-compliance by any other tenant or occupant of the Building or Project with any of such Rules and Regulations, any other tenant's or occupant's lease or any Applicable Laws; provided, however, that Landlord agrees, to the extent permitted by the terms of Landlord's leases with other tenants and occupants of the Project, to use commercially reasonable efforts to enforce the Rules and Regulations. In the event of any conflict between the Rules and Regulations and the terms and conditions of this Lease, the terms and conditions of this Lease shall control.

6. RENT

6.1 Base Rent. Commencing on the Base Rent Commencement Date and continuing throughout the Term of this Lease, Tenant shall pay to Landlord and Landlord shall receive, without notice or demand Base Rent as specified in the Basic Lease Information, payable in monthly installments in advance on or before the first day of each calendar month, in lawful money of the United States, without deduction or offset whatsoever, at the Landlord's Rent Remittance Address specified in the Basic Lease Information or to such other place as Landlord may from time to time designate in writing. Upon either party's election, and upon written notice to the other party, all payments required to be made by Tenant to Landlord hereunder (or to such other party as Landlord may from time to time specify in writing) shall be made by Electronic Fund Transfer of immediately available federal funds with such place for payment, within the continental United States, as Landlord may from time to time designate to Tenant in writing. If the obligation for payment of Base Rent commences on a day other than the first day of a month, then Base Rent shall be prorated and the prorated installment shall be paid on the first day of the calendar month next succeeding the Base Rent Commencement Date. The Base Rent payable by Tenant hereunder is subject to adjustment as provided elsewhere in this Lease, as applicable. As used

herein, the term "**Base Rent**" shall mean the Base Rent specified in the Basic Lease Information as it may be so adjusted from time to time. The obligation of Tenant to pay Base Rent and other sums to Landlord and the obligations of Landlord under this Lease are independent obligations.

6.2 Additional Rent. All monies other than Base Rent required to be paid by Tenant hereunder, including, but not limited to, Tenant's Proportionate Share of Operating Expenses, as specified in Paragraph 7 of this Lease, charges to be paid by Tenant under Paragraph 15, the interest and late charge described in Paragraphs 27.4 and 27.5, and any monies spent by Landlord pursuant to Paragraph 30, shall be considered additional rent ("**Additional Rent**"). Except as otherwise provided herein, all items of Additional Rent shall be paid within thirty (30) days after Landlord's request for payment. "**Rent**" shall mean Base Rent and Additional Rent.

6.3 Intentionally Omitted.

6.4 Prepaid Rent. Concurrently with the execution of this Lease by Tenant, Tenant shall pay to Landlord an amount equal to one month's Base Rent and one month of Tenant's Proportionate Share of Estimated Operating Expenses, which amount is set forth in the Basic Lease Information. The prepaid Base Rent shall be applied to the Base Rent owing for the first month following the Base Rent Commencement Date, and the prepaid Tenant's Proportionate Share of Estimated Operating Expenses shall be applied to Tenant's Proportionate Share of Estimated Operating Expenses owing for the first month following the Term Commencement Date.

7. OPERATING EXPENSES

7.1 Operating Expenses. In addition to the Base Rent required to be paid hereunder, Tenant shall pay as Additional Rent, commencing on the Term Commencement Date, Tenant's Proportionate Share of Operating Expenses (defined below) in the manner set forth below. Landlord and Tenant acknowledge that if physical changes are made to the Premises or Building or the configuration of either, Landlord may at its discretion reasonably adjust Tenant's Proportionate Share to reflect the change. "**Operating Expenses**" shall mean all expenses and costs of every kind and nature which Landlord shall pay or become obligated to pay, because of or in connection with the ownership, management, maintenance, repair, preservation, replacement and operation of the Project and its supporting facilities, other than those expenses and costs which are specifically attributable to Tenant or which are expressly made the financial responsibility of Landlord or specific tenants of the Building or Project pursuant to this Lease. Operating Expenses shall include, but are not limited to, the following:

(a) All real property taxes and assessments, possessory interest taxes, sales taxes, personal property taxes, business or license taxes or fees, gross receipts taxes, service payments in lieu of such taxes or fees, annual or periodic license or use fees, excises, transit charges, traffic management assessments and other impositions, general and special, ordinary and extraordinary, unforeseen as well as foreseen, of any kind (including fees "in-lieu" of any such tax or assessment) which are now or hereafter assessed, levied, charged, confirmed, or imposed by any public authority upon the Project, its operations or the Rent (or any portion or component thereof), or any tax, assessment or fee imposed in substitution, partially or totally, of any of the above (the "**Real Property Taxes**"). Real Property Taxes shall also include any taxes, assessments, reassessments, or other fees or impositions with respect to the development, leasing, management, maintenance, alteration, repair, use or occupancy of the Project or any portion thereof, including, without limitation, by or for Tenant, and all increases therein or reassessments thereof whether the increases or reassessments result from increased rate and/or valuation (whether upon a transfer of the Project or any portion thereof or any interest therein or for any other reason).

(b) All insurance premiums and costs, including, but not limited to, any deductible amounts, premiums and other costs of insurance incurred by Landlord, including for the insurance coverage set forth in Paragraph 8.1 herein or deemed necessary or advisable in the reasonable judgment of Landlord or required by any Security Holder, all in such amounts as Landlord determines to be appropriate; provided, however, that the amount of any deductible under any earthquake insurance shall not exceed five percent (5%) of the insurable value of the Building and any such deductible expended on improvements that would be properly classified as capital expenditures shall be amortized over the estimated useful life of the improvements constructed or restored with the deductible as determined in accordance with sound real estate accounting and management principles, together with interest on the unamortized balance at a rate per annum equal to eight percent (8%) charged at the time such capital improvements are constructed.

(c) The costs of repairs (including the replacement of parts and components which are obsolete or cannot be repaired in an economically feasible manner) and general maintenance of the Project, including the systems and equipment of the Project and components thereof.

(d) The costs for electricity, chilled water, air conditioning, water for heating, gas, fuel, steam, heat, lights, sewer service, communications service, power and other energy related utilities required in connection with the operation, maintenance and repair of the Project, including water charges and sewer rents or fees.

(e) The costs of any capital improvements made by Landlord or capital assets acquired by Landlord required under or to comply with any Applicable Laws first enacted or interpreted to be applicable to the Project after the date of this Lease or any insurance requirements, such cost or allocable portion to be amortized over the full useful life thereof determined in accordance with sound real estate accounting and management principles, consistently applied, together with interest on the unamortized balance at a rate per annum equal to eight percent (8%) charged at the time such capital improvements or capital assets are constructed or acquired;

(f) The costs of any capital improvements made by Landlord or capital assets acquired by Landlord after the Term Commencement Date for the protection of the health and safety of the occupants of the Project, for the replacement of Base Building Systems or components thereof, or that are intended to reduce other Operating Expenses, such cost or allocable portion thereof to be amortized over the full useful life thereof determined in accordance with sound real estate accounting and management principles, together with interest on the unamortized balance at a rate per annum equal to eight percent (8%).

(g) The payments under or for any Recorded Document relating to the sharing of costs for the Project.

(h) The costs of maintaining, managing, reporting, commissioning, and recommissioning the Building or any part thereof that was designed and built to be sustainable and conform with the U.S. EPA's Energy Star® rating system, the LEED rating system and other third party rating systems.

(i) The costs incurred in connection with any government-mandated transportation demand management programs or similar program, including the funding of the TMA.

(j) All rental or acquisition costs of supplies, tools, materials and equipment used in connection with the operation, maintenance, management and repair of the Project.

(k) The costs of security, alarm, engineering, pest control, landscaping, window cleaning, elevator maintenance and other services required for the operation, maintenance, management and repair of the Project.

(l) The cost of janitorial services for the Common Areas.

(m) Salaries, wages, bonuses and other compensation (including hospitalization, medical, surgical, retirement plan, pension plan, union dues, parking privileges, life insurance, including group life insurance, welfare and other fringe benefits, and vacation, holidays and other paid absence benefits) relating to employees of Landlord or its agents engaged in the management, operation, repair, or maintenance of the Project; payroll, social security, workers' compensation, unemployment and similar taxes with respect to such employees; and the cost of uniforms (including the cleaning, replacement and pressing thereof) provided to such employees;

(n) Property management office rent or rental value management office rent.

(o) The costs of the operation, repair, replacement and maintenance of the parking areas in the Project ("**Parking Facilities**"), including the Building's Subterranean Parking Facility.

(p) Fees and other costs, including consulting fees, legal fees and accounting fees, of contractors and consultants incurred in connection with the operation, maintenance and repair of the Project.

(q) Management fees incurred in connection with the management of the Project.

The above enumeration of services and facilities shall not be deemed to impose an obligation on Landlord to make available or provide such services or facilities except to the extent if any that Landlord has specifically agreed elsewhere in this Lease to make the same available or provide the same. Without limiting the generality of the foregoing, Tenant acknowledges and agrees that it shall be responsible for providing adequate security for its use of the Project and that Landlord shall have no obligation or liability with respect thereto, except to the extent if any that Landlord has specifically agreed elsewhere in this Lease to provide the same.

If the rentable square footage of the Building and/or Project is not fully occupied during any fiscal year of the Term as determined by Landlord, an adjustment shall be made in Landlord's reasonable discretion in computing the Operating Expenses for such year so that Tenant pays an equitable portion of all variable items (e.g., utilities, janitorial services and other component expenses that are affected by variations in occupancy levels) of Operating Expenses, as reasonably determined by Landlord; provided, however, that in no event shall Landlord be entitled to collect in excess of one hundred percent (100%) of the total Operating Expenses from all of the tenants in the Building or Project, as the case may be.

7.2 Operating Expenses Exclusions. Operating Expenses shall not include (a) depreciation on the Building; (b) debt service, rental under any ground or underlying lease, or interest, principal, points and fees on any mortgage or other debt instrument encumbering the Building (except that, as provided in Paragraph 7.1 above, Landlord may include interest in the amortization of certain capital expenditures); (c) legal expenses and other expenses incurred in negotiating leases, collecting rents, evicting tenants or costs incurred in legal proceedings with or against any tenant or prospective tenant or to enforce the provisions of any lease, (d) the cost of decorating, improving for tenant occupancy, painting or redecorating portions of the Building to be demised to tenants, and any allowances or other tenant

improvement concessions; (e) marketing and advertising expenses relating to vacant space; (f) real estate brokers' or other leasing commissions; (g) costs for which Landlord is reimbursed by insurance or condemnation proceeds, other tenants or any other source, and Landlord shall use commercially reasonable efforts to pursue claims under existing warranties and/or guaranties or against other responsible third parties to pay such costs; provided, that, the cost of pursuing such claims shall be included in Operating Expenses; (h) any bad debt loss, rent loss, or reserves for bad debt loss or rent loss; (i) costs incurred in connection with the operation of the business of the entity constituting Landlord, as distinguished from the costs of operating the Building, including without limitation accounting and legal matters, costs of defending any lawsuits with any mortgagee, costs of selling, syndicating, financing, mortgaging or hypothecating any of Landlord's interest in the Building, and costs incurred in disputes between Landlord and its employees or managers; (j) Landlord's political or charitable contributions; (k) the cost of any "tenant relations" parties, events or promotions; (l) insurance which is not customarily carried by institutional owners of Comparable Buildings; (m) costs to repair or replace the Project resulting from any insured casualty (except commercially reasonable deductibles under Landlord's insurance policies may be included in Operating Expenses to the extent permitted pursuant to Paragraph 7.1(b)); (n) repairs, alterations, additions, improvements or replacements made to rectify or correct any defect in the design, materials or workmanship of the Project (as opposed to the cost of normal repair, maintenance and replacement expected in light of the specifications of the applicable construction materials and equipment) or to comply with any Applicable Laws in effect as of the Delivery Date (based on the current interpretation thereof by applicable governmental entity(ies) as of the Delivery Date); (o) repairs, alterations, additions, improvements or replacements made to rectify or correct damage caused by the gross negligence or willful misconduct of Landlord or any of Landlord's employees, agents, or contractors; (p) salaries, wages, bonuses and other compensation (including hospitalization, medical, surgical, retirement plan, pension plan, union dues, parking privileges, life insurance, including group life insurance, welfare and other fringe benefits, and vacation, holidays and other paid absence benefits) relating to managers, officers, directors, or executives of Landlord that are above the rank of general manager (or similar title); (q) fines, penalties or interest incurred due to violation by Landlord of the terms and conditions of any lease or any Applicable Laws or due to violation by any other tenant in the Project of the terms and conditions of any lease or any Applicable Laws; (r) interest, penalties or other costs arising out of Landlord's failure to make timely payment of its obligations; (s) costs incurred to test, survey, cleanup, contain, abate, remove, or otherwise remedy Hazardous Materials or mold from the Project (except that Operating Expenses shall include costs incurred in connection with the prudent operation and maintenance of the Building, such as monitoring air quality); (t) costs incurred to correct defective equipment installed in the Project (as opposed to the cost of normal repair, maintenance and replacement expected in light of the specifications of the applicable equipment); (u) acquisition costs of any artwork; (v) Community Facilities District No. 2008-1 (Bay Meadows) assessment; (w) excess profits taxes, franchise taxes, gift taxes, capital stock or capital gains taxes, inheritance and succession taxes, estate taxes, documentary transfer taxes, federal or state income, corporate taxes or penalties incurred as a result of Landlord's failure to pay taxes or to file any tax or informational returns 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), provided, however, that the reference to documentary transfer taxes in this clause shall not be deemed to exclude from Operating Expenses any increase in the Real Property Taxes resulting from a reassessment of the Building or Property upon the sale or transfer thereof; (x) capital expenditures not described in Paragraphs 7.1(b), 7.1(e) or 7.1(f); (y) cost of labor and employees with respect to personnel that do not devote substantially all or his or her employed time to the Project unless such costs are appropriately allocated between the Project and the other responsibilities of such personnel; (z) costs and expenses to provide water, gas, fuel, steam, lights, sewer service and other utilities to other tenants or occupants of the Project materially in excess of amounts typically used in connection with ordinary office or retail use; (aa) costs and expenses to provide utilities for tenant spaces for which such utilities are separately metered and billed by Landlord to such tenant; (bb) costs and expenses to provide janitorial services to tenant spaces which services are being provided by Landlord and separately billed to

such tenants; (cc) overhead and profit increment paid to Landlord or its Affiliates for goods and/or services in the Project to the extent the same materially exceed the cost of such goods and/or services of comparable quality rendered by unaffiliated third parties of similar skill, competence and experience in Comparable Buildings; and (dd) reserves for Landlord's repair, replacement or improvement of the Project or any portion thereof. Tenant's Proportionate Share of the management fees for the Building shall not exceed three percent (3%) of the Base Rent. If it shall not be lawful for Tenant to reimburse Landlord for all or any part of such taxes, the monthly rental payable to Landlord under this Lease shall be revised to net Landlord the same net rental after imposition of any such taxes by Landlord as would have been payable to Landlord prior to the payment of any such taxes.

7.3 Method of Allocation of Operating Expenses; Cost Pools. Landlord shall have the right, from time to time, to equitably allocate some or all of the Operating Expenses for the Project among different portions or occupants of the Project (the "**Cost Pools**"). Such Cost Pools shall include, but shall not be limited to, the office space tenants of a particular office building and the retail space tenants of a particular building or of the Project. The Operating Expenses allocated to any Cost Pool shall be allocated and charged to the tenants and occupants within such Cost Pool in an equitable manner, in Landlord's reasonable discretion. The Operating Expenses allocated to each office building shall include all Operating Expenses attributable solely to such office building and a portion of the Project-wide Operating Expenses attributable to the Project as a whole (and not to a particular office building) in accordance with this Paragraph 7.3.

7.3.1 Operating Expenses which relate to a specific office building and not to any other office buildings in the Project (including without limitation, separately metered electrical costs and repair and maintenance costs of any office building), shall be entirely allocated to such specific office building. Accordingly, the cost of the maintenance and repairs set forth in Paragraph 10.1 with respect to the Building, the premiums and costs for insurance covering the Building, and the Real Property Taxes assessed against the Building and the parcel of land upon which the Building is located shall be entirely allocated to the Building.

7.3.2 If Landlord incurs Operating Expenses for the Building together with one or more other improvements having commercial entitlements in the Project or if Landlord incurs Operating Expenses for the Project as a whole and not to any specific improvement in the Project, whether pursuant to the CC&R's or other common area agreement, such shared amounts shall be equitably prorated and apportioned between the Building and such other improvements in the Project, in Landlord's reasonable discretion. The Cost Pool for Project-wide Operating Expenses may include costs to maintain, repair and replace the Common Areas (including the landscaping, sprinkler systems, driveways, curbs, sidewalks, lighting, and utilities expenses), the cost of security for the Common Areas, the management of the Common Areas and the premiums and costs of insurance covering the entire Project and shall be allocated based on the rentable square footage of all of the improvements within the Project having commercial entitlements within the Project. As such, allocation of such Cost Pool shall be based on the rentable square footage of the Building as a percentage of the rentable square footage of all improvements having commercial entitlements. Until such time as any improvement having commercial entitlements is constructed, the rentable square footage of such improvement for purposes of the allocation of Project-wide Operating Expenses shall be deemed to be the Entitled Square Footage (as defined in the CC&R's) of such improvement.

7.3.3 The Parking Facilities included in a Cost Pool for which Tenant shall be allocated a share shall include the Building's Subterranean Parking Facility (the "**Included Parking Facilities**"). The Cost Pool for the Included Parking Facilities shall include the Real Property Taxes assessed against the Included Parking Facilities, the Operating Expenses relating to the operation, management, maintenance, repair, and replacement of the Included Parking Facilities (including the Base

Building Systems of such Included Parking Facilities), the utilities expenses for the Included Parking Facilities, and the premiums and costs of insurance covering the Included Parking Facilities and shall be allocated based on parking space allocations.

7.4 Payment of Estimated Operating Expenses. "**Estimated Operating Expenses**" for any particular year shall mean Landlord's estimate of the Operating Expenses for such fiscal year made with respect to such fiscal year as hereinafter provided. Landlord shall have the right from time to time to revise its fiscal year and interim accounting periods so long as the periods as so revised are reconciled with prior periods in a commercially reasonable manner. During the last month of each fiscal year during the Term, or as soon thereafter as practicable, Landlord shall give Tenant written notice of the Estimated Operating Expenses for the ensuing fiscal year. Tenant shall pay Tenant's Proportionate Share of the Estimated Operating Expenses with installments of Base Rent for the fiscal year to which the Estimated Operating Expenses applies in monthly installments on the first day of each calendar month during such year, in advance. Such payment shall be construed to be Additional Rent for all purposes hereunder. Tenant's Proportionate Share of the Estimated Operating Expenses for the first full month due on the Term Commencement Date shall be paid by Tenant upon Tenant's execution of this Lease. If at any time during the course of the fiscal year, Landlord determines that Operating Expenses are projected to vary from the then Estimated Operating Expenses by more than five percent (5%), Landlord may, by written notice to Tenant, revise the Estimated Operating Expenses for the balance of such fiscal year, and Tenant's monthly installments for the remainder of such year shall be adjusted so that by the end of such fiscal year Tenant has paid to Landlord Tenant's Proportionate Share of the revised Estimated Operating Expenses for such year, such revised installment amounts to be Additional Rent for all purposes hereunder.

7.5 Computation of Operating Expense Adjustment. "**Operating Expense Adjustment**" shall mean the difference between Estimated Operating Expenses and actual Operating Expenses for any fiscal year determined as hereinafter provided. Within one hundred twenty (120) days after the end of each fiscal year, or as soon thereafter as practicable, Landlord shall deliver to Tenant a statement of actual Operating Expenses for the fiscal year just ended, accompanied by a computation of Operating Expense Adjustment (the "**Annual Statement**"). If such Annual Statement shows that Tenant's payment based upon Estimated Operating Expenses is less than Tenant's Proportionate Share of Operating Expenses, then Tenant shall pay to Landlord the difference within thirty (30) days after receipt of such statement, such payment to constitute Additional Rent for all purposes hereunder. If such Annual Statement shows that Tenant's payments of Estimated Operating Expenses exceed Tenant's Proportionate Share of Operating Expenses, then (provided there is no Event of Default under this Lease) Landlord shall pay to Tenant the difference within thirty (30) days after delivery of such statement to Tenant. If this Lease has been terminated or the Term hereof has expired prior to the date of such statement, then the Operating Expense Adjustment shall be paid by the appropriate party within thirty (30) days after the date of delivery of the statement. Should this Lease commence or terminate at any time other than the first day of the fiscal year, Tenant's Proportionate Share of the Operating Expense Adjustment shall be prorated based on a month of 30 days and the number of calendar months during such fiscal year that this Lease is in effect. Landlord's failure to provide any notices or statements within the specific time periods specified in Paragraphs 7.3 or 7.4 shall in no way excuse Tenant from its obligation to pay Tenant's Proportionate Share of Operating Expenses; provided, however, Tenant shall have no obligation to pay Tenant's Proportionate Share of any Operating Expenses attributable to any fiscal year which are first billed to Tenant more than one (1) calendar year after such fiscal year, other than Real Property Taxes or utilities for which such one-year limitation shall not be applicable. Tenant shall have one hundred twenty (120) days after receipt of an Annual Statement to notify Landlord in writing that Tenant disputes the correctness of the Annual Statement ("**Expense Claim**"). If Tenant does not object in writing to an Annual Statement within said one hundred twenty (120) day period, such Annual Statement shall be final and binding upon Tenant. If Tenant delivers an Expense Claim to Landlord within said one hundred

twenty (120) day period, the parties shall promptly meet and attempt in good faith to resolve the matters set forth in the Expense Claim. If the parties are unable to resolve the matters set forth in the Expense Claim within thirty (30) days after Landlord's receipt of the Expense Claim ("**Expense Resolution Period**"), then Tenant shall have the right to examine Landlord's Records, subject to the terms and conditions set forth in Paragraph 7.7 below. This Paragraph 7.5 shall survive the expiration or earlier termination of this Lease.

7.6 Net Lease. This shall be a triple net Lease and Base Rent shall be paid to Landlord absolutely net of all costs and expenses, except as specifically provided to the contrary in this Lease. The provisions for payment of Operating Expenses and the Operating Expense Adjustment are intended to pass on to Tenant and reimburse Landlord for all costs and expenses of the nature described in Paragraph 7.1 subject to the limitations contained in Paragraph 7.2.

7.7 Review of Landlord's Books and Records. Provided that Tenant has timely delivered an Expense Claim to Landlord, an Independent CPA (as defined below) shall have the right, at Tenant's cost and expense, to examine, inspect, and copy the records of Landlord concerning the components of Operating Expenses ("**Landlord's Records**") for the fiscal year in question that are disputed in the Expense Claim (an "**Independent Review**"). Such examination shall take place upon reasonable prior written notice, at the offices of Landlord's property manager, during normal business hours, no later than sixty (60) days after expiration of the Expense Resolution Period. Within thirty (30) days after expiration of the Expense Resolution Period, Tenant shall select an independent, nationally or regionally recognized, certified public accounting firm, which firm is referred to herein as the "**Independent CPA**". The Independent CPA shall be compensated on an hourly basis. The inspection of Landlord's records must be completed within thirty (30) days after such records are made available to the Independent CPA. Tenant agrees to keep, and to cause the Independent CPA to keep, all information obtained by Tenant or the Independent CPA confidential, and Landlord may require all persons inspecting Landlord's Records to sign a confidentiality agreement prior to making Landlord's Records available to them. In no event shall Tenant be permitted to examine Landlord's Records or to dispute any Annual Statement unless Tenant has paid and continues to pay all Rent (including the amount disputed in the Expense Claim) when due. If the Independent Review shows that the payments actually made by Tenant with respect to Operating Expenses for the fiscal year in question exceeded Tenant's Percentage Share of Operating Expenses or for such fiscal year, Landlord shall at Landlord's option either (a) credit the excess amount to the next succeeding installments of estimated Operating Expenses or (b) pay the excess to Tenant within thirty (30) days after delivery of such statement, except that after the expiration or earlier termination of this Lease, Landlord shall pay the excess to Tenant. If the Independent Review shows that Tenant's payments with respect to Operating Expenses for such fiscal year were less than Tenant's Percentage Share of Operating Expenses for the fiscal year, Tenant shall pay the deficiency to Landlord within thirty (30) days after delivery of such statement. If the Independent Review shows that Operating Expenses included in the Annual Statement for the fiscal year in question exceeded actual Operating Expenses by more than five percent (5%), then Landlord shall reimburse Tenant for all reasonable, out-of-pocket costs incurred by Tenant for the Independent Review, not to exceed Ten Thousand Dollars ($10,000). Landlord shall retain Landlord Records for the greater of (x) two (2) years after the expiration of the applicable fiscal year to which such Landlord Records relate and (y) the resolution of any dispute between Landlord and Tenant regarding Operating Expenses for the applicable fiscal year. This Paragraph 7.6 shall survive the expiration or earlier termination of this Lease.

8. INSURANCE AND INDEMNIFICATION

8.1 Landlord's Insurance. All insurance maintained by Landlord shall be for the sole benefit of Landlord and under Landlord's sole control. Landlord shall keep in force throughout the Term commercial general liability insurance for the Common Areas and all risk or special form coverage

insuring the Landlord and the Building, in such amounts and with such deductibles as Landlord determines in its sole discretion from time to time in accordance with sound and reasonable risk management principles. Subject to the terms and provisions of Article 7, the cost of all such insurance is included in Operating Expenses. Landlord shall not be obligated to insure, and shall have no responsibility whatsoever for any damage to, any furniture, machinery, goods, inventory or supplies, or other personal property or fixtures which Tenant may keep or maintain in the Premises, or the Tenant Improvements or any Alterations made by or for Tenant during the Term.

8.2 Tenant's Insurance. Tenant shall procure at Tenant's sole cost and expense and keep in effect from the date of this Lease and at all times until the end of the Term the following:

8.2.1 Property Insurance. Property insurance at least as broad as the most commonly available Insurance Services Office (ISO) special form causes of loss ("all risk") policy form CP 10 30 covering all personal property and fixtures of Tenant and all Tenant Improvements and Alterations within the Premises made by or for Tenant, insuring such property for the full replacement value of such property and naming Landlord and the Landlord Parties and any other party reasonably designated by Landlord as loss payee with respect to the Tenant Improvements or Alterations.

8.2.2 Business Income Insurance and Extra Expenses Coverage. Loss of income insurance and extra expense coverage in amounts as will reimburse Tenant for direct or indirect loss of earnings attributable to all perils commonly insured against by prudent lessees in the business of Tenant, or attributable to prevention of access to the Premises as a result of such perils, including all rental expenses and other payment obligations of Tenant under this Lease for a period of not less than one year.

8.2.3 Liability Insurance. Commercial general liability insurance (and commercial umbrella insurance, if necessary to provide required limits), at least as broad as the Insurance Services Office (ISO) occurrence policy form CG 00 01, or a substitute form providing equivalent coverage as reasonably approved by Landlord, with limits of not less than Five Million Dollars ($5,000,000) per occurrence and annual aggregate, covering the insured against claims of bodily injury, broad form property damage and personal and advertising injury and including coverage for, premises and products/completed operations (including the use of owned and non-owned equipment), damage to rented premises, and blanket contractual liability (including tort liability of another party and Tenant's liability for injury or death to persons and damage to property set forth in Paragraph 8.3 below).

8.2.4 Workers' Compensation and Employers' Liability Insurance. Workers' compensation insurance as required by any Applicable Law, and employers' liability insurance in amounts not less than One Million Dollars ($1,000,000) each accident for bodily injury by accident; One Million Dollars ($1,000,000) policy limit for bodily injury by disease; and One Million Dollars ($1,000,000) each employee for bodily injury by disease, and waiver by Tenant's insurer of any right of subrogation against Landlord and Landlord's property manager by reason of payment under such coverage.

8.3 General Insurance Requirements. All policies of liability insurance so obtained and maintained, including any umbrella liability insurance policies, shall (a) be carried in the name of Tenant, (b) name Landlord, any Security Holder and Landlord's designated agents as additional insureds, pursuant to an endorsement providing coverage at least as broad as ISO form CG 2010 11/85 or equivalent (which shall permit any such additional insureds to recover attorneys' fees and costs as the prevailing party in any dispute with the insurer), (c) be the primary insurance providing coverage for Landlord (any other liability insurance maintained by Landlord to be excess and non-contributing), (d) contain a cross-liability endorsement stating that the rights of insureds shall not be prejudiced by one insured making a claim or commencing an action against another insured, (e) include severability of

interest clauses, products-completed operations and coverage of independent contractors, and (f) include breach of conditions coverage in favor of Landlord and the other additional insureds. The insurance requirements in this Paragraph 8 shall not in any way limit, in either scope or amount, the indemnity obligations separately owed by Tenant to Landlord under this Lease, or the liability of Tenant for nonperformance of its obligations or for loss or damage for which Tenant is responsible hereunder. No endorsement limiting or excluding a required coverage is permitted. Duly executed certificates of insurance of such insurance policies required to be carried by Tenant shall be delivered to Landlord prior to the date that Tenant occupies the Premises for any reason, and evidence of renewals of such policies shall be delivered to Landlord as soon as possible prior to the expiration of each respective policy term. All Tenant's insurance shall provide that the insurer agrees not to cancel the policy without at least thirty (30) days' prior written notice to Tenant (except in the event of a cancellation as a result of nonpayment, in which event the insurer shall give Tenant at least ten (10) days' prior notice). Tenant shall notify Landlord within ten (10) days following receipt of any such notice of cancellation or any material modification of any policy of insurance applicable to the Premises required under this Paragraph. If at any time during the Term (i) the amount or coverage of insurance which Tenant is required to carry under Paragraph 8.2 is, in Landlord's reasonable judgment, materially less than the amount or type of insurance coverage typically carried by tenants leasing space in Comparable Buildings which are similar to and operated for similar purposes as the Premises or (b) Tenant's use of the Premises should change with or without Landlord's consent, Landlord shall have the right to require Tenant to increase the amount or change the types of insurance coverage required under Paragraph 8.2, provided that any increase of insurance required pursuant to clause (i) shall be uniformly imposed by Landlord on all office tenants within the Building. All insurance policies required to be carried by Tenant under this Lease shall be written by companies rated A- VII or better in Best's Insurance Guide and authorized to do business in the state in which the Building is located. Payment of any deductibles shall be the sole responsibility of Tenant. Tenant shall deliver to Landlord on or before the Delivery Date, and thereafter as soon as possible before the expiration dates of the expired policies, a certificate of insurance providing evidence of the insurance coverage required under this Paragraph 8. If Tenant shall fail to procure such insurance, or to deliver such policies or certificates, Landlord may, at Landlord's option and in addition to Landlord's other remedies in the Event of a Default by Tenant hereunder, procure the same for the account of Tenant, and the cost thereof shall be paid to Landlord as Additional Rent.

8.4 Vendor Insurance. In addition to the insurance Tenant is required to carry under this Lease, Landlord may require Tenant's vendors, service providers and contractors to carry such insurance as Landlord shall reasonably determine to be necessary, and satisfactory evidence of such insurance shall be delivered to Landlord prior to entry into the Building by such vendors, service providers and contractors.

8.5 Tenant Indemnification. Tenant shall indemnify, defend by counsel reasonably acceptable to Landlord, protect and hold Landlord, Wilson Meany, L.P. and their respective directors, shareholders, investment managers, partners, lenders, members, managers, contractors, affiliates, employees, trustees, principals, beneficiaries, officers, mortgagees and agents (each a "**Landlord Party**" and collectively, the "**Landlord Parties**") harmless from and against any and all claims, liabilities, losses, costs, loss of rents, liens, damages, injuries or expenses, including reasonable attorneys' and consultants' fees and court costs, demands, causes of action, or judgments (collectively, "**Losses**"), directly or indirectly arising out of or related to: (1) claims of injury to or death of persons or damage to property or business loss occurring or resulting directly or indirectly from the use or occupancy of the Premises, Building or Project by Tenant or Tenant Parties, or from activities or failures to act of Tenant or Tenant Parties; (2) claims arising from work or labor performed, or for materials or supplies furnished to or at the request or for the account of Tenant in connection with performance of any work done for the account of Tenant within the Premises or Project; (3) claims arising from any breach or default on the part of Tenant in the performance of any covenant contained in this Lease; and (4) claims arising from the negligence or

intentional acts or omissions of Tenant or Tenant Parties. The foregoing indemnity by Tenant shall not be applicable to claims to the extent arising from the gross negligence or willful misconduct of Landlord or any of Landlord's employees, agents, or contractors. Landlord shall not be liable to Tenant and Tenant hereby waives all claims against Landlord for any injury to or death of, or damage to any person or property or business loss in or about the Premises, Building or Project by or from any cause whatsoever (other than Landlord's gross negligence or willful misconduct) and, without limiting the generality of the foregoing, whether caused by water leakage of any character from the roof, walls, basement or other portion of the Premises, Building or Project, or caused by gas, fire, oil or electricity in, on or about the Premises, Building or Project, acts of God or of third parties, or any matter outside of the reasonable control of Landlord. The provisions of this Paragraph shall survive the expiration or earlier termination of this Lease.

8.6 Landlord Indemnification. Landlord shall indemnify, defend by counsel reasonably acceptable to Tenant, protect and hold Tenant and its directors, shareholders, investment managers, partners, members, managers, affiliates, employees, trustees, principals, and officers (collectively, "**Tenant Indemnitees**") harmless from and against any and all Losses incurred by Tenant Indemnitees to the extent caused by (a) the negligence or willful misconduct of Landlord or any Landlord Party and not covered by the insurance required to be carried by Tenant hereunder or (b) the gross negligence or willful misconduct of Landlord or any of Landlord's employees, agents, or contractors.

9. WAIVER OF SUBROGATION

Landlord and Tenant hereby waive and release any and all rights of recovery against the other party, including officers, employees, agents and authorized representatives (whether in contract or tort) of such other party, that arise or result from any and all loss of or damage to any property of the waiving party located within or constituting part of the Building, including the Premises, to the extent of amounts payable under a standard ISO Commercial Property insurance policy, or such additional property coverage as the waiving party may carry (with a commercially reasonable deductible), whether or not the party suffering the loss or damage actually carries any insurance, recovers under any insurance or self-insures the loss or damage. Each party shall have their property insurance policies issued in such form as to waive any right of subrogation as might otherwise exist. This mutual waiver is in addition to any other waiver or release contained in this Lease.

10. LANDLORD'S REPAIRS AND MAINTENANCE

10.1 Landlord Obligations. Landlord shall maintain in first class condition and repair, reasonable wear and tear excepted each of the following (a) the structural and non-structural portions of the roof of the Building, including the roof coverings; (b) the foundations, columns, footings, load-bearing walls, sub-flooring, and all pipes and conduits to the point of entry into the Building; (c) the exterior walls of the Building, including, without limitation, any painting, sealing, patching and waterproofing of such walls and the repairing, resealing, cleaning and replacing of the exterior windows, (d) the ventilating and air circulation system and equipment, the plumbing, sewer, drainage, electrical, fire protection, elevator, life safety and security systems and equipment and other mechanical, electrical and communications systems and equipment as more fully described in Schedule 1 of the Tenant Improvement Agreement (collectively, the "**Base Building Systems**") (excluding Tenant Systems as defined below); (e) the elevators and (f) the pavement, landscaping, sprinkler systems, sidewalks, driveways, curbs, and lighting systems in the Common Areas (including the Parking Facilities). The cost of performing such maintenance and repairs shall be included in Operating Expenses, to the extent permitted pursuant to Paragraph 7. Notwithstanding the foregoing, if any such repair or maintenance is necessary due to the act or omission of Tenant or any Tenant Party, Tenant shall pay the cost of such work. Tenant shall promptly give Landlord written notice of any defect or need of repairs in such

components of the Building for which Landlord is responsible, after which Landlord shall have a reasonable opportunity and the right to enter the Premises at all reasonable times to repair same, subject to compliance with Paragraph 14.1 below. Landlord's liability with respect to any defects, repairs, or maintenance for which Landlord is responsible under any of the provisions of this Lease shall be limited to the cost of such repairs or maintenance, and there shall be no abatement of rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of repairs, alterations or improvements in or to any portion of the Premises, the Building or the Project or to fixtures, appurtenances or equipment in the Building.

10.2 Warranty. Landlord shall deliver the Premises with the Base Building Systems in operable and good working condition and the Base Building Improvements in good working condition and repair. If, during the one (1) year period following the Term Commencement Date, it is determined that any of the Base Building Systems are not in operable and good working condition or that the materials or workmanship of the Base Building Improvements are defective, then Landlord shall not be liable to Tenant for any damages, but Landlord, at no cost to Tenant (including as Operating Expenses), shall perform such work or take such other action as may be necessary to place the applicable Building System in the operable and good working condition and cure any defects in the materials or workmanship of the Base Building Improvements; provided, however, that (a) if Tenant does not give Landlord written notice of any deficiency of any of the Base Building Systems or any defect in the materials or workmanship of the Base Building Improvements within one (1) year after the Term Commencement Date, Landlord shall not be responsible for correcting such condition pursuant to this Paragraph 10.2 but rather such condition shall be corrected as otherwise provided in this Lease and the cost of performing such correction shall be included in Operating Expenses, to the extent permitted pursuant to Paragraph 7 or performed by Tenant as required under Paragraph 11; and (b) if any such work is necessary due to the act or omission of Tenant or any Tenant Party, Tenant shall pay the cost of such work. Landlord's warranty hereunder does not cover the cost of normal repair, maintenance or replacement expected in light of the specifications of the applicable construction materials, equipment or system.

10.3 Waiver. 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.

11. TENANT'S REPAIRS AND MAINTENANCE

Tenant shall at all times during the Term at Tenant's expense maintain all parts of the Premises, including the Tenant Improvements and any Alterations, in a first class, good, clean and secure condition and promptly make all necessary repairs and replacements, as reasonably determined by Landlord, with materials and workmanship of the same character, kind and quality as the original, including, without limitation, the following: (a) interior glass, windows, window frames, window casements (including the repairing, resealing, cleaning and replacing of interior windows and glass); (b) interior office entry doors, door frames and door closers; (c) interior lighting (including, without limitation, light bulbs and ballasts); (d) interior demising walls and partitions (including painting and wall coverings), (e) all Tenant Systems; and (f) all Lines (defined in Paragraph 39.1). Tenant shall be responsible for providing regular janitorial service to the Premises on Business Days in accordance with the standards of Comparable Buildings. As used herein, "**Tenant Systems**" means all of the following, to the extent the same are installed by or on behalf of Tenant, and exclusively serve the Premises and are located in (or on the roof of) the Building: all heating, ventilation, air conditioning, plumbing, sewer, drainage, electrical, fire/life-safety, security and other systems and equipment, including all electrical facilities, equipment and appliances, including lighting fixtures, lamps, fans, exhaust equipment or systems, and electrical motors, whenever and by whomever installed or paid for. Without limiting the foregoing, Tenant, at its expense, shall (i) keep the Tenant Systems in as good working order and condition as exists upon its installation (or, if later, on the

date Tenant takes possession of the Premises), subject to normal wear and tear and damage resulting from Casualty; (ii) maintain in effect, with a contractor reasonably approved by Landlord, a contract for the maintenance and repair of the Tenant Systems (which contract shall require the contractor, at least once every three (3) months, to (x) inspect such Tenant Systems and provide to Tenant a report of any defective conditions, together with any recommendations for maintenance, repair or parts-replacement, all in accordance with the manufacturer's recommendations, and (y) replace filters, oil and lubricate machinery, replace parts, adjust drive belts, change oil and perform other preventive maintenance, including annual maintenance of duct work and interior unit drains, and annual caulking of sheet metal and re-caulking of jacks and vents; (iii) follow all reasonable recommendations of such contractor; and (iv) promptly provide to Landlord a copy of such contract and each report issued thereunder. If access to the roof of the Building is required in order to perform any of Tenant's obligations under this Paragraph 11, such access shall be subject to such reasonable rules and procedures as Landlord may impose, and Tenant shall maintain the affected portion of the roof in a clean and orderly condition and shall not interfere with use of the roof by Landlord or any other tenant or licensee. In addition, Tenant shall, at its expense, promptly repair any damage to the Premises, the Building or the Project resulting from or caused by any negligence or act of Tenant or Tenant Parties.

12. ALTERATIONS.

12.1 Landlord's Approval. Tenant shall not make, or allow to be made, any alterations, physical additions, improvements or partitions, including without limitation the attachment of any fixtures or equipment, in, about or to the Premises ("**Alterations**") without obtaining the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed with respect to proposed Alterations which: (i) comply with all Applicable Laws; (ii) are, in Landlord's opinion, compatible with the Building or the Project and the Base Building Systems , and will not cause the Building or Project or Base Building Systems to be required to be modified to comply with any Applicable Laws (including, without limitation, the Americans With Disabilities Act); and (iii) will not unreasonably interfere with or materially disturb the use and occupancy of any other portion of the Building or Project by any other tenant or its invitees. Specifically, but without limiting the generality of the foregoing, Landlord shall have the right to approve all plans and specifications for the proposed Alterations, construction means and methods, all appropriate permits and licenses, any contractor or subcontractor to be employed on the work of Alterations, and the time for performance of such work, and may impose reasonable rules and regulations for contractors and subcontractors performing such work. Landlord may, in its sole discretion, specify engineers, general contractors, subcontractors, and architects to perform work affecting the Base Building Systems. Tenant shall also supply to Landlord any documents and information reasonably requested by Landlord in connection with Landlord's consideration of a request for approval hereunder. No review or consent by Landlord of or to any proposed Alteration or additional work shall constitute a waiver of Tenant's obligations under this Paragraph 12, nor constitute any warranty or representation that the same complies with all Applicable Laws, for which Tenant shall at all times be solely responsible. Tenant shall reimburse Landlord for all out-of-pocket, reasonable costs which Landlord may incur in connection with granting approval to Tenant for any such Alterations, including any costs or expenses which Landlord may incur in electing to have outside architects and engineers review said plans and specifications. Tenant shall also pay to Landlord a fee for its review of plans and its management and supervision of the progress of the work in an amount equal to three percent (3%) of the cost of any Alterations (other than for Minor Alterations). The Tenant Improvements constructed pursuant to the Tenant Improvement Agreement shall not be deemed to be Alterations hereunder.

12.2 Minor Alterations. Notwithstanding the foregoing, Landlord's consent shall not be required for any Minor Alterations (as defined below), provided that Tenant shall provide Landlord at least ten (10) days' notice prior to commencing such Minor Alterations, and such Minor Alterations shall

otherwise comply with the provisions of this Paragraph 12. As used herein, a "**Minor Alteration**" is any Alteration that satisfies all of the following criteria: (1) is not visible from the exterior of the Premises or Building; (2) will not adversely affect the Base Building Systems or structural portions of the Building (including exterior walls and shear walls); and (3) does not cost more than Thirty Thousand Dollars ($30,000.00) per project.

12.3 Required Documentation. Subsequent to obtaining Landlord's consent and prior to commencement of the Alterations, Tenant shall deliver to Landlord any building or other permit required by Applicable Laws in connection with the Alterations. In addition, Tenant shall require its general contractor to carry and maintain the following insurance at no expense to Landlord, and Tenant shall furnish Landlord with satisfactory evidence thereof prior to the commencement of construction: (i) commercial general liability insurance with limits of not less than Three Million Dollars ($3,000,000) combined single limit for bodily injury and property damage, including personal injury and death, and contractor's protective liability, and products and completed operations coverage; (ii) comprehensive automobile liability insurance with a policy limit of not less than One Million Dollars ($1,000,000) each accident for bodily injury and property damage, providing coverage at least as broad as the Insurance Services Office (ISO) business auto coverage form covering automobile liability, code 1 "any auto", and insuring against all loss in connection with the ownership, maintenance and operation of automotive equipment that is owned, hired or non-owned; (iii) workers' compensation insurance as required by any Applicable Law, and employers' liability insurance in amounts not less than One Million Dollars ($1,000,000) each accident for bodily injury by accident, One Million Dollars ($1.000,000) aggregate disease coverage and One Million Dollars ($1,000,000) each employee for bodily injury by disease; and (iv) except in the case of Minor Alterations, and unless Tenant carries such coverage itself, "builder's risk" insurance in an amount approved by Landlord covering the Alterations, it being understood and agreed that the Alterations (which, for purposes of this Paragraph 12.3, shall exclude the Tenant Improvements) shall be insured by Tenant pursuant to Paragraph 8.2 of this Lease immediately upon completion thereof. The contractor's commercial general insurance policy shall be endorsed to add Landlord as an additional insured with respect to liability arising out of work performed by or for Tenant's general contractor, to specify that such insurance is primary and that any insurance or self-insurance maintained by Landlord shall not contribute with it, and to provide that coverage shall not be terminated, cancelled or materially modified except after thirty (30) days prior written notice has been given to Landlord by Tenant.

12.4 Construction of Alterations. Tenant shall cause all Alterations to be accomplished in a first-class, good and workmanlike manner, and to comply with all Applicable Laws, Paragraph 28 hereof, the Project Labor Agreement (defined in Paragraph 41), and the Construction Rules and Regulations set forth as Schedule 3 to the Tenant Improvement Agreement. Tenant shall, at Tenant's sole expense, perform any additional work required under Applicable Laws due to the Alterations hereunder. All Alterations shall be made in accordance with the plans and specifications approved in writing by Landlord and shall be designed and diligently constructed in a good and workmanlike manner and in compliance with all Applicable Laws. Tenant shall cause any Alterations to be made in such a manner and at such times so that any such work shall not unreasonably disrupt or unreasonably interfere with the use or occupancy of other tenants or occupants of the Project.

12.5 Completion of Alterations. Promptly following completion of any Alterations (excluding Alterations that do not require a building permit), Tenant shall (a) furnish to Landlord "as built" plans therefor, and (b) cause a timely notice of completion to be recorded in the Office of the Recorder of the County of San Mateo in accordance with Civil Code Section 3093 or any successor statute. All trash which may accumulate in connection with Tenant's construction activities shall be removed by Tenant or its contractor at reasonable intervals at no expense to Landlord from the Premises and the Building.

12.6 Removal and Restoration. By written notice to Tenant either before, or at the time of, Landlord's approval of any Alterations (or, as to Minor Alteration, within thirty (30) days following Tenant's request for Landlord's determination), Landlord may require Tenant, at Tenant's sole expense, to remove such Alterations prior to the Expiration Date or any earlier termination of this Lease, to restore the Premises to substantially their configuration and condition before the Alterations were made, and to repair any damage to the Premises caused by such removal. If Landlord does not deliver such removal notice to Tenant within the time period specified herein, then Tenant shall not be required to remove such Alterations. Landlord shall not require removal of typical business office improvements that would be constructed or installed in Comparable Buildings unless such alterations, in Landlord's reasonable judgment, are of a nature that would require material removal and repair costs, such as internal stairs and vertical penetrations, raised floors, full-service kitchens or cafeterias, personal showers or bathtubs, vaults, safes, and structural alterations and modifications of any type ("**Specialty Alterations**".

12.7 Taxes. In addition to and wholly apart from Tenant's obligation to pay Tenant's Proportionate Share of Operating Expenses, Tenant shall be responsible for and shall pay prior to delinquency any taxes or governmental service fees, possessory interest taxes, fees or charges in lieu of any such taxes, capital levies, or other charges imposed upon, levied with respect to or assessed against its fixtures or personal property, on the value of Alterations within the Premises, and on Tenant's interest pursuant to this Lease, or any increase in any of the foregoing based on such Alterations. To the extent that any such taxes are not separately assessed or billed to Tenant, Tenant shall pay the amount thereof as invoiced to Tenant by Landlord.

13. SIGNS

13.1 Tenant's Signage.

13.1.1 Exterior Monument Signage. Subject to the terms and conditions set forth in this Paragraph 13, Tenant shall have the right, at Tenant's sole cost and expense, to install a sign identifying Tenant on the existing exterior monument sign identifying tenants of the Building (the "**Tenant's Exterior Monument Sign**"), provided that (a) such signage shall comply with the Building's standard signage program and guidelines and with all Applicable Laws and (b) the name, logo, typeface and graphic format of such signage shall be subject to Landlord's prior approval. Landlord hereby approves the name "Freshworks" and a monochromatic version Tenant's current logo as depicted on **Exhibit H** for use on the Tenant's Exterior Monument Sign.

13.1.2 Ground Floor Lobby Sign. Subject to the terms and conditions set forth in this Paragraph 13, Tenant shall have the right, at Tenant's sole cost and expense, to install one (1) sign on an interior wall of the lobby located on the first floor of the Building identifying Tenant ("**Lobby Sign**") in a location designated by Landlord, provided that (a) such signage shall comply with the Building's standard signage program and guidelines and with all Applicable Laws and (b) the name, logo, typeface and graphic format of such signage shall be subject to Landlord's prior approval. Landlord hereby approves the name "**Freshworks**" and a monochromatic version of Tenant's current logo as depicted on **Exhibit H** for use on the Lobby Sign.

13.1.3 Entrance Sign. Subject to the terms and conditions set forth in this Paragraph 13, Tenant shall have the right, at Tenant's sole cost and expense, to install signage at the entrances to the Premises identifying Tenant (the "**Tenant's Entrance Signs**"), provided that (a) such signage shall comply with the Building's standard signage program and guidelines and with all Applicable Laws and (b) the name, logo, typeface and graphic format of such signage shall be subject to Landlord's prior approval. Landlord hereby approves the name "Freshworks" and a monochromatic version of Tenant's current logo as depicted on **Exhibit H** for use on the Tenant's Entrance Sign.

13.1.4 Building Directory. Landlord shall include Tenant's name in the electronic Building directory located in the lobby of the Building, to the extent such electronic Building directory is maintained by Landlord and available for use by tenants of the Building.

13.1.5 Restrictions. Tenant shall not place on any portion of the Premises any sign, poster, placard, lettering, banner, displays, graphic, advertising, or other material that is visible from the exterior of the Premises without Landlord's prior written approval.

13.2 Governmental Approvals. Tenant, at Tenant's expense, shall be responsible for obtaining all required permits and approvals for Tenant's Exterior Monument Sign. Tenant's Exterior Monument Sign must comply with all Applicable Laws. Landlord, at no cost to Landlord, shall cooperate with Tenant to obtain all required permits and approvals for Tenant's Exterior Monument Sign. Tenant hereby acknowledges that, notwithstanding any approval by Landlord of Tenant's Exterior Monument Sign, Landlord has made no representations or warranties to Tenant with respect to the probability of obtaining such permits and approvals, nor the availability or location of Tenant's Exterior Monument Sign, and the failure of Tenant to obtain such permits and approvals shall not delay the Term Commencement Date or release Tenant from any obligations under this Lease.

13.3 Maintenance and Removal. Any signs, once approved by Landlord, shall be installed and removed only in strict compliance with Landlord's approval and Applicable Laws, at Tenant's expense, using a contractor first approved by Landlord to install same. Tenant, at its sole expense, shall maintain such sign in good condition and repair during the Term. Landlord may remove any signs (not first approved in writing by Landlord), advertisements, banners, placards or pictures so placed by Tenant on or visible from the exterior of the Premises or on the Building, the Common Areas or the Project and charge to Tenant the cost of such removal, together with any costs incurred by Landlord to repair any damage caused thereby, including any cost incurred to restore the surface upon which such sign was so affixed to its original condition. Prior to the expiration or earlier termination of this Lease, Tenant shall remove all of Tenant's signs, repair any damage caused thereby, and restore the surface upon which the sign was affixed to its original condition, all to Landlord's reasonable satisfaction, upon the expiration or earlier termination of this Lease.

13.4 Assignment and Subleasing. The right to install Tenant's Exterior Monument Sign and the Lobby Sign granted in this Paragraph 13 shall not be assigned or subleased separate and apart from a Transfer of the Lease.

13.5 Rights Personal and Occupancy. Tenant's right to install Tenant's Exterior Monument Sign and Lobby Sign is personal to the Original Tenant or an assignee assuming the Lease in its entirety or a subtenant subleasing the entirety of the Premises provided that the Transfer to such assignee or subtenant has been approved by Landlord pursuant to Paragraph 22 or is a Permitted Transfer. No other assignee or subtenant shall have any right to install Tenant's Exterior Monument Sign or Lobby Sign pursuant to this Paragraph 13. In addition, if at any time the then Tenant permitted to install Tenant's Exterior Monument Sign and Lobby Sign (as provided in the first sentence of this Paragraph 13.5) occupies less than fifty percent (50%) of the Premises, Tenant's rights to install Tenant's Exterior Monument Sign and Lobby Sign shall automatically terminate and be of no further force or effect. In no event shall any subsequent increase in Tenant's occupancy following any terminated rights pursuant to this Paragraph 13.5 result in a reinstatement of such rights.

14. ENTRY BY LANDLORD

14.1 Right of Entry. After reasonable notice of at least forty-eight (48) hours, except in emergencies where no such notice shall be required, Landlord and Landlord's agents and representatives,

shall have the right to enter the Premises to inspect the same, to clean, to perform such work as may be permitted or required hereunder, to make repairs, improvements or alterations to the Premises, Building or Project or to other tenant spaces therein, to deal with emergencies, to post such notices as may be permitted or required by law to prevent the perfection of liens against Landlord's interest in the Project or to exhibit the Premises to prospective tenants, purchasers, encumbrancers or to others, or for any other purpose as Landlord may deem reasonably necessary or desirable; provided, however, that Landlord shall use reasonable efforts not to unreasonably interfere with Tenant's business operations. Landlord shall at all times have and retain a key with which to unlock all of the doors in, upon and about the Premises, excluding Tenant's vaults and safes or special security areas (designated in advance), and Landlord shall have the right to use any and all means which Landlord may deem reasonably necessary or proper to open said doors in an emergency, in order to obtain entry to any portion of the Premises, and any entry to the Premises or portions thereof obtained by Landlord by any of said means, shall not be construed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an eviction, actual or constructive, of Tenant from the Premises or any portions thereof. At any time within twelve (12) months prior to the expiration of the Term or following any earlier termination of this Lease or agreement to terminate this Lease, Landlord shall have the right to erect on the Premises, Building and/or Project a suitable sign indicating that the Premises are available for lease.

14.2 Waiver of Claims. Tenant acknowledges that Landlord, in connection with Landlord's activities under this Paragraph 14, may, among other things, erect scaffolding or other necessary structures in the Project, limit or eliminate access to portions of the Project, including portions of the Common Areas, or perform work to the Building and/or within the Project, which work may create noise, dust, vibration, odors or leave debris in the Project. Landlord shall exercise commercially reasonable efforts to minimize interference with the conduct of Tenant's access to or business in the Premises in performing activities under this Paragraph 14, but Tenant hereby agrees that such activities shall not: constitute an actual or constructive eviction of Tenant; entitle Tenant to any abatement of Rent; make Landlord liable to Tenant for any direct or indirect injury to or interference with Tenant's business; or entitle Tenant to any compensation or damages for loss of the use of the whole or any part of the Premises or of Tenant's personal property or improvements, or for any inconvenience or annoyance resulting from such activities, except to the extent caused by the gross negligence or willful misconduct of Landlord, its agents, employees or contractors.

15. SERVICES AND UTILITIES

15.1 Services and Utilities Provided by Landlord. Provided there is no Event of Default hereunder, and subject to the provisions elsewhere herein contained and to the Rules and Regulations, Landlord shall furnish, or arrange for the applicable utility provider to furnish to the Premises, (a) hot and cold water for lavatory and drinking purposes, (b) electricity, (c) during Building Business Hours (except on Holidays), ventilation as provided by the Base Building Systems, and (d) elevator service, which shall mean service either by nonattended automatic elevators or elevators with attendants, or both, at the option of Landlord. Tenant acknowledges that Tenant has reviewed and accepts the water, electricity, ventilation and other utilities and services being supplied or furnished to the Premises as described in Schedule 1 of the Tenant Improvement Agreement and the LEED Design/Operational Requirements set forth in **Exhibit G**, as being sufficient for use of the Premises for reasonable and normal office use and suitable for the Permitted Use and for Tenant's intended operations in the Premises.

15.2 Controls. Tenant agrees to keep and cause to be kept closed all window covering when reasonably necessary because of the sun's position, and Tenant also agrees at all times to reasonably cooperate fully with Landlord and to abide by all of the regulations and requirements which Landlord may prescribe for the proper functioning and protection of the Base Building Systems. Wherever heat-generating machines, excess lighting or equipment are used in the Premises which affect the temperature

otherwise maintained by the ventilation system, Landlord reserves the right to install supplementary air conditioning units in the Premises (after providing notice to Tenant and an opportunity to cure the excess use) and the cost thereof, including the cost of installation and the cost of operation and maintenance thereof, shall be paid by Tenant to Landlord within thirty (30) days after receipt of an invoice therefor. Tenant shall not without written consent of Landlord use any apparatus, equipment or device in the Premises, including without limitation, computers, electronic data processing machines, copying machines, and other machines, using excess lighting or using electric current, water, or any other resource in excess of or which will in any way increase the amount of electricity, water, or any other resource being furnished or supplied for the use of the Premises as described in Schedule 1 of the Tenant Improvement Agreement, the LEED Design/Operational Requirements and the Building plans for reasonable and normal office use, in each case as of the date Tenant takes possession of the Premises and as determined by Landlord, or which will require additions or alterations to or materially interfere with the Building power distribution systems; nor connect with electric current, except through existing electrical outlets in the Premises or water pipes, any apparatus, equipment or device for the purpose of using electrical current, water, or any other resource. If Tenant shall require water or electric current or any other resource in excess of that being furnished or supplied for the use of the Premises as described in Schedule 1 of the Tenant Improvement Agreement and the Building plans, Tenant shall first procure the written consent of Landlord to the use thereof, which consent shall not be unreasonably withheld, and Landlord may cause a special meter to be installed in the Premises so as to measure the amount of water, electric current or other resource consumed for any such other use. Tenant shall pay directly to Landlord within thirty (30) days after receipt of an invoice, as an addition to and separate from payment of Operating Expenses the cost of all such additional resources, energy, utility service and meters (and of installation, maintenance and repair thereof and of any additional circuits or other equipment necessary to furnish such additional resources, energy, utility or service). Landlord may add to the separate or metered charge a recovery of additional expense incurred in keeping account of the excess water, electric current or other resource so consumed. Following receipt of Tenant’s request to do so, Landlord shall use good faith efforts to restore any service specifically to be provided under Paragraph 15 that becomes unavailable and which is in Landlord’s reasonable control to restore; provided, however, that Landlord shall in no case be liable for any damages directly or indirectly resulting from nor shall the Rent or any monies owed Landlord under this Lease herein reserved be abated by reason of: (a) the installation, use or interruption of use of any equipment used in connection with the furnishing of any such utilities or services, or any change in the character or means of supplying or providing any such utilities or services or any supplier thereof; (b) the failure to furnish or delay in furnishing any such utilities or services when such failure or delay is caused by Force Majeure Events, or otherwise or because of any interruption of service due to Tenant’s use of water, electric current or other resource in excess of that being supplied or furnished for the use of the Premises as of the date Tenant takes possession of the Premises; (c) the inadequacy, limitation, curtailment, rationing or restriction on use of water, electricity, gas or any other form of energy or any other service or utility whatsoever serving the Premises or Project, whether by Applicable Law or otherwise; or (d) the partial or total unavailability of any such utilities or services to the Premises or the Building or the diminution in the quality or quantity thereof, whether by Applicable Law or otherwise; or (e) any interruption in Tenant’s business operations as a result of any such occurrence; nor shall any such occurrence constitute an actual or constructive eviction of Tenant or a breach of an implied warranty by Landlord. Landlord shall further have no obligation to protect or preserve any apparatus, equipment or device installed by Tenant in the Premises, including without limitation by providing additional or after-hours air circulation. Landlord shall be entitled to cooperate voluntarily and in a reasonable manner with the efforts of national, state or local governmental agencies or utility suppliers in reducing energy or other resource consumption. The obligation to make services available hereunder shall be subject to the limitations of any such voluntary, reasonable program. In addition, Landlord reserves the right to change the supplier or provider of any such utility or service from time to time. Tenant shall have no right to contract with or otherwise obtain any electrical or other such service for or with respect to the Premises or Tenant’s operations therein from any supplier or provider of

any such service. Tenant shall reasonably cooperate with Landlord and any supplier or provider of such services designated by Landlord from time to time to facilitate the delivery of such services to Tenant at the Premises and to the Building and Project, including without limitation allowing Landlord and Landlord's suppliers or providers, and their respective agents and contractors, reasonable access to the Premises for the purpose of installing, maintaining, repairing, replacing or upgrading such service or any equipment or machinery associated therewith.

15.3 Utility Meters and Charges. Tenant shall, as a component of the Tenant Improvement Work and at Tenant's sole cost and expense, cause meters to be installed in the Premises that measure the use of electricity and gas within the Premises. Tenant shall pay, upon demand, for all utilities furnished to the Premises. If such utilities, including water, are not separately metered to Tenant, Tenant shall pay Tenant's Proportionate Share of all charges jointly serving the Project in accordance with Paragraph 7. All sums payable under this Paragraph 15 shall constitute Additional Rent hereunder.

15.4 After Hours Air Circulation Service. Upon Tenant's giving reasonable advance notice in making any request for air circulation outside of Building Business Hours, Landlord shall provide the same. Tenant agrees to pay, as Additional Rent, within thirty (30) days after demand therefor, a reasonable charge for such services, as determined by Landlord.

15.5 Services Providers. Tenant may contract separately with providers of telecommunications or cellular products, systems or services for the Premises, provided, however, that any such provider is subject to Landlord's prior approval, which approval shall not be unreasonably withheld, conditioned or delayed. Even though such products, systems or services may be installed or provided by such providers in the Building, in consideration for Landlord's permitting such providers to provide such services to Tenant, Tenant agrees that Landlord and the Landlord Parties shall in no event be liable to Tenant or any Tenant Party for any damages of any nature whatsoever arising out of or relating to the products, systems or services provided by such providers (or any failure, interruption, defect in or loss of the same) or any acts or omissions of such providers in connection with the same or any interference in Tenant's business caused thereby except as a result of the gross negligence or willful misconduct of Landlord or any of Landlord's employees, agents, or contractors. Tenant waives and releases all rights and remedies against Landlord and the Landlord Parties that are inconsistent with the foregoing.

15.6 Consumption Data. Tenant acknowledges that Applicable Law may require Landlord to disclose certain energy consumption data for the Premises ("**Tenant Energy Use Disclosure**"). Tenant consents to such Tenant Energy Use Disclosure, and agrees to provide Landlord with information about Tenant's separately metered energy consumption at the Premises (such as providing copies of Tenant's utility bills) as may be reasonably necessary to allow Landlord to make the Tenant Energy Use Disclosure or, at Landlord's option, execute and deliver to Landlord an instrument enabling Landlord to obtain such information from the energy provider. 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. Tenant hereby releases Landlord from any claims, losses, costs, damages, expenses and liabilities arising out of, resulting from, or otherwise relating to the making of any Tenant Energy Use Disclosure. The terms of this Paragraph 15.6 shall survive the expiration or earlier termination of this Lease.

15.7 Interruption of Utilities. There shall be no abatement of rent and Landlord shall not be liable in any respect whatsoever, for the inadequacy, stoppage, interruption or discontinuance of any utility or service due to riot, strike, labor dispute, breakdown, accident, repair, in cooperation with governmental request or directions, or any other cause whatsoever, unless caused by the negligence or willful misconduct of Landlord or its employees, agents or contractors. Any interruption or

discontinuance of service shall not, except as otherwise provided by Applicable Laws, be deemed an eviction or disturbance of Tenant's use and possession of the Premises, or any part thereof, nor shall it render Landlord liable to Tenant for any injury, loss or damage by abatement of rent or otherwise, nor shall it relieve Tenant from performance of Tenant's obligations under this Lease. Notwithstanding the foregoing, if Tenant is prevented from using, and does not use, the Premises or any material portion thereof as a consequence of a cessation of utilities (i) not caused by Tenant or any Tenant Party and either within the reasonable control of Landlord to correct or covered by rental interruption insurance then carried by Landlord or (ii) caused by the negligence or willful misconduct of Landlord or Landlord's employees, agents or contractors (each, a "**Utility Cessation Event**"), then Tenant shall give Landlord notice of such Utility Cessation Event, and if such Utility Cessation Event continues for more than five (5) consecutive Business Days after Landlord's receipt of such notice ("**Utility Cessation Abatement Period**"), then the Base Rent and Tenant's Proportionate Share of Operating Expenses shall be abated after expiration of the Utility Cessation Abatement Period and continuing for such time that Tenant continues to be so prevented from using, and does not use, the Premises or any material portion thereof, in the proportion that the rentable square footage of the Premises that Tenant is prevented from using, and does not use, bears to the total rentable square footage of the Premises.

16. SECURITY SERVICES AND ACCESS CONTROL

16.1 Security Services. Landlord shall have the right from time to time to adopt such policies, procedures and programs as it shall, in Landlord's reasonable discretion, deem necessary or appropriate for the security of the Project taking into consideration policies, procedures and programs adopted for Comparable Buildings and the character of the surrounding community. Tenant shall reasonably cooperate with Landlord in the enforcement of, and shall comply with, the policies, procedures and programs reasonably adopted by Landlord insofar as the same pertain to Tenant or any Tenant Parties. Tenant acknowledges that the safety and security devices, services and programs provided by Landlord from time to time, if any, may not prevent theft or other criminal acts, or insure the safety of persons or property, and Tenant expressly assumes the risk that any safety device, service or program may not be effective or may malfunction or be circumvented. Except to the extent damages are caused by the gross negligence or willful misconduct of Landlord, Landlord shall not be liable in any manner to Tenant or any other Tenant Parties for any acts (including criminal acts) of others, or for any direct, indirect, or consequential damages, or any 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, or other loss or damage, bodily injury or death, related to any malfunction, circumvention or other failure of any security services which Landlord may provide pursuant to this Paragraph 16.1, or for the failure of any of the foregoing security services to prevent bodily injury, death, or property damage, or loss, or to apprehend any person suspected of causing such injury, death, damage or loss.

16.2 Access. Tenant shall have access to the Premises twenty-four (24) hours per day, seven (7) days a week. Tenant assumes responsibility for controlling access to the Premises and may install its own security system pursuant to Paragraph 16.3, provided that Landlord shall at all times have access to the Premises in the event of an emergency and as necessary to provide the services and perform the obligations of Landlord under this Lease.

16.3 Tenant's Security Equipment. Tenant shall have the right to institute such security measures entirely within the Premises as it may determine in its sole discretion, at Tenant's sole cost and expense and at no cost to Landlord, including, without limitation, the installation of key-card systems, security lighting and video monitoring equipment (collectively, "**Tenant's Security Equipment**"), subject to all Applicable Laws, fire rating requirements and any so-called "fail safe open" requirements. At Tenant's sole cost, Tenant shall be permitted to tie Tenant's Security Equipment into the Base

Building Systems if requested by Tenant provided that (a) Tenant's Security Equipment is compatible with the Base Building Systems and (b) Tenant's Security System does not materially and adversely interfere with the Base Building Systems. Landlord must have the ability, at all times, to access the stairwells and to activate any such Tenant Security Equipment; provided, however, that, except in the event of an emergency, Landlord shall not deactivate Tenant's Security System, whether in connection with inspection, maintenance or repair of the Building's fire/life safety system or otherwise, without providing reasonable prior notice to Tenant an addressing any concerns of Tenant to Tenant's reasonable satisfaction prior to implementing any deactivation. Tenant shall keep and maintain any Tenant's Security Equipment in good working order, condition and repair throughout the Term. In no event shall Tenant be entitled to any credit against Rent (including Tenant's Proportionate Share of Operating Expenses) or to any exclusions from Operating Expenses in the determination of Tenant's Proportionate Share of Operating Expenses. as a result of Tenant's election to provide security measures or equipment to its Premises. Prior to the expiration or earlier termination of this Lease, Tenant shall, upon written request by Landlord, remove the Tenant's Security Equipment and associated wiring and repair any damage to the Premises or the Building caused by such removal unless, at the time of installation of the Tenant's Security Equipment, Tenant requested Landlord to advise Tenant whether or not Landlord would require removal of Tenant's Security Equipment and associated wiring at the expiration or earlier termination of the Lease and Landlord notified Tenant in writing that Landlord would not require such removal. Prior to installation of Tenant's Security Equipment, Landlord shall notify Tenant whether or not it will require Tenant to remove Tenant's Security Equipment and associated wiring and repair any damage to the Premises or the Building caused by such removal.

17. SUBORDINATION AND NON-DISTURBANCE

Subject to the terms and conditions of this Paragraph 17, this Lease shall be and is hereby declared to be subject and subordinate at all times to: (a) all ground leases or underlying leases which may now exist or hereafter be executed affecting the Premises and/or the land upon which the Building and Project are situated, or both; and (b) any mortgage or deed of trust which may now exist or be placed upon the Building, the Project and/or the land upon which the Building or the Project are situated, or said ground leases or underlying leases, or Landlord's interest or estate in any of said items which is specified as security (such leases, mortgages and deeds of trust are referred to herein, collectively, as "**Superior Interests**"), and all advances made upon the security of such mortgages or deeds of trust, all without the necessity of any further instrument executed or delivered by or on the part of Tenant for the purpose of effectuating such subordination, unless the holder of any such Superior Interest (each, a "**Security Holder**") requires in writing that this Lease be superior thereto. Upon any termination or foreclosure (or any delivery of a deed in lieu of foreclosure) of any Superior Interest, Tenant, upon request, shall attorn to the Security Holder or foreclosure sale purchaser or any successor thereto and shall recognize such party as the lessor hereunder provided such Security Holder, purchaser or successor thereto accepts all of the terms, covenants and conditions of this Lease and agrees not to disturb Tenant's occupancy so long as there is no Event of Default hereunder. Tenant agrees with Security Holder that if Security Holder or any foreclosure sale purchaser or successor thereto shall succeed to the interest of Landlord under this Lease, such Security Holder, purchaser or any successor thereto shall not be (i) liable for any action or omission of any Landlord under this Lease arising prior to such Security Holder, purchaser or successor acquiring title to and possession of the Premises, or (ii) subject to any offsets, defenses or counterclaims which Tenant might have against any prior Landlord, or (iii) bound by any Rent which Tenant might have paid for more than the current month to any prior Landlord, or (iv) bound by any modification or amendment of this Lease not consented to by such Security Holder, purchaser or any successor thereto. Within ten (10) Business Days after request by Landlord, Tenant covenants and agrees to execute and deliver commercially reasonable instruments evidencing such subordination of this Lease to any such Superior Interest, and such attornment, as may be required by Landlord or by the Security Holder of such Superior Interest. Concurrently with the execution of this Lease, Landlord shall provide Tenant with a

subordination, non-disturbance and attornment agreement (an "**SNDA**") from the Security Holder existing as of the Lease Date in the Security Holder's form of agreement, subject to commercially reasonably modifications as may be agreed upon by Tenant and Security Holder. Subordination of this Lease to any further Security Holder shall be conditioned on such Security Holder entering into a commercially reasonably SNDA.

18. FINANCIAL STATEMENTS

If at any time Tenant is not a publicly traded company, at Landlord's request from time to time, Tenant shall deliver to Landlord a copy, certified by an officer of Tenant as being a true and correct copy, of Tenant's most recent audited financial statement, or, if unaudited, certified by Tenant's chief financial officer as being true, complete and correct in all material respects which Landlord shall use solely for purposes of this Lease and in connection with the ownership, management, financing and disposition of the Project. Tenant hereby authorizes Landlord to obtain one or more credit reports on Tenant at any time, and shall execute such further authorizations as Landlord may reasonably require in order to obtain a credit report. Landlord shall not request the information set forth above more than once per calendar year except if required in connection with a potential sale, investment or financing of the Building or the Project or any interest of Landlord therein. Landlord agrees to maintain all such financial information on a strictly confidential basis; provided, however, that Landlord shall be entitled to share such financial information with those investors or lenders of Landlord, prospective investors or lenders or Landlord or purchasers or prospective purchasers of the Building or Project desirous of reviewing the same, provided any such party shall similarly agree in writing to maintain such financial information on a strictly confidential basis.

19. ESTOPPEL CERTIFICATE

Tenant agrees from time to time, within ten (10) Business Days after request of Landlord, to deliver to Landlord, or Landlord's designee, an estoppel certificate stating that this Lease is in full force and effect, that this Lease has not been modified (or stating all modifications, written or oral, to this Lease), the date to which Rent has been paid, the unexpired portion of this Lease, that, to Tenant's knowledge, there are no current defaults by Landlord or Tenant under this Lease (or specifying any such defaults), that the leasehold estate granted by this Lease is the sole interest of Tenant in the Premises and/or the land at which the Premises are situated, and such other matters pertaining to this Lease as may be reasonably requested by Landlord or any mortgagee, beneficiary, purchaser or prospective purchaser of the Building or Project or any interest therein. Failure by Tenant to execute and deliver such certificate within such ten (10) Business Day period shall constitute an acceptance of the Premises and acknowledgment by Tenant that the statements included are true and correct without exception. Landlord and Tenant intend that any statement delivered pursuant to this Paragraph may be relied upon by any mortgagee, beneficiary, purchaser or prospective purchaser of the Building or Project or any interest therein. The parties agree that Tenant's obligation to furnish such estoppel certificates in a timely fashion is a material inducement for Landlord's execution of this Lease, and shall be an Event of Default if Tenant fails to fully comply or makes any material misstatement in any such certificate.

20. SECURITY DEPOSIT

20.1 Delivery of Letter of Credit. Concurrently with the execution and delivery of this Lease, Tenant shall deliver to Landlord, as protection for the full and faithful performance by Tenant of all of its obligations under this Lease and for all losses and damages Landlord may suffer (or which Landlord reasonably estimates that it may suffer) as a result of any Event of Default by Tenant under this Lease, an irrevocable and unconditional negotiable standby letter of credit (the "**Letter of Credit**") in an amount of One Million Nineteen Thousand Two Hundred Ten and 40/100 Dollars ($1,019,210.40) (the "**Letter of**

Credit Amount"), payable upon presentation to an operating retail branch located in the San Francisco Bay Area, running in favor of Landlord and issued by a solvent, nationally recognized bank with assets in excess of Forty Billion Dollars ($40,000,000,000) and with a long term rating from Standard and Poor's Professional Rating Service of A or a comparable rating from Moody's Professional Rating Service or higher, under the supervision of the Superintendent of Banks of the State of California. The Letter of Credit shall (a) be "callable" at sight, irrevocable and unconditional, (b) be maintained in effect, whether through renewal (pursuant to a so-called "evergreen provision") or extension, for the period from the Delivery Date, until the date (the "**LC Expiration Date**") that is sixty (60) days after the Expiration Date (as the same may be extended), and Tenant shall deliver to Landlord a new Letter of Credit, certificate of renewal or extension amendment at least sixty (60) days prior to the expiration of the Letter of Credit then held by Landlord, without any action whatsoever on the part of Landlord, (c) be fully transferrable by Landlord, its successors and assigns, (d) be payable to Landlord, Security Holder or their assignees (the "**Beneficiary**"); (e) require that any draw on the Letter of Credit shall be made only upon receipt by the issuer of a letter signed by a purported authorized representative of the Beneficiary certifying that the Beneficiary is entitled to draw on the Letter of Credit pursuant to this Lease; (f) permit partial draws and multiple presentations and drawings; and (g) be otherwise subject to the Uniform Customs and Practices for Documentary Credits (2007-Rev) or International Chamber of Commerce Publication #600. In addition to the foregoing, the form and terms of the Letter of Credit and the bank issuing the same (the "**Bank**") shall be acceptable to Landlord and Security Holder, in their respective reasonable discretion, provided that Landlord hereby approves Silicon Valley Bank as an issuing Bank and the form letter of credit attached hereto as **Exhibit I** for the issuance of the initial Letter of Credit. If Landlord notifies Tenant in writing that the Bank which issued the Letter of Credit has become financially unacceptable because the above requirements are not met or the Bank has filed bankruptcy or reorganization proceedings or is placed into a receivership or conservatorship, or the financial condition of the Bank has changed in any other materially adverse way, then Tenant shall have thirty (30) days to provide Landlord with a substitute Letter of Credit complying with all of the requirements of this Paragraph 20. If Tenant does not so provide Landlord with a substitute Letter of Credit within such thirty (30) day period, then Beneficiary shall have the right to draw upon the then current Letter of Credit. In addition to Beneficiary's rights to draw upon the Letter of Credit as otherwise described in this Paragraph 20, Beneficiary shall have the right to draw down an amount up to the face amount of the Letter of Credit if any of the following shall have occurred or be applicable: (i) an Event of Default of Tenant has occurred; (ii) an event has occurred which, with the passage of time or giving of notice or both, would constitute an Event of Default of Tenant where Landlord is prevented from, or delayed in, giving such notice because of a bankruptcy or other insolvency proceeding; (iii) this Lease is terminated by Landlord due to an Event of Default by Tenant; (iv) Tenant has filed a voluntary petition under the U.S. Bankruptcy Code or any state bankruptcy code (collectively, "**Bankruptcy Code**"), (v) an involuntary petition has been filed against Tenant under the Bankruptcy Code, or (vi) the Bank has notified Landlord that the Letter of Credit will not be renewed or extended through the LC Expiration Date and Tenant has not provided a replacement Letter of Credit that satisfies the requirements of this Paragraph 20 within thirty (30) days prior to the expiration of the Letter of Credit. The Letter of Credit will be honored by the Bank regardless of whether Tenant disputes Landlord's right to draw upon the Letter of Credit. Tenant shall be responsible for paying the Bank's fees in connection with the issuance of any Letter of Credit, certificate of renewal or extension amendment.

20.2 Transfer of Letter of Credit. The Letter of Credit shall provide that Landlord, its successors and assigns, 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 Letter of Credit to another party, person or entity. In the event of a transfer of Landlord's interest in the Building, Landlord shall transfer the Letter of Credit, in whole, to the transferee and thereupon Landlord shall, without any further agreement between the parties, be released by Tenant from all liability therefor arising after such transfer, and it is agreed that the provisions hereof shall apply to every transfer or

assignment of the whole or any portion of said Letter of Credit to a new landlord. In connection with any such transfer of the Letter of Credit 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.

20.3 In General. If for any reason the amount of the Letter of Credit becomes less than the Letter of Credit Amount, Tenant shall, within ten (10) Business Days thereafter, either provide Landlord with a cash security deposit equal to such difference or provide Landlord 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 or an amendment to the existing Letter of Credit to increase the Letter of Credit Amount by the deficiency), and any such additional (or replacement) letter of credit or letter of credit amendments shall comply with all of the provisions of this Paragraph 20, and if Tenant fails to comply with the foregoing, then, notwithstanding anything to the contrary contained in Paragraph 20.1 above, the same shall constitute an default by Tenant under this Lease (without the need for any additional notice and/or cure period). Tenant further covenants and warrants that it will neither assign nor encumber the Letter of Credit 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 Letter of Credit expires earlier than the LC 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 thirty (30) days prior to the expiration of the Letter of Credit), which shall be irrevocable and automatically renewable as above provided through the LC Expiration Date upon the same terms as the expiring Letter of Credit or such other terms as may be acceptable to Landlord in its reasonable discretion. However, if the Letter of Credit is not timely renewed, or if Tenant fails to maintain the Letter of Credit in the amount and in accordance with the terms set forth in this Paragraph 20, Beneficiary shall have the right to present the Letter of Credit to the Bank in accordance with the terms of this Paragraph 20, and the proceeds of the Letter of Credit may be applied by Landlord against any Rent payable by Tenant under this Lease that is not paid when due (subject to applicable notice and cure periods) 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 (subject to applicable notice and cure periods), including, but not limited to, all damages or rent due upon termination of this Lease pursuant to Section 1951.2 of the California Civil Code. Any unused proceeds shall constitute the property of Landlord and need not be segregated from Landlord's other assets. Landlord agrees to pay to Tenant within forty five (45) days after the Expiration Date the amount of any proceeds of the Letter of Credit 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 (including, but not limited to, all damages or rent due upon termination of this Lease pursuant to Section 1951.2 of the California Civil Code); provided, however, that if prior to the LC 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 Letter of Credit 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.

20.4 Application of Letter of Credit. Tenant hereby acknowledges and agrees that Landlord is entering into this Lease in material reliance upon the ability of Landlord to draw upon the Letter of Credit upon the occurrence of any Event of Default on the part of Tenant under this Lease. If Tenant shall breach any provision of this Lease or otherwise be in default hereunder, in each case beyond applicable notice and cure periods, Landlord may, but without obligation to do so, and without notice to Tenant, draw upon the Letter of Credit, in part or in whole, to cure any breach or default of Tenant and/or to

compensate Landlord for any and all damages of any kind or nature sustained or that Landlord reasonably estimates that it will sustain resulting from Tenant's breach or default, including, but not limited to, all damages or rent due upon termination of this Lease pursuant to Section 1951.2 of the California Civil Code. The use, application or retention of the Letter of Credit, 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 Laws, it being intended that Landlord shall not first be required to proceed against the Letter of Credit, and the use, application or retention of the Letter of Credit 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 Letter of Credit, either prior to or following a "draw" by Landlord of any portion of the Letter of Credit, regardless of whether any dispute exists between Tenant and Landlord as to Landlord's right to draw upon the Letter of Credit. No condition or term of this Lease 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. Tenant agrees and acknowledges that (a) the Letter of Credit constitutes a separate and independent contract between Landlord and the Bank, (b) Tenant is not a third party beneficiary of such contract, and (c) in the event Tenant becomes a debtor under any chapter of the Bankruptcy Code, 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 Letter of Credit and/or the proceeds thereof by application of Section 502(b)(6) of the U.S. Bankruptcy Code or otherwise.

20.5 Security Deposit. Any proceeds drawn under the Letter of Credit and not applied as set forth above shall be held by Landlord as a security deposit (the "**Deposit**"). No trust relationship is created herein between Landlord and Tenant with respect to the Deposit, and Landlord shall not be required to keep the Deposit separate from its general accounts. The Deposit shall be held by Landlord as security for the faithful performance by Tenant of all of the provisions of this Lease to be performed or observed by Tenant. If Tenant fails to pay any Rent, or otherwise defaults with respect to any provision of this Lease, beyond any applicable notice and cure period, Landlord may (but shall not be obligated to), and without prejudice to any other remedy available to Landlord, use, apply or retain all or any portion of the Deposit for the payment of any Rent in default or for the payment of any other sum to which Landlord may become obligated by reason of Tenant's default, or to compensate Landlord for any loss or damage which Landlord may suffer thereby, including, without limitation, prospective damages and damages recoverable pursuant to California Civil Code Section 1951.2. Tenant waives the provisions of California Civil Code Section 1950.7 (except subsection (b)), or any similar or successor laws now or hereinafter in effect, that restrict Landlord's use or application of the Deposit, or that provide specific time periods for return of the Deposit. Without limiting the generality of the foregoing, Tenant expressly agrees that if Landlord terminates this Lease due to an Event of Default or if Tenant terminates this Lease in a bankruptcy proceeding, Landlord shall be entitled to hold the Deposit until the amount of damages recoverable pursuant to California Civil Code Section 1951.2 is finally determined. If Landlord uses or applies all or any portion of the Deposit as provided above, Tenant shall within ten (10) Business Days after demand therefor, deposit cash with Landlord in an amount sufficient to restore the Deposit to the full amount thereof, and Tenant's failure to do so shall, at Landlord's option, be an Event of Default under this Lease. At any time that Landlord is holding proceeds of the Letter of Credit pursuant to this Paragraph 20.5, Tenant may deposit a Letter of Credit that complies with all requirements of this Paragraph 20, in which event Landlord shall return the Deposit to Tenant within ten (10) days after receipt of the Letter of Credit. If Tenant performs all of Tenant's obligations hereunder, the Deposit, or so much thereof as has not previously been applied by Landlord, shall be returned, without payment of interest or other increment for its use, to Tenant (or, at Landlord's option, to the last assignee, if any, of Tenant's interest hereunder) within forty five (45) days following the later of the expiration of the Term or Tenant's vacation and surrender of the Premises in accordance with the requirements of this Lease. Upon termination of Landlord's interest in this Lease, if Landlord transfers the Deposit (or the amount of the Deposit remaining after any permitted deductions) to Landlord's successor in interest, and thereafter

notifies Tenant of such transfer and the name and address of the transferee, then Landlord shall be relieved of any further liability with respect to the Deposit.

20.6 Reduction of Letter of Credit for Public Offering. If (a) at any date after the Lease Date, the stock of Tenant has been issued in a public offering and is sold on either the NYSE or NASDAQ for a net price which equates to a market capitalization of Tenant of at least Two Billion Dollars ($2,000,000,000) on the day following the expiration or termination of any and all required "lock-up" periods or equivalent restrictions on the trading or sale of shares by deemed company insiders applicable to such public offering, (b) the applicable LC Reduction Milestone Date has occurred, (c) Tenant has maintained a market capitalization of at least Two Billion Dollars ($2,000,000,000) for each of the three (3) consecutive calendar quarters ending immediately prior to the applicable LC Reduction Milestone Date, and (d) no Event of Default has occurred in the twelve (12) month period preceding the applicable LC Reduction Milestone Date (collectively, "**Public Offering LC Reduction Conditions**"), then the Letter of Credit Amount shall be reduced to the Adjusted Letter of Credit Amount applicable to such LC Reduction Milestone Date.

LC Reduction Milestone Date	Adjusted Letter of Credit Amount
The first day of the 37th full calendar month following the Term Commencement Date	$742,194.24
The first day of the 61st full calendar month following the Term Commencement Date	$393,321.34

Provided that Tenant tenders the replacement or amended Letter of Credit to Landlord satisfying each and all of the requirements set forth in this Paragraph 20, Landlord shall exchange the Letter of Credit then held by Landlord for the replacement Letter of Credit tendered by Tenant or accept and acknowledge the amendment to the Letter of Credit then held by Landlord, as applicable, reflecting the reduced Letter of Credit Amount pursuant to this Paragraph 20.6.

21. LIMITATION OF REMEDIES

21.1 Limitation on Tenant's Remedies.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LEASE, THE LIABILITY OF LANDLORD (AND OF ANY SUCCESSOR LANDLORD) SHALL BE LIMITED TO THE LESSER OF (A) THE INTEREST OF LANDLORD IN THE BUILDING AND PARCEL OF LAND ON WHICH THE BUILDING IS LOCATED AND THE RENTS, ISSUES AND PROFITS THEREOF, OR (B) THE EQUITY INTEREST LANDLORD WOULD HAVE IN THE BUILDING AND PARCEL OF LAND ON WHICH THE BUILDING IS LOCATED IF THE SAME WERE ENCUMBERED BY THIRD PARTY DEBT IN AN AMOUNT EQUAL TO 70% OF THE VALUE OF THE PROPERTY AND THE RENTS, ISSUES AND PROFITS THEREOF. TENANT SHALL LOOK SOLELY TO LANDLORD'S INTEREST IN THE BUILDING AND SUCH PARCEL OF LAND FOR THE RECOVERY OF ANY JUDGMENT OR AWARD AGAINST LANDLORD OR ANY LANDLORD PARTY. NEITHER LANDLORD NOR ANY LANDLORD PARTY SHALL BE PERSONALLY LIABLE FOR ANY JUDGMENT OR DEFICIENCY, AND IN NO EVENT SHALL LANDLORD OR ANY LANDLORD PARTY BE LIABLE TO TENANT FOR ANY LOST PROFIT, DAMAGE TO OR LOSS OF BUSINESS OR ANY FORM OF SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGE. BEFORE FILING SUIT FOR AN ALLEGED DEFAULT BY LANDLORD, TENANT SHALL GIVE LANDLORD AND ANY MORTGAGEE(S) OF LANDLORD

WHOM TENANT HAS BEEN NOTIFIED HOLD MORTGAGES NOTICE AND REASONABLE TIME TO CURE THE ALLEGED DEFAULT. ANY LIEN OBTAINED TO ENFORCE ANY SUCH JUDGMENT AND ANY LEVY OF EXECUTION THEREON SHALL BE SUBJECT AND SUBORDINATE TO ANY LIEN, MORTGAGE OR DEED OF TRUST ON THE BUILDING AND PARCEL OF LAND ON WHICH THE BUILDING IS LOCATED. UNDER NO CIRCUMSTANCES SHALL TENANT HAVE THE RIGHT TO OFFSET AGAINST OR RECOUP RENT OR OTHER PAYMENTS DUE AND TO BECOME DUE TO LANDLORD HEREUNDER EXCEPT AS EXPRESSLY PROVIDED IN PARAGRAPHS 15.7, 24.2 AND 25.8 OF THIS LEASE, WHICH RENT AND OTHER PAYMENTS SHALL BE ABSOLUTELY DUE AND PAYABLE HEREUNDER IN ACCORDANCE WITH THE TERMS HEREOF.

21.2 Limitation on Landlord's Remedies.

In no event shall Tenant be liable to Landlord for any lost profit, damage to or loss of business or any form of special, indirect or consequential; provided, however, that that the foregoing shall not limit Tenant's liability for consequential damages that may be suffered by Landlord in connection with (a) any holding over in the Premises after the expiration or earlier termination of this Lease pursuant to Paragraph 26 or (b) any breach by Tenant of the terms and conditions set forth in Paragraph 4.4. Further, nothing contained in this Paragraph 21.2 shall affect Landlord's rights and remedies under Paragraph 27.2 above, including the remedy afforded Landlord by California Civil Code Section 1951.2(a)(4) and more specifically described in Paragraph 27.2.1.

22. ASSIGNMENT AND SUBLETTING

22.1 Restriction on Transfers. Tenant shall not, without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed beyond fifteen (15) Business Days following Landlord's receipt of a Notice of Proposed Transfer pursuant to Paragraph 22.2 below: (a) assign, mortgage, pledge, hypothecate, encumber, or permit any lien to attach to, or otherwise transfer, this Lease or any interest hereunder, by operation of law or otherwise; (b) sublet the Premises or any part thereof; or (c) permit the use of the Premises by any persons other than Tenant and its employees (all of the foregoing are hereinafter sometimes referred to collectively as "**Transfers**" and any Person to whom any Transfer is made or sought to be made is hereinafter sometimes referred to as a "**Transferee**").

22.2 Notice of Proposed Transfer; Standards of Approval. If Tenant shall desire Landlord's consent to any Transfer, Tenant shall notify Landlord in writing ("**Notice of Proposed Transfer**"). Any such Notice of Proposed Transfer shall include: (a) the proposed effective date which shall not be less than thirty (30) days after the date of Tenant's Notice of Proposed Transfer, (b) the portion of the Premises to be Transferred (herein called the "**Subject Space**"), (c) the terms of the proposed Transfer and the consideration therefor, the name and address of the proposed Transferee, a copy of all documentation pertaining to the proposed Transfer, (d) financial statements of the proposed Transferee for the three (3) year period immediately preceding the Notice of Proposed Transfer (or, if the proposed Transferee has been in existence for less than three (3) years, for such shorter period as may be applicable) certified by an officer, partner or owner thereof and any other information reasonably necessary to enable Landlord to determine the financial responsibility (including, without limitation, bank references and contacts at other of Tenant's funding sources) of the proposed Transferee, and a description of the nature of such Transferee's business and proposed use of the Subject Space, and (e) such other information as Landlord may reasonably require. Landlord shall give Tenant written notice of its approval or disapproval of a proposed Transfer within ten (10) Business Days after receipt of the Notice of Proposed Transfer (including the information required above). Without limiting the grounds on which it may be reasonable for Landlord to withhold its consent to a proposed Transfer, Tenant acknowledges that Landlord may reasonably withhold its consent in the following instances: (i) if there

exists an Event of Default by Tenant of its obligations under this Lease; (ii) if the Transferee is a governmental or quasi-governmental agency, foreign or domestic; (iii) if the Transferee is an existing tenant in the Project unless Landlord does not have space currently or coming available in the Project comparable to the Premises (or that portion being subleased) in size, location and floor level that will satisfy the existing tenant's facility and timing needs; (iv) if Tenant has not demonstrated to Landlord's satisfaction that the Transferee is financially responsible with sufficient Net Worth (as defined in Paragraph 22.7 below) to meet the financial and other obligations of this Lease; (v) if, in Landlord's sole but reasonable judgment, the Transferee's business, use and/or occupancy of the Premises would (A) violate any of the terms of this Lease or the lease of any other tenant in the Project, (B) not be comparable to and compatible with the types of use by other tenants in the Project, (C) require any Alterations which would reduce the value of the existing leasehold improvements in the Premises, or (D) result in increased density per floor or require increased services by Landlord; (vi) in the case of a sublease, it would result in more than two (2) occupancies within the Premises; or (vii) the Transferee has submitted to Landlord a bona fide offer during the six (6) month period immediately preceding the date of the Notice of Proposed Transfer to lease space in the Project unless Landlord does not have space currently or coming available in the Project comparable to the Premises (or that portion being subleased) in size, location and floor level that will satisfy the prospective Transferee's facility and timing needs. Any Transfer made without complying with this Paragraph shall, at Landlord's option, be null, void and of no effect, and/or shall constitute an Event of Default under this Lease. Whether or not Landlord shall grant consent, Tenant shall pay, within thirty (30) days after written request by Landlord, any reasonable out-of-pocket legal fees incurred by Landlord in connection with any proposed Transfer.

22.3 Transfer Premium. If Landlord consents to a Transfer, as a condition thereto which the parties hereby agree is reasonable, Tenant shall pay Landlord fifty percent (50%) of any Transfer Premium derived by Tenant from such Transfer. "**Transfer Premium**" shall mean all rent, additional rent or other consideration paid by such Transferee for the Transfer (including, but not limited to, payments in excess of fair market value for Tenant's assets, trade fixtures, equipment and other tangible personal property, but excluding any intangible property) in excess of the Rent payable by Tenant under this Lease (on a monthly basis during the Term, and on a per rentable square foot basis, if less than all of the Premises is transferred), after deducting Permitted Transfer Costs. As used herein, "**Permitted Transfer Costs**" means the actual costs incurred and paid by Tenant for (a) any leasing commissions (not to exceed commissions typically paid the San Mateo office market at the time of such Transfer), (b) improvement allowances provided to the Transferee or improvement costs incurred by Tenant for the Transfer, and (c) reasonable legal fees and expenses paid in connection with documenting, reviewing and approving the Transfer. For purposes of the foregoing calculation, the leasing commissions shall be amortized on a straight-line basis over the term of the applicable Transfer. If part of the consideration for such Transfer shall be payable other than in cash, Landlord's share of such non-cash consideration shall be in such form as is reasonably satisfactory to Landlord. If Tenant shall enter into multiple Transfers, the Transfer Premium payable to Landlord shall be calculated independently with respect to each Transfer. The Transfer Premium due Landlord hereunder shall be paid within thirty (30) days after Tenant receives any Transfer Premium from the Transferee. Landlord or its authorized representatives shall have the right at all reasonable times to review the books, records and papers of Tenant relating to any Transfer, and shall have the right to make copies thereof. The parties acknowledge that no Transfer Premium shall be payable in connection with a Transfer to a Permitted Transferee.

22.4 Terms of Consent. If Landlord consents to a Transfer: (a) the terms and conditions of this Lease, including among other things, Tenant's liability for the Subject Space, and Rent with respect thereto, shall in no way be deemed to have been released, waived or modified, (b) such consent shall not be deemed consent to any further Transfer by either Tenant or the Transferee, (c) no Transferee (other than a Permitted Assignee as may be expressly permitted hereunder) shall succeed to any rights provided in this Lease or any amendment hereto to extend the Term, expand the Premises, or lease additional

space, any such rights being deemed personal to Tenant, (d) Tenant shall deliver to Landlord promptly after execution, an executed copy of all documentation pertaining to the Transfer, and (e) Tenant shall furnish upon Landlord's request a complete statement, certified by Tenant's chief financial officer, setting forth in detail the computation of any Transfer Premium Tenant has derived and shall derive from such Transfer. Each Transferee under an assignment of this Lease, other than Landlord, must expressly assume all of the provisions, covenants and conditions of this Lease on the part of Tenant thereafter to be kept and performed. No subtenant shall have the right to further Transfer its interest in the Subject Space, except in accordance with this Paragraph 22.

22.5 Landlord's Recapture Right. Notwithstanding anything to the contrary contained in this Paragraph 22, in the event that Tenant contemplates a Transfer, Tenant shall give Landlord notice (the "**Intention to Transfer Notice**") of such contemplated Transfer (whether or not the contemplated Transferee or the terms of such contemplated Transfer have been determined); provided, however, that Landlord hereby acknowledges and agrees that Tenant shall have no obligation to deliver an Intention to Transfer Notice hereunder, and Landlord shall have no right to recapture space with respect to, (a) a sublease of less than the entire Premises, or (b) a Permitted Transfer. The Intention to Transfer Notice shall specify the contemplated date of commencement of the Contemplated Transfer (the "**Contemplated Effective Date**"), and the contemplated length of the term of such contemplated Transfer, and shall specify that such Intention to Transfer Notice is delivered to Landlord pursuant to this Paragraph 22.5 in order to allow Landlord to elect to recapture the Premises for the remainder of the Term. Thereafter, Landlord shall have the option, by giving written notice to Tenant (the "**Recapture Notice**") within fifteen (15) days after receipt of any Intention to Transfer Notice, to recapture the Premises. Tenant shall have ten (10) days after receipt of the Recapture Notice to withdraw the Intention to Transfer Notice which triggered the Recapture Notice. Should the Intention to Transfer Notice be withdrawn, no recapture shall occur and Tenant shall remain in possession. Any recapture under this Paragraph 22.5 shall cancel and terminate (or suspend if not for the remainder of the Term) this Lease with respect to the Premises as of the Contemplated Effective Date. If Landlord declines, or fails to elect in a timely manner, to recapture the Premises under this Paragraph 22.5, then, subject to the other terms of this Paragraph 22, for a period of six (6) months (the "**Six Month Period**") commencing on the last day of such fifteen (15) day period, Landlord shall not have any right to recapture the Premises with respect to any Transfer made during the Six Month Period; provided however, that any such Transfer shall be subject to the remaining terms of this Paragraph 22. If such a Transfer is not so consummated within the Six Month Period (or if a Transfer is so consummated, then upon the expiration of the term of any Transfer of the Premises consummated within such Six Month Period), Tenant shall again be required to submit a new Intention to Transfer Notice to Landlord with respect any contemplated Transfer, as provided above in this Paragraph 22.5.

22.6 Certain Transfers. For purposes of this Lease, but subject to the provisions of Paragraph 22.7 below, the term "**Transfer**" shall also include (a) if Tenant is a partnership, the withdrawal or change, voluntary, involuntary or by operation of law, of a general partner or fifty percent (50%) or more of the partners, or a transfer of fifty percent (50%) or more of partnership interests, or the dissolution of the partnership; (b) if Tenant is a limited liability company, the withdrawal or change, voluntary, involuntary, or by operation of law, of fifty percent (50%) or more of the members, or a transfer of fifty percent (50%) or more of the membership interests, or the dissolution of the limited liability company; and (c) if Tenant is a corporation, the dissolution, merger, consolidation or other reorganization of Tenant, or the sale or other transfer of fifty percent (50%) or more of the voting shares of Tenant (other than transfers to immediate family members by reason of gift or death), or the sale, mortgage, hypothecation or pledge of more than an aggregate of fifty percent (50%) or more of Tenant's net assets. No (i) issuance of stock of Tenant in a public offering or sale on a public stock exchange of Tenant's stock or (ii) the issuance of any stock preferences or other equity interest of Tenant in connection with raising additional financing or capital that does not result in a change in Control shall be

deemed to be a "**Transfer**" for purposes of this Lease or subject to the terms and conditions of this Paragraph 22.

22.7 Permitted Transfers. Notwithstanding anything to the contrary contained in this Paragraph 22, as long as no Event of Default by Tenant has then occurred and is continuing, Tenant may assign this Lease or sublet any portion of the Premises (hereinafter collectively referred to as a "**Permitted Transfer**") to (a) an affiliate of Tenant (an entity which is Controlled by, Controls, or is under common Control with, Tenant), (b) any successor entity to Tenant by way of merger, consolidation or other non-bankruptcy corporate reorganization or (c) an entity which acquires all or substantially all of Tenant's assets (a "**Permitted Transferee**"); provided that (i) at least ten (10) Business Days prior to the Transfer (or ten (10) Business Days after the Transfer if prior notice of such Transfer is prevented by Applicable Laws or confidentiality restrictions), Tenant notifies Landlord of such Transfer, and supplies Landlord with any documents or information reasonably requested by Landlord regarding such Transfer or Permitted Transferee, including, but not limited to, copies of the sublease or instrument of assignment and copies of documents establishing to the reasonable satisfaction of Landlord that the transaction in question is one permitted under this Paragraph 22.7, (ii) at least ten (10) Business Days prior to the Transfer (or ten (10) Business Days after the Transfer if prior notice of such Transfer is prevented by Applicable Laws or confidentiality restrictions), Tenant furnishes Landlord with a written document executed by the proposed Permitted Transferee in which, in the case of an assignment, such entity assumes all of Tenant's obligations under this Lease thereafter to be performed, and, in the case of a sublease, such entity agrees to sublease the Subject Space subject to this Lease, (iii) in the case of an assignment, the successor entity must have a net worth (computed in accordance with generally accepted accounting principles, except that intangible assets such as goodwill, patents, copyrights, and trademarks shall be excluded in the calculation ("**Net Worth**")) at the time of the Transfer that is at least equal to the Net Worth of Tenant immediately prior to such Transfer, and (iv) any such proposed Transfer is not, whether in a single transaction or in a series of transactions, entered into as a subterfuge to evade the obligations and restrictions relating to Transfers set forth in this Paragraph 22.7. "**Control,**" as used in this Paragraph 22.7, shall mean the ownership, directly or indirectly, of at least fifty-one percent (51%) of the voting securities of, or possession of the right to vote, in the ordinary direction of its affairs, of at least fifty-one percent (51%) of the voting interest in, any person or entity. For purposes of this Lease, the term "**Permitted Assignee**" shall mean a Permitted Transferee to whom Tenant assigns all of its right, title and interest in and to this Lease, and which assumes all of Tenant's obligations under this Lease.

22.8 Tenant Remedies. Notwithstanding anything to the contrary in this Lease, if Tenant claims that Landlord has unreasonably withheld, conditioned, or delayed its consent under this Paragraph 22 or otherwise has breached or acted unreasonably under this Paragraph 22, Tenant's sole remedies shall be declaratory judgment and an injunction for the relief sought, or an action for compensatory monetary damages, and Tenant hereby waives all other remedies, including, without limitation, any right provided under California Civil Code Section 1995.310 or other Applicable Laws to terminate this Lease.

23. AUTHORITY

23.1 Authority. Landlord represents and warrants that it has full right and authority to enter into this Lease and to perform all of Landlord's obligations hereunder and that all persons signing this Lease on its behalf are authorized to do. Tenant represents and warrants that Tenant has full right and authority to enter into this Lease, and to perform all of Tenant's obligations hereunder, and that all persons signing this Lease on its behalf are authorized to do so.

23.2 OFAC.

(a) Tenant hereby represents and warrants that neither Tenant, nor any persons or entities holding any legal or beneficial interest whatsoever in Tenant, are (i) the target of any sanctions program that is established by Executive Order of the President or published by the Office of Foreign Assets Control, U.S. Department of the Treasury ("**OFAC**"); (ii) designated by the President or OFAC pursuant to the Trading with the Enemy Act, 50 U.S.C. App. § 5, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, the Patriot Act, Public Law 107-56, Executive Order 13224 (September 23, 2001) or any Executive Order of the President issued pursuant to such statutes; or (iii) named on the following list that is published by OFAC: "List of Specially Designated Nationals and Blocked Persons." If the foregoing representation is untrue at any time during the Term, an Event of Default will be deemed to have occurred, without the necessity of notice to Tenant.

(b) Landlord hereby represents and warrants that neither Landlord, nor any affiliate of Landlord, are (i) the target of any sanctions program that is established by OFAC; (ii) designated by the President or OFAC pursuant to the Trading with the Enemy Act, 50 U.S.C. App. § 5, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, the Patriot Act, Public Law 107-56, Executive Order 13224 (September 23, 2001) or any Executive Order of the President issued pursuant to such statutes; or (iii) named on the List of Specially Designated Nationals and Blocked Persons.

24. CONDEMNATION

24.1 Condemnation Resulting in Termination. If the whole or any substantial part of the Premises should be taken or condemned for any public use under any Applicable Law, or by right of eminent domain, or by private purchase in lieu thereof, and the taking would prevent or materially interfere with the Permitted Use of the Premises, either party shall have the right to terminate this Lease at its option. If any material portion of the Building or Project is taken or condemned for any public use under any Applicable Law, or by right of eminent domain, or by private purchase in lieu thereof, Landlord may terminate this Lease at its option. In either of such events, the Rent shall be abated during the unexpired portion of this Lease, effective when the physical taking of said Premises shall have occurred.

24.2 Condemnation Not Resulting in Termination. If a portion of the Project of which the Premises are a part should be taken or condemned for any public use under any Applicable Law, or by right of eminent domain, or by private purchase in lieu thereof, and the taking prevents or materially interferes with the Permitted Use of the Premises, and this Lease is not terminated as provided in Paragraph 24.1 above, the Rent payable hereunder during the unexpired portion of this Lease shall be reduced, beginning on the date when the physical taking shall have occurred, to such amount as may be fair and reasonable under all of the circumstances, but only after giving Landlord credit for all sums received or to be received by Tenant by the condemning authority. Notwithstanding anything to the contrary contained in this Paragraph, if the temporary use or occupancy of any part of the Premises shall be taken or appropriated under power of eminent domain during the Term, this Lease shall be and remain unaffected by such taking or appropriation and Tenant shall continue to pay in full all Rent payable hereunder by Tenant during the Term; in the event of any such temporary appropriation or taking, Tenant shall be entitled to receive that portion of any award which represents compensation for the use of or occupancy of the Premises during the unexpired Term.

24.3 Award. Landlord shall be entitled to (and Tenant shall assign to Landlord) any and all payment, income, rent, award or any interest therein whatsoever which may be paid or made in connection with such taking or conveyance and Tenant shall have no claim against Landlord or otherwise

for any sums paid by virtue of such proceedings, whether or not attributable to the value of any unexpired portion of this Lease, except as expressly provided in this Lease. Notwithstanding the foregoing, any compensation specifically and separately awarded Tenant for Tenant's personal property and moving costs, shall be and remain the property of Tenant.

24.4 Waiver of CCP §1265.130. Each party waives the provisions of California Civil Code Procedure Section 1265.130 allowing either party to petition the superior court to terminate this Lease as a result of a partial taking.

25. CASUALTY DAMAGE

25.1 Landlord's Restoration Obligation. If any portion of the Building shall be damaged or destroyed by fire or other casualty (collectively, "**Casualty**"), Tenant shall give immediate written notice thereof to Landlord. Unless this Lease is terminated as provided in Paragraph 25.3 or Paragraph 25.4, Landlord shall, to the extent that insurance proceeds are available to Landlord therefor, proceed to repair and restore the damage ("**Landlord's Restoration Work**"), with reasonable diligence and promptness, given the nature of the damage to be repaired, to substantially the same condition existing prior to the Casualty except for modifications required by zoning and building codes and other Applicable Laws and subject to reasonable delays for insurance adjustments, compliance with zoning laws, building codes, and other Applicable Laws and Force Majeure Events. Landlord's Restoration Work does not include repair and restoration of the Tenant Improvements or subsequent Alterations made by Tenant or repair and restoration to Tenant's equipment, furniture, furnishings, trade fixtures or personal property. Unless this Lease is terminated as provided in Paragraph 25.3 or Paragraph 25.4, if and to the extent that any damaged Tenant Improvements or Alterations must be removed in order for Landlord to effect Landlord's Restoration Work or to eliminate any hazard or nuisance resulting from such damaged Tenant Improvements or Alterations, then, after Landlord gives Tenant access for that purpose, Tenant shall proceed with reasonable diligence, given the nature of the work, to remove such damaged Tenant Improvements or Alterations in accordance with Applicable Laws, subject to reasonable delays for insurance adjustments and Force Majeure Events.

25.2 Landlord's Repair Notice. Landlord, as soon as reasonably possible but in any event within sixty (60) days after the date of the Casualty, shall deliver a written notice to Tenant ("**Landlord's Casualty Notice**") indicating Landlord's election (a) to perform Landlord's Restoration Work, including Landlord's good faith estimate (which shall be based on Landlord's consultation with a qualified, independent, experienced and reputable architect and/or general contractor experienced in similar types of Landlord's Restoration Work) of the number of days (assuming no unusual delays in the receipt of insurance proceeds, no overtime or other premiums, and no Force Majeure Event) measured from the date of the Casualty that will be required for Landlord to substantially complete Landlord's Restoration Work (the "**Estimated Restoration Period**") or (b) to terminate this Lease pursuant to Paragraph 25.3 as of the date specified in Landlord's Casualty Notice, which date shall not be less than thirty (30) nor more than sixty (60) days after the date of such notice, unless Tenant exercised its right to terminate this Lease pursuant to Paragraph 25.4.

25.3 Landlord's Termination Right. In the event of any of the following circumstances, Landlord may elect either to terminate this Lease or to perform Landlord's Restoration Work, as more particularly described in Paragraph 25.1:

(a) If Landlord's Restoration Work cannot, in Landlord's good faith estimate (as determined in accordance with Paragraph 25.2), be completed within one (1) year following the date of the Casualty (assuming no unusual delays in the receipt of insurance proceeds, no overtime or other premiums, and no Force Majeure Event), or

(b) If the Casualty occurs during the last twelve (12) months of the Term; provided, however, that Landlord may not terminate this Lease pursuant to this Paragraph 25.3(b) if Tenant, at the time of such damage, has the right to extend the Term pursuant to Paragraph 3.2, and Tenant exercises such Extension Option not later than the earlier to occur of (i) the last day of the Exercise Period set forth in Paragraph 3.2.2 or (b) thirty (30) days following the delivery to Tenant of Landlord's Casualty Notice, or

(c) If the Casualty is not covered by the insurance Landlord is required to carry under this Lease or any insurance Landlord actually carries and the cost of Landlord's Restoration Work will exceed Two Hundred Fifty Thousand Dollars ($250,000.00) (exclusive of any deductible); provided, however, that Landlord may not terminate this Lease pursuant to this Paragraph 25.3(c), if (a) Tenant agrees, within fifteen (15) days after its receipt of Landlord's Casualty Notice, to fund the amount in excess of Two Hundred Fifty Thousand Dollars ($250,000.00) and (b) within fifteen (15) days thereafter, Tenant shall promptly deposit the excess in a construction trust account set up by Landlord in a financial or other institution selected by Landlord (subject to Tenant's reasonable approval), in which event Landlord shall proceed with Landlord's Restoration Work as if the Casualty had been insured. Landlord's withdrawals from the trust account shall be proportionate and concurrent to Landlord's schedule of payments to its contractors and paid in payment of such contractor's bills, or

(d) If insurance proceeds sufficient to complete Landlord's Restoration Work are not available due to the exercise of legal rights of any Security Holder to collect such proceeds, or

(e) If because of Applicable Laws Landlord's Restoration Work cannot be completed except in a substantially different structural or architectural form than existed before the Casualty.

25.4 Tenant's Termination Rights. In the event of any Casualty and if Landlord does not elect to terminate this Lease or is not entitled to terminate this Lease as provided above, Tenant may elect to terminate this Lease upon the occurrence of any of the following circumstances, in which event Tenant must make such election to terminate this Lease by giving Landlord written notice of such election not later than thirty (30) days after Tenant's receipt of Landlord's Casualty Notice:

(a) Landlord's good faith estimate of the Estimated Restoration Period required to complete Landlord's Restoration Work as set forth in Landlord's Casualty Notice is greater than one (1) year from the date of the Casualty, or

(b) The Casualty occurs during the last twelve (12) months of the Term.

The effective date of any given termination shall be specified in Tenant's termination notice, and shall not be earlier than the date of such notice or later than sixty (60) days after the date of such notice.

25.5 Tenant's Restoration Obligations. Unless this Lease is terminated as provided in Paragraph 25.3 or Paragraph 25.4, in the event of a Casualty, Tenant shall, to the extent that insurance proceeds are available to Tenant therefor (or would have been available to Tenant had Tenant carried the insurance required to be carried pursuant to this Lease and complied with the terms of such insurance policies), restore the Tenant Improvements to substantially the same condition existing prior to the Casualty except for modifications required by zoning and building codes and other Applicable Laws. Tenant shall otherwise have no duty or obligation to restore any of the Alterations or Tenant's equipment, furniture, furnishings, trade fixtures or personal property therein, it being agreed that, subject to the preceding sentence, Tenant shall be permitted to restore the Premises to a condition different from that

existing prior to the Casualty. Tenant shall proceed with reasonable diligence, given the nature of the work, to effect such restoration in a good and workmanlike manner and in accordance with applicable Laws, subject to Force Majeure Events. If this Lease is terminated as provided in Paragraph 25.3 or Paragraph 25.4, Tenant, no later than the expiration or sooner termination of this Lease, shall remove the damaged Tenant Improvements and Alterations required to be removed by Tenant pursuant to the terms of this Lease and Tenant's equipment, furniture, furnishings, trade fixtures or personal property unless the Building is to be razed and/or demolished, in which case Tenant shall have no obligation to remove any such improvements or personal property.

25.6 Insurance Proceeds. In the event of any damage to the Premises or the Building (or any equipment, furniture, furnishings, trade fixtures or personal property therein) from any Casualty, Landlord shall be entitled to the full proceeds of any insurance coverage carried by Landlord in connection with such loss or damage, and Tenant shall be entitled to the full proceeds of any insurance coverage carried by Tenant in connection with such loss or damage; provided, however, in the event Tenant shall exercise any right to terminate this Lease as a result of a Casualty in accordance with Paragraph 25.4, Tenant shall have the obligation to remit to Landlord, from (and to the extent of) the proceeds of any of Tenant's insurance covering same, an amount equal to the unamortized cost of the Tenant Improvements (or other allowances afforded Tenant by Landlord hereunder with respect to construction of improvements to any portion of the damaged Premises) if Landlord advises Tenant that Landlord intends in good faith to restore the Building to substantially the condition and substantially the same use existing prior to such loss or damage.

25.7 Landlord not Liable for Business Interrupt. Notwithstanding any provision in this Lease to the contrary, Landlord shall not be liable for any loss of business, inconvenience or annoyance arising from any repair, restoration or rehabilitation of any portion of the Premises or the Building as a result of any damage from a Casualty; provided that the foregoing shall not be deemed to excuse or otherwise modify Landlord's continuing obligation to perform Landlord's Restoration Work, all as and to the extent otherwise provided in this Paragraph 25.

25.8 Rent Abatement. If Landlord or Tenant does not elect to terminate this Lease under Paragraph 25.3 or Paragraph 25.4, this Lease shall remain in full force and effect provided that Tenant shall be entitled to a reduction of Base Rent and Tenant's Proportionate Share of Operating Expenses in proportion that the areas of the Premises rendered untenantable bears to the total rentable area of the Premises during the period beginning with the date such rentable area becomes untenantable and Tenant ceases to use such rentable area for the normal conduct of its business and ending five (5) Business Days after the date Landlord's Restoration Work is substantially complete, except for finishing details, minor omissions, mechanical adjustments, and similar items of the type customarily found in an architectural punchlist.

25.9 Casualty Prior to Completion of Tenant Improvements. The terms and provisions of this Paragraph 25 shall apply to any damage to the Building caused as a result of a Casualty, regardless of whether such damage occurs prior to or after the Term Commencement Date. If a Casualty occurs prior to the initial completion of the Tenant Improvements and, as result of such Casualty, Tenant could not complete its Tenant Improvements prior to April 1, 2019 in Landlord's and Tenant's good faith estimate, then Tenant shall have such additional time to complete Tenant's Improvements equal to the period of time by which Tenant is actually delayed due to such Casualty (but in no event more than six (6) months after completion of Landlord's Restoration Work) and the Term Commencement Date shall be delayed for such period of time.

25.10 Waiver. This Paragraph 25 shall be Tenant's sole and exclusive remedy in the event of damage or destruction to the Premises or the Building. As a material inducement to Landlord entering

into this Lease, Tenant hereby waives any rights it may have under Sections 1932, 1933(4), 1941 or 1942 of the Civil Code of California with respect to any destruction of the Premises, Landlord's obligation for tenantability of the Premises and Tenant's right to make repairs and deduct the expenses of such repairs, or under any similar law, statute or ordinance now or hereafter in effect.

25.11 Tenant Improvements, Alterations and Personal Property. In the event of any damage or destruction of the Premises or the Building, under no circumstances shall Landlord be required to repair any injury or damage to, or make any repairs to or replacements of, Tenant Improvements, Alterations or Tenant's equipment, furniture, furnishings, trade fixtures or personal property.

26. HOLDING OVER

Any holding over after the expiration or other termination of this Lease with the written consent of Landlord delivered to Tenant shall be construed to be a tenancy from month to month at the Base Rent in effect on the date of such expiration or termination on the terms, covenants and conditions herein specified so far as applicable. Any holding over after the expiration or other termination of this Lease without the written consent of Landlord shall be construed to be a tenancy at sufferance on all the terms set forth herein, except that Base Rent shall be equal to one hundred twenty five percent (125%) of the Base Rent payable by Tenant immediately prior to such holding over for the first thirty (30) days of such holding over and one hundred fifty (150%) thereafter. Acceptance by Landlord of Rent after the expiration or termination of this Lease shall not constitute a consent by Landlord to any such tenancy from month to month or result in any other tenancy or any renewal of the term hereof. Tenant acknowledges that if Tenant holds over without Landlord's consent, such holding over may compromise or otherwise affect Landlord's ability to enter into new leases with prospective tenants regarding the Premises. Therefore, if Tenant fails to surrender the Premises upon the expiration or other termination of this Lease, then, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from all Losses resulting from such failure, including, without limiting the generality of the foregoing, any claims made by any succeeding tenant founded upon such failure to surrender and any lost profits to Landlord resulting therefrom; provided, however, that Tenant's obligations to indemnify and hold Landlord harmless with respect to such claims shall be conditioned upon Landlord providing Tenant with not less than thirty (30) days prior written notice of Landlord's entry into a lease or other agreement that will give rise to such claims. The provisions of this Paragraph are in addition to, and do not affect, Landlord's right to reentry or other rights hereunder or provided by law.

27. DEFAULT

27.1 Events of Default. The occurrence of any of the following events (each and "**Event of Default**") shall constitute a breach of this Lease by Tenant:

27.1.1 Abandonment. The abandonment of the Premises without the intention to reoccupy same coupled with the failure to pay Base Rent for a continuous period in excess of five (5) days following notice from Landlord of such abandonment and failure to pay Rent when due. Tenant waives any right to notice Tenant may have under Section 1951.3 of the Civil Code of the State of California, the terms of this Paragraph 27.1 being deemed such notice to Tenant as required by said Section 1951.3.

27.1.2 Nonpayment of Rent. Tenant fails to pay any Base Rent or any Additional Rent as and when such rent becomes due and payable and such failure is not cured within five (5) days after written notice from Landlord that said amount was not paid when due; provided that if Tenant has previously received one (1) or more notices from Landlord during the immediately preceding twelve (12)

month period stating that Tenant failed to pay any Base Rent or Additional Rent required to be paid by Tenant under this Lease when due, then Landlord shall not be required to deliver any notice to Tenant and an Event of Default shall occur upon any failure by Tenant to pay any Base Rent or Additional Rent when due.

27.1.3 Hazardous Materials. Tenant fails to perform or breaches any agreement or covenant to be performed or observed by Tenant under Paragraph 4.4 above and such failure or breach continues for more than ten (10) days after Landlord gives written notice thereof to Tenant; provided, however, that if, by the nature of such agreement or covenant, such failure or breach cannot reasonably be cured within such period of ten (10) days, an Event of Default shall not exist as long as Tenant commences the curing of such failure or breach within such period of ten (10) days and, having so commenced, thereafter prosecutes such cure with diligence and dispatch to completion as soon as may be reasonably practicable thereafter.

27.1.4 Estoppel and Financial Statements. Tenant fails to deliver the financial statements or the estoppel certificate to Landlord or a Landlord's mortgagee or beneficiary under a deed of trust, as the case may be, within the time periods required by Paragraph 18 and Paragraph 19 and such failure is not cured within two (2) Business Days after written notice from Landlord of said failure.

27.1.5 Other Covenants. Tenant fails to perform or breaches any agreement or covenant of this Lease to be performed or observed by Tenant (except for those described in subparagraphs 27.1.1 through 27.1.4, above) as and when performance or observance is due and such failure or breach continues for more than thirty (30) days after Landlord gives written notice thereof to Tenant; provided, however, that if, by the nature of such agreement or covenant, such failure or breach cannot reasonably be cured within such period of thirty (30) days, an Event of Default shall not exist as long as Tenant commences with due diligence and dispatch the curing of such failure or breach within twenty (20) days after Landlord gives written notice thereof to Tenant and, having so commenced, thereafter prosecutes such cure with diligence and dispatch to completion as soon as may be reasonably practicable thereafter.

27.1.6 Bankruptcy. Tenant or any guarantor of this Lease (or, if Tenant is a partnership or consists of more than one person or entity, any partner of the partnership or such other person or entity) (i) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, (ii) makes an assignment for the benefit of its creditors, (iii) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to such person or entity or with respect to any substantial part of their respective property, or (iv) takes action for the purpose of any of the foregoing; or

27.1.7 Receivership. Without consent by Tenant or any guarantor of this Lease (or, if Tenant is a partnership or consists of more than one person or entity, any partner of the partnership or such other person or entity), a court or government authority enters an order, and such order is not vacated within sixty (60) days, (i) appointing a custodian, receiver, trustee or other officer with similar powers with respect to such person or entity or with respect to any substantial part of their respective property, or (ii) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, or (iii) ordering the dissolution, winding-up or liquidation of such person or entity; or

27.1.8 Attachment. This Lease or any estate of Tenant hereunder is levied upon under any attachment or execution and such attachment or execution is not vacated within sixty (60) days.

27.2 Landlord's Remedies Upon Default.

27.2.1 Termination. If an Event of Default occurs, Landlord shall have the right at any time to give a written termination notice to Tenant and, on the date specified in such notice, Tenant's right to possession shall terminate and this Lease shall terminate. Upon such termination, Landlord shall have the right to recover from Tenant:

(a) The worth at the time of award of all unpaid Rent which had been earned at the time of termination;

(b) The worth at the time of award of the amount by which all 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;

(c) The worth at the time of award of the amount by which all unpaid Rent for the balance of the Term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; and

(d) All other amounts necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform all of Tenant's obligations under this Lease or which in the ordinary course of things would be likely to result therefrom.

The "worth at the time of award" of the amounts referred to in clauses (a) and (b) above shall be computed by allowing interest at the Applicable Interest Rate (defined below). The "worth at the time of award" of the amount referred to in clause (c) above 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%). For purposes of computing the amount of Rent hereunder that would have accrued after the time of award, the amounts of Tenant's obligations to pay increases in Operating Expenses shall be projected based upon the average rate of increase, if any, in such items from the Term Commencement Date through the time of award.

27.2.2 Continuation After Default. Even though an Event of Default may have occurred, this Lease shall continue in effect for so long as Landlord does not terminate Tenant's right to possession under Paragraph 27.2.1 hereof. Landlord shall have the remedy described in California Civil Code Section 1951.4 ("Landlord may continue this Lease in effect after Tenant's breach and abandonment and recover Rent as it becomes due, if Tenant has the right to sublet or assign, subject only to reasonable limitations"), or any successor code section. Accordingly, if Landlord does not elect to terminate this Lease on account of any Event of Default by Tenant, Landlord may enforce all of Landlord's rights and remedies under this Lease, including the right to recover Rent as it becomes due. Acts of maintenance, preservation or efforts to lease the Premises or the appointment of a receiver under application of Landlord to protect Landlord's interest under this Lease or other entry by Landlord upon the Premises shall not constitute an election to terminate Tenant's right to possession.

27.3 Waiver of Forfeiture. Tenant hereby waives California Code of Civil Procedure Section 1179, California Civil Code Section 3275, and all such similar laws now or hereinafter enacted which would entitle Tenant to seek relief against forfeiture in connection with any termination of this Lease, provided that this waiver shall not be effective with respect to the first (but only the first) non-monetary Event of Default that results in the termination of this Lease.

27.4 Late Charge. In addition to its other remedies, Landlord shall have the right without notice or demand to add to the amount of any payment required to be made by Tenant hereunder, and

which is not paid and received by Landlord on or before the first day of each calendar month, an amount equal to an amount equal to five percent (5%) of the delinquent amount, or $150.00, whichever amount is greater, for each month or portion thereof that the delinquency remains outstanding to compensate Landlord for the loss of the use of the amount not paid and the administrative costs caused by the delinquency, the parties agreeing that Landlord's damage by virtue of such delinquencies would be extremely difficult and impracticable to compute and the amount stated herein represents a reasonable estimate thereof. Any waiver by Landlord of any late charges or failure to claim the same shall not constitute a waiver of other late charges or any other remedies available to Landlord. Notwithstanding anything to the contrary set forth herein, Tenant shall not be liable for the late charge set forth in this Paragraph 27.4 with respect to the first delinquency by Tenant in any calendar year, provided that Tenant shall pay any such delinquent amount within five (5) Business Days after receipt of notice of such delinquency from Landlord.

27.5 Interest. Interest shall accrue on all sums not paid when due hereunder at the lesser of (a) the maximum interest rate per year allowed by Applicable Laws, or (b) a rate equal to the sum of two (2) percentage points over the publicly announced reference rate charged on such due date by the San Francisco Main Office of Wells Fargo (or if Wells Fargo. ceases to exist, the largest bank then headquartered in the State of California) ("**Applicable Interest Rate**") from the due date until paid.

27.6 Remedies Cumulative. All of Landlord's rights, privileges and elections or remedies are cumulative and not alternative, to the extent permitted by law and except as otherwise provided herein.

27.7 Replacement of Statutory Notice Requirements. When this Lease requires service of a notice, that notice shall replace rather than supplement any equivalent or similar statutory notice, including any notice required by California Code of Civil Procedure Section 1161 or any similar or successor statute. When a statute requires service of a notice in a particular manner, service of that notice (or a similar notice required by this Lease) in the manner required by this Paragraph 27 shall replace and satisfy the statutory service-of-notice procedures, including those required by California Code of Civil Procedure Section 1162 or any similar or successor statute.

27.8 Landlord Default. Notwithstanding anything to the contrary set forth in this Lease, Landlord shall not be in default in the performance of any obligation required to be performed by Landlord pursuant to this Lease unless 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 pursue the same to completion (such failure to perform following the expiration of such cure periods, a "**Landlord Default**"). Except as otherwise specifically provided in this Lease to the contrary, the occurrence of a Landlord Default shall give rise to Tenant's rights and remedies available at law and in equity.

28. LIENS

Tenant shall at all times keep the Premises and the Project free from liens arising out of or related to work or services performed, materials or supplies furnished or obligations incurred by or on behalf of Tenant or in connection with work made, suffered or done by or on behalf of Tenant in or on the Premises or Project. If Tenant shall not, within twenty (20) days following the imposition of any such lien, cause the same to be released of record by payment or posting of a proper bond, Landlord shall have, in addition to all other remedies provided herein and by law, the right, but not the obligation, to cause the same to be released by such means as Landlord shall reasonably deem proper, including payment of the claim giving rise to such lien. All sums paid by Landlord on behalf of Tenant and all expenses incurred by Landlord in

connection therefor shall be payable to Landlord by Tenant on demand with interest at the Applicable Interest Rate as Additional Rent. Landlord shall have the right at all times to post and keep posted on the Premises any notices permitted or required by law, or which Landlord shall deem proper, for the protection of Landlord, the Premises, the Project and any other party having an interest therein, from mechanics' and materialmen's liens, and Tenant shall give Landlord not less than ten (10) Business Days prior written notice of the commencement of any work in the Premises or Project which could lawfully give rise to a claim for mechanics' or materialmen's liens to permit Landlord to post and record a timely notice of non-responsibility, as Landlord may elect to proceed or as the law may from time to time provide, for which purpose, if Landlord shall so determine, Landlord may enter the Premises. Tenant shall not remove any such notice posted by Landlord without Landlord's consent, and in any event not before completion of the work which could lawfully give rise to a claim for mechanics' or materialmen's liens.

29. TRANSFERS BY LANDLORD

In the event of a sale or conveyance by Landlord of the Building or a foreclosure by any creditor of Landlord where such party acquiring the interest of Landlord in the Building assumes all obligations of Landlord under this Lease, the same shall operate to release Landlord from any liability upon any of the covenants or conditions, express or implied, herein contained in favor of Tenant, to the extent required to be performed after the passing of title to Landlord's successor-in-interest. In such event, Tenant agrees to look solely to the responsibility of the successor-in-interest of Landlord under this Lease with respect to the performance of the covenants and duties of "Landlord" to be performed after the passing of title to Landlord's successor-in-interest. This Lease shall not be affected by any such sale and Tenant agrees to attorn to the purchaser or assignee.

30. RIGHT OF LANDLORD TO PERFORM TENANT'S COVENANTS

All covenants and agreements to be performed by Tenant under any of the terms of this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any abatement of Rent, except as provided in Paragraph 15.7. If Tenant shall fail to pay any sum of money, other than Base Rent, required to be paid by Tenant hereunder or shall fail to perform any other act on Tenant's part to be performed hereunder, including Tenant's obligations under Paragraph 11 hereof, and such failure shall continue after any applicable notice and cure periods, in addition to the other rights and remedies of Landlord, Landlord may make any such payment and perform any such act on Tenant's part. In the case of an emergency, no prior notification by Landlord shall be required. Landlord may take such actions without any obligation and without releasing Tenant from any of Tenant's obligations. All sums so paid by Landlord and all incidental costs incurred by Landlord and interest thereon at the Applicable Interest Rate, from the date of payment by Landlord, shall be paid to Landlord on demand as Additional Rent.

31. WAIVER

If either Landlord or Tenant waives the performance of any term, covenant or condition contained in this Lease, such waiver shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition contained herein, or constitute a course of dealing contrary to the expressed terms of this Lease. The acceptance of Rent by Landlord (including, without limitation, through any "lockbox") shall not constitute a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, regardless of Landlord's knowledge of such preceding breach at the time Landlord accepted such Rent. Failure by Landlord to enforce any of the terms, covenants or conditions of this Lease for any length of time shall not be deemed to waive or decrease the right of Landlord to insist thereafter upon strict performance by Tenant. Waiver by Landlord or Tenant of any term, covenant or condition contained in this Lease may only be made by a written document signed by Landlord or Tenant, as applicable, based upon full knowledge of the circumstances.

32. NOTICES

Each provision of this Lease or of any Applicable Laws with reference to sending, mailing, or delivery of any notice or the making of any payment by Landlord or Tenant to the other shall be deemed to be complied with when and if the following steps are taken:

32.1 Rent. All Rent and other payments required to be made by Tenant to Landlord hereunder shall be payable to Landlord at Landlord's Remittance Address set forth in the Basic Lease Information, or at such other address as Landlord may specify from time to time by written notice delivered in accordance herewith or by wire transfer to the following account:

Name of bank: Wells Fargo Bank
Account name: Bay Meadows Station 3 Investors, LLC
ABA: 1 2 1 0 0 0 2 4 8
Account #: 4124067349

Tenant's obligation to pay Rent and any other amounts to Landlord under the terms of this Lease shall not be deemed satisfied until such Rent and other amounts have been actually received by Landlord.

32.2 Other. All notices, demands, consents and approvals which may or are required to be given by either party to the other hereunder shall be in writing and personally delivered, sent by commercial overnight courier, or mailed, certified or registered, postage prepaid, and in each case addressed to the party to be notified at the Notice Address for such party as specified in the Basic Lease Information or to such other place as the party to be notified may from time to time designate by at least thirty (30) days' notice to the notifying party. Notices shall be deemed served upon receipt or refusal to accept delivery.

32.3 Required Notices. Tenant shall immediately notify Landlord in writing of any notice of a violation or a potential or alleged violation of any Applicable Law that relates to the Premises or the Project, or of any inquiry, investigation, enforcement or other action that is instituted or threatened by any governmental or regulatory agency against Tenant or any other occupant of the Premises, or any claim that is instituted or threatened by any third party that relates to the Premises or the Project.

33. ATTORNEYS' FEES

In any action which Landlord or Tenant brings to enforce its respective rights hereunder, the unsuccessful party shall pay all costs incurred by the prevailing party including reasonable attorneys' fees, to be fixed by the court, and said costs and attorneys' fees shall be a part of the judgment in said action.

34. SUCCESSORS AND ASSIGNS

This Lease shall be binding upon and inure to the benefit of Landlord, its successors and assigns, and shall be binding upon and inure to the benefit of Tenant, its successors, and to the extent assignment is approved by Landlord as provided hereunder, Tenant's assigns.

35. FORCE MAJEURE

For purposes of this Lease, a "**Force Majeure Event**" means a delay or interruption caused by strikes and lockouts (provided that such strikes and/or lockouts affect all or a material part of the work force available to perform the work or service in question in the area in which the Comparable Buildings

are located (and not, for example, only certain individual companies or firms)), power failure (i.e., a failure by the electric utility company to provide power to the Building, and not a malfunction of the electrical system at the Building, unless such malfunction is the result of a power failure, power surge or like event), governmental restrictions, regulations, controls, actions or inaction, condemnations, riots, insurrections, acts of terrorism, war, fire or other casualty, acts of God, or other reasonably unforeseeable circumstances not within the control of the party or its agents delayed in performing work or doing acts required under the terms of this Lease, but only, in each case, to the extent that such event or occurrence actually so delays such performance of work or other acts required hereunder. If either party is unable to perform or delayed in performing any of its obligations under this Lease to the extent due to a Force Majeure Event, such party shall not be in default under this Lease; provided, however, that nothing contained in this Paragraph 35 shall permit Tenant to holdover in the Premises after the expiration or earlier termination of this Lease.

36. SURRENDER OF PREMISES

Tenant shall, upon expiration or sooner termination of this Lease, surrender the Premises to Landlord in the same condition as existed on the date Tenant commenced business operations therein, reasonable wear and tear and damage by fire or other casualty excepted and subject to Tenant's obligations under Paragraphs 12, 13, 38 and 39 and the Tenant Improvement Agreement. Tenant shall remove all of its debris from the Project. At or before the time of surrender, Tenant shall comply with the terms of Paragraph 12 with respect to the removal of Alterations to the Premises, Paragraph 13 with respect to the removal of Tenant's Signs, Paragraph 38 with respect to the removal of Equipment, Paragraph 39 with respect to removal of Lines, and Section 10 of the Tenant Improvement Agreement with respect to the removal of Tenant Improvements. To the extent any such provisions of this Lease or the Tenant Improvement Agreement require Tenant to remove Alterations, Tenant's Signs or Tenant Improvements, Tenant, at Tenant's expense, shall remove such items and perform such repair and restoration work prior to the expiration or upon the earlier termination of this Lease. If the Premises are not so surrendered at the expiration or sooner termination of this Lease, the provisions of Paragraph 26 hereof shall apply. All keys to the Premises or any part thereof shall be surrendered to Landlord upon expiration or sooner termination of the Term. Tenant shall meet with Landlord for a joint inspection of the Premises at the time of vacating, but nothing contained herein shall be construed as an extension of the Term or as a consent by Landlord to any holding over by Tenant. If Tenant fails to participate in such joint inspection, Landlord's inspection at or after Tenant's vacating the Premises shall conclusively be deemed correct for purposes of determining Tenant's responsibility for repairs and restoration. Any delay caused by Tenant's failure to carry out its obligations under this Paragraph 36 beyond the term hereof, shall constitute unlawful and illegal possession of Premises under Paragraph 26 hereof. Any personal property of any kind remaining in the Premises after the expiration or sooner termination of this Lease shall become the personal property of Landlord. Tenant hereby relinquishes all right, title and interest in the personal property and agrees that Landlord may dispose of the personal property as it sees fit in its sole discretion. Tenant waives the provisions of California Civil Code Sections 1980 et seq. and 1993 et seq. governing the disposal of lost or abandoned property, and releases Landlord and Landlord Parties from any and all Losses, whether now known or unknown, arising out of or relating to disposal of personal property remaining in the Premises after the expiration or sooner termination of this Lease.

37. PARKING

37.1 Parking Rights. At no additional charge to Tenant and so long as Tenant (or a Transferee, if applicable) is occupying the Premises, Tenant and Tenant Parties shall have the right to use up to the number of parking spaces in the Building's Subterranean Parking Facility specified in the Basic Lease Information on an unreserved, nonexclusive, first come, first served basis, for passenger-size automobiles. The parking rights granted under this Paragraph 37 are personal to Tenant and are not

transferable except in connection with a Transfer of the Lease. Upon the expiration or earlier termination of this Lease, Tenant's rights with respect to all parking spaces shall immediately terminate. Tenant and the other Tenant Parties shall not interfere with the rights of Landlord or others entitled to similar use of the parking facilities.

37.2 Compliance with Parking Rules. The Parking Facilities shall be subject to the reasonable control and management of Landlord, who may, from time to time, establish, modify and enforce reasonable rules and regulations with respect thereto. If parking spaces are not assigned pursuant to the terms of this Lease, Landlord reserves the right at any time to assign parking spaces, and Tenant shall thereafter be responsible to insure that its officers and employees park in the designated areas. Landlord reserves the right to change, reconfigure, or rearrange the Parking Facility, to reconstruct or repair any portion thereof, and to restrict or eliminate the use of any Parking Facility and do such other acts in and to such areas as Landlord deems necessary or desirable, without such actions being deemed an eviction of Tenant or a disturbance of Tenant's use of the Premises, and without Landlord being deemed in default hereunder, provided that (a) Landlord shall use commercially reasonable efforts (without any obligation to engage overtime labor or commence any litigation) to minimize the extent and duration of any resulting interference with Tenant's parking rights, (b) the number of parking spaces available for Tenant's use as provided in the Basic Lease Information is not reduced, and (c) Tenant is not charged for such parking spaces. Landlord may, in its sole discretion, convert the Parking Facility to a reserved and/or controlled parking facility, or operate the Parking Facility (or a portion thereof) as a tandem, attendant assisted and/or valet parking facility. Landlord may delegate its responsibilities with respect to the Parking Facility to a parking operator, in which case such parking operator shall have all the rights of control and management granted to Landlord. In such event, Landlord may direct Tenant, in writing, to enter into a parking agreement directly with the operator of the Parking Facility.

37.3 Waiver of Liability. Landlord shall not be liable for any damage of any nature to, or any theft of, vehicles, or contents thereof, in or about the Parking Facility.

38. ROOF TOP EQUIPMENT

38.1 License. Subject to the applicable terms and conditions contained in this Lease (including Paragraph 12 and this Paragraph 38), Tenant shall have a license (the "**License**"), at no additional charge to Tenant, to install, operate, maintain and use, during the Term: (a) non-revenue producing solar panels and satellite or wireless communications equipment to serve Tenant's business in the Premises (collectively, "**Rooftop Equipment**") on the roof of the Building, in a specific location reasonably designated by Landlord (the "**License Area**"); and (b) connections for the Rooftop Equipment for (i) electrical wiring to the Building's existing electrical supply and (ii) cable or similar connection necessary to connect the Rooftop Equipment with Tenant's related equipment located in the Premises. The routes or paths for such wiring and connections shall be through the Building's existing risers, conduits and shafts, subject to reasonable space limitations and Landlord's reasonable requirements for use of such areas, and in all events subject to Landlord's reasonable approval of plans and installation pursuant to other provisions of this Lease, including Paragraph 27 above (such routes or paths are collectively referred to as the "**Cable Path**" and all such electrical and other connections are referred to, collectively, as the "**Connections**"). The Rooftop Equipment and Connections are collectively referred to as the "**Equipment.**" All costs associated with the design, fabrication, engineering, permitting, installation, screening, maintenance, repair and removal of the Rooftop Equipment shall be borne solely by Tenant.

38.2 Interference. Without limiting the generality of any other provision hereof, Tenant shall install, maintain and operate the Equipment in a manner so as to not cause any electrical, electromagnetic, radio frequency or other material interference with the use and operation of any: (a) television or radio

equipment in or about the Project; (b) transmitting, receiving or master television, telecommunications or microwave antennae equipment currently or hereafter located in any portion of the Project; or (c) radio communication system now or hereafter used or desired to be used by Landlord (and, to the extent commercially reasonable, any future licensee or tenant of Landlord, but only provided that the same does not impair the functionality of Tenant's Equipment). Upon notice of any such interference, Tenant shall immediately cooperate with Landlord to identify the source of the interference and shall, within twenty-four (24) hours, if reasonably requested by Landlord, cease all operations of the Equipment (except for intermittent testing as approved by Landlord, which approval shall not be unreasonably withheld) until the interference has been corrected to the reasonable satisfaction of Landlord, unless Tenant reasonably establishes prior to the expiration of such twenty-four (24) hour period that the interference is not caused by the Equipment, in which case Tenant may operate its Equipment pursuant to the terms of this Lease. Tenant shall be responsible for all actual costs associated with any tests deemed reasonably necessary to resolve any and all interference as set forth in this Paragraph provided such interference is actually caused by Tenant. If any such interference caused by Tenant has not been corrected within ten (10) days after notice to Tenant, Landlord may (i) require Tenant to remove the specific Equipment causing such interference, or (ii) eliminate the interference at Tenant's expense. If the equipment of any other party causes interference with the Equipment, Tenant shall reasonably cooperate with such other party to resolve such interference in a mutually acceptable manner.

38.3 Roof Repairs. If Landlord desires to perform roof repairs and/or roof replacements to the Building (the "**Roof Repairs**"), Landlord shall give Tenant at least ten (10) Business Days' prior written notice of the date Landlord intends to commence such Roof Repairs (except in the event of an emergency, in which event Landlord shall furnish Tenant with reasonable notice in light of the circumstances), along with a description of the work scheduled to be performed, where it is scheduled to be performed on the roof, and an estimate of the time frame required for that performance. Tenant shall, within ten (10) Business Days following receipt of such notice, undertake such measures as it deems suitable to protect the Equipment from interference by Landlord, its agents, contractors or employees, in the course of any Roof Repairs.

38.4 Rules and Regulations. Without limiting the applicable provisions of this Lease, Tenant's use of the roof of the Building for the installation, operation, maintenance and use of the Equipment shall be subject to the terms and conditions contained in the Rooftop Work Rules and Regulations attached hereto as **Exhibit F**.

38.5 Rights Personal to Original Tenant. Tenant's rights under this Paragraph 38 are personal to the Original Tenant (or its Permitted Assignee), and shall not be transferable or assignable, whether voluntarily or involuntarily, whether by operation of law or otherwise, either in connection with an assignment of this Lease (other than to a Permitted Assignee) or a sublease of all or part of the Premises (other than to a Permitted Assignee). Any purported transfer of any license hereunder (other than a Permitted Assignee) shall be void and a material default under this Lease.

39. COMMUNICATIONS AND COMPUTER LINES

39.1 Tenant's Rights. Tenant may install, maintain, replace, remove or use any communications or computer wires, cables and related devices (collectively the "**Lines**") at the Building in or serving the Premises, provided: (a) Tenant shall obtain Landlord's prior written consent, and use an experienced and qualified contractor approved in writing by Landlord, and comply with all of the other provisions of Paragraph 15, (b) any such installation, maintenance, replacement, removal or use shall comply with all Applicable Laws and good work practices, and shall not interfere with the use of any then existing Lines at the Building, (c) an acceptable number of spare Lines and space for additional Lines shall be maintained for existing and future occupants of the Building, as determined in Landlord's

reasonable opinion, (d) if Tenant at any time uses any equipment that may create an electromagnetic field exceeding the normal insulation ratings of ordinary twisted pair riser cable or cause radiation higher than normal background radiation, the Lines therefor (including riser cables) shall be appropriately insulated to prevent such excessive electromagnetic fields or radiation, (e) as a condition to permitting the installation of new Lines, Landlord may require that Tenant remove existing Lines located in or serving the Premises, (f) Tenant's rights shall be subject to the rights of any regulated telephone company, and (g) Tenant shall pay all costs in connection therewith. 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 in violation of any Applicable Laws or represent a dangerous or potentially dangerous condition (whether such Lines were installed by Tenant or any other party), within five (5) Business Days after notice.

39.2 Landlord's Rights. Landlord may (but shall not have the obligation to): (a) install new Lines at the Building, (b) create additional space for Lines at the Building, and (c) reasonably direct, monitor and/or supervise the installation, maintenance, replacement and removal of, the allocation and periodic re-allocation of available space (if any) for, and the allocation of excess capacity (if any) on, any Lines now or hereafter installed at the Building by Landlord, Tenant or any other party (but Landlord shall have no right to monitor or control the information transmitted through such Lines). Such rights shall not be in limitation of other rights that may be available to Landlord pursuant to this Lease or by law or otherwise. If Landlord exercises any such rights, Landlord may charge Tenant for the costs attributable to Tenant, or may include those costs and all other costs in Operating Expenses (including without limitation, costs for acquiring and installing Lines and risers to accommodate new Lines and spare Lines, any associated computerized system and software for maintaining records of Line connections, and the fees of any consulting engineers and other experts).

39.3 Removal; Line Problems. Tenant shall remove all Lines installed by or for Tenant within or serving the Premises upon expiration or sooner termination of this Lease, unless Landlord notifies Tenant at least thirty (30) days prior to expiration of this Lease or within ten (10) days after the earlier termination of this Lease that Tenant may leave all or any portion of the Lines in place. Any Lines not required to be removed pursuant to this Paragraph 39.3 shall, at Landlord's option, become the property of Landlord (without payment by Landlord). If Tenant fails to remove such Lines as required hereunder, or violates any other provision of this Paragraph 39.3, Landlord may, after five (5) Business Days' written notice to Tenant, remove such Lines or remedy such other violation, at Tenant's expense (without limiting Landlord's other remedies available under this Lease or Applicable Laws). Tenant shall not, without the prior written consent of Landlord in each instance, grant to any third party a security interest or lien in or on the Lines, and any such security interest or lien granted without Landlord's written consent shall be null and void. Except as a result of Landlord's gross negligence or willful misconduct, Landlord shall have no liability for damages arising from, and Landlord does not warrant that the Tenant's use of any Lines will be free from the following (collectively called "**Line Problems**"): (a) any eavesdropping or wire-tapping by unauthorized parties, (b) any failure of any Lines to satisfy Tenant's requirements, or (c) any shortages, failures, variations, interruptions, disconnections, loss or damage caused by the installation, maintenance, replacement, use or removal of Lines by or for other tenants or occupants at the Building, by any failure of the environmental conditions or the power supply for the Building to conform to any requirements for the Lines or any associated equipment, or any other problems associated with any Lines by any other cause. Under no circumstances shall any Line Problems be deemed an actual or constructive eviction of Tenant, render Landlord liable to Tenant for abatement of Rent, or relieve Tenant from performance of Tenant's obligations under this Lease. In addition, in no event shall Landlord be liable for damages by reason of loss of profits, business interruption or other consequential damage arising from any Line Problems.

40. MISCELLANEOUS

40.1 General. The term "**Tenant**" or any pronoun used in place thereof shall indicate and include the masculine or feminine, the singular or plural number, individuals, firms or corporations, and their respective successors, executors, administrators and permitted assigns, according to the context hereof.

40.2 Time. Time is of the essence regarding this Lease and all of its provisions.

40.3 Choice of Law. This Lease shall in all respects be governed by the laws of the State of California.

40.4 Entire Agreement. This Lease, together with its Exhibits, addenda and attachments and the Basic Lease Information, contains all the agreements of the parties hereto and supersedes any previous negotiations. There have been no representations made by the Landlord or understandings made between the parties other than those set forth in this Lease and its Exhibits, addenda and attachments and the Basic Lease Information.

40.5 Modification. This Lease may not be modified except by a written instrument signed by the parties hereto.

40.6 Severability. If, for any reason whatsoever, any of the provisions hereof shall be unenforceable or ineffective, all of the other provisions shall be and remain in full force and effect.

40.7 Recordation. Tenant shall not record this Lease or a short form memorandum hereof.

40.8 Examination of Lease. Submission of this Lease to Tenant does not constitute an option or offer to lease and this Lease is not effective otherwise until execution and delivery by both Landlord and Tenant.

40.9 Accord and Satisfaction. No payment by Tenant of a lesser amount than the total Rent due nor any endorsement on any check or letter accompanying any check or payment of Rent shall be deemed an accord and satisfaction of full payment of Rent, and Landlord may accept such payment without prejudice to Landlord's right to recover the balance of such Rent or to pursue other remedies. All offers by or on behalf of Tenant of accord and satisfaction are hereby rejected in advance.

40.10 Easements. Landlord may grant easements on the Project and dedicate for public use portions of the Project without Tenant's consent; provided that no such grant or dedication shall materially interfere with Tenant's Permitted Use, or access to, of the Premises. Upon Landlord's request, Tenant shall, at Landlord's sole cost and expense, execute, acknowledge and deliver to Landlord such documents, instruments, maps and plats necessary to effectuate Tenant's covenants hereunder.

40.11 Project Labor Agreement. The Project is subject to the Project Labor Agreement (as defined below) requiring contractors to be bound by the terms and conditions of the Project Labor Agreement for certain Covered Work as defined therein. In furtherance of the foregoing, contractors and subcontractors of Tenant, prior to commencement of on-site construction by that contractor or subcontractor, shall execute an Agreement to be Bound in the form required by the Project Labor Agreement and provide a copy to Landlord of such executed Agreement to be Bound prior to the commencement of any work. For purposes hereof, the "**Project Labor Agreement**" means that certain Project Labor Agreement for Bay Meadows Phase II Project originally entered into on November 16,

2004, as amended. Tenant acknowledges that Landlord has provided to Tenant a copy of the Project Labor Agreement.

40.12 Drafting and Determination Presumption. The parties acknowledge that this Lease has been agreed to by both the parties, that both Landlord and Tenant have consulted with attorneys with respect to the terms of this Lease and that no presumption shall be created against Landlord because Landlord drafted this Lease. Except as otherwise specifically set forth in this Lease, with respect to any consent, determination or estimation of Landlord required or allowed in this Lease or requested of Landlord, Landlord's consent, determination or estimation shall be given or made solely by Landlord in Landlord's good faith opinion, whether or not objectively reasonable. If Landlord fails to respond to any request for its consent within the time period, if any, specified in this Lease, Landlord shall be deemed to have disapproved such request.

40.13 Exhibits. The Basic Lease Information, and the Exhibits, addenda and attachments attached hereto are hereby incorporated herein by this reference and made a part of this Lease as though fully set forth herein.

40.14 No Light, Air or View Easement. Any diminution or shutting off of light, air or view by any structure which may be erected on lands adjacent to or in the vicinity of the Building shall in no way affect this Lease or impose any liability on Landlord.

40.15 No Third Party Benefit. This Lease is a contract between Landlord and Tenant and nothing herein is intended to create any third party benefit.

40.16 Quiet Enjoyment. Upon payment by Tenant of the Rent, and upon the observance and performance of all of the other covenants, terms and conditions on Tenant's part to be observed and performed, Tenant shall peaceably and quietly hold and enjoy the Premises for the term hereby demised without hindrance or interruption by Landlord or any other person or persons lawfully or equitably claiming by, through or under Landlord, subject, nevertheless, to all of the other terms and conditions of this Lease. Landlord shall not be liable for any hindrance, interruption, interference or disturbance by other tenants or third persons, nor shall Tenant be released from any obligations under this Lease because of such hindrance, interruption, interference or disturbance.

40.17 Counterparts. This Lease may be executed in any number of counterparts, each of which shall be deemed an original.

40.18 Multiple Parties. If more than one person or entity is named herein as Tenant, such multiple parties shall have joint and several responsibility to comply with the terms of this Lease.

40.19 Prorations. Any Rent or other amounts payable to Landlord by Tenant hereunder for any fractional month shall be prorated based on a month of 30 days. As used herein, the term "fiscal year" shall mean the calendar year or such other fiscal year as Landlord may deem appropriate.

41. JURY TRIAL WAIVER; JUDICIAL REFERENCE

EACH PARTY HERETO (WHICH INCLUDES ANY ASSIGNEE, SUCCESSOR HEIR OR PERSONAL REPRESENTATIVE OF A PARTY) SHALL NOT SEEK A JURY TRIAL, HEREBY WAIVES TRIAL BY JURY, AND HEREBY FURTHER WAIVES ANY OBJECTION TO VENUE IN THE COUNTY IN WHICH THE BUILDING IS LOCATED, AND AGREES AND CONSENTS TO PERSONAL JURISDICTION OF THE COURTS OF THE STATE IN WHICH THE PROPERTY IS LOCATED, IN ANY ACTION OR PROCEEDING OR COUNTERCLAIM BROUGHT BY ANY

PARTY HERETO AGAINST THE OTHER ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES, OR ANY CLAIM OF INJURY OR DAMAGE, OR THE ENFORCEMENT OF ANY REMEDY UNDER ANY STATUTE, EMERGENCY OR OTHERWISE, WHETHER ANY OF THE FOREGOING IS BASED ON THIS LEASE OR ON TORT LAW. EACH PARTY REPRESENTS THAT IT HAS HAD THE OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL CONCERNING THE EFFECT OF THIS PARAGRAPH 41. THE PROVISIONS OF THIS PARAGRAPH 41 SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS LEASE.

IF THE JURY WAIVER PROVISIONS OF THIS PARAGRAPH 41 ARE NOT ENFORCEABLE UNDER CALIFORNIA LAW, THEN THE FOLLOWING PROVISIONS SHALL APPLY. IT IS THE DESIRE AND INTENTION OF THE PARTIES TO AGREE UPON A MECHANISM AND PROCEDURE UNDER WHICH CONTROVERSIES AND DISPUTES ARISING OUT OF THIS LEASE OR RELATED TO THE PREMISES WILL BE RESOLVED IN A PROMPT AND EXPEDITIOUS MANNER. ACCORDINGLY, EXCEPT WITH RESPECT TO ACTIONS FOR UNLAWFUL OR FORCIBLE DETAINER OR WITH RESPECT TO THE PREJUDGMENT REMEDY OF ATTACHMENT, ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER PARTY HERETO AGAINST THE OTHER (AND/OR AGAINST ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR SUBSIDIARIES OR AFFILIATED ENTITIES) ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, TENANT'S USE OR OCCUPANCY OF THE PREMISES AND/OR ANY CLAIM OF INJURY OR DAMAGE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, SHALL BE HEARD AND RESOLVED BY A REFEREE UNDER THE PROVISIONS OF THE CALIFORNIA CODE OF CIVIL PROCEDURE, SECTIONS 638 — 645.1, INCLUSIVE (AS SAME MAY BE AMENDED, OR ANY SUCCESSOR STATUTE(S) THERETO) (THE "**REFEREE SECTIONS**"). ANY FEE TO INITIATE THE JUDICIAL REFERENCE PROCEEDINGS AND ALL FEES CHARGED AND COSTS INCURRED BY THE REFEREE SHALL BE PAID BY THE PARTY INITIATING SUCH PROCEDURE (EXCEPT THAT IF A REPORTER IS REQUESTED BY EITHER PARTY, THEN A REPORTER SHALL BE PRESENT AT ALL PROCEEDINGS WHERE REQUESTED AND THE FEES OF SUCH REPORTER – EXCEPT FOR COPIES ORDERED BY THE OTHER PARTIES – SHALL BE BORNE BY THE PARTY REQUESTING THE REPORTER); PROVIDED HOWEVER, THAT ALLOCATION OF THE COSTS AND FEES, INCLUDING ANY INITIATION FEE, OF SUCH PROCEEDING SHALL BE ULTIMATELY DETERMINED IN ACCORDANCE WITH THE ATTORNEYS' FEES PROVISIONS OF THIS LEASE. THE VENUE OF THE PROCEEDINGS SHALL BE IN THE COUNTY IN WHICH THE PREMISES ARE LOCATED. WITHIN 10 BUSINESS DAYS OF RECEIPT BY ANY PARTY OF A WRITTEN REQUEST TO RESOLVE ANY DISPUTE OR CONTROVERSY PURSUANT TO THIS PARAGRAPH 41, THE PARTIES SHALL AGREE UPON A SINGLE REFEREE WHO SHALL TRY ALL ISSUES, WHETHER OF FACT OR LAW, AND REPORT A FINDING AND JUDGMENT ON SUCH ISSUES AS REQUIRED BY THE REFEREE SECTIONS. IF THE PARTIES ARE UNABLE TO AGREE UPON A REFEREE WITHIN SUCH 10 BUSINESS DAY PERIOD, THEN ANY PARTY MAY THEREAFTER FILE A LAWSUIT IN THE COUNTY IN WHICH THE PREMISES ARE LOCATED FOR THE PURPOSE OF APPOINTMENT OF A REFEREE UNDER THE REFEREE SECTIONS. IF THE REFEREE IS APPOINTED BY THE COURT, THE REFEREE SHALL BE A NEUTRAL AND IMPARTIAL RETIRED JUDGE WITH SUBSTANTIAL EXPERIENCE IN THE RELEVANT MATTERS TO BE DETERMINED, FROM JAMS/ENDISPUTE, INC., THE AMERICAN ARBITRATION ASSOCIATION OR SIMILAR MEDIATION/ARBITRATION ENTITY. THE PROPOSED REFEREE MAY BE CHALLENGED BY ANY PARTY FOR ANY OF THE GROUNDS LISTED IN THE REFEREE SECTIONS. THE REFEREE SHALL HAVE THE POWER TO DECIDE ALL ISSUES OF FACT AND LAW AND REPORT HIS OR HER DECISION ON SUCH ISSUES, AND TO ISSUE ALL

RECOGNIZED REMEDIES AVAILABLE AT LAW OR IN EQUITY FOR ANY CAUSE OF ACTION THAT IS BEFORE THE REFEREE, INCLUDING AN AWARD OF ATTORNEYS' FEES AND COSTS IN ACCORDANCE WITH THIS LEASE. THE PARTIES SHALL BE ENTITLED TO CONDUCT ALL DISCOVERY AS PROVIDED IN THE CALIFORNIA CODE OF CIVIL PROCEDURE, AND THE REFEREE SHALL OVERSEE DISCOVERY AND MAY ENFORCE ALL DISCOVERY ORDERS IN THE SAME MANNER AS ANY TRIAL COURT JUDGE, WITH RIGHTS TO REGULATE DISCOVERY AND TO ISSUE AND ENFORCE SUBPOENAS, PROTECTIVE ORDERS AND OTHER LIMITATIONS ON DISCOVERY AVAILABLE UNDER CALIFORNIA LAW. THE REFERENCE PROCEEDING SHALL BE CONDUCTED IN ACCORDANCE WITH CALIFORNIA LAW (INCLUDING THE RULES OF EVIDENCE), AND IN ALL REGARDS, THE REFEREE SHALL FOLLOW CALIFORNIA LAW APPLICABLE AT THE TIME OF THE REFERENCE PROCEEDING. THE PARTIES SHALL PROMPTLY AND DILIGENTLY COOPERATE WITH ONE ANOTHER AND THE REFEREE, AND SHALL PERFORM SUCH ACTS AS MAY BE NECESSARY TO OBTAIN A PROMPT AND EXPEDITIOUS RESOLUTION OF THE DISPUTE OR CONTROVERSY IN ACCORDANCE WITH THE TERMS OF THIS PARAGRAPH 41. IN THIS REGARD, THE PARTIES AGREE THAT THE PARTIES AND THE REFEREE SHALL USE BEST EFFORTS TO ENSURE THAT (A) DISCOVERY BE CONDUCTED FOR A PERIOD NO LONGER THAN 6 MONTHS FROM THE DATE THE REFEREE IS APPOINTED, EXCLUDING MOTIONS REGARDING DISCOVERY, AND (B) A TRIAL DATE BE SET WITHIN 9 MONTHS OF THE DATE THE REFEREE IS APPOINTED. IN ACCORDANCE WITH SECTION 644 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE, THE DECISION OF THE REFEREE UPON THE WHOLE ISSUE MUST STAND AS THE DECISION OF THE COURT, AND UPON THE FILING OF THE STATEMENT OF DECISION WITH THE CLERK OF THE COURT, OR WITH THE JUDGE IF THERE IS NO CLERK, JUDGMENT MAY BE ENTERED THEREON IN THE SAME MANNER AS IF THE ACTION HAD BEEN TRIED BY THE COURT. ANY DECISION OF THE REFEREE AND/OR JUDGMENT OR OTHER ORDER ENTERED THEREON SHALL BE APPEALABLE TO THE SAME EXTENT AND IN THE SAME MANNER THAT SUCH DECISION, JUDGMENT, OR ORDER WOULD BE APPEALABLE IF RENDERED BY A JUDGE OF THE SUPERIOR COURT IN WHICH VENUE IS PROPER HEREUNDER. THE REFEREE SHALL IN HIS/HER STATEMENT OF DECISION SET FORTH HIS/HER FINDINGS OF FACT AND CONCLUSIONS OF LAW. THE PARTIES INTEND THIS GENERAL REFERENCE AGREEMENT TO BE SPECIFICALLY ENFORCEABLE IN ACCORDANCE WITH THE CODE OF CIVIL PROCEDURE. NOTHING IN THIS PARAGRAPH 41 SHALL PREJUDICE THE RIGHT OF ANY PARTY TO OBTAIN PROVISIONAL RELIEF OR OTHER EQUITABLE REMEDIES FROM A COURT OF COMPETENT JURISDICTION AS SHALL OTHERWISE BE AVAILABLE UNDER THE CODE OF CIVIL PROCEDURE AND/OR APPLICABLE COURT RULES.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the Lease Date set forth in the Basic Lease Information.

LANDLORD

BAY MEADOWS STATION 3 INVESTORS, LLC, a Delaware limited liability company

By: _____

Name: _____

Title: _____

Dated: _____, 2018

TENANT

FRESHWORKS INC.
a Delaware corporation

By: _____

Name: _____

Title: _____

Dated: _____, 2018

By: _____

Name: _____

Title: _____

Dated: _____, 2018