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

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

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**ServiceTitan, Inc.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

7372  
(Primary Standard Industrial  
Classification Code Number)

26-0331862  
(I.R.S. Employer  
Identification Number)

ServiceTitan, Inc.  
800 N. Brand Blvd.  
Suite 100  
Glendale, California 91203  
(855) 899-0970

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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

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

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

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

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

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

Large accelerated filer   
Non-accelerated filer

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.

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

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The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject To Completion. Dated \_\_\_\_\_, 2024.

## Shares



### Common Stock

This is an initial public offering of shares of common stock of ServiceTitan, Inc.

Prior to this offering, there has been no public market for our common stock. It is currently estimated that the initial public offering price per share will be between \$ \_\_\_\_\_ and \$ \_\_\_\_\_. We intend to apply to list our common stock on the \_\_\_\_\_ under the symbol “\_\_\_\_\_”.

We are an “emerging growth company” as that term is used in the Jumpstart Our Business Startups Act of 2012 and, as such, may elect to comply with certain reduced public company reporting requirements in future reports after the completion of this offering.

See the section titled “[Risk Factors](#)” beginning on page 20 to read about factors you should consider before buying shares of our common stock.

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

	Per Share	Total
Initial public offering price	\$ _____	\$ _____
Underwriting discount <sup>(1)</sup>	\$ _____	\$ _____
Proceeds, before expenses, to ServiceTitan, Inc.	\$ _____	\$ _____

(1) See the section titled “Underwriting” for a description of the compensation payable to the underwriters.

To the extent that the underwriters sell more than \_\_\_\_\_ shares of common stock, the underwriters have the option to purchase up to an additional \_\_\_\_\_ shares from ServiceTitan, Inc. at the initial public offering price less the underwriting discount.

The underwriters expect to deliver the shares against payment in New York, New York, on or about \_\_\_\_\_.

**Goldman Sachs & Co. LLC**

**Morgan Stanley & Co. LLC**

Prospectus dated \_\_\_\_\_, 2024

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**Through and including \_\_\_\_\_, 2024 (the 25<sup>th</sup> 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.**

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Neither we nor any of the underwriters have authorized anyone to provide 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 responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date, regardless of the time of delivery of this prospectus or of any sale of our common stock.

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 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 the United States.

## PROSPECTUS SUMMARY

*This summary highlights selected information that is presented in greater detail 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,” “Special Note Regarding Forward-Looking Statements” 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. The last day of our fiscal year is January 31, and our fiscal quarters end on April 30, July 31, October 31 and January 31. Our fiscal years ended January 31, 2019, 2020, 2021, 2022, 2023 and 2024 are referred to herein as fiscal 2019, fiscal 2020, fiscal 2021, fiscal 2022, fiscal 2023 and fiscal 2024, respectively. Unless the context otherwise requires, all references in this prospectus to “we,” “us,” “our,” “our company,” and “ServiceTitan” refer to ServiceTitan, Inc. and its consolidated subsidiaries.*

### Overview

ServiceTitan is **the operating system that powers the trades.**

We are modernizing a massive and technologically underserved industry—an industry commonly referred to as the “trades.” The trades consist of the collection of field service activities required to install, maintain, and service the infrastructure and systems of residences and commercial buildings. Tradespeople—like your local plumber, roofer, landscaper, HVAC technician and others who are employed in the trades—are immensely skilled and extensively trained. They are the essential, unsung heroes who work tirelessly to ensure that our needs are met where we live or work, ready at a moment’s notice to leave their families in the middle of the night to go across town to help others. The trades constitute a large, expanding cornerstone of our economy. There are hundreds of thousands of trades businesses providing essential services in every corner of the country. Based on internal analysis of industry data, we estimate the customers of trades businesses, which we refer to as “end customers,” spent over \$                    trillion in                    on trades services for homes and businesses in the United States and Canada alone.

Despite the size and criticality of the trades and the specialized skills of tradespeople, technology solutions have generally not evolved to address their needs. Thus, many trades are forced to rely on a variety of inadequate tools to manage their workflows. As a result, before software like ours was created, we believe tradespeople were unable to fully harness the transformative benefits of modern technology to improve both their businesses and quality of life.

ServiceTitan was born in the trades and built for the trades. Our founders, Ara Mahdessian and Vahe Kuzoyan, are the sons of trades business owners. They grew up watching their parents work late into the night after full days in the field—balancing the books, preparing invoices and scheduling the next day’s work—manually performing repetitive tasks that consumed their time and diverted their energy away from what they loved: serving customers and spending time with their families. Ara and Vahe founded ServiceTitan to provide tradespeople, like their parents, with technology that is purpose-built to help trades businesses thrive. We built our cloud-based software platform to offer end-to-end capabilities to manage complex workflows, connect key stakeholders and provide impactful industry best practices. ServiceTitan remains to this day maniacally focused on the success of our customers as we fundamentally believe that our customers’ success leads to our success.

ServiceTitan provides an end-to-end, cloud-based software platform that connects and manages a wide array of business workflows such as advertising, job scheduling and management, dispatching, generating estimates and invoices, payment processing and more. We designed our platform to be the operating system for the trades, to assimilate features, capabilities and best-practices across trades for all of our customers and to provide them with a playbook to scale and operate more efficiently. Tradespeople spend their days interfacing with the ServiceTitan

platform across what we believe to be the five most business-critical functions, or the “core centers of gravity,” inside a trades business: CRM (customer relationship management, including sales enablement, marketing automation and customer service), FSM (field service management, including scheduling and dispatching), ERP (enterprise resource planning, including inventory), HCM (human capital management, including compensation and payroll) and FinTech (including payments and third-party consumer financing). By offering interoperable capabilities in all five centers of gravity, we continuously capture comprehensive data insights across key workflows in a trades business. We believe these data insights position us to deliver differentiated value to our customers and to develop durable customer relationships, as demonstrated by our gross dollar retention rate of % as of January 31, 2024 and % as of January 31, 2023.<sup>1</sup>

We are intimately aware of the challenges our customers face every day. Our software has been built on tens of thousands of hours of customer interactions and billions of data points collected from tradespeople’s live usage. Our close customer proximity and deep connection with the industry enable us to make evidence-based recommendations that can improve our customers’ business outcomes by identifying and replicating what works and fixing what does not. Our insights are augmented by the vast amounts of structured and unstructured data that we synthesize into best practices. These insights are then delivered across automated workflows, many of which we enhance with AI to address the distinct vertical-specific needs of the trades. Our comprehensive capabilities help our customers manage, grow and further professionalize their businesses, positioning them to realize the following impactful outcomes:

- **Accelerate Revenue.** Our suite of products provides powerful tools to help our customers drive more sales by helping them to determine which end customers to target, marketing to end customers effectively and optimizing the process to convert and retain end customers by making the job-booking process as seamless as possible. We also continuously refine and provide data-backed industry best practice playbooks to train technicians to be effective sales representatives and build trust with the end customer.
- **Drive Operational Efficiency.** Our platform helps to increase overall productivity by seamlessly integrating our customers’ often fragmented business processes. Our tools enable office staff and technicians to collaborate more effectively and focus on their end customers’ needs by providing access to consistent and real-time information, automating back-office workflows and enabling payment collection on-site.
- **Deliver a Superior End-Customer Service Experience.** Our tools help the trades provide the kind of modern, convenient, mobile-first end-customer experience that earns five-star reviews and builds brand loyalty, where the end customer is typically a homeowner, business owner or property manager. Our tools enable customers to deliver transparent, seamless end-customer outcomes from the initial call through job completion and on-site payment collection, and then receive immediate feedback through reviews to make any necessary refinements or remediations to confirm end-customer satisfaction. Further, our embedded position in the trades ecosystem allows us to proactively monitor shifting end-customer expectations and continuously innovate around them.
- **Provide a Differentiated Employee Experience.** Our software delivers cutting-edge tools that improve experiences for office staff and can increase commissions for technicians. We arm technicians with relevant data and a suite of capabilities that empower them to be more knowledgeable and productive at the job site, ultimately delivering an enhanced end-customer experience. These tools are designed to drive higher average ticket sizes and better end-customer reviews and retention, which in turn can lead to higher commissions for technicians while minimizing their time spent on menial tasks. We believe higher commission opportunities, in tandem with the efficiency and employee experience benefits enabled by our platform, help to increase employee morale and retention in an industry facing

<sup>1</sup> See the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Business Performance” for a description of how we calculate gross dollar retention rate.

competition over a shortage of skilled labor. Our customers' technicians also benefit from being at the forefront of technology powering the trades, which can further drive technician retention at ServiceTitan-powered businesses.

- **Heighten Business Owners' Visibility, Control and Peace of Mind.** Our platform offers our customers real-time insights into key business workflows through customizable dashboards that can be accessed essentially anywhere, anytime. We empower our customers to make optimal high-impact, data-driven decisions for their businesses. Through this enhanced sense of control combined with the meaningful benefits we can deliver to business owners' operational results, our tools are designed to deliver peace of mind to owners of trades businesses that their businesses are running smoothly and they are on an informed path to success.

We serve many trades, including plumbing, electrical, HVAC, garage door, pest control, landscaping and others. As of January 31, 2024, we served over \_\_\_\_\_ customers, and in fiscal 2024 and fiscal 2023 we processed over \$ \_\_\_\_\_ billion and \$ \_\_\_\_\_ billion of Gross Transaction Value, or GTV, respectively. GTV represents the sum of total dollars invoiced by our customers to end customers through our platform in a given period, which is intended to be a proxy for the total revenue our customers generate from their end customers. We define a customer as a parent organization, which may have multiple locations, brands or subsidiaries that have been billed in the prior three months, and we strategically focus on Active Customers, which we define as customers with over \$ \_\_\_\_\_ of annualized billings.<sup>2</sup> Our customers have ranged in size from family-owned contractors with a few employees to large franchises with national footprints of over 500 locations and over one billion dollars in annual GTV. As of January 31, 2024, we supported customers that operated in zip codes representing approximately \_\_\_\_\_ % of the U.S. population, based on U.S. census data as of \_\_\_\_\_. From our founding through January 31, 2024, over \_\_\_\_\_ million jobs have been completed by our customers through our platform. As of January 31, 2024, our Active Customers had on average approximately \_\_\_\_\_ employees and \$ \_\_\_\_\_ in annual GTV. As of January 31, 2024, we had over \_\_\_\_\_ Active Customers, representing over \_\_\_\_\_ % of our revenue for fiscal 2024. No single customer, including the aggregation of customers with a central buying negotiator (such as a franchise network), had aggregated revenue that exceeded \_\_\_\_\_ % of our revenue in fiscal 2023 or fiscal 2024. As a testament to our platform's ability to scale with our customers, as of January 31, 2024, we had \_\_\_\_\_ customers with annualized billings exceeding \$ \_\_\_\_\_ on our platform.<sup>2</sup>

We have two general categories of revenue: (i) platform revenue and (ii) professional services and other revenue. The majority of our revenue is platform revenue, which we generate through (a) subscription revenue generated from access to and use of our platform, including subscriptions to our Core and certain Pro products, and (b) usage-based revenue generated from transactions using our FinTech solutions and usage of certain Pro products. Our Core offers a base-level functionality across all key workflows, including call tracking, scheduling, dispatching, end-customer communications, marketing automation, estimating, job costing, sales, inventory and payroll. To supplement our Core and provide an even higher level of functionality, we offer our Pro products, which provide value-additive capabilities, as well as our FinTech products, which include payment processing and third-party financing solutions. As of January 31, 2024, over \_\_\_\_\_ % of our Active Customers used one or more of our FinTech or Pro products in addition to their subscription to our Core. Our net dollar retention rate, which we view as a measure of our customers' growth and success on our platform, was \_\_\_\_\_ % as of January 31, 2024 and was \_\_\_\_\_ % as of January 31, 2023.<sup>3</sup> We also generate a small portion of revenue from professional services and other sources, with this type of revenue generally earned when we onboard new customers.

We have consistently grown and scaled our business operations organically and through acquisitions in recent periods, while investing for the future. From fiscal 2021 to fiscal 2024, our revenue grew from \$179.2 million to

<sup>2</sup> See the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Business Performance" for a description of how we calculate annualized billings.

<sup>3</sup> See the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Business Performance" for a description of how we calculate net dollar retention rate.

\$614.3 million, respectively, representing a compound annual growth rate of 51%. Most recently, our revenue was \$467.7 million and \$614.3 million for fiscal 2023 and 2024, respectively, representing a year-over-year increase of 31%. During fiscal 2023 and fiscal 2024, we incurred losses from operations of \$221.9 million and \$182.9 million, respectively, with \$97.1 million and \$17.1 million in non-GAAP losses from operations, respectively.<sup>4</sup> During fiscal 2023 and fiscal 2024, we incurred net losses of \$269.5 million and \$195.1 million, respectively. Our net loss, loss from operations and non-GAAP loss from operations in recent periods reflect our continued investment in the growth of our business to capture the large market opportunity available to us.

## **Industry Background**

Access to clean water, consistent power, heated and ventilated air, an environment free from pest infestations, and a roof overhead are just some of the basic requirements of the modern home and business. We take these standards of living and comforts for granted until something goes wrong—a water pipe bursts, the heat goes out in the dead of winter or the power goes down in the middle of the workday. It is in these moments when tradespeople come to the rescue and we remember how much we depend on the trades.

### ***The Trades Are Massive, Durable and Rapidly Professionalizing***

The trades are a cornerstone of our global economy and one of the largest employment categories for the U.S. workforce. They attract considerable spending on homes, businesses and other properties. Based on internal analysis of industry data, we estimate end customers spent over \$ trillion in on trades services for homes and businesses in the United States and Canada alone.

The critical and generally non-discretionary nature of the work conducted by trades businesses also makes it a resilient category in times of economic and societal uncertainty. According to an industry report, over 75% of the 666 million jobs completed by trades businesses across U.S. residential home services in 2022 were expected to be immediate, preventative or non-discretionary in nature.<sup>5</sup>

In addition to being large and durable, the trades have several tailwinds that we expect to continue for the foreseeable future. First, the U.S. building stock, including homes, businesses, and other properties, are aging, requiring increasing levels of upkeep. In 1991, the median age of a U.S. owner-occupied home was 27 years; by 2021 the median age had increased to 43 years, its highest in the last three decades.<sup>6</sup> Second, homeowners and property managers increasingly lack the technical skills, know-how and willingness to perform increasingly complex projects in a “DIY” manner, driving up demand for professional tradespeople. Finally, climate change has ushered in changing and increasingly extreme weather patterns, including warmer summers and colder winters that result in, for instance, a heightened need for HVAC systems. Over time, changing weather patterns can lead to more wear-and-tear on homes and businesses, increasing the frequency of maintenance projects and new installations. In addition, a shift to clean energy would require installation and associated maintenance of new equipment, requiring the expertise of tradespeople.

Historically, the trades consisted of smaller, often family-owned entrepreneurial businesses with limited operational and geographical footprints. However, in recent years, more businesses are seeking to integrate modern technologies into their operations. Furthering this paradigm shift is the influx of professional operators, including private equity owners, who are investing in and consolidating the trades, accelerating the digital shift

<sup>4</sup> See the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures—Non-GAAP Loss from Operations and Non-GAAP Operating Margin” for a description of non-GAAP loss from operations and a reconciliation of non-GAAP loss from operations to loss from operations, the most directly comparable financial measure calculated in accordance with GAAP, as well as a summary of certain limitations of non-GAAP measures.

<sup>5</sup> Angi Inc., *The Economy of Everything Home*, 2022, <https://www.angi.com/research/reports/market/>.

<sup>6</sup> Harvard Joint Center for Housing Studies, *The State of the Nation’s Housing*, 2023, [www.jchs.harvard.edu](http://www.jchs.harvard.edu). All rights reserved.

with a focus on scaling and improving efficiency. At the same time, end customers increasingly demand seamless digital experiences that have become commonplace in other industries. These external forces create strong incentives for trades businesses to adopt transformative technology solutions to enhance business operations and deliver an enhanced customer experience.

#### ***Existing Tools Are Not Fulfilling the Needs of the Industry***

The lack of modern, industry-specific technology solutions has made it difficult for trades businesses to meet the elevated expectations of end customers. Other than the solutions provided by ServiceTitan, the technology tools available to the trades broadly fall into one of four categories:

- *Multiple Disjointed Point-Specific Tools with Narrow Capabilities*, that require a trades business to patch together numerous capabilities to support all its workflows and dedicate significant time, resources, capital and technical expertise, driving up costs without clear upside.
- *Horizontal Software Not Purpose-Built for the Trades*, which typically require heavy customization as well as significant ongoing investment to meet the industry-specific needs of the trades and to keep pace with fast-changing industry dynamics, new technology and shifting consumer expectations. These generic tools are ill-suited for trades businesses, large or small, that generally do not manage complex IT deployments.
- *Legacy On-Premise Technology Tools*, which were designed to address specific back-office use cases and fail to serve the end-to-end needs of a modern trades business. Often developed on-premise with unscalable data models, the constrained architectures of these tools generally fail to provide full connectivity between the business owner, field technicians and back-office.
- *Limited and Narrow, Down-market Solutions*, provided by new entrants inspired by ServiceTitan's success, offer solutions to address workflow challenges but we believe they fail to provide the end-to-end functionality and depth of trades expertise that ServiceTitan has built out over the past decade. These nascent solutions generally offer a thin layer of product capabilities that only address a narrow set of workflows and lack the ability to effectively serve larger trades businesses or scale with their customers as they grow.

#### ***The Trades Require an Industry-Centric Approach***

Trades businesses are complex in nature, servicing many types of jobs across complex workflows in distributed locations. Therefore, we believe that to adequately serve the trades, a software solution needs to be purpose-built for the nuanced dynamics of the trades, including the following:

- *Distributed Workforce with Dynamic Workflows*. Trade workflows are often fluid and geographically distributed as technicians, dispatchers, customer support representatives, salespeople, and owners may all be in separate and changing locations throughout the day but require immediate collaborative capabilities. Each job requires these distinct and separated constituents to frequently and dynamically interact with one another in real-time to appropriately address an end customer's job requirements. Further, jobs are generally complex and varying in scope, often requiring distinct combinations of parts and inventory. With such dispersed and variable workflows, combined with the scarcity of technicians and inherent costs of dispatching a technician to a job, we believe that establishing operating standards and maintaining real-time connectivity to ensure that all employees are working in sync can better position trades businesses to deliver high-quality and cost-efficient service.
- *Individual Trades Have Similar but Distinct Characteristics*. The industry consists of a wide array of trades that service different needs of households and businesses. Though each trade has similar operational challenges and business goals, there are often many unique workflows and specifications



that require configurations based on the nuances of a particular trade and/or end customer. For example, plumbing, electrical and HVAC services are often provided on-demand and require immediate dispatching, sophisticated in-the-field job estimating and sales enablement solutions on-site. Meanwhile, commercial or construction landscaping projects require sophisticated measurement and estimation for recurring maintenance contracts. Pest control and lawn care are often offered as scheduled recurring services that require membership optimization.

- *Technology Adoption Requires Business Transformation.* Often there are structural inefficiencies in trades businesses' historical operational workflows. However, these processes have existed for generations, and trades businesses may be apprehensive to invest in technology solutions that carry the risk of massively disrupting their established norms. Since trades businesses tend to devote their resources to serving their customers, they often lack large IT organizations required to stitch together narrow solutions, build software products in-house or customize horizontal technology to fit their distinct workflows.

Given the distinct characteristics and challenges of the trades, the need for a software platform built specifically for and trusted by this industry is critical.

### **The ServiceTitan Approach**

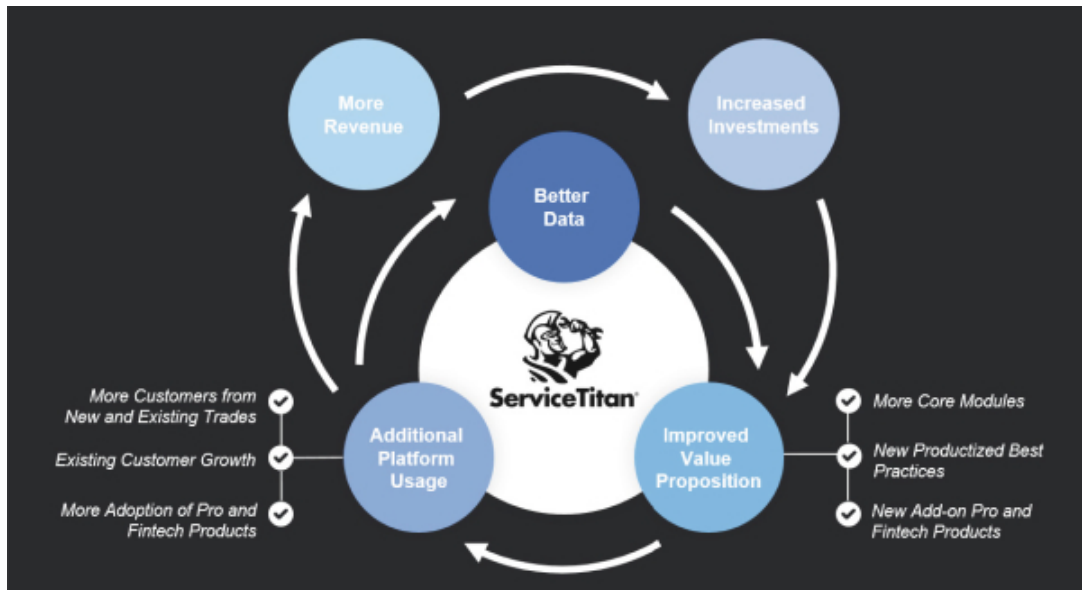
The trades deserve a modern platform to deliver superior performance from the back-office to field technicians to end customers. ServiceTitan was born to heed this calling. Our differentiated approach to drive success for our customers is built on three cornerstones:

- ***Our Software is Trades-Specific and End-to-End.*** We have built what we believe to be the first and only comprehensive cloud-based software solution designed specifically for the diverse spectrum of trades businesses, fully integrating across various facets of business operations, including the five centers of gravity (CRM, FSM, ERP, HCM and FinTech). Rather than targeting specific functional areas as is traditional in enterprise software, we target our entire customer – a trades business – and have purpose-built our platform to cover their needs and workflows end-to-end.
- ***We are Experts in the Trades.*** ServiceTitan lives and breathes the trades. We are emphatically focused on understanding the evolving challenges and workflows of trades stakeholders through continuously engaging with customers and observing their on-site utilization of our products. We also employ in-house industry experts and work closely with customers and industry partners to maintain a constant pulse of the trades.
- ***We Leverage Our Data Assets to Improve Customer Outcomes and Experiences.*** The trades live and breathe ServiceTitan. Trades businesses spend their days using our platform and processing key workflows through us. Our platform is typically used by nearly every employee across functions at trades businesses, giving us an unrivaled ability to collect data across all workflows and all users. Our customers rely on the ServiceTitan platform to record and collect operational and end-customer data. We anonymize, aggregate, and analyze this customer data, alongside third-party industry and macro data, to glean insights and productize further improvements for our customers.

We leverage these insights derived from our unique data assets together with our ever-growing expertise to build a differentiated perspective on the best way to run a trades business. Because our software is end-to-end, we are able to productize these best practices in our platform to drive real value for our customers.

This approach drives a powerful flywheel that reinforces our leadership in the trades. As the functionality of our platform expands, our customers can take advantage of that new functionality to increase the usage of our platform, fuel our revenue growth opportunities and enhance our data assets. This allows us to enhance existing

solutions, create new products and enter new trades which further improves our value proposition. In turn, we are able to attract new customers and empower our customers to grow, further driving usage and accelerating a virtuous flywheel that reinforces our leadership in the trades.



We supercharge this flywheel with our AI capabilities. ServiceTitan has always strived to be at the forefront of bringing data and machine learning to the trades, and now with the proliferation of AI, we continue to utilize the latest innovations to layer both traditional AI and Generative AI, or GenAI, into solutions across our platform.

We believe ServiceTitan has the three necessary ingredients to truly harness the power of AI to drive value for our customers:

- *Massive and growing proprietary data assets.*
- *Similar customer profiles with common workflows.*
- *An end-to-end platform, allowing us to put insights into action.*

We bring AI solutions to our customers in two ways:

- *AI Features and Insights.* We embed AI-driven features and insights within certain existing products, enabling our customers to start small and build trust in the AI systems reducing barriers to entry for ServiceTitan AI products.
- *AI Products.* We have launched and plan to launch additional innovative, purpose-built, add-on AI products designed specifically for the trades to transform the way our customers perform certain functions.

### **Our Platform**

Our end-to-end platform is purpose-built to enable our customers to accelerate the performance of their businesses. We provide owners, technicians, customer service representatives and other office staff with the tools to accelerate growth, drive operational efficiencies and deliver a superior end-customer and field service technician experience, all while monitoring key business drivers and outcomes.

We designed our platform to address key workflows within a trades business. Our platform offerings include: Core, Pro and FinTech products. Our Core offers a base-level functionality across all key workflows. To supplement our Core and provide an even higher level of functionality, we offer our Pro products, which provide value-additive capabilities, as well as our FinTech products, which include third-party payment processing and third-party financing solutions.



Our solutions are designed to be highly configurable to best meet the specific needs of each trade vertical. We combine product offerings that are broadly applicable across verticals along with tools that are more trade vertical-specific, including those we acquired through FieldRoutes and Aspire, to ensure we have productized all key workflows necessary to deliver meaningful value to our customers. Today, we go to market in nearly all trade verticals we serve with our ServiceTitan solutions, and additionally cover the pest, cleaning, lawncare and commercial landscaping verticals with our FieldRoutes and Aspire solutions. Over time, we expect to continue investing in the shared services layer across all of the solutions in our platform, increasing the level of integration across workflows. As we continue to innovate and deliver on our product roadmap, we will thoughtfully configure our platform and introduce solutions to additional trades that are relevant to their specific needs and workflows. Further, Titan Intelligence, our AI engine, is woven into components of our Core and Pro product offerings and is integrated into our FinTech solutions. We expect GenAI to be a key component of our platform going forward and plan to continue integrating AI across our platform, enhancing our product offerings with differentiated data insights.

## Why We Continue to Win

We believe we have several distinct competitive advantages that drive our continued success:

- **Customer Proximity and Deep Domain Expertise.** We understand the challenges that tradespeople experience every day in their businesses. Since our founding, we have maintained a singular focus on offering a purpose-built platform leveraging our domain expertise and strong passion for the trades. We talk to our customers constantly and have differentiated insight into their behavior, successes and challenges. We employ industry experts and partner with trade industry organizations to ensure we understand trades businesses and address their needs from product innovation to end-customer success.
- **End-to-End and Trades-Specific Platform Extensible Across Trade Verticals.** We continue to invest in a robust layer of solutions, including FinTech and Pro products, that can be leveraged across trade verticals, which we refer to as “shared services.” At the same time, we have certain focused solutions to enable more vertical-specific workflows, such as those acquired through FieldRoutes and Aspire, to ensure that our offering covers the end-to-end workflows of each trade vertical we serve. Over time, we take aspects of these vertical-specific solutions and make them configurable to other trades, adding to our layer of shared services. As our shared services layer continues to grow, our customers across all trades can benefit from a wider and deeper range of offerings. Our shared services layer also provides us with a head start when entering new trades; we formulate our learnings from trades we have penetrated so far into a proven strategy to enter new trades verticals.
- **Powerful Data-Driven Insights.** From our founding through January 31, 2024, customers on our platform have completed over million jobs and over \$ billion of GTV has been processed on our platform. All of this activity provides us with data-driven insights that improve our customer value proposition. Titan Intelligence, our AI engine, is woven into components of our Core and Pro product offerings and is integrated into our FinTech solutions.
- **Innovative Business Model.** Our business model deeply aligns with the success of our customers. We often sell to business owners and key executives, who know the needs of their business best, and understand the full breadth of pain points with existing solutions, and our deep domain expertise gives us the credibility to speak their language during the go-to-market process. During onboarding, our teams heavily invest in our customers’ success by providing an effective implementation experience. As customers experience the significant business acceleration benefits of our platform, we have often observed our customers hire more technicians, increase GTV and adopt more of our products, as evidenced by our net dollar retention rate of % as of January 31, 2024, and our gross dollar retention rate of % as of January 31, 2024.<sup>7</sup>
- **World Class Team of Titans.** Our founders and management team are well-positioned as champions of the trades with deep domain experience as well as software and FinTech expertise. ServiceTitan is focused on bringing people together onto our team and working together under a strict meritocracy in order to be able to serve a historically underserved industry. Our culture has been a critical component of our success since our founding and tightly connects all of our employees, who we refer to as Titans, to our mission.

## Our Growth Opportunities

We intend to invest in our business to advance the trades through the adoption of our platform.

Our growth strategies include the following:

- **Acquiring New Customers across New and Existing Markets.** We are focused on expanding our already vast customer base across new and existing trades and regions.

<sup>7</sup> See the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Business Performance” for a description of how we calculate net dollar retention rate and gross dollar retention rate.

- *Adding New Customers in Existing Trades.* We believe there is a significant, untapped opportunity to invest in sales and marketing and add more customers in the trades we already serve.
- *Expanding into New Trades.* We intend to continue to invest in our platform to address the needs of additional trades.
- *Expanding Our Geographic Footprint.* We believe that there is a significant opportunity to strategically expand the usage of our platform outside of the United States and Canada over time.
- ***Expanding Existing Customer Relationships.*** We orient our activities around what is best for our customers, not only because it's the right thing to do, but also because it drives our growth and financial success.
  - *Growing with Our Customer.* As our customers grow their businesses while using our platform, they often hire and add more users to their existing subscription and also complete more transactions through our platform.
  - *Driving Adoption of Add-On Products.* As our customers realize the positive impact of using our products, grow, and further professionalize, they often adopt additional ServiceTitan features, namely our FinTech and Pro products. This increased adoption not only drives our revenue through adoption of existing add-on products, but also gives us a sharper inside perspective of how customers engage with our platform and what additional add-on products might be helpful for us to innovate.
- ***Innovating Our Platform.*** We intend to continue to invest in research and development to enhance the capabilities of our platform and develop new Pro and FinTech products.

#### **Channels for Disclosure of Information**

Investors, the media and others should note that, following the completion of this offering, we intend to announce material information to the public through filings with the Securities and Exchange Commission, or the SEC, the investor relations page on our website, press releases, public conference calls and our corporate blog at [www.servicetitan.com/blog](http://www.servicetitan.com/blog).

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

#### **Corporate Information**

We were incorporated in 2007 as LinxLogic, Inc. under the laws of the state of Delaware. In 2014, we changed our name to ServiceTitan, Inc. Our principal executive offices are located at 800 N. Brand Blvd., Suite 100, Glendale, California 91203, and our telephone number is (855) 899-0970. Our website address is [www.servicetitan.com](http://www.servicetitan.com). Information contained on, or that can be accessed through, our website does not constitute part of this prospectus and inclusions of our website address in this prospectus are inactive textual references only. You should not consider information contained on our website to be part of this prospectus or in deciding whether to purchase shares of our common stock.

“ServiceTitan,” our logo and our other registered or common law trademarks, service marks or trade names appearing in this prospectus are the property of ServiceTitan, Inc. Other trademarks and trade names referred to in this prospectus are the property of their respective owners.

#### **Risk Factors Summary**

Our business is subject to numerous risks and uncertainties, including those highlighted in the section titled “Risk Factors” immediately following this prospectus summary. These risks could materially and adversely impact our

business, financial condition and results of operations, which could cause the trading price of our common stock to decline and could result in a loss of all or part of your investment. Additional risks, beyond those summarized below or discussed elsewhere in this prospectus, may apply to our business, activities or operations as currently conducted or as we may conduct them in the future or in the markets in which we operate or may in the future operate. These risks include, but are not limited to, the following:

- We have experienced rapid growth in recent periods, and such growth may not be indicative of our future growth.
- We have a history of losses and may not be able to achieve or sustain profitability in the future.
- If we fail to manage our growth effectively, our brand and reputation, business, financial condition and results of operations could be adversely affected.
- If we fail to effectively develop and commercialize new products, enhance and improve our platform, expand the number of trades we support, respond to changes in trades business demands or preferences or adapt to changes in trade industry practices, processes and technological advances, we may not remain competitive.
- Our operations can be seasonal, and the results of our operations can vary from quarter to quarter and year-over-year, so our financial performance in certain financial quarters or years may not be indicative of, or comparable to, our financial performance in subsequent financial quarters or years.
- Factors that adversely affect the trades industry, including industry consolidation, the increased prevalence of marketplaces for contractors, supply chain issues and labor shortages, could also adversely affect the demand for our platform and, as a result, our business, financial condition and results of operations.
- We engage our team members in various ways, including direct hires, through professional employer organizations and as independent contractors. As a result of these methods of engagement, we face certain challenges and risks that can affect our business, operating results and financial condition.
- The impact of economic conditions, including the resulting effect on consumer spending and on our customers' finances and operations, may adversely affect our business, financial condition and results of operations.
- The market for software designed to serve the trades is evolving, and our future success depends on the growth of the trades industry and our ability to adapt, keep pace and respond effectively to evolving markets.
- We face competition from both established and new companies offering services similar to ours, and many of our potential customers have developed, or could develop, proprietary solutions, all of which may have a negative effect on our ability to add new customers, retain existing customers and/or grow our business.
- We have incorporated and are incorporating traditional AI, machine learning and GenAI into some of our products. This technology is new and developing and may present operational and reputational risks or result in liability or harm to our reputation, business, results of operations or customers.
- Any failure to offer high quality support for our customers, including throughout the implementation process, may harm our relationships with our customers and, consequently, our business.
- Our ability to increase our customer base and achieve broader market acceptance of our platform will depend on our ability to develop and expand our sales and marketing capabilities.
- A majority of our customers are small- and medium-sized businesses, which can be more difficult and costly to retain than large businesses and may increase the impact of economic fluctuations on us.

- We rely on software and services licensed from other third parties. Defects in or the loss of software or services from third parties could increase our costs and adversely affect the quality of our service.
- If we or our third-party service providers experience a cybersecurity breach or other incident, including any breach or incident that allows, or is perceived to allow, unauthorized access to our platform or our Sensitive Information, our reputation and brand, business, financial condition and results of operations could be adversely affected.
- The material weaknesses in our internal control over financial reporting, which we first identified in fiscal 2019, have been remediated as of the end of fiscal 2024. While we remediated these material weaknesses, such remediation does not guarantee that our remediated controls will continue to be effective or that we will not experience other material weaknesses in the future, which could affect the reliability of our financial statements and have other adverse consequences.

#### **Implications of Being an Emerging Growth Company**

We are an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012, as amended, or the JOBS Act. As an emerging growth company, we may take advantage of specified reduced reporting requirements that are otherwise applicable generally to public companies. These reduced reporting requirements include:

- the requirement to present only two years of audited financial statements and only two years of related management’s discussion and analysis in this prospectus;
- an exemption from compliance with the auditor attestation requirement on the effectiveness of our internal control over financial reporting;
- reduced disclosure about our executive compensation arrangements; and
- an exemption from the requirements to obtain a non-binding advisory vote on executive compensation or shareholder approval of any golden parachute arrangements.

We may take advantage of these provisions until we are no longer an emerging growth company. We would cease to be an “emerging growth company” upon the earliest to occur of: (i) the last day of the fiscal year in which we have more than \$1.235 billion in annual revenue; (ii) the date we qualify as a “large accelerated filer,” with at least \$700 million of equity securities held by non-affiliates; (iii) the date on which we have, in any three-year period, issued more than \$1.0 billion in non-convertible debt securities; and (iv) the last day of the fiscal year ending after the fifth anniversary of this offering. We may choose to take advantage of some but not all of these reduced reporting burdens. We have taken advantage of certain reduced reporting burdens in this prospectus. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold stock.

In addition, the JOBS Act provides that an “emerging growth company” can delay adopting new or revised accounting standards until those standards apply to private companies. We have elected to use this 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.

See the section titled “Risk Factors—Risks Related to Ownership of Our Common Stock, Governance and this Offering—We are an ‘emerging growth company,’ and the reduced disclosure requirements applicable to emerging growth companies may make our common stock less attractive to investors.”

**THE OFFERING**

Common stock offered by us \_\_\_\_\_ shares.

Option to purchase additional shares of common stock from us \_\_\_\_\_ shares.

Common stock to be outstanding after this offering \_\_\_\_\_ shares (or \_\_\_\_\_ shares if the underwriters exercise their option to purchase additional shares of our common stock in full).

Use of proceeds We estimate that the net proceeds to us from the sale of shares of our common stock in this offering will be approximately \$ \_\_\_\_\_ (or approximately \$ \_\_\_\_\_ if the underwriters' option to purchase additional shares of our common stock from us is exercised in full), based upon the assumed initial public offering price of \$ \_\_\_\_\_ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

The principal purposes of this offering are to increase our capitalization and financial flexibility, create a public market for our common stock and enable access to the public equity markets for us and our stockholders. We intend to use the net proceeds from this offering for general corporate purposes, including working capital, operating expenses and capital expenditures. Additionally, we may use a portion of the net proceeds to acquire or invest in businesses, products, services or technologies. However, we do not have agreements or commitments for any material acquisitions or investments at this time. See the section titled "Use of Proceeds" for additional information.

Proposed trading symbol " \_\_\_\_\_ "

The number of shares of our common stock that will be outstanding after this offering is based on \_\_\_\_\_ shares of our common stock as of January 31, 2024 and reflects:

- 42,465,855 shares of our redeemable convertible preferred stock outstanding as of January 31, 2024 that will automatically convert into \_\_\_\_\_ shares of common stock immediately prior to the closing of this offering pursuant to the terms of our amended and restated certificate of incorporation, or the Capital Stock Conversion; and
- 34,185,388 shares of our common stock outstanding as of January 31, 2024.

The shares of our common stock outstanding as of January 31, 2024 exclude the following:

- 7,981,903 shares of our common stock issuable upon the exercise of options to purchase shares of our common stock outstanding as of January 31, 2024, with a weighted-average exercise price of \$16.44 per share;



- 3,346,629 shares of our common stock subject to restricted stock units, or RSUs, outstanding as of January 31, 2024;
- 250,000 shares of our non-convertible preferred stock outstanding as of January 31, 2024;
- shares of our common stock that we are committing to donate over the next ten years to fund certain of our social impact initiatives; and
- shares of our common stock reserved for future issuance under our equity compensation plans, consisting of:
  - shares of our common stock to be reserved for future issuance under our 2024 Incentive Award Plan, or our 2024 Plan, which will become effective prior to the completion of this offering;
  - 1,826,467 shares of our common stock reserved for future issuance under our 2015 Stock Plan, or our 2015 Plan, as of January 31, 2024, which number of shares will be added to the shares of our common stock to be reserved for future issuance under our 2024 Plan upon its effectiveness, at which time we will cease granting awards under our 2015 Plan; and
  - shares of our common stock to be reserved for future issuance under our 2024 Employee Stock Purchase Plan, or our ESPP, which will become effective prior to the completion of this offering.

Our 2024 Plan and ESPP will each provide for annual automatic increases in the number of shares of our common stock reserved thereunder, and our 2024 Plan will provide for increases to the number of shares that may be granted thereunder based on shares under our 2015 Plan or our 2007 Stock Plan, or our 2007 Plan, that expire, are tendered to or withheld by us for payment of an exercise price or for satisfying tax withholding obligations or are forfeited or otherwise repurchased by us, as more fully described in the section titled “Executive Compensation—Employee Benefit and Stock Plans.”

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

- the Capital Stock Conversion will occur immediately prior to the completion of this offering;
- no redemption of our non-convertible preferred stock prior to the completion of this offering;
- the filing and effectiveness of our amended and restated certificate of incorporation in Delaware and the effectiveness of our amended and restated bylaws will each occur immediately prior to the completion of this offering;
- no exercise of outstanding stock options or settlement of outstanding RSUs subsequent to January 31, 2024; and
- no exercise by the underwriters of their option to purchase up to an additional \_\_\_\_\_ shares of our common stock from us.

## SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

The following tables summarize our consolidated financial and other data. We have derived the summary consolidated statements of operations data for fiscal 2023 and fiscal 2024 and the consolidated balance sheet data as of January 31, 2024 from our audited consolidated financial statements included elsewhere in this prospectus. The following summary consolidated financial and other data should be read in conjunction with the sections titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes included elsewhere in this prospectus. The summary consolidated financial and other data in this section are not intended to replace, and are qualified in their entirety, by our consolidated financial statements and the related notes included elsewhere in this prospectus. Our historical results are not necessarily indicative of our results in any future period.

### Consolidated Statements of Operations Data

	Fiscal	
	2023	2024
	<i>(in thousands, except share and per share amounts)</i>	
Revenue:		
Platform	\$ 443,523	\$ 581,751
Professional services and other	24,211	32,590
Total revenue	<u>467,734</u>	<u>614,341</u>
Cost of revenue:		
Platform	140,921	169,766
Professional services and other	60,789	67,945
Total cost of revenue	<u>201,710</u>	<u>237,711</u>
Gross profit	<u>266,024</u>	<u>376,630</u>
Operating expenses:		
Sales and marketing	196,775	219,994
Research and development	158,870	203,534
General and administrative	132,235	135,966
Total operating expenses	<u>487,880</u>	<u>559,494</u>
Loss from operations	<u>(221,856)</u>	<u>(182,864)</u>
Other expense, net		
Interest expense	(54,542)	(16,436)
Interest income	1,624	7,067
Loss on extinguishment of debt	(9,607)	—
Other income, net	1,801	1,224
Total other expense, net	<u>(60,724)</u>	<u>(8,145)</u>
Loss before income taxes	(282,580)	(191,009)
Provision for (benefit from) income taxes	(13,057)	4,136
Net loss	(269,523)	(195,145)
Accretion of non-convertible preferred stock	(13,478)	(45,873)
Net loss attributable to common stockholders	<u>\$ (283,001)</u>	<u>\$ (241,018)</u>
Net loss per share, basic and diluted <sup>(1)</sup>	<u>(9.31)</u>	<u>(7.24)</u>
Weighted-average shares used in computing net loss per share, basic and diluted <sup>(2)</sup>	30,410,373	33,267,131
Pro forma net loss per share, basic and diluted <sup>(2)</sup>		
Pro forma weighted-average shares used in computing pro forma net loss per share, basic and diluted <sup>(2)</sup>		

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- (1) See Note 14 to our audited consolidated financial statements included elsewhere in this prospectus for an explanation of the calculations of our basic and diluted net loss per share attributable to common stockholders and the weighted-average shares used in computing the per share amounts.
- (2) The following table sets forth the computation of our unaudited pro forma net loss per share, basic and diluted (in thousands, except per share amounts):

	Fiscal 2024 <i>(in thousands, except share and per share amounts)</i>
<b>Numerator</b>	
Net loss attributable to common stockholders	\$
Add: Pro forma adjustment to record additional stock-based compensation expense associated with options and RSUs that contain a performance-based vesting condition that will be satisfied upon the effectiveness of the registration of which this prospectus forms a part, assuming the effectiveness of the offering occurred on February 1, 2023	
Pro forma net loss attributable to common stockholders, basic and diluted	\$
<b>Denominator</b>	
Weighted-average shares used in computing net loss per share, basic and diluted	
Add: Pro forma adjustment to reflect the Capital Stock Conversion, as if such conversion had occurred on February 1, 2023	
Add: Pro forma adjustment for vesting of RSUs that contain a performance-based vesting condition that will be satisfied upon the effectiveness of the registration statement of which this prospectus forms a part, assuming the effectiveness of the offering occurred on February 1, 2023	
Pro forma weighted-average shares used in computing pro forma net loss per share, basic and diluted	
Pro forma net loss per share, basic and diluted	\$

## Consolidated Balance Sheet Data

	As of January 31, 2024		
	Actual	Pro Forma <sup>(1)</sup> <i>(in thousands)</i>	Pro Forma as Adjusted <sup>(2)(3)</sup> <i>(unaudited)</i>
Cash and cash equivalents	\$ 146,710	\$	
Working capital <sup>(4)</sup>	123,964		
Total assets	1,517,666		
Total liabilities	366,105		
Redeemable convertible preferred stock	1,395,878		
Non-convertible preferred stock	233,546		
Total stockholders' deficit	(477,863)		

- (1) The pro forma column in the consolidated balance sheet data table above reflects (a) the Capital Stock Conversion, as if such conversion had occurred on January 31, 2024, resulting in a decrease in redeemable convertible preferred stock and an increase in total stockholders' equity, (b) stock-based compensation expense of \$ associated with options and RSUs that contain a performance-based vesting condition that will be satisfied upon the effectiveness of the registration statement of which this prospectus forms a part, as if the offering had occurred on January 31, 2024, resulting in an increase in additional paid-in capital and accumulated deficit within total stockholders' deficit and (c) the filing and effectiveness of our amended and restated certificate of incorporation in Delaware that will become effective immediately prior to the completion of this offering.
- (2) The pro forma as adjusted column in the balance sheet data table above gives effect to (a) the pro forma adjustments set forth in (1) above and (b) the sale and issuance by us of shares of our common stock in this offering, based upon the assumed initial public offering price of \$ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us, net of \$ million of offering costs paid as of January 31, 2024.
- (3) Each \$1.00 increase or decrease in the assumed initial public offering price of \$ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, the amount of our pro forma as adjusted cash and cash equivalents, working capital, total assets and total stockholders' equity (deficit) by \$ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the

same, after deducting underwriting discounts and commissions and estimated offering expenses payable by us. An increase or decrease of 1.0 million shares in the number of shares offered by us would increase or decrease, as applicable, the amount of our pro forma as adjusted cash and cash equivalents, working capital, total assets and total stockholders' equity (deficit) by \$ \_\_\_\_\_ million, assuming the assumed initial public offering price remains the same, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

(4) Working capital is defined as current assets less current liabilities.

### **Non-GAAP Financial Measures**

In addition to our results prepared in accordance with GAAP, we believe non-GAAP gross profit, non-GAAP gross margin in total and for platform and professional services and other, non-GAAP loss from operations and non-GAAP operating margin are useful in evaluating our operating performance.

For the reasons set forth below, we believe that excluding the following items provides information that is helpful in understanding our operating results, evaluating our future prospects, comparing our financial results across accounting periods, and comparing our financial results to our peers, many of which provide similar non-GAAP financial measures.

- *Stock-based compensation expense and related employer payroll taxes.* We exclude stock-based compensation expense and related employer payroll taxes to allow investors to make more meaningful comparisons of our performance between periods and to facilitate a comparison of our performance to those of other peer companies. Stock-based compensation may vary between periods due to various factors unrelated to our core performance, including as a result of the assumptions used in the valuation methodologies, timing and amount of grants and other factors. We exclude employer payroll taxes because the amounts vary based on timing and settlement or vesting of awards unrelated to our core operating performance. Moreover, stock-based compensation expense is a non-cash expense that we exclude from our internal management reporting processes and when assessing our actual performance, budgeting, planning, and forecasting future periods.
- *Amortization of acquired intangible assets.* We incur amortization expense for acquired intangible assets in connection with acquisitions of certain businesses and technologies. Amortization of acquired intangible assets is a non-cash expense that is significantly affected by the timing and size of acquisitions, and the inherent subjective nature of purchase price allocations. Because these costs have already been incurred, we exclude the amortization expense from our internal management reporting processes. We exclude these charges when assessing our actual performance and when budgeting, planning, and forecasting future periods. Investors should note that the use of intangible assets contributed to our revenues earned during the periods presented and will contribute to our future period revenues as well.
- *Restructuring charges.* To better align our strategic priorities with our investments, we implemented a workforce reduction in fiscal 2024. In connection with that reduction, we incurred employee-related expenses including severance and other termination benefits. We excluded these charges when assessing our actual performance in fiscal 2024 and when budgeting, planning and forecasting future periods.
- *Loss on operating lease assets.* In fiscal 2024, we incurred an impairment on certain right-of-use assets and other long-lived assets. See Note 2 of our audited consolidated financial statements included elsewhere in this prospectus. We believe that it is useful to exclude these charges when assessing the level of various operating expenses and resource allocations when budgeting, planning and forecasting future periods. In addition, we believe excluding such costs enhances the comparability between periods.

- *Acquisition related items.* We have incurred costs related to acquisitions, including legal, third-party valuation and due diligence, insurance costs, and one-time retention bonuses for employees of acquired companies. In addition, we periodically record the change to the fair value of contingent consideration related to past acquisitions. We exclude these items when assessing our actual performance and when budgeting, planning and forecasting future periods. We believe excluding these items allows investors to make meaningful comparisons between our core operating results and those of other peer companies.
- *Write-off of deferred offering costs.* We wrote off previously capitalized costs related to an offering of our securities that we elected not to pursue in fiscal 2023. These costs are not recurring in nature and we believe excluding these charges allows investors to make meaningful comparisons between our actual performance and those of other peer companies. We also exclude these charges when assessing our actual performance and when budgeting, planning and forecasting future periods.

These measures, however, have certain limitations in that they reflect the exercise of judgment by our management about which expenses are excluded or included and do not include the impact of certain expenses that are reflected in our consolidated statement of operations that are necessary to run our business. These non-GAAP financial measures should be considered in addition to, not as a substitute for or in isolation from, our financial results determined in accordance with GAAP. We caution investors that amounts presented in accordance with our definition of non-GAAP gross profit, non-GAAP gross margin, non-GAAP loss from operations and non-GAAP operating margin may not be comparable to similar measures disclosed by other companies because not all companies and analysts calculate non-GAAP gross profit, non-GAAP gross margin, non-GAAP loss from operations and non-GAAP operating margin in the same manner.

### **Non-GAAP Gross Profit and Non-GAAP Gross Margin**

We define non-GAAP gross profit and non-GAAP gross margin as GAAP gross profit and GAAP gross margin, respectively, excluding stock-based compensation expense and related employer payroll taxes, amortization of acquired intangible assets, restructuring charges, loss on operating lease assets and acquisition related items. Total non-GAAP gross margin represents total non-GAAP gross profit as a percentage of total revenue. Non-GAAP platform gross margin represents non-GAAP platform gross profit as a percentage of platform revenue and non-GAAP professional services and other gross margin represents non-GAAP professional services and other gross profit as a percentage of professional services and other revenue.

The following table reflects the reconciliation of GAAP gross profit to non-GAAP gross profit and GAAP gross margin to non-GAAP gross margin for the periods presented:

	Platform		Professional Services and Other		Total	
	Fiscal		Fiscal		Fiscal	
	2023	2024	2023	2024	2023	2024
GAAP gross profit	\$ 302,602	\$ 411,985	\$ (36,578)	\$ (35,355)	\$ 266,024	\$ 376,630
Stock-based compensation expense and related employer payroll taxes	4,204	5,694	4,112	4,424	8,316	10,118
Amortization of acquired intangible assets	21,326	21,844	1,268	4,484	22,594	26,328
Restructuring charges	—	1,217	—	2,181	—	3,398
Loss on operating lease assets	—	798	—	347	—	1,145
Acquisition related items	92	—	166	—	258	—
Non-GAAP gross profit	\$ 328,224	\$ 441,538	\$ (31,032)	\$ (23,919)	\$ 297,192	\$ 417,619

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	Platform		Professional Services and Other		Total	
	Fiscal		Fiscal		Fiscal	
	2023	2024	2023	2024	2023	2024
GAAP gross margin	68%	71%	(151)%	(108)%	57%	61%
Stock-based compensation expense and related employer payroll taxes	1%	1%	17%	14%	2%	2%
Amortization of acquired intangible assets	5%	4%	5%	14%	5%	4%
Restructuring charges	0%	0%	0%	7%	0%	1%
Loss on operating lease assets	0%	0%	0%	1%	0%	0%
Acquisition related items	0%	0%	1%	0%	0%	0%
Non-GAAP gross margin	<u>74%</u>	<u>76%</u>	<u>(128)%</u>	<u>(73)%</u>	<u>64%</u>	<u>68%</u>

\* Totals may not foot due to rounding.

**Non-GAAP Loss from Operations and Non-GAAP Operating Margin**

We define non-GAAP loss from operations and non-GAAP operating margin as GAAP loss from operations and GAAP operating margin, respectively, excluding stock-based compensation expense and related employer payroll taxes, amortization of acquired intangible assets, restructuring charges, acquisition related items, loss on operating lease assets and write-off of deferred offering costs. Non-GAAP operating margin represents non-GAAP loss from operations as a percentage of total revenue.

The following table reflects the reconciliation of GAAP loss from operations to non-GAAP loss from operations and GAAP operating margin to non-GAAP operating margin for the periods presented:

	Fiscal	
	2023	2024
	<i>(in thousands)</i>	
GAAP loss from operations	\$ (221,856)	\$ (182,864)
Stock-based compensation expense and related employer payroll taxes	64,575	105,032
Amortization of acquired intangible assets	45,358	48,817
Restructuring charges	—	8,182
Acquisition related items	9,262	(1,092)
Loss on operating lease assets	—	4,857
Write-off of deferred offering costs	5,563	—
Non-GAAP loss from operations	<u>\$ (97,098)</u>	<u>\$ (17,068)</u>

	Fiscal	
	2023	2024
GAAP operating margin	(47)%	(30)%
Stock-based compensation expense and related employer payroll taxes	14%	17%
Amortization of acquired intangible assets	10%	8%
Restructuring charges	0%	1%
Acquisition related items	2%	0%
Loss on operating lease assets	0%	1%
Write-off of deferred offering costs	1%	0%
Non-GAAP operating margin	<u>(21)%</u>	<u>(3)%</u>

\* Totals may not foot due to rounding.

## RISK FACTORS

*Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this prospectus, including the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes included elsewhere in this prospectus before making a decision to invest in our common stock. Our business, financial condition, results of operations or prospects could also be harmed by risks and uncertainties not currently known to us or that we currently do not believe are material. If any of the risks actually occur, our business, financial condition, results of operations and prospects could be adversely affected. In that event, the market price of our common stock could decline, and you could lose part or all of your investment.*

### Risks Related to Our Business and Industry

***We have experienced rapid growth in recent periods, and such growth may not be indicative of our future growth. If we fail to properly manage future growth, our business, financial condition, results of operations and prospects could be materially adversely affected.***

We have experienced rapid growth in recent periods; however, our recent revenue growth rate and financial performance should not be considered indicative of our future performance. Our revenue was \$467.7 million and \$614.3 million for fiscal 2023 and fiscal 2024, respectively, representing a year-over-year increase of 31% in aggregate. Our overall revenue growth depends on a number of factors, including our ability to:

- attract new customers or retain existing customers;
- sell our suite of value-added products, including our Pro product offerings, to our existing customers or earn referral fees from our payment processing and consumer financing partners as part of our FinTech offerings;
- continue to improve the functionality of and develop new products for our platform for the trades we serve;
- enhance our platform and develop new products and serve trades businesses in trades we do not yet serve;
- provide our customers, their technicians, employees and other staff with the onboarding experience and ongoing level of support that they require;
- invest financial and operational resources to support future growth in our contractor, partner and other third-party relationships;
- expand our operations domestically and internationally;
- partner with third-party financial services and technology providers that are reliable and meet the needs of the trades we serve or intend to serve;
- retain and motivate existing personnel, and attract, integrate and retain new personnel;
- successfully identify, acquire and integrate businesses, products or technologies that we believe could complement or expand our platform;
- effectively plan for and model future growth; and
- compete with other providers of software for the trades.

You should not rely on our revenue or key business metrics for any previous quarterly or annual period as any indication of our revenue, revenue growth, key business metrics or key business metrics growth in future periods. We expect our revenue growth rate to continue to fluctuate over the short term, and even if our revenue continues

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to increase, our revenue growth rate may decline in future periods as the size of our business grows and we achieve higher market adoption rates. Our opportunity for future growth also depends on other factors generally outside of our control, including changes in our customers' budgetary constraints, end-customer use of the trades we serve, regulatory and macroeconomic conditions, business practices within the trades, increased competition and consolidation of businesses within the trades. We also expect to continue to make investments in the development and expansion of our business, which may not result in increased revenue. Further, our revenue growth rate may experience increased volatility due to global societal and economic disruption. If we do not effectively address these risks and maintain revenue growth, the value of our capital stock could be adversely affected.

### ***We have a history of losses and may not be able to achieve or sustain profitability in the future.***

We have incurred net losses in each year since our inception, and we may not be able to achieve or maintain profitability in the future. We incurred net losses of \$269.5 million and \$195.1 million in fiscal 2023 and fiscal 2024, respectively, and we had an accumulated deficit of \$866.6 million as of January 31, 2024. Generally, we expect our costs will increase over time and our losses to continue as we expect to invest significant additional funds towards growing our business and operating as a public company. In addition, we have expended, and expect to continue to expend, substantial financial and other resources on product development; our technology infrastructure, including systems architecture, management tools, scalability, availability, performance and security, as well as disaster recovery measures; our sales, marketing and customer success organizations; our onboarding and support organizations; acquisitions or strategic investments; expansion efforts, including geographic, market and new industry expansion; and general administration, including legal and accounting expenses as well as the increased operating expenses due to being a public company. These efforts may be more costly than we expect and may not result in increased revenue or growth in our business. Any failure to increase our revenue sufficiently to keep pace with our investments and other expenses could negatively impact our gross margins and prevent us from achieving or maintaining profitability or positive cash flows on a consistent basis. If we are unable to successfully address these risks and challenges as we encounter them, our business, financial condition and results of operations could be adversely affected.

### ***If we fail to manage our growth effectively, our brand and reputation, business, financial condition and results of operations could be adversely affected.***

We have experienced strong growth in our employee headcount, our reach across trades, the number of customers we serve and the number of transactions we process on our platform, and we expect to continue to experience growth in the future. For example, our employee headcount increased from 833 as of January 31, 2020 to 2,802 as of January 31, 2024, and we added employees both at our headquarters in Glendale, California and in a number of locations across the United States and internationally. Further, our revenue increased from \$179.2 million for fiscal year 2021 to \$614.3 million for fiscal year 2024. In addition, we have and may continue to pursue acquisitions to expand our business and operations. This rapid growth and organizational change have placed, and may continue to place, significant demands on our management and our operational and financial resources and could challenge our ability to develop and improve our operational, financial and management controls; enhance our reporting systems and procedures; recruit, train and retain highly skilled personnel; and maintain customer satisfaction.

Our ability to manage our growth effectively and to integrate new employees, technologies and acquisitions into our existing business will require us to continue to expand our operational and financial infrastructure and to continue to effectively integrate, develop and motivate a large number of new employees, while maintaining the beneficial aspects of our culture. As we serve a growing number of customers and facilitate a growing number of transactions on our platform, we must continue to improve and expand our IT and financial infrastructure, operating and administrative systems and relationships with various partners and other third parties. We have established research and development hubs and we rely on engineering contractors in international markets, and we may open additional offices in the future both in the United States and abroad. Because we employ personnel



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internationally, we are subject to additional risks customarily associated with foreign operations, such as labor and employment related risks, export compliance risks, risks related to political or regional instability and national security risks. For example, we previously engaged engineering contractors in Russia, Poland and other Eastern European countries. On February 24, 2022, Russia invaded Ukraine, and soon thereafter, in response to U.S. sanctions, we restricted access to our software for Russian engineers and arranged to move certain contractors out of Russia for the purpose of continuing to perform engineering services for us. These actions led to some limited disruptions in our development activities, and further disruptions may take place in nearby countries where we have operations like Armenia, Macedonia, and Poland if the instability were to spread or the United States was to impose additional sanctions. These disruptions, and the outbreak of war in the area generally, have adversely affected, and could continue to adversely affect our business, financial condition and results of operations.

In addition, our organizational structure is becoming more complex as we improve our operational, financial and management controls as well as our reporting systems and procedures. We will require significant capital expenditures and our calculated allocation of valuable management resources to grow and change in these areas without undermining the corporate culture of rapid innovation, teamwork and attention to customer success that has been central to our growth so far. If we fail to manage our anticipated growth and change in a manner that preserves the key aspects of our corporate culture, the quality of our solutions may suffer, which could negatively affect our brand and reputation and our ability to retain and attract customers, which could adversely affect our business, financial condition and results of operations.

### ***Our results of operations are likely to fluctuate from period to period, which could cause the market price of our common stock to decline.***

Our results of operations may vary significantly from period to period, which could adversely affect our business, financial condition and results of operations and cause the market price of our common stock to decline. As a result, you should not rely upon our historical results of operations as indicators of future performance. We expect that our results of operations will vary as a result of a number of factors, many of which are outside of our control and may be difficult to predict, including:

- our ability to increase the number of new customers and expand our existing customers' use of our platform and services;
- our ability to retain existing customers;
- the growth of our existing and future customers and the expansion of their businesses;
- the amount and timing of operating expenses related to maintaining and expanding our business, operations and infrastructure, including acquiring new and maintaining existing customers;
- the timing and success of new products or platform features introduced by us or our competitors;
- our ability to keep pace with technological advances and changes in practices and processes across the trades;
- the budgeting cycles and purchasing practices of trades businesses;
- general economic conditions, both domestically and in foreign markets;
- changes in spending on home and commercial services, including as a result of economic trends, natural or man-made catastrophes and COVID-19 and pandemics generally;
- the number of transactions processed on our platform;
- changes in trades businesses or partner requirements or market needs;
- changes in the way we organize and compensate our employees;
- whether the industry for software for the trades develops more slowly than we expect;

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- our ability to successfully expand our business geographically and across the trades;
- the timing and length of our sales cycles;
- our ability to attract, develop, motivate and retain management and other skilled personnel;
- the amount and timing of operating costs and capital expenditures related to the expansion of our business;
- changes in the competitive landscape of our market, including consolidation among competitors or trades businesses;
- changes in our pricing policies or those of our competitors;
- insolvency or credit difficulties affecting our customers' ability to purchase or pay for our platform;
- significant cybersecurity breaches or other incidents impacting, technical difficulties with, or interruptions to, the use of our platform;
- unusual expenses such as litigation or other dispute-related settlement payments or outcomes;
- future accounting pronouncements or changes in our accounting policies or practices; and
- changes in governmental or other regulations, including state and federal laws that affect our business and operations.

The variability and unpredictability of our results of operations could result in our failure to meet our expectations or those of analysts that cover us or investors with respect to revenue or other results of operations for a particular period. If we fail to meet or exceed such expectations, the market price of our common stock could fall substantially, and we could face costly lawsuits, including securities class action suits.

***If we fail to effectively develop and commercialize new products, enhance and improve our platform, expand the number of trades we support, respond to changes in trades business demands or preferences or adapt to changes in trade industry practices, processes and technological advances, we may not remain competitive.***

Our ability to grow our customer base and increase revenue from customers will depend heavily on our ability to develop new products and enhance and improve our platform in order to meet the increasing needs of trades businesses across the trades we serve and intend to serve, respond to changes in customer demands and preferences, adapt to changes in trade industry practices, processes and technology and interoperate across an increasing range of devices, operating systems and third-party applications. Our customers may demand products and capabilities that our current platform does not have, or that our current platform cannot support, and we may need to invest significantly in research and development to build these products and capabilities. In addition, the trades businesses we serve experience their own rapid technological changes and evolving industry practices.

Any new product or platform enhancements we develop or acquire might not be introduced in a timely or cost-effective manner and might not achieve the broad market acceptance necessary to generate significant revenue. If any of our competitors implement new technologies before we are able to implement them, those competitors may be able to provide more effective products and services than ours at lower prices. Competitors may also develop and introduce new products or entirely new technologies to replace our existing platform, which could make our platform obsolete or adversely affect our business. New products or platform enhancements may initially suffer from performance and quality issues that may negatively impact our ability to market and sell such products to new and existing customers. Additionally, we may experience difficulties with software development, design or marketing that could delay or prevent our development, introduction or implementation of new products, features or capabilities. We have in the past experienced delays in our internally planned release dates of new products, features and capabilities, and there can be no assurance that new products, features or capabilities will be released according to schedule. If our research and development investments do not accurately anticipate customer demand, if we fail to realize the benefits of these investments by not achieving market acceptance, or our new products or platform enhancements suffer from performance or quality issues or are delayed, our business, financial condition and results of operations could be adversely affected.

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We have incorporated and may continue to incorporate traditional AI, machine learning and GenAI solutions into our platform, offerings, services, and features, including those based on large language models, or LLMs, and these applications may become more important to our operations or to our future growth over time. We expect to rely on AI solutions to help drive future growth in our business, but there can be no assurance that we will realize the desired or anticipated benefits from AI or at all. We may also fail to properly implement or market our AI solutions. Our competitors or other third parties may incorporate AI into their products more quickly or more successfully than us, which could impair our ability to compete effectively and adversely affect our results of operations.

***Our operations can be seasonal, and the results of our operations can vary from quarter to quarter and year-over-year, so our financial performance in certain financial quarters or years may not be indicative of, or comparable to, our financial performance in subsequent financial quarters or years.***

Our financial results and cash needs may vary greatly from quarter to quarter and year to year depending on, among other things, the business performance of our customers, the seasonality inherent in some of our customers' businesses (e.g., air conditioning demand peaking in summer months), extreme weather patterns (e.g., cold spikes causing increased demand for furnace and other home repairs), general economic conditions and the timing of holidays and other seasonal events. Because our results may vary significantly from quarter to quarter and year to year, our financial results for one quarter or year cannot necessarily be compared to another quarter or year and may not be indicative of our future financial performance in subsequent quarters or years. As we serve larger customers and as we enter different trade verticals, the sales cycle may increase the variation of our results from quarter to quarter and year to year.

***Factors that adversely affect the trades industry, including industry consolidation, the increased prevalence of marketplaces for contractors, supply chain issues and labor shortages, could also adversely affect the demand for our platform and, as a result, our business, financial condition and results of operations.***

We derive substantially all of our revenue from sales to trades businesses and transactions processed by such businesses. As a result, macroeconomic factors that negatively impact the trades industry, including industry consolidation, increased consumer reliance on online marketplaces connecting consumers to contractors, supply chain challenges, labor shortages and a lack of demand by consumers for the services provided by the trades, could also adversely affect our business, financial condition and results of operations.

Consolidation of trades businesses into larger industry participants within the trades has accelerated in recent years, and this trend could continue. We have in the past suffered, and may continue to suffer, reductions in subscriptions or non-renewal of customer subscriptions due to industry consolidation. We may not be able to expand sales of our subscriptions, Pro and FinTech products to existing or new customers enough to counteract any negative impact of industry consolidation on our business. New companies that result from such consolidation may decide to develop their own internal solutions or work with alternative providers. As these companies consolidate, competition to provide solutions and services will become more intense and establishing relationships with large industry participants will become more important. Additionally, these industry participants may also try to use their market power to negotiate price reductions for our subscriptions. If consolidation of our larger customers occurs, these consolidated companies may represent a larger percentage of business for us and, as a result, we are likely to rely more significantly on revenue from such consolidated companies to continue to achieve growth.

Trades businesses are also experiencing supply chain challenges, including shortages of equipment, manufactured goods and supplies, which negatively affect their ability to accept and perform certain jobs. Additionally, sharply rising prices of gasoline and other fleet management costs may affect the profitability of routes for technicians in the field, especially those involving large amounts of driving. When such supply chain shortages and issues arise, our customers may reduce their levels of spending, which could result in decreased demand for our platform, as well as a decrease in the transactions processed on our platform.

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Moreover, trades businesses have experienced labor shortages as a result of an aging labor force and difficulty attracting new workers into the trades. These labor shortages can prevent trades businesses from accepting new jobs, limiting their businesses and reducing their revenues. The pricing of our subscription platform is partially based on the number of technicians employed by each of our customers, and any reduction in the skilled labor force hampers the growth of our customers and may negatively impact our revenues. Accordingly, our ability to efficiently provide our platform to trades businesses and to grow or maintain our customer base, and, as a result, our business, financial condition and results of operations, could be adversely affected by these and other factors that adversely affect the trades generally.

***We have a limited operating history at our current scale in an evolving industry, which makes it difficult to evaluate our future prospects and may increase the risk that we are not successful.***

We have rapidly grown our business. For example, we first launched our platform in 2012, and our revenue has grown from \$120.7 million in fiscal 2020 to \$614.3 million in fiscal 2024. We have started to expand our sales focus to include large businesses, commercial services and construction customers, and expect to continue to explore new trades. We have also substantially increased our headcount, invested in expanding our direct sales force and customer support teams and otherwise enhanced and developed new solutions. Accordingly, we have a limited history of operations at our current scale, and our ability to forecast our future results of operations and to plan for future growth is more limited than that of companies with longer operating histories and subject to a number of uncertainties. These risks and uncertainties include our ability to:

- accurately forecast our revenue and plan our operating expenses;
- expand our sales team and develop an efficient sales, marketing, customer success and onboarding program that effectively addresses the needs of the customers in the trades that we serve or intend to serve;
- develop a scalable, efficient and reliable high-performance technology infrastructure;
- deploy new products and solutions that address the needs of the trades that we currently serve or intend to serve;
- hire, integrate and retain world-class talent;
- continue to partner with third-party financial services and technology providers that are reliable and meet the needs of the trades that we serve or intend to serve;
- successfully compete with other companies that currently offer, or may in the future offer, software and solutions to trades businesses in the trades;
- increase revenue from our platform;
- avoid interruptions or disruptions in our services or slower than expected load times for our services;
- store, protect, use and otherwise process personal information in compliance with governmental regulation, contractual obligations and other legal obligations related to data protection, privacy and cybersecurity;
- successfully expand our business across the trades;
- predict and respond to general economic and market conditions, including those caused by pandemics such as the COVID-19 pandemic, political or social unrest or macroeconomic factors such as rising inflation, increased interest rates and lower consumer confidence;
- successfully expand our geographic reach;
- defend ourselves against litigation, regulatory, intellectual property, data protection, privacy, cybersecurity or other claims; and
- manage a global workforce, including our growing team based in Armenia.

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If we fail to address the risks, including those associated with the challenges listed above as well as those described elsewhere in this section titled “Risk Factors,” and difficulties that we face, our business, financial condition and results of operations could be adversely affected. Further, because we operate in a rapidly evolving market and have limited experience preparing financial forecasts, any predictions about our future revenue and expenses may not be as accurate as they would be if we had a longer operating history at our current scale or operated in a more predictable market. We have encountered in the past, and will encounter in the future, risks and uncertainties frequently experienced by growing companies with limited operating histories in rapidly changing industries. If our assumptions regarding these risks and uncertainties, which we use to plan and operate our business, are incorrect or change, or if we do not address these risks successfully, our results of operations could differ materially from our expectations and our business, financial condition and results of operations could be adversely affected.

***We engage our team members in various ways, including direct hires, through professional employer organizations and as independent contractors. As a result of these methods of engagement, we face certain challenges and risks that can affect our business, operating results, and financial condition.***

In the locations where we directly hire our employees, we must ensure that we are compliant with the applicable local laws governing team members in those jurisdictions, including local employment and tax laws. In the locations where we utilize professional employer organizations, or PEOs, we contract with the PEO for it to serve as “Employer of Record” for those team members engaged through the PEO in each applicable location. Under this model, team members are employed by the PEO but provide services to ServiceTitan. We also engage team members through a PEO self-employed model in certain jurisdictions where we contract with the PEO, which in turn contracts with individual team members as independent contractors. In all locations where we utilize PEOs, we rely on those PEOs to comply with local employment laws and regulations and to ensure our ownership of the intellectual property developed by the team members. We also issue equity to a substantial portion of our team members, including team members engaged through PEOs and to independent contractors, and must ensure we remain compliant with securities laws of the applicable jurisdiction where such team members are located.

Additionally, in some cases, we utilize independent contractors. When we utilize a PEO or independent contractors, we may not be operating in strict compliance with local laws and regulations. Additionally, the agreements executed between PEOs and our team members or between us and team members engaged under the independent contractor model, may not be enforceable depending on the local laws because of the indirect relationship created through these engagement models. Accordingly, as a result of our engagement of team members through PEOs, and of our relationship with independent contractors, our business, financial condition and results of operations could be materially and adversely affected. Furthermore, litigation related to our model of engaging team members, if instituted against us, could result in substantial costs and divert our management’s attention and resources from our business.

***The impact of economic conditions, including the resulting effect on consumer spending and on our customers’ finances and operations, may adversely affect our business, financial condition and results of operations.***

The trades are impacted by economic slowdowns, tightening of economic policies, tariffs on imported goods, fluctuations in interest rates, which can increase borrowing costs, and other actions that affect material and equipment pricing and availability such as higher inflation. Unfavorable or deteriorating market conditions, reductions in maintenance spend by commercial property owners or residential customers, the unavailability of specific materials or supplies, reductions in the availability of business financing, government action which prevents or hinders the rendering of on-premise services or similar circumstances could have an adverse impact on our business. Our revenue may decrease because trades businesses may generally choose to delay or decide against purchases of software or information systems in times of unfavorable economic conditions, because workforce challenges or governmental policies prevent sufficient labor to meet demand or because fewer transactions are processed on our platform, resulting in reduced fees to us. Furthermore, if the trades industry

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experiences a decrease in overall economic activity, the amount our customers are willing to pay for our products could be reduced. Contractors may also work on fewer jobs, which would result in a reduction in transactions processed over our platform. To the extent we do not effectively address these risks and challenges, our business, financial condition and results of operations could be adversely affected.

In addition, in the event of a general economic downturn or sudden disruption in business conditions, consumer and small business confidence, spending levels, access to credit and interest rates could be adversely affected, which could result in consumers delaying or foregoing purchasing primary or vacation residences, or purchasing smaller homes that may require lower-value home services, businesses foregoing investment or businesses or consumers delaying, foregoing or changing the scope of potential home or business projects. Decreased spend on home and commercial services could result in fewer transactions being processed over our platform, which could cause our revenue to decrease, and could also result in less income for our customers, hampering their ability to pay for our platform. These effects could adversely affect our business, financial condition and results of operations.

### ***Our business is sensitive to events and trends that impact spend across the trades, including natural disasters, pandemics and climate change.***

We have historically been, and will continue to be, sensitive to events and trends, including pandemics, natural disasters, extreme weather events and climate change, that result in changes in demand for trades businesses. For example, during the COVID-19 pandemic, increased time spent in the home led to a temporary increase in home services projects, and hotter temperatures caused in part by climate change have led to surges in demand during the summer for our customers' HVAC repair services. Weather events and natural disasters can also have drastic impacts on our customers and technical infrastructure and network systems. If we do not adequately prepare our systems and organization, other similar events or trends could cause a surge in activity for our customers and lead to system failures and delays in customer support, among other effects, which could harm our brand, reputation and our business, financial condition and results of operations.

Pandemics, natural disasters, political crises and other unexpected events could also have a direct negative impact on our own operations. Our corporate headquarters are located in California, a region known for seismic activity and severe fires, and our insurance coverage may not compensate us for losses that may occur in the event of an earthquake or other significant natural disaster, such as a fire, mudslide, flood or significant power outage. In addition, depending on the geographic location of the event, a natural disaster, or a series of smaller weather events caused by climate change, could cause performance problems with our technology infrastructure and operations, which could adversely affect our business, financial condition and results of operations.

Although we maintain incident management and disaster response plans, in the event of a major disruption caused by a natural disaster or man-made problem, or outbreaks of pandemic diseases, including COVID-19, we may be unable to continue our operations and may experience system interruptions, which could impede our ability to serve technicians when they are needed most. Acts of terrorism and other geo-political unrest, including in Armenia, Macedonia, and Poland, where certain of our employees and engineering contractors are located, could also cause disruptions in our business or the business of our contractors, partners, vendors, or the economy as a whole. For example, we previously engaged engineering contractors in Russia, Poland and other Eastern European countries. On February 24, 2022, Russia invaded Ukraine, and soon thereafter, in response to U.S. sanctions, we restricted our Russian engineering contractors' access to our software and arranged to move certain contractors out of Russia for the purpose of continuing to perform engineering services for us. These actions led to disruptions in our development activities, and further disruptions may take place in nearby countries where we have operations like Armenia, Macedonia, and Poland if the instability were to spread or the United States was to impose additional sanctions. All of the aforementioned risks may be further increased if our disaster recovery plans prove to be inadequate, and could generally adversely affect our brand, reputation, business, financial condition and results of operations.

***The market for software designed to serve the trades is evolving, and our future success depends on the growth of the trades industry and our ability to adapt, keep pace and respond effectively to evolving markets.***

Widespread acceptance and use of technology by the trades in general, and our platform in particular, is critical to our future growth and success. While we believe that our platform addresses a significant market opportunity, the market may develop more slowly than we expect. If the market for software designed to serve the trades does not develop further or develops more slowly than we expect, our business, financial condition and results of operations could be adversely affected. Demand for management software by trades businesses in general, and our platform in particular, is affected by a number of factors, many of which are beyond our control. Some of these potential factors include:

- general awareness of the availability of software designed to serve the trades;
- ease of implementation of our platform by trades businesses, and our ability to decrease time-to-value for our customers;
- availability, functionality and pricing of platforms and products that compete with ours;
- changes in industry practices or methods that may or may not be addressed by our platform;
- ease of adoption and use of our platform;
- the reliability, performance or perceived performance of our platform, including interruptions to the use of our platform and products;
- the development and awareness of our brand; and
- privacy, data protection, or cybersecurity breaches or incidents impacting our platform or products.

If we are unable to successfully address these potential factors, our business, financial condition, results of operations and prospects could be adversely affected.

***We face competition from both established and new companies offering services similar to ours, and many of our potential customers have developed, or could develop, proprietary solutions, all of which may have a negative effect on our ability to add new customers, retain existing customers and/or grow our business.***

Our industry is highly competitive, and as we expand to serve additional industries and trades, we will compete against a growing number of companies and solutions specific to those industries and trades. We compete either directly or indirectly with software vendors offering point-specific tools for specific elements of trade workflows, horizontal solutions for generic functionalities, legacy on-premise field service management applications, and narrow bundled solutions for down-market trades businesses. Examples of these software vendors include Salesforce, SAP, FieldEdge, Workwave, ServiceTrade, BuildOps, HouseCall Pro and Jobber. The larger enterprises with whom we currently compete, or with whom we may compete in the future, have significant financial, technical, marketing and other resources, and they are able to devote meaningful resources to the development, promotion, sale and support of their solutions and services. Some existing solutions have extensive installed customer bases and broad customer relationships, together with longer operating histories and greater name recognition than we have. Moreover, certain trade verticals we explore may already be served by well-established companies, presenting a potential challenge in establishing a foothold within those markets.

As a result, these competitors may be better able to undertake more extensive marketing campaigns and/or offer their solutions and services at a discount to ours. To the extent any of our competitors have existing relationships with potential customers, customers may be unwilling or unable to purchase our subscriptions because of those existing relationships and this may limit our ability to successfully compete in certain markets or trades. Additionally, new entrants to the market are focused on fast and automated implementation of their solutions, and while their products do not have our complete product sets, they provide minimum functionality that small businesses may believe to be sufficient, especially if such businesses are willing to sacrifice functionality for



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speed of deployment. If we are unable to compete with these existing or potential competitors and/or their products, the demand for our platform, our customer counts, and the revenue we generate could decline, and our business, financial condition and results of operations could be adversely affected.

***We have incorporated and are incorporating traditional AI, machine learning and GenAI into some of our products. This technology is new and developing and may present operational and reputational risks or result in liability or harm to our reputation, business, results of operations or customers.***

While we have incorporated a number of AI features into our products and believe that providing AI tools and insights will become increasingly important to the value that our solutions and services deliver to our customers. As with many developing technologies, LLMs in particular are a new and emerging technology that is in its early stages of commercial use and presents a number of inherent risks and challenges that could affect further development, adoption, and use, and therefore our business. Due to the evolving nature of the algorithms and technology underpinning LLMs, there is a risk that our AI solutions could produce inaccurate or misleading content or other discriminatory or unexpected results or behaviors (e.g., LLM hallucinatory behavior that can generate irrelevant, nonsensical or factually incorrect results). Further, the content, analyses or recommendations generated by our LLMs could produce information or other content that infringes, misappropriates or violates the intellectual property rights of others. In addition, increasing use of AI creates opportunities for the potential loss or misuse of personal and other data that forms part of any data set, including any of our proprietary data assets derived from our customers' use of our platform, that was collected, used, stored, or transferred to build our AI solutions. If our access to such data sets were materially impaired, we may also be unable to further build, train and offer our AI solutions. The occurrence of any of the foregoing could harm our reputation, business or customers and could result in additional lawsuits and regulatory investigations.

Moreover, our employees, third-party service providers, strategic partners, and other contractors or consultants may input inappropriate or confidential information into an AI system (in particular a system that is managed, owned or controlled by a third-party), thereby compromising our business operations, which may cause business operation disruptions, could divert the attention of management and key information technology resources, and possibly lead to security breaches, or the unauthorized access to or loss of our confidential information or other business data.

In addition, the use of AI involves significant technical complexity and requires specialized expertise. This specialized expertise can be difficult and costly to obtain given the increasing industry focus on AI development and competition for talent. As a result, it could be expensive for us to maintain and advance our AI developments. Further, our AI solutions rely on third-party proprietary machine learning algorithms and LLMs provided by third parties, such as Microsoft and OpenAI. If we are unable to continue to use such third-party assets, we may be unable to continue to provide our AI solutions which could harm our business and results of operations.

Additionally, the use of AI applications may result in future cybersecurity incidents that implicate the personal information of end users of such applications. Any such cybersecurity incidents related to our use of AI applications could lead to litigation or other proceedings and liability, and may adversely affect our reputation, business and results of operations.

If any of our vendors, service providers, employees or contractors, use any AI solutions in connection with our business or the services they provide to us, it may lead to the inadvertent disclosure of our confidential information, or that of our customers, into publicly available third-party training data sets, which may impact our ability to realize the benefit of, or adequately maintain, protect and enforce our intellectual property or confidential information, harming our customers and our competitive position and business. Our ability to mitigate risks associated with disclosure of our confidential information, including in connection with AI solutions, will depend on our implementation, maintenance, monitoring and enforcement of appropriate technical and administrative safeguards, policies and procedures governing the use of AI in our business.



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Additionally, any content created by using LLMs may not be subject to copyright protection which may adversely affect our intellectual property rights in, or ability to commercialize or use, the content. In the United States, a number of civil lawsuits have been initiated related to the foregoing and other concerns, the outcome of any one of which may, amongst other things, require us to limit the ways in which we use AI in our business and may affect our ability to develop our AI solutions and features. While AI-related lawsuits to date have generally focused on the AI service providers themselves, our use of any output produced by a LLM may expose us to claims, increasing our risks of liability. For example, the output produced by LLMs may include information subject to certain rights of publicity or privacy laws or constitute an unauthorized derivative work of the copyrighted material used in training the underlying AI model, any of which could also create a risk of liability for us, or adversely affect our customers and our business or operations. To the extent that we do not have sufficient rights to use the data or other material or content used in or produced by the GenAI tools used in our business, or if we experience cybersecurity incidents in connection with our use of AI, it could adversely affect our reputation and expose us to legal liability or regulatory risk, including with respect to third-party intellectual property, privacy, publicity, contractual or other rights.

Further, social and ethical issues relating to the use of new and evolving technologies such as AI in our offerings, may result in reputational harm and liability, and may cause us to incur additional research and development costs to resolve such issues. AI presents emerging ethical issues and if we enable or offer solutions that draw controversy due to their perceived or actual impact on society, we may experience brand or reputational harm, competitive harm, or legal liability. Failure to address AI ethics issues by us or others in our industry could undermine public confidence in AI and slow adoption of AI in our products and services.

Moreover, as the regulatory framework for AI (and machine learning technology) evolves, it is possible that new laws and regulations will be adopted in the United States and in non-U.S. jurisdictions, or that existing laws and regulations may be interpreted in ways that would affect the operation of our business, including the way in which we use AI and machine learning technology. Our ability to provide AI-driven insights and products may also be constrained by current or future regulatory requirements that could restrict or impose burdensome and costly requirements on our ability to leverage data in innovative ways. Further, the cost to comply with such laws or regulations could be significant and could increase our operating expenses, which could adversely affect our business, financial condition and results of operations.

***If the estimates and assumptions we have used to calculate the size of our addressable market opportunity are inaccurate, our future growth rate may be limited.***

We have estimated the size of our addressable market opportunity based on data published by third parties and on internally generated data and assumptions. While we believe our market size information is generally reliable, such information is inherently imprecise, and relies on our and third parties' projections, assumptions and estimates within our target market, which are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in this prospectus. If such third-party or internally generated data proves to be inaccurate or we make errors in our projections, assumptions or estimates based on that data, including how current customer data and trends may apply to potential future customers and the number and type of potential customers, our addressable market opportunity or our future growth rate may be less than we currently estimate. In addition, these inaccuracies or errors may cause us to divert resources from more valuable alternative projects and harm our business.

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 addressable end customers or companies covered by our addressable target market opportunity estimates will purchase our platform at all or generate any particular level of revenue for us. Any expansion in our market depends on a number of factors, including the cost, performance and perceived value associated with our platform and those of our competitors. Even if our addressable market meets our size estimates, our business could fail to grow at similar rates, if at all. Accordingly, the information regarding the size of our addressable market opportunity included in this prospectus should not be taken as indicative of our future growth.

***We may be unsuccessful in making, integrating and maintaining acquisitions, joint ventures and strategic investments.***

We have in the past, and may in the future, seek to acquire or invest in businesses, joint ventures and platform technologies that we believe could complement or expand our platform, enhance our technology or otherwise offer growth opportunities. We also may enter into strategic relationships with other businesses to expand our platform, which could involve investments in other companies. Any acquisition, investment or strategic transaction may result in unforeseen operating difficulties and expenditures. In particular, we may encounter difficulties assimilating or integrating the businesses, technologies, offerings, personnel or operations of the acquired companies, particularly if the key personnel of the acquired company choose not to work for us, their offerings are not easily adapted to work with our platform, their systems and operations are difficult to integrate or we have difficulty retaining their customers. Acquisitions may also disrupt our business, require significant resources, divert significant management attention and impose legal and regulatory burdens to the extent such transactions expand our geographic footprint.

Negotiating these transactions can be time-consuming, difficult and expensive, and our ability to complete these transactions may often be subject to approvals that are beyond our control. Even if announced, we may not complete a transaction. The benefits of an acquisition or strategic transaction may also take considerable time to develop, and we cannot be certain that any particular transaction will produce the intended benefits. Further, acquisitions could result in potential dilutive issuances of equity securities, use of significant cash balances, incurrence of debt (and increased interest expense), contingent liabilities or amortization expenses related to intangible assets or write-offs of goodwill and intangible assets. If we are unable to successfully identify, complete and integrate our acquisitions and strategic transactions, we may not realize the expected benefits of such transactions or become exposed to additional liabilities, and our business, financial condition and results of operations may be harmed.

***Our business depends on a strong brand, and if we are not able to maintain and enhance our brand and reputation, our ability to maintain and expand our customer base will be impaired, and our business, operating results and financial condition may be adversely affected.***

We believe that the ServiceTitan brand identity and awareness is critical to our sales and marketing efforts. We also believe that maintaining and enhancing the ServiceTitan brand is critical to maintaining and expanding our customer base and, in particular, conveying to customers that our platform offers capabilities that address the needs of the trades across a wide array of verticals. We anticipate that, as our market becomes increasingly competitive, maintaining and enhancing our brand may become increasingly difficult and expensive.

In addition, any unfavorable publicity about our company or our management, including about the quality, stability and reliability of our platform, changes to our platform, our privacy, data protection and cybersecurity practices, litigation, employee relations, regulatory enforcement and other actions involving us, as well as the perception of us and our platform by our customers and end customers, even if inaccurate, could cause a loss of confidence in us and adversely affect our brand. Such negative publicity also could have an adverse effect on the size and engagement of our customer base and could result in decreased revenue, which could have an adverse effect on our business, financial condition and results of operations.

***We depend on our management team and other highly skilled personnel, and we may fail to attract, retain, motivate or integrate highly skilled personnel, which could adversely affect our business, financial condition and results of operations.***

Our future success is substantially dependent on our ability to attract, retain and motivate the members of our management team and other key personnel throughout our organization. In particular, we are highly dependent on the services of Ara Mahdessian, our co-founder and Chief Executive Officer, and Vahe Kuzoyan, our co-founder and President, each of whom is critical to our ability to achieve our vision and strategic priorities. We

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rely on our management team in the areas of operations, security, research and development, sales and marketing, support and general and administrative functions. Our employees, including our executive officers, work for us on an “at-will” basis, which means they may terminate their employment with us at any time. If Mr. Mahdessian or Mr. Kuzoyan or one or more of our key personnel or members of our management team resigns or otherwise ceases to provide us with their services, this could impair our ability to execute our growth strategy, have a negative impact on our business, financial condition and results of operations, cause employee morale problems and the loss of key personnel or members of our management or clients.

Our future success also depends, in part, on our ability to continue to attract and retain highly skilled personnel. Competition for these personnel is intense, and the industry in which we operate is generally characterized by significant competition for skilled personnel as well as high employee attrition. We may not be successful in attracting, retaining, training or motivating qualified personnel to fulfill our current or future needs. Additionally, the former employers of our new employees may attempt to assert that our new employees have breached their legal obligations, which may be time-consuming, distracting to management and may divert our resources. Our culture and brand help us attract and retain highly skilled personnel in a competitive environment. We have in the past, and may in the future, be subject to employment law-related claims and disputes. Any negative publicity resulting from such claims or disputes could adversely affect our ability to attract and retain skilled personnel, harm our brand and otherwise require us to use or divert financial and management resources.

Current and potential personnel also often consider the value of equity awards they receive in connection with their employment, and to the extent the perceived value of our equity awards declines relative to our competitors, our ability to attract and retain highly skilled personnel may be harmed.

If we fail to attract and integrate new personnel or retain and motivate our current personnel, our business, financial condition and results of operations could be adversely affected.

### ***If we cannot create and maintain a successful company culture as we grow, our success and our business may be harmed.***

We believe our current corporate culture fosters innovation, teamwork, passion and focus on execution and has contributed to our success. As we grow and develop our infrastructure, including as a public company, and expand our operations both geographically and across the trades, we may find it difficult to maintain our corporate culture and/or successfully adapt our corporate culture to appropriately adapt to ongoing changes. Any failure to preserve our culture and/or successfully adapt our culture to changing conditions could harm our future success, including our ability to recruit and retain qualified personnel, innovate and operate effectively, and execute on our business strategies. If we experience any of these risks in connection with future growth, it could impair our ability to attract new customers and retain existing customers and expand their use of our platform, all of which could adversely affect our business, financial condition and results of operations.

### ***The adverse developments affecting the financial services industry, such as actual events or concerns involving liquidity, defaults, or non-performance by financial institutions or transactional counterparties, could adversely affect our current and projected business operations, financial condition and results of operations.***

Actual events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems. For example, on March 10, 2023, Silicon Valley Bank, or SVB, was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation, or FDIC, as receiver. Similarly, Signature Bank and Silvergate Capital Corp. were each placed into receivership on March 12, 2023, and First Republic Bank was placed into receivership and substantially all of its assets and deposits were sold to JPMorgan Chase Bank on

May 1, 2023. At the time that SVB failed, we maintained balances at SVB in excess of the federal insured limit. However, despite this circumstance, we successfully regained access to our funds held at SVB without incurring any losses. The failure of a bank, or other adverse conditions in the financial or credit markets impacting financial institutions at which we maintain balances, could adversely impact our liquidity and financial performance. There can be no assurance that our deposits in excess of the FDIC or other comparable insurance limits will be backstopped by the United States or applicable foreign government, or that any bank or financial institution with which we do business will be able to obtain needed liquidity from other banks, government institutions, or by acquisition in the event of a failure or liquidity crisis.

In addition, if any of our customers, vendors or other parties with whom we conduct business are unable to access funds pursuant to such instruments or lending arrangements with such a financial institution, such parties' ability to pay their obligations to us or to enter into new commercial arrangements requiring additional payments to us could be adversely affected.

### **Risks Related to Our Customers and Revenue Model**

***Any failure to offer high quality support for our customers, including throughout the implementation process, may harm our relationships with our customers and, consequently, our business.***

Our customers depend on our customer success teams to provide implementation, training and support services. We have previously experienced declines in our net promoter score, or NPS, and if we do not provide effective onboarding services or ongoing support, customers may not receive the full benefits of our platform, may delay or forgo future expansion of their use of our platform or may seek to terminate their agreements with us. Our reputation with prospective or current customers or the trades industry could also be damaged. The number of our customers has grown significantly and due to the complexity of our product, they often heavily rely on our customer success team, even for routine matters, which has put additional pressure on our customer success teams. If we experience increased customer demand for support, we may face increased costs that may harm our results of operations. As a result, if we are unable to provide efficient, high-quality customer support services, if we need to hire additional support resources, or if there is a market perception that we do not maintain high-quality customer support, our business, financial condition and results of operations could be adversely affected.

***Our ability to increase our customer base and achieve broader market acceptance of our platform will depend on our ability to develop and expand our sales and marketing capabilities.***

Sales of subscriptions to access our platform will depend to a significant extent on our ability to expand our sales and marketing capabilities, including adapting to new sales verticals such as commercial services and construction. It is difficult to predict customer demand, customer retention, the size and growth rate of the trades industry, the entry of competitive products or the success of existing competitive products. Our sales efforts involve educating prospective customers about the uses and benefits of our Core, FinTech and Pro products. We expect that we will continue to need intensive sales efforts to educate prospective customers about the uses and benefits of our platform, and we may have difficulty convincing prospective customers of the value of adopting our platform. Identifying, recruiting and training qualified sales representatives is time-consuming and resource-intensive, and they may not be fully-trained and productive for a significant amount of time following their hiring, if ever. In addition, the cost to acquire customers is high due to these considerable sales and marketing efforts.

We also dedicate significant resources to marketing programs, including telemarketing, branded events and digital advertising through services such as Google AdWords. The effectiveness and cost of our online advertising has varied over time, and may vary in the future, due to competition for key search terms, changes in search engine use, changes in the search algorithms used by major search engines and laws, regulations and other obligations relating to privacy or data protection that affect online advertising. These efforts will require us to invest significant financial and other resources. We rely on a variety of direct marketing techniques, including

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telemarketing, email marketing and direct mail. Our marketing activities, and the marketing activities of our customers, are regulated under laws such as the Telephone Consumer Protection Act, the Telemarketing Sales Rule, and any state equivalents, and various other federal and state laws regarding marketing and solicitation, as well as general data protection laws, including the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003, or the CAN-SPAM, and various state privacy laws, including the California Consumer Privacy Act, or the CCPA, and other recently passed state laws, that govern these activities and impose significant restrictions on us and our customers. Any violations or perceptions of violations of these laws and regulations may harm our business, financial condition and results of operations. Additionally, any changes to the above-mentioned laws, or any applicable privacy, data protection and cybersecurity laws, their interpretation, or enforcement of such laws by the government or private parties that further restrict the way we interact with our potential customers or generate leads could adversely affect our ability to attract customers and could harm our business, reputation and brand, financial condition and results of operations. See “—Risks Related to Data Privacy, Data Protection, Cybersecurity and Technology—The collection, storage, use, disclosure and other processing of personal information are governed by a rapidly evolving framework of privacy, data protection, cybersecurity, data transfers or other laws or regulations worldwide may limit the use and adoption of our services and adversely affect our business.”

Our business will be harmed if our efforts do not generate a correspondingly significant increase in revenue. Even if we are successful in convincing prospective customers of the value of our platform, they may decide not to purchase a subscription for a variety of reasons, some of which are out of our control. We spend substantial time and resources on our sales efforts without any assurance that our efforts will result in a sale. The failure of our efforts to secure sales after investing resources in a lengthy sales process could adversely affect our business, financial condition and results of operations.

In the future, we may implement changes to our pricing model. However, there is a possibility that these modifications may not achieve the intended effectiveness, potentially posing challenges in sustaining customer satisfaction, retention, and overall revenue generation. Failure to achieve the desired outcomes could adversely affect our business, financial condition and results of operations.

***A majority of our customers are small- and medium-sized businesses, which can be more difficult and costly to retain than large businesses and may increase the impact of economic fluctuations on us.***

A majority of our customers are small- and medium-sized businesses, or SMBs, and we expect they will continue to comprise a large portion of our customer base for the foreseeable future. We define SMBs in the context of our customer base as customers that have fewer than 1,000 employees. Selling to and retaining SMBs can be more difficult than retaining large businesses, as SMBs often have higher rates of business failure and more limited resources. SMBs may not have sufficient office resources or may be constrained by other factors, such as seasonality, which makes it difficult for them to dedicate resources to the implementation, onboarding and training necessary to obtain the full benefits of our platform. SMBs are also typically more susceptible to the adverse effects of economic fluctuations. Adverse changes in the economic environment, or business failures of our SMB customers, may have a greater impact on us than on our competitors who do not focus on SMBs to the extent that we do.

### **Risks Related to Reliance on Third Parties**

***We rely on software and services licensed from other third parties. Defects in or the loss of software or services from third parties could increase our costs and adversely affect the quality of our service.***

We rely upon certain partners, vendors and other service providers to provide software employed by our platform or customers using our platform, including to enable cloud-based phones and GPS, payments, manage customer payroll, and it is possible that such software may not be reliable or easy to replace. We may in the future have disputes with certain of our partners, vendors and other service providers. If, in connection with such a dispute, a

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partner, vendor or service provider terminates its relationship with us or otherwise limits the provision of their software or data to us, the availability or usage of our platform could be disrupted. If the partners, vendors and other service providers we rely upon cease to provide access to the software and/or data that we and our customers and consumers use, whether in connection with disputes or otherwise, do not provide access to such software and/or data on terms that we believe to be attractive or reasonable, or do not provide us with the most current version of such software, we may be required to seek comparable software and/or data from other sources, which may be more expensive or inferior, or may not be available at all, any of which could adversely affect our business.

***Our customers' experience and satisfaction depend upon the interoperability of our platform across devices, operating systems and third-party applications that we do not control.***

An important feature of our platform is its broad interoperability with a range of devices, web browsers, operating systems and third-party applications. We have integrations with Bandwidth, Twilio and DialPad and a variety of other vendors. As part of our integrations with certain vendors, we have had to make concessions limiting our ability to engage with such vendor's competitors, which could potentially impact our customer experience and our ability to interoperate with other third-party applications. Our Application Programming Interfaces, or APIs, enable customers to connect other third-party software, applications, partner services and data to our platform. Accordingly, we are dependent on the accessibility of our platform across web browsers, operating systems and the third-party applications that we often do not control. Third-party applications, products and services are constantly evolving, and we may not be able to maintain or modify our platform to ensure its compatibility with third-party offerings following development changes. In addition, some of our competitors may be able to disrupt the operations or compatibility of our platform with their applications that some of our customers may rely upon. If our platform has integration or operability failures with these operating systems or third-party applications, customers may not adopt our platform or our APIs and related functionality may not be useful to customers, which could adversely affect our business, financial conditions, results of operations. Additionally, as our platform evolves, we expect the types and levels of competition we face to increase. Should any of our competitors or third-party services on our platform modify their technologies, standards or terms of use in a manner that degrades the functionality or performance of our platform or is otherwise unsatisfactory to us or gives preferential treatment to our competitors' products or services, our platform, business, financial condition and results of operations could be adversely affected.

***We rely on third-party data centers, such as Azure, to host and operate our platform, and any disruption of or interference with our use of these facilities may negatively affect our ability to maintain the performance and reliability of our platform, which could cause our business to suffer.***

Our customers depend on the continuous availability of our platform. We currently host our platform and serve our customers primarily using Microsoft Azure, or Azure. Consequently, we may be subject to service disruptions, as well as failures to provide adequate support, for reasons that are outside of our control, including:

- the performance and availability of Azure and other third-party providers of cloud infrastructure services with the necessary speed, data capacity and security for providing reliable services;
- decisions by Azure and other owners and operators of the data centers where our cloud infrastructure is deployed to terminate our subscriptions, discontinue services to us, shut down operations or facilities, increase prices, change service levels, limit bandwidth, declare bankruptcy or prioritize the traffic of other parties;
- physical break-ins, acts of war or terrorism, human error or interference, including by disgruntled employees, former employees or customers and other catastrophic events; and
- cyberattacks, including denial of service attacks, targeted at us, our data centers or the infrastructure of the Internet.

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The adverse effects of any service interruptions on our reputation, results of operations and financial condition may be disproportionately heightened due to the nature of our business and the fact that our customers have a low tolerance for interruptions of any duration.

To meet the performance and other requirements of our customers, we intend to continue to make significant investments to increase capacity and to develop and implement new technologies in our cloud infrastructure operations. Any renegotiation or renewal of our agreement with Azure, or a new agreement with another provider of cloud-based services, may be on terms that are significantly less favorable to us than our current agreement. Additionally, these new technologies, which include databases, application and server optimizations, network strategies and automation, are often advanced, complex, new and untested, and we may not be successful in developing or implementing these technologies. It takes a significant amount of time to plan, develop and test improvements to our technologies and cloud infrastructure, and we may not be able to accurately forecast demand or predict the results we will realize from such improvements. To the extent that we do not effectively scale our infrastructure to meet the needs of our growing customer base and maintain performance as our customers expand their use of our platform, or if our cloud-based server costs were to increase, our business, financial condition, results of operations and prospects could be adversely affected.

***We rely primarily on third-party insurance policies to insure our operations-related risks. If our insurance coverage is insufficient for the needs of our business or our insurance providers are unable to meet their obligations, we may not be able to mitigate the risks facing our business, which could adversely affect our business, financial condition and results of operations.***

We procure third-party insurance policies to cover various operations-related risks including employment practices liability, workers' compensation, business interruptions, cybersecurity and data breaches, crime, directors' and officers' liability, occupational accident liability for customers, and general business liabilities. For certain types of operations-related risks or future risks related to our new and evolving services, we may not be able to, or may choose not to, acquire insurance. In addition, we may not obtain enough insurance to adequately mitigate such operations-related risks or risks related to our new and evolving services, and we may have to pay high premiums, self-insured retentions or deductibles for the coverage we do obtain. Additionally, if any of our insurance providers becomes insolvent, they would be unable to pay any operations-related claims that we make. Further, some of our agreements with vendors require that we procure certain types of insurance, and if we are unable to obtain and maintain such insurance, we would be in violation of the terms of these vendor agreements.

If the amount of one or more operations-related claims were to exceed our applicable aggregate coverage limits, we would bear the excess, in addition to amounts already incurred in connection with deductibles. Insurance providers have raised premiums and deductibles for many businesses and may do so in the future. As a result, our insurance and claims expense could increase, or we may decide to raise our deductibles when our policies are renewed or replaced. Our business, financial condition and results of operations could be adversely affected if (i) the cost per claim, premiums or the number of claims significantly exceeds our historical experience and coverage limits, (ii) we experience a claim in excess of our coverage limits, (iii) our insurance providers fail to pay on our insurance claims, (iv) we experience a claim for which coverage is not provided or (v) the number of claims under our deductibles differs from historical averages.

***We are subject to payment processing risk.***

We rely on third-party payment processors to collect subscription fees and other usage-based revenue from our customers. Under our commercial agreements, such payment processors may terminate the relationship with advanced notice. If one of our payment processors terminates its relationship with us or refuses to renew its agreement with us on commercially reasonable terms, we would be required to find alternative payment processors and may not be able to secure similar terms or replace such payment processors in an acceptable time frame. An inability to charge our customers or collect revenue for an extended period could affect our cash flows and impair our business, financial condition and results of operations.



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While we do not process any payments for the end customers, we do have complex relationships with third-party processors where we generate revenue through referral agreements and as an independent sales organization, or ISO. A significant portion of payments by the end customers are made by credit card or debit card using these third-party payment services to which our customers have a direct contractual relationship. If one of these third-party processors terminates its relationship with us or refuses to renew its partnership with us on commercially reasonable terms, or the software and services provided by our payment processors does not meet our customer's expectations, we may be required to find an alternative payment processor or consider offering new payment options and products ourselves that may be subject to additional regulations and risks. None of our agreements with payment processors are exclusive, however, our agreements with certain payment processors limit our ability to induce existing customers to migrate to alternative payment processors, which could potentially impact our customers' experience or satisfaction with our services. We are also subject to a number of other laws and regulations relating to the financial solutions we offer, including with respect to money laundering, privacy and cybersecurity. If we fail to, or are alleged to fail to, comply with applicable regulations, we may be subject to claims and litigation, regulatory investigations and proceedings, civil or criminal penalties, fines or higher transaction fees and may lose the ability to offer financial solutions to customers, which could make our platform less convenient and attractive to trades businesses. We also rely on data provided by third parties for financial statement reporting, and there could be inaccuracies and other errors in such data. If any of these events were to occur, our business, financial condition and results of operations could be adversely affected.

In addition, we are subject to the Payment Card Industry Data Security Standard, or PCI DSS. The PCI DSS is a specific set of comprehensive security standards required by credit card brands for enhancing payment account data security, including, but not limited to, requirements for security management, policies, procedures, network architecture and software design, certification requirements, which could change or be reinterpreted to make it difficult or impossible for us to comply. Our third-party payment processors require us to comply with payment card network operating rules, which are set and interpreted by the payment card networks. The payment card networks could adopt new operating rules or interpret or re-interpret existing rules in ways that might prohibit us from providing certain services to some customers, be costly to implement, or difficult to follow. If we fail to comply with these rules or regulations, we may be subject to fines and higher transaction fees and lose our ability to offer payment solutions to customers. Compliance does not guarantee a completely secure environment and notwithstanding the results of a compliance assessment there can be no assurance that payment card brands will not request further compliance assessments or set forth additional requirements to maintain access to credit card processing services. Compliance is an ongoing effort and the requirements evolve as new threats are identified. In the event that we were to lose PCI DSS compliance status (or fail to renew compliance under a future version of the PCI DSS), or if our data security systems are breached or compromised, we may be liable for card-issuing banks' costs, subject to fines and higher transaction fees and lose our ability to accept credit and debit card payments from our customers, process electronic funds transfers or facilitate other types of online payments. We have also agreed to indemnify our third-party payment processors for violating payment card networks rules. Any of the foregoing risks could adversely affect our business, financial condition and results of operations.

### **Risks Related to Data Privacy, Data Protection, Cybersecurity and Technology**

***If we or our third-party service providers experience a cybersecurity breach or other incident, including any breach or incident that allows, or is perceived to allow, unauthorized access to our platform or our Sensitive Information, our reputation and brand, business, financial condition and results of operations could be adversely affected.***

We rely on our own, and our third-party service providers', platforms, computer systems, hardware, software, technology infrastructure and online sites and networks for both internal and external operations that are critical to our business, or collectively, IT Systems. We own and manage some of these IT Systems but also rely on third parties for a range of IT Systems and related products and services, including but not limited to cloud computing services. Because we make extensive use of third-party suppliers and service providers, such as cloud services that support our internal and customer-facing operations, disruptions to or unauthorized access to third-party IT



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Systems can materially impact our operations and financial results. If we experience difficulties in implementing new or upgraded information systems or experience significant system failures, or if we are unable to successfully modify our information systems to respond to changes in our business needs, our ability to run our business could be adversely affected. It is also possible that our competitors could develop better platforms than ours, which could adversely affect obtaining and retaining our customers. Any of these or other systems related problems could, in turn, adversely affect our business, reputation and brand, results of operations and financial condition.

We may rely on third parties when deploying, servicing or otherwise operating our IT Systems, and in doing so, expose them and therefore us to security risks outside of our direct control. Specifically, certain third parties who create applications that integrate with our platform may receive, store or otherwise process our and our customers' information, including confidential, sensitive, personal information and other information about individuals, our customers, employees, contractors, and business partners, including email addresses, physical addresses, phone numbers, Social Security numbers, credit card data and personally identifiable information, as well as trade secrets and other proprietary business information, or collectively, Sensitive Information. Our third-party service providers may fail to adequately secure their or our IT Systems, or our Sensitive Information. Our third-party service providers' IT Systems have, and may in the future be, breached or contain exploitable defects or "bugs" that could result in a breach of or disruption to our or our third parties IT Systems and other cybersecurity risks discussed below. Our ability to monitor our service providers' security is limited, and, in any event, third parties may be able to circumvent those security measures. Moreover, techniques used to obtain unauthorized access to systems and networks, as discussed in more detail below change frequently and may not be known until launched against us or our third-party service providers. These risks also are heightened when service providers work remotely.

The use of our platform involves the transmission, storage and processing of Sensitive Information. The secure processing, maintenance, transmission and storage of our Sensitive Information is critical to us, and we devote significant resources to protecting this information. Additionally, remote working arrangements at our company, and many of our third-party providers, increases cybersecurity risks due to the challenges associated with managing remote computing assets and security vulnerabilities that are present in many non-corporate and home networks. The unprecedented scale of remote work may require additional personnel and resources, which nevertheless cannot be guaranteed to fully safeguard all IT Systems and information upon which we rely.

We face numerous and evolving cybersecurity risks that threaten the confidentiality, integrity and availability of our IT Systems and Sensitive Information, including from diverse threat actors, such as state-sponsored organizations, opportunistic hackers and hacktivists, as well as through diverse attack vectors, such as social engineering/phishing (including on our customers and end customers), malware (including ransomware attacks), malfeasance by insiders, human or technological error, or other techniques used to obtain unauthorized access, disable or degrade services, or sabotage systems, and as a result of malicious code embedded in open-source software, or misconfigurations, "bugs" or other vulnerabilities in commercial software that is integrated into our (or our suppliers' or service providers') IT systems, products or services. Cyberattacks are expected to accelerate on a global basis in frequency and magnitude as threat actors are becoming increasingly sophisticated in using techniques and tools—including artificial intelligence—that circumvent security controls, evade detection and remove forensic evidence. As a result, we may be unable to detect, investigate, remediate or recover from future attacks or cybersecurity breaches or other incidents, or to avoid a material adverse impact to our IT Systems, Sensitive Information or business. In this fast-changing threat environment, our efforts may not be sufficient to identify all gaps, threats and vulnerabilities or prevent a cybersecurity breach or other incident. If we or our third-party service providers fail to respond appropriately to any identified gaps, threats or vulnerabilities, including by providing adequate funding and prioritizing strategic initiatives, or if we or our third-party service providers fail to adequately identify the gaps, threats or vulnerabilities, we face greater risk of a security incident. Notwithstanding our efforts, we and our third-party service providers have failed to and may in the future fail to detect cybersecurity breaches or other incidents, including breaches or incidents that may compromise our Confidential Information, and may face difficulties or delays in identifying any such breaches or incidents. Such

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breaches or incidents have resulted in and may in the future result in theft, loss, damage, or unavailability of, or unauthorized access to or use, disclosure, modification or other processing of, Sensitive Information, loss of access to data or systems or cause other business delays or disruptions.

Third parties may attempt to compromise our employees and their access into internal IT Systems to gain access to accounts, our Sensitive Information, or our IT Systems. Employee error, malfeasance or other errors could result in an actual or perceived cybersecurity breach or other incident. This risk may be heightened as we transition to an increasingly distributed workforce. In addition, our employees, customers or end customers may also be subject to cyberattacks (including social engineering/phishing) or otherwise disclose or lose control of their passwords, or use the same or similar passwords on third parties' systems, which could lead to unauthorized access to their accounts on our platform.

Any unauthorized or inadvertent access to, or an actual or perceived cybersecurity breach or other incident impacting, our IT Systems or those of our third-party service providers, could result in an actual or perceived loss or unavailability of, unauthorized access to, or unauthorized use, disclosure, modification or other processing of, our Sensitive Information, regulatory investigations and other proceedings, orders and other obligations, claims, demands and litigation, indemnity obligations, damages, penalties, fines and other costs in connection with actual and alleged contractual breaches, violations of applicable laws and regulations and other liabilities and our platform may be perceived as insecure and we may lose existing customers or fail to attract and retain new customers. We also could be required to divert substantial resources to prevent further cybersecurity breaches or other incidents. We have experienced such incidents in the past and may experience similar incidents in the future. While to date no incidents have had a material impact on our operations or financial results, we cannot guarantee that material incidents will not occur in the future. Any such breach or other incident affecting us, our third-party service providers, customers or end customers, or the perception that one has occurred, could also materially damage our reputation and adversely harm our business, financial condition and results of operations, including reducing our revenue, causing us to issue credits to customers, negatively impacting our ability to accept and process customer payment information, eroding our customers' trust in our services and solutions, subjecting us to costly notifications to customers and individuals and costly remediation measures, resulting in loss of, and harming our ability to retain customers, harming our brand or increasing our cost of acquiring new customers, or subject us to claims by third parties that we have breached our privacy-, data protection-, cybersecurity- or confidentiality-related obligations that could materially increase our costs, adversely impact how we operate our IT Systems and collect and use customer information and competitively disadvantage our business. In addition, many governments, including in the United States, all fifty states, have enacted laws requiring companies to notify individuals of certain breaches involving Sensitive Information. These mandatory disclosures regarding such a breach are costly to implement and often lead to widespread negative publicity, which may cause our customers to lose confidence in the effectiveness of our data security measures. The release of Sensitive Information may also lead to identity theft and related fraud, litigation, investigations, claims or other proceedings against us by affected individuals, customers and/or by regulators, or public statements against us by advocacy groups or others, and the outcome of such proceedings, which could include penalties or fines and could have a material and adverse effect on our business, financial condition and results of operations. In addition, we may incur large expenditures to investigate or remediate, to recover information, to repair or replace networks or IT Systems, to protect against similar future events, or to comply with existing and future cybersecurity, data protection and privacy laws and regulations. In addition, the costs of maintaining adequate protection and insurance coverage against such threats, as they develop in the future (or as legal requirements related to cybersecurity increase) could be material.

We maintain technology errors, omissions and cyber liability insurance policies covering certain damages. However, we cannot be certain that our coverage will be adequate for liabilities actually incurred relating to any breach or incident relating to privacy, data protection or cybersecurity, or that insurance will continue to be available to us on economically reasonable terms, or at all. Further, if another company within our industry experiences a high-profile breach or incident this might lead to a loss of trust in our industry generally, which could adversely impact our reputation and brand, and adversely harm our business and financial condition.

***Real or perceived defects, errors, or vulnerabilities in our platform could harm our reputation and adversely affect our business, financial condition and results of operations.***

The software underlying our platform is highly complex and may contain undetected errors or vulnerabilities, some of which may only be discovered after the code has been released. Our practice is to effect frequent releases of software updates, sometimes multiple times per day. The third-party software that we incorporate into our platform may also be subject to errors or vulnerabilities. Any errors or vulnerabilities discovered in our code or from third-party software after release could result in negative publicity, a loss of customers or loss of revenue and access or other performance issues. Such vulnerabilities could also be exploited by malicious actors and result in exposure of information of customers on our platform, or otherwise result in a cybersecurity breach or other incident. If we or our third-party service providers experience a cybersecurity breach or security incident, including any breach or incident that allows, or is perceived to allow, unauthorized access to our platform or our customers' information, our reputation, business, financial condition and results of operations could be adversely affected. We may need to expend significant financial and development resources to analyze, correct, eliminate, or work around errors or defects or to address and eliminate vulnerabilities. Any failure to timely and effectively resolve any such errors, defects or vulnerabilities could adversely affect our business, reputation, brand, financial condition and results of operations.

***Our business could be adversely impacted by changes in the Internet and mobile device accessibility of customers.***

Our business depends on our customers' access to our platform via a mobile device or personal computer and the Internet. Mobile operating systems, such as Android and iOS, and their respective application marketplaces that make our mobile applications available, are especially important in the context of our solution, as we address the needs of technicians in the field across trades businesses. Any changes in such systems and application marketplaces that degrade the functionality of our mobile applications or give preferential treatment to our competitors' mobile applications could adversely affect our platform's usage on mobile devices. If such mobile operating systems or application marketplaces limit or prohibit us from making our mobile applications available to our customers or their end customers, make changes that degrade the functionality of our mobile applications, increase the cost of using our mobile applications, impose terms of use unsatisfactory to us or modify their search or ratings algorithms in ways that are detrimental to us, or if our competitors' placement in such mobile operating systems' application marketplace is more prominent than the placement of our apps, our platform could be adversely impacted. Further, as new mobile devices and mobile platforms are released, there is no guarantee that certain mobile devices will continue to support our platform or effectively roll out updates to our mobile applications.

In addition, we may operate in jurisdictions that provide limited Internet connectivity. Internet access and access to a mobile device or personal computer are frequently provided by companies with significant market power that could take actions that degrade, disrupt or increase the cost of customers' ability to access our platform. Frequent or persistent interruptions could cause existing or prospective customers to believe that our platform is unreliable, leading them to switch to our competitors, which could materially adversely affect our reputation and brand, business, financial condition, results of operations and prospects. In addition, the Internet infrastructure that we and trades businesses rely on in any particular geographic area may be unable to support the demands placed upon it and could interfere with the speed and availability of our platform. Any such failure in Internet or mobile device or computer accessibility, even for a short period of time, could adversely affect our results of operations.

***The collection, processing, storage, use and disclosure of personal information are governed by a rapidly evolving framework of privacy, data protection, cybersecurity, data transfers or other laws or regulations worldwide and limit the use and adoption of our services and adversely affect our business.***

We receive, store, process and use a large volume of personal information and other customer information from a wide range of sources, including customers, potential customers, vendors and employees. There are numerous

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federal, state, local and international laws and regulations regarding privacy, data protection, cybersecurity, marketing and telemarketing activities and the storing, sharing, use, processing, transfer, disclosure and protection of personal information and other information, the scope of which are changing, subject to differing interpretations, and may be inconsistent among jurisdictions, or conflict with other rules or other actual or asserted obligations. We also post privacy policies, which we are legally obligated to comply with and are subject to contractual obligations to third parties related to privacy, data protection and cybersecurity. As a result, we are subject to federal, state, local and international laws regarding data protection, privacy, cybersecurity, and the storing, sharing, use, disclosure and protection of personal information. The regulatory framework for data protection, privacy and cybersecurity 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 obligations or our practices.

Regulation of data protection, privacy and cybersecurity in the United States has increased, particularly at the state level. Several states in which we operate or may in the future operate have begun enacting new data privacy laws. For example, California's Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act of 2020, collectively, the CCPA, introduces new rights for California residents and obligations for covered businesses collecting, using, disclosing and processing personal information. The enactment of the CCPA has prompted a wave of similar legislative development in numerous U.S. states, including laws in Virginia, Colorado, Connecticut, and Utah. These new laws, and others that will be effective in the coming years, including privacy laws in Delaware, Florida, Indiana, Iowa, Montana, New Jersey, Oregon, Tennessee, and Texas, could further complicate compliance efforts and increase legal risk and compliance costs for us, the third parties upon whom we rely, and our customers. In addition, the development of numerous U.S. state laws creates the potential for a patchwork of overlapping but different state law requirements. For example, in order to comply with the varying state laws around breaches involving information, we must maintain adequate security measures, which require significant investments in resources and ongoing attention. We also may record phone calls with our customers, and with respect to the use of personal information for direct marketing purposes—both via telephone calls and email and text-based messaging—laws, regulations, and standards covering marketing, advertising, and other activities conducted by telephone, email, mobile devices, and the internet may be or become applicable to our business, such as the Federal Communications Act, the Federal Wiretap Act, the Electronic Communications Privacy Act, the Telephone Consumer Protection Act, the CAN-SPAM, and use of personal information in relation to other state consumer protection and communication privacy laws, such as California's Invasion of Privacy Act. In particular, the Telephone Consumer Protection Act, and the Telemarketing Sales Rule as interpreted and implemented by the Federal Communications Commission, or FCC, and U.S. courts impose significant restrictions on the use of telephone calls and text messages to residential and mobile telephone numbers as a means of communication when prior consent of the person being contacted has not been obtained. Additionally, the CAN-SPAM establishes specific requirements for commercial email messages and specifies penalties for the transmission of commercial email messages that are intended to deceive the recipient as to source or content, and obligates, among other things, the sender of commercial emails to provide recipients with the ability to opt out of receiving future commercial emails from the sender. In addition, there is a risk if our customers or end customers use our platform in a manner that does not comply with applicable law or our policies. See “—Risks Related to Data Privacy, Data Protection, Cybersecurity and Technology—Our customers' and end customers' violation of our policies or other misuse of our platform to transmit unauthorized, offensive or illegal messages, spam, phishing scams and website links to harmful applications or for other fraudulent or illegal activity could damage our reputation and brand, and we may face a risk of litigation and liability for illegal activities on our platform and unauthorized, inaccurate or fraudulent information distributed via our platform.” Our and our customers' activities must comply with the above-mentioned laws.

In addition, data protection, privacy and cybersecurity laws outside the United States, may impose obligations with us including in the European Union or United Kingdom, directly, or by contract. For example, the General Data Protection Regulation imposes various requirements regarding the processing of personal information, including requirements regarding transparency, lawfulness of processing, privacy rights, compliant contracting,

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data minimization, data breach notification, data re-usage, data retention, security of processing and international data transfers. A number of legislative proposals in the European Union have and could continue to impose new obligations in areas affecting our business, including the Artificial Intelligence Act and the Data Act. Some countries are considering or have passed legislation implementing data protection requirements or requiring local storage and processing of information, or similar requirements, that could increase the cost and complexity of delivering our services, and new countries and territories are adopting such legislation or other obligations with increasing frequency. With various United States and foreign laws and regulations imposing new and relatively burdensome obligations, and with substantial uncertainty over the interpretation and application of these laws and regulations, including the potential for various regulatory or other governmental bodies to enact new or additional laws or regulations, to issue rulings that invalidate prior laws or regulations or to increase penalties significantly, we may face challenges in addressing their requirements and making necessary changes to our policies, practices and commercial agreements, and may incur significant costs and expenses in an effort to do so and could result in potential liability affect our business.

These federal, state, local and international laws and regulations, which, as mentioned, in some cases can be enforced by private parties in addition to government entities, are increasingly restricting the collection, processing and use of personal information. We continue to monitor changes and laws and regulations, and compliance with current and future customer privacy, data protection and cybersecurity laws and regulations could result in higher compliance, technical or operating costs. Any failure or perceived failure by us to comply with these laws and regulations, our privacy policies, our obligations to customers or other third parties, or any of our other actual or asserted obligations relating to privacy, data protection or cybersecurity may result in governmental investigations or enforcement actions, litigation (including individual or class action lawsuits), claims or public statements against us by consumer advocacy groups or others, and could result in significant monetary liability, fines, penalties, loss of customers, reputational harm, loss of goodwill or cause our customers to lose trust in us, which could have an adverse effect on our reputation and brand and have a material and adverse effect on our business, financial condition and results of operations.

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 services. Additionally, if third parties we work with, such as vendors or service providers, violate applicable laws or regulations or our policies, such violations may also put our customers' information or other information maintained or otherwise processed in our business at risk and could in turn have an adverse effect on our business. Any significant change to applicable laws, regulations or industry practices regarding the collection, use, retention, security, disclosure or other processing of our customers' information, or regarding the manner in which the express or implied consent of customers for the collection, use, retention, disclosure or other processing of such information is obtained, could increase our costs and require us to modify our products and services, possibly in a material manner, which we may be unable to complete, and may limit our ability to store and process customer information or other information or develop new products and services.

***Our customers' and end customers' violation of our policies or other misuse of our platform to transmit unauthorized, offensive or illegal messages, spam, phishing scams and website links to harmful applications, record calls without consent or for other fraudulent or illegal activity could damage our reputation and brand, and we may face a risk of litigation and liability for illegal activities on our platform and unauthorized, inaccurate or fraudulent information distributed via our platform.***

Our customers and end customers may use our platform to make telephone calls and send short message services, or SMS, text messages to our customers. In particular, the Telephone Consumer Protection Act, and the Telemarketing Sales Rule as interpreted and implemented by the FCC, and U.S. courts, collectively, the TCPA, impose significant restrictions on the use of telephone calls and text messages to residential and mobile telephone numbers as a means of communication when prior consent of the person being contacted has not been obtained. Our customers' use of our platform for marketing activities must comply with the above-mentioned laws. Despite our ongoing and substantial efforts to limit such use, certain customers or end customers may use our platform to

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transmit unauthorized, offensive or illegal messages, calls, spam, phishing scams and website links to harmful applications, reproduce and distribute copyrighted material or the trademarks of others without permission, launder money, traffic drugs, fraudulently sell goods or services, use credit or debit cards in an unauthorized manner, record conversations without proper notice or consent, and report inaccurate or fraudulent data or information. While these actions are in violation of our policies, our efforts to defeat spamming attacks, illegal robocalls and other fraudulent activity will not prevent all such attacks and activity. Additionally, if the measures we have taken are too restrictive and inadvertently screen proper transactions, this could diminish our customer experience. Violations of the TCPA may be enforced by the FCC or by individuals through litigation, including through costly class actions, of which numerous suits under federal and state laws have been filed in recent years against companies who conduct telemarketing and/or SMS texting programs, resulting in multi-million dollar settlements to the plaintiffs. In addition to costly and time-consuming litigation, statutory penalties for TCPA violations range from \$500 to \$1,500 per violation, which has been interpreted to mean per phone call and/or text message sent and therefore the fines and settlement amounts can be very significant. Due to the evolving interpretation of the TCPA's restrictions, and the highly litigated nature of the TCPA, our and our customers' business and results of operations may be adversely affected by regulators, including the FCC, or the courts interpreting the TCPA restrictions differently than we do, by actual or perceived violations of the TCPA, as well as by lawsuits or other claims against us and our customers relating to violations of the TCPA. The outcome of such proceedings may not be favorable, and one or more unfavorable outcomes could have a material adverse impact on our financial condition. Additionally, any changes to the TCPA, its interpretation, or enforcement of it by the government or private parties that further restrict the way we or our customers' contact and communicate with potential customers or generate leads could harm our business, financial condition and results of operations. Additionally, we also send marketing messages via email and are subject to the CAN-SPAM, which establishes specific requirements for commercial email messages and outlines penalties for the transmission of commercial email messages that are intended to deceive the recipient as to source or content, and obligates, among other things, the sender of commercial emails to provide recipients with the ability to opt out of receiving future commercial emails from the sender. As laws and regulations, including FTC and FCC enforcement, rapidly evolve to govern the use of these communications and marketing platforms, the failure by us or our customers, and our employees or third parties acting at our direction, to abide by applicable laws and regulations could adversely impact our business, reputation and brand, financial condition and results of operations or subject us to fines or other penalties.

Such illegal use of our platform could damage our reputation and brand and we could face claims for damages, regulatory enforcement, copyright or trademark infringement, defamation, negligence or fraud. Moreover, our customers' and end customers' promotion of their products and services through our platform might not comply with federal, state and foreign laws. We rely on contractual representations made to us by our customers that their use of our platform will comply with our policies and applicable law. Although we retain the right to verify that customers and end customers are abiding by our policies, our customers and end customers are ultimately responsible for compliance with our policies, and we do not systematically audit our customers or end customers to confirm compliance with our policies. Although Section 230 of the Communications Decency Act currently limits liability for third-party content posted on internet platforms, we cannot predict whether that protection will remain in effect.

We also may record phone calls on behalf of our customers, and our customers may also record phone calls that are placed through our platform. The actual or perceived improper calling of customer phones or recording of customer calls, may subject us to potential risks, including claims, demands, and litigation, regulatory demands, investigations, and other proceedings, and fines, penalties, monetary and other settlements, and other liabilities relating to laws, regulations, or other actual or asserted obligations, including consumer protection laws and regulations or certain laws and regulations that require consent, including the consent of all parties in certain states, for recording. Any future such litigation or other proceedings against us, regardless of whether or not they have merit, could be costly and time-consuming to defend and may distract management and technical personnel. Among other potential claims, federal or state regulatory authorities or private groups or individuals may claim that our notices, disclosures, form or manner of obtaining consent, or our policies or practices relating to these

matters are not adequate or violate applicable law or other actual or asserted obligations, such as industry standards. For example, there has been a rise in lawsuits alleging violations of wiretap laws, particularly in California. Successful lawsuits alleging violations of the California Invasion of Privacy Act can result in statutory penalties of \$5,000 per violation.

### **Risks Related to Our Intellectual Property**

*If we do not adequately protect our intellectual property and our data, our business, financial condition and results of operations could be materially adversely affected.*

We rely on a combination of trademark, trade secret, copyright and patent law and contractual restrictions to protect our intellectual property. However, effective trademark, trade secret, copyright and patent protection is expensive to develop and maintain, both in terms of initial and ongoing applicable registration requirements and expenses and the costs of maintaining, defending and enforcing our registered intellectual property rights. We make business decisions about when to seek patent protection for a particular technology feature of our and when to rely upon copyright or trade secret protection, and the approach we select may ultimately prove to be inadequate. Even when we seek patent protection, there is no assurance that the resulting patents will effectively protect every significant feature of our platform or other proprietary technology. Given the costs and expenses of obtaining, maintaining, protecting, exploiting, defending and enforcing our registered intellectual property rights, we may choose not to obtain, maintain, protect, exploit, defend or enforce certain intellectual property rights that later turn out to be important. Further, we may not timely or successfully apply for a patent or register our trademarks or otherwise secure our intellectual property. Our efforts to protect, maintain or enforce our proprietary rights may be ineffective and could result in substantial costs and diversion of resources, which could adversely affect our business, financial condition and results of operations.

In addition, we attempt to protect our intellectual property, proprietary technology and confidential information by requiring our employees and consultants who contribute to the development of intellectual property on our behalf to enter into confidentiality and invention assignment agreements, and our vendors, customers, business partners and other third parties we share information with to enter into nondisclosure agreements. These agreements may not effectively assign all intellectual property rights to us or prevent unauthorized use or disclosure of our confidential information, trade secrets, intellectual property or proprietary technology and may not provide an adequate remedy in the event of unauthorized use, misappropriation, or disclosure of our confidential information, trade secrets or proprietary technology, or infringement or misappropriation of our intellectual property. Additionally, any such agreement with respect to the assignment of intellectual property rights may be breached and we may be forced to bring claims against third parties, or defend claims that they may bring against us, to determine the ownership of what we regard as our intellectual property. Despite our efforts to protect our proprietary rights, unauthorized parties may copy aspects of our platform or other software, technology and functionality or obtain and use information that we consider proprietary. In addition, unauthorized parties may also attempt, or successfully endeavor, to obtain our proprietary technology, confidential information and trade secrets through various methods, including through cybersecurity attacks, reverse engineering, and legal or other methods of protecting this data may be inadequate.

We have in the past, and may in the future, be subject to others infringing our intellectual property rights. Competitors have and may continue to adopt service names similar to ours, thereby harming our ability to build brand identity and possibly leading to end-customer confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other trademarks that are similar to our trademarks. We believe that the protection of our trademark rights is an important factor in product recognition, protecting our brand and maintaining goodwill and if we do not adequately protect our rights in our trademarks from infringement, any goodwill that we have developed in those trademarks could be lost or impaired, which could harm our brand and our business. Additionally, litigation or proceedings before the U.S. Patent and Trademark Office or other governmental authorities and administrative bodies in the United States and abroad may be necessary in the future to enforce our intellectual property rights and to determine the validity and scope of the proprietary rights of others.



***Intellectual property infringement or misappropriation assertions by third parties could result in significant costs and adversely affect our business, financial condition, results of operations and reputation.***

We operate in an industry with frequent intellectual property litigation. Other parties have in the past, and may assert in the future, that we have infringed or misappropriated their intellectual property rights. We could be required to pay substantial damages or cease using intellectual property or technology that is deemed infringing or misappropriating. In addition, despite our efforts to ensure that our employees, consultants, vendors and service providers do not use the intellectual property and other proprietary information or know-how of third parties in their work for us, we have in the past, and may in the future, be subject to claims that we or our employees, consultants, vendors or service providers have inadvertently or otherwise used or disclosed intellectual property, including copyrighted materials, trade secrets, software code or other proprietary information, of a former employer or other third parties.

Further, we cannot predict whether assertions of third-party intellectual property rights or claims arising from such assertions would substantially adversely affect our business, financial condition and results of operations. The defense of these claims and any future infringement or misappropriation claims, whether they are with or without merit or are determined in our favor, may result in costly litigation and diversion of technical and management personnel. In addition, we may be unable to meet our obligations to customers under our customer contracts or to compete effectively, and our revenue and operating results could be adversely impacted. We might also be obligated to indemnify our customers or other companies in connection with any such litigation and to obtain licenses, modify our platform or refund fees, which could harm our financial results. Further, an adverse outcome of a dispute may require us to pay damages, potentially including treble damages and attorneys' fees if we are found to have willfully infringed a party's patent or copyright rights, cease making, licensing or using products that are alleged to incorporate or infringe the intellectual property of others, expend additional development resources to redesign our offerings, and enter into potentially unfavorable royalty or license agreements in order to obtain the right to use necessary technologies. Royalty or licensing agreements, if required, may be unavailable on terms favorable to us, or at all. In any event, we may need to license intellectual property from third parties which may require us to pay royalties or make one-time payments. Even if these matters do not result in litigation or are resolved in our favor or without significant cash settlements, the time and resources necessary to resolve them could adversely affect our business, reputation, financial condition, results of operations and reputation.

***Our platform, including our purpose-built AI solutions such as Titan Intelligence, contains third-party open-source software components, and failure to comply with the terms of the underlying open-source software licenses could compromise the proprietary nature of our platform or could require disclosure of affected proprietary software source code.***

Our platform, including our purpose-built AI solutions such as Titan Intelligence, contains software modules licensed to us by third-party authors under "open source" licenses. Use and distribution of open-source software may entail greater risks than use of third-party commercial software, as open-source licensors generally do not provide support, warranties, indemnification or other contractual protections regarding infringement claims or the quality of the software. In addition, open-source projects may have security and other vulnerabilities and architectural instabilities or may be otherwise subject to security attacks due to their wide availability, and are provided on an "as-is" basis. Many of the risks associated with the use of open source software, such as the lack of warranties or assurances of title or performance, cannot be eliminated, and could, if not properly addressed, negatively affect our business.

If we combine our proprietary software with open-source software in a certain manner, we could, under certain "copyleft" open source licenses, be required to release the source code of our proprietary software under the terms of such an open source software license, which could require us to offer our source code at little or no cost or grant other rights to our intellectual property. This could enable our competitors to create similar offerings with lower development effort, resources and time and ultimately could result in a loss of our competitive advantages. Alternatively, to avoid the release of the affected portions of our source code, we could be required to purchase additional licenses, expend substantial time and resources to re-engineer some or all of our software or cease use or distribution of some or all of our software until we can adequately address the concerns.



Moreover, we cannot assure you that our processes for controlling our use of open source software in our products will be effective. Although we have certain procedures in place to monitor our use of open-source software that are designed to ensure that none is used in a manner that would require us to disclose our proprietary source code or that would otherwise breach the terms of an open source license, such use could inadvertently occur, or could be claimed to have occurred, in part because open source license terms are often ambiguous. In addition, the terms of many open-source licenses have not been interpreted by U.S. or foreign courts, and there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to provide or distribute our platform. From time to time, there have been claims against companies that incorporate open-source software into their solutions, challenging such companies' rights to use the open-source software against companies that incorporate open source software into their solutions. As a result, we could be subject to lawsuits by parties claiming ownership of what we believe to be open-source software and alleging that we do not have the rights to use, incorporate, distribute, or modify such software. Additionally, if we are held to have breached or failed to fully comply with all the terms and conditions of an open source software license, we could face infringement or other liability, or be required to seek costly licenses from third parties to continue providing our platform on terms that are not economically feasible, to re-engineer our platform, to discontinue or delay the provision of our platform if re-engineering could not be accomplished on a timely basis, or to make generally available, in source code form, our proprietary code, any of which could adversely affect our business, financial condition and results of operations.

### **Risks Related to Legal and Regulatory Environment**

***We may become involved in claims, lawsuits, government investigations and other proceedings that may harm our business, financial condition and results of operations.***

From time to time, we have, and may in the future become, involved in various investigations or legal proceedings relating to matters incidental to the ordinary course of our business, including intellectual property, commercial, product liability, employment, class action, whistleblower, wiretapping and other litigation and claims and governmental and other regulatory investigations and proceedings. For example, plaintiffs have sought to apply federal wiretap laws, such as the Federal Wiretap Act, and similar U.S. state laws, such as California's Invasion of Privacy Act, to certain advertising and online tracking practices. We have received one or more claims of violation of California's Invasion or Privacy Act, though none resulting in significant liability or expense. Such laws include private causes of action, and could result in significant monetary liability to address, including settlement costs, even if these causes of action are meritless. The number and significance of these potential claims and disputes may increase as our business expands. Such matters can be time-consuming, divert management's attention and resources, cause us to incur significant expenses or liability, or require us to change our business practices. In addition, the expense of litigation and the timing of this expense from period to period are difficult to estimate, subject to change, and may harm our financial condition and results of operations. Because of the potential risks, expenses and uncertainties of litigation, we may, from time to time, settle disputes, even where we have meritorious claims or defenses, by agreeing to settlement agreements. Any of the foregoing may harm our business, financial condition and results of operations.

***Our business is subject to extensive government regulation and oversight. Our failure to comply with extensive, complex, overlapping and frequently changing rules, regulations and legal interpretations could adversely affect our business.***

We are subject to a number of laws and regulations that apply generally to businesses, including laws and regulations governing the internet and the marketing, sale and delivery of services over the internet. These laws and regulations, which continue to evolve, cover, among other things, taxation, tariffs, privacy and data protection, cybersecurity, pricing, content, copyrights, distribution, mobile and telecommunications, advertising practices, electronic contracts, sales procedures, automatic subscription renewals, credit card processing procedures, consumer and business financial products, insurance products, consumer protection, the provision of online payment services, payroll compliance, the design and operation of websites and the characteristics and

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quality of products that are offered online. We cannot guarantee that we have been or will in the future be fully compliant with such laws and regulations in every jurisdiction, as it is not entirely clear in every jurisdiction how existing laws and regulations governing such areas apply or will be enforced. Moreover, as the regulatory landscape continues to evolve, increasing regulation and enforcement efforts by federal, state and foreign authorities, and the prospects for private litigation claims, become more likely. In addition, the adoption of new laws or regulations, or the imposition of other legal requirements, that adversely affect our ability to market or sell our platform could harm our ability to offer, or negatively affect contractor demand for, our platform, which could impact our revenue, impair our ability to expand our platform and service offerings, and make us more vulnerable to competition. Future regulations, or changes in laws and regulations or their existing interpretations or applications, could also require us to change our business practices and raise compliance costs or other costs of doing business.

Additionally, various federal, state and foreign labor laws govern our relationships with our employees and affect operating costs. These laws include employee classifications as exempt or non-exempt, minimum wage requirements, unemployment tax rates, workers' compensation rates, overtime, family leave, workplace health and safety standards, payroll taxes, citizenship requirements and other laws and regulations. The number and type of laws applicable to us and our workforce will grow as our remote workforce increases.

Significant additional laws or regulations, or our failure to comply with any laws and regulations that now, or could in the future, apply to our business could materially adversely affect our business, financial condition, operating results and prospects.

In addition, changes in regulations could negatively impact the business environment for the trades industry. Laws and regulations are rapidly evolving and may change significantly in the future. In particular, our customers are subject to a wide range of laws and regulations related to payroll, employment, data protection, privacy and marketing, and our business could be adversely affected should our solutions and platform not be able to keep pace with such regulatory changes.

***The expansion of our operations outside the United States, which subjects us to additional costs and risks, could adversely affect our business, financial condition and results of operations.***

While we currently operate primarily in the United States and Canada, a significant portion of our workforce is comprised of engineering contractors distributed internationally, including, but not limited to, persons in Armenia, Macedonia, and Poland, and our international contract workforce has grown as a result of our acquisitions of ServicePro and FieldRoutes. If our access to this workforce is disrupted, our business may be adversely affected and we may not be able to grow effectively. Geopolitical events and local government and other actions, including armed conflicts, or sanctions imposed by the United States on countries in which members of our workforce reside, may reduce the availability of or disrupt communication with these workforces, or delay projects under development by the distributed teams. Our continued ability to grow and compete effectively depends on these workforces, so their limited availability or unavailability would impact our performance.

We may expand our international operations, which may include opening offices in new jurisdictions and providing our platform in additional countries. Any new markets or countries into which we attempt to sell subscriptions to access our platform may not be receptive to our efforts. For example, we may not be able to expand further in some markets if we are not able to adapt our platform to fit the needs of prospective customers in those markets or if we are unable to satisfy certain country- and industry-specific laws or regulations. In addition, future international expansion will also require considerable management attention and the investment of significant resources while subjecting us to new risks and increasing certain risks that we already face, including risks associated with:

- recruiting and retaining talented and capable employees outside the United States, including employees who speak multiple languages and come from a wide variety of different cultural backgrounds and customs;

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- maintaining our company culture across all of our global offices;
- providing our platform in different languages;
- compliance with applicable international laws and regulations, including laws and regulations with respect to employment, construction, privacy, data protection, cybersecurity, consumer protection and unsolicited email, and the risk of penalties and fines against us and individual members of management or employees if our practices are deemed to be out of compliance;
- managing an employee base in jurisdictions with differing employment regulations;
- operating in jurisdictions that do not protect intellectual property rights to the same extent as the United States and navigating the practical enforcement of such intellectual property rights outside of the United States;
- the risk of changes in foreign laws that could restrict our ability to use our intellectual property outside of the foreign jurisdiction in which we developed it;
- compliance by us and our partners with anti-corruption laws, competition laws, import and export control laws, tariffs, trade barriers, economic sanctions and other regulatory limitations on our ability to provide our platform in certain international markets;
- foreign exchange controls that might require significant lead time in setting up operations in certain geographic territories and might prevent us from repatriating cash earned outside the United States;
- political and economic instability;
- changes in diplomatic and trade relationships, including the imposition of new trade restrictions, trade protection measures, import or export requirements, trade embargoes and other trade barriers;
- generally longer payment cycles and greater difficulty in collecting accounts receivable;
- double taxation of our international earnings and potentially adverse tax consequences due to changes in the income and other tax laws of the United States or the international jurisdictions in which we operate; and
- higher costs of doing business internationally, including increased accounting, travel, infrastructure and legal compliance costs.

Compliance with laws and regulations applicable to our global operations substantially increases our cost of doing business. We may be unable to keep current with changes in laws and regulations as they occur. Although we have implemented policies and procedures designed to support compliance with these laws and regulations, there can be no assurance that we will always maintain compliance or that all of our employees, contractors, partners and agents will comply. Any violations could result in enforcement actions, fines, civil and criminal penalties, damages, injunctions or reputational harm. If we are unable to comply with these laws and regulations or manage the complexity of our global operations successfully, we may need to relocate or cease operations in certain foreign jurisdictions, which could adversely affect our business, financial condition, results of operations and prospects.

***We are subject to governmental export and import controls and economic sanctions programs that could impair our ability to compete in international markets or subject us to liability if we violate these controls.***

Certain of our products may be subject to various restrictions under U.S. and foreign export control and economic sanctions laws and regulations, including the U.S. Export Administration Regulations and economic and trade sanctions regulations administered by the Office of Foreign Assets Control, or OFAC. The export of or provision of our platform must be made in compliance with these laws and regulations. Although we take precautions to prevent our products and technology from being provided in violation of such laws, our products and technology could in the future be provided inadvertently in violation of such laws, despite the precautions we take. For example, following Russia's invasion of Ukraine, the United States and other countries imposed

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economic sanctions and severe export control restrictions against Russia and Belarus. Due to the U.S. sanctions, we restricted access to our software for Russian engineers and arranged to move certain contractors out of Russia for the purpose of continuing to perform engineering services for us. These actions led to some limited disruptions in our development activities, and further disruptions may take place, if the United States and other countries could impose wider sanctions and export restrictions and take other actions. Any exports, even for the purpose of developing software or services sold in the United States and Canada, as well as our ability to use developers in Russia and Belarus, may be impacted by these restrictions.

If we fail to comply with these laws and regulations, we and certain of our employees could be subject to substantial civil or criminal penalties, including the possible loss of export privileges, fines, which may be imposed on us and responsible employees or managers, and, in extreme cases, the incarceration of responsible employees or managers. Obtaining the necessary authorizations, including any required license, for a particular deployment may be time consuming, is not guaranteed, and may result in the delay or loss of sales opportunities. In addition, changes in our platform, or changes in applicable export or economic sanctions regulations may create delays in the introduction and deployment of our platform in international markets, or, in some cases, prevent the export or provision of our platform to certain countries or end customers. A change in export or economic sanctions regulations, shift in the enforcement or scope of existing regulations or change in the countries, governments, persons or technologies targeted by such regulations, could also result in decreased use of our platform, or in our decreased ability to export or provide our platform to existing or prospective customers with international operations. Any decreased use of our platform or limitation on our ability to export or provide our platform may harm our business, financial condition and results of operations.

Compliance with applicable regulatory requirements regarding the export and provision of our platform, including with respect to new releases of our platform, may create delays in the introduction of our platform in international markets, prevent our customers with international operations from deploying and using our platform throughout their globally distributed systems or, in some cases, prevent the export or provision of our platform to some countries altogether.

***Russian military action against Ukraine has adversely affected, and could continue to adversely affect, our operations and the productivity of our employees.***

We have a significant number of personnel, including both employees and contractors, in Armenia as well as Poland and other European countries; we had engineering contractors in Russia prior to U.S. sanctions against Russia. In late February 2022, Russian military forces launched significant military action against Ukraine, which could cause sustained conflict and disruption in nearby countries like Armenia, Macedonia, and Poland. As a result of the situation in Ukraine, new and stricter sanctions have been imposed by the United States, Canada, the United Kingdom, the European Union and other countries and organizations against officials, individuals, regions and industries in Russia. Soon after the Russian military action began, in response to U.S. sanctions, we restricted our Russian engineering contractors' access to our software and arranged to move approximately 50 contractors out of Russia for the purpose of continuing to perform engineering services for us. Prolonged unrest, intensified military activities or the implementation of more extensive sanctions impacting the region could also adversely affect our operations and the productivity of our employees in Armenia, Macedonia, and Poland and other European countries.

In addition, negative global and regional economic conditions, including conditions resulting from changes in gross domestic product growth, financial and credit market fluctuations, inflation, rising interest rates, and bank failures, international trade relations, geopolitical instability and uncertainty, such as the war in Ukraine and resulting heightened risk of cyberattacks, intellectual property theft, and a reduction in information technology spending regardless of macroeconomic conditions could have adverse impacts on our business, results of operations and financial condition, including longer sales cycles, lower prices for our subscriptions, higher default rates among our channel partners, reduced sales and slower or declining growth.

***We are subject to anti-corruption and anti-bribery laws and anti-money laundering laws and similar laws, and non-compliance with such laws can subject us to criminal penalties or significant fines and harm our business and reputation.***

We are subject to the Foreign Corrupt Practices Act, or the FCPA, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, and other anti-corruption and anti-bribery laws, U.S. anti-money laundering laws, and similar laws in countries where we conduct activities. Anti-corruption and anti-bribery laws have been enforced aggressively in recent years and are interpreted broadly and prohibit companies, their employees, agents, representatives, business partners and third-party intermediaries from promising, authorizing, making, offering or providing, directly or indirectly, improper payments or benefits to recipients in the public or private sector, including anything of value to a “foreign official” for the purposes of influencing official decisions or obtaining or retaining business, or otherwise obtaining favorable treatment. Anti-money laundering laws generally prohibit persons from engaging in transactions where the proceeds at issue derive from, or are intended to facilitate or conceal, illegal activity, or where a party to the transaction is “willfully blind” to the illegal sources of the proceeds. If and when we increase our international sales and operations, our risks under these laws may increase.

In addition, we use third parties to sell access to our platform and conduct business on our behalf abroad. We, our employees, agents, representatives, business partners and third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities, and we can be held liable for the corrupt or other illegal activities of these employees, agents, representatives, business partners or third-party intermediaries, even if we do not explicitly authorize such activities. We cannot assure you that all of our employees, agents, representatives, business partners or third-party intermediaries will not take actions in violation of applicable law for which we may be ultimately held responsible.

These laws also require that we keep accurate books and records and maintain internal controls and compliance procedures designed to prevent any such actions. We cannot assure you that none of our employees, agents, representatives, business partners or third-party intermediaries will take actions in violation of our policies and applicable law, for which we may be ultimately held responsible.

Any allegations or violations of the FCPA or other applicable anti-corruption laws, anti-money laundering laws or other laws could result in whistleblower complaints, sanctions, settlements, prosecution, enforcement actions, fines, damages, adverse media coverage, investigations, loss of export privileges, severe criminal or civil sanctions and suspension or debarment from government contracts. Responding to any investigation or action will likely result in a materially significant diversion of management attention and resources and significant defense costs and other professional fees. Any of the foregoing may harm our reputation, growth prospects, business, financial condition and results of operations.

#### **Risks Related to Financial, Tax and Accounting Matters**

***The material weaknesses in our internal control over financial reporting, which we first identified in fiscal 2019, have been remediated as of the end of fiscal 2024. While we remediated these material weaknesses, such remediation does not guarantee that our remediated controls will continue to be effective or that we will not experience other material weaknesses in the future, which could affect the reliability of our financial statements and have other adverse consequences.***

We have been a private company since our inception and, as such, we have not had the internal control over financial reporting requirements of a publicly traded company. As a result of becoming a public company, we will be required to furnish a report by management on the effectiveness of our internal control over financial reporting beginning with our Annual Report on Form 10-K for fiscal 2026. This assessment will need to include disclosure of any material weaknesses identified in our internal control over financial reporting.

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We have previously identified material weaknesses in our internal control over financial reporting, which consisted of the following: (i) lack of an effective control environment including insufficient resources with an appropriate level of controls knowledge and expertise commensurate with our financial reporting requirements, (ii) ineffective controls over our financial close and financial reporting, including controls over cash flow statements, balance sheet reconciliations and journal entries including maintaining appropriate segregation of duties, (iii) ineffective controls related to the identification of, and accounting for, certain non-routine, complex or unusual events or transactions and the adoption of new accounting standards, and (iv) ineffective information technology general controls in the areas of user access, program change-management, program development and computer operations controls over certain information technology systems relevant to our financial statements. After these material weaknesses were identified, we implemented a remediation plan that included the following:

- We hired additional qualified accounting and IT personnel to bolster our technical reporting, operational accounting, tax and IT compliance capabilities. We implemented controls to formalize roles and review responsibilities to align with our team's skills and experience and implemented formal controls over segregation of duties. We evaluated our resource needs and will continue to evaluate and hire additional resources as needed to support our growth.
- We designed and implemented procedures and controls to identify and account for complex accounting transactions and other technical accounting and financial reporting matters including accounting memoranda addressing these matters.
- We also engaged and will continue to engage external consultants with appropriate expertise for more complex technical accounting issues, specifically related to acquisitions and new accounting standards, which supplements our internal resources and allows us to scale our accounting processes to match growth and changes in our business and operations.
- We implemented an enterprise resource planning, or ERP, system and other applications to support our business processes. We designed and implemented controls to, among other things, optimize automation to enhance our financial statement close process, reduce the number of manual journal entries, enforce segregation of duties and facilitate the proper review of journal entries.
- We formalized accounting processes, policies and procedures supporting our financial close process, including creating standard balance sheet reconciliation templates, and formalized procedures over the review of financial statements.
- We enhanced IT governance processes, including implementing a streamlined process to govern access and change management processes across key corporate applications, implementing more robust IT policies and procedures over access and change management and computer operations, automating components of our change management and logical access processes, and enhanced IT controls.

As of January 31, 2024, we completed our remediation efforts, including the testing of the operating effectiveness of the controls, and we have concluded that the material weaknesses have been remediated. However, we recognize that maintaining effective internal control over financial reporting will continue to require significant attention from management and expense, and we cannot guarantee that we will not identify material weaknesses in the future.

Our independent registered public accounting firm is not required to report on 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, which would occur in the event we have a material weakness in our internal control over financial reporting. If new material weaknesses are identified in our internal control over financial reporting, our ability to record, process and report financial information accurately, and to prepare financial statements within the time periods specified by the rules and forms of the SEC, could be adversely affected which, in turn, may adversely affect our reputation and business and the market price of our common stock. In addition, any such failures could result in litigation or regulatory actions by the SEC or other regulatory authorities, loss of investor confidence, delisting of

our securities and harm to our reputation and financial condition, or diversion of financial and management resources from the operation of our business.

***We may be unable to generate sufficient cash flow to satisfy our significant debt service obligations, which could have an adverse effect on our business, financial condition, results of operations and cash flows.***

Our ability to make scheduled payments on or to refinance our debt obligations, including under a secured credit agreement with Wells Fargo Bank, N.A., as administrative agent and collateral agent, and certain lenders, or the Credit Agreement, depends on our financial condition and results of operations, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control. We may not be able to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal or interest on our indebtedness reflected in our consolidated financial statements. If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay strategic acquisitions and partnerships, capital expenditures and payments on account of other obligations, seek additional capital, restructure or refinance our indebtedness or sell assets. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and could require us to comply with more onerous covenants, which could further restrict our business operations. In addition, we cannot assure you that we will be able to refinance any of our indebtedness on commercially reasonable terms, or at all.

If we are unable to repay or otherwise refinance our indebtedness when due, if we fail to comply with financial or other covenants in our debt service agreements, which include liquidity covenant and a recurring revenue covenant, or if any other event of default is not cured or waived, the applicable lenders could accelerate our outstanding obligations or foreclose against the collateral granted to them to secure that indebtedness, which could force us into bankruptcy or liquidation. In the event the applicable lenders accelerate the repayment of our borrowings, we and our subsidiaries may not have sufficient assets to repay that indebtedness. Any acceleration of amounts due under the Credit Agreement or the exercise by the applicable lenders of their rights under the security documents could have an adverse effect on our business, financial condition and results of operations and could have a material adverse effect on the trading price of our common stock.

***Our non-convertible preferred stock accrues dividends and has other financial and governance rights which could adversely affect our performance and/or our cash available for distribution to other stockholders.***

We have issued non-convertible preferred stock, which provides for certain financial terms in favor of the holders of the non-convertible preferred stock including accruing dividends with respect thereto. Such dividends are payable in-kind quarterly in arrears and accrue at the rate of (i) 10% per annum until the fifth anniversary of their issuance and (ii) thereafter, 15% per annum until the sixth anniversary of their issuance. Dividends are payable quarterly in cash thereafter at 20% per annum, and are subject to increases in the dividend rate in the event of our failure to pay such dividends when due.

Our dividend and other obligations with respect to the non-convertible stock could adversely affect our cash flow and/or reduce amounts payable to our other stockholders. Payments to holders of non-convertible preferred stock are generally senior in priority to any payments to our other stockholders (including holders of common stock sold in this offering). In addition, the holders of non-convertible preferred stock have certain specified governance rights, which include the ability to designate a director to our board of directors under certain circumstances and a robust list of stockholder protective provisions, the waiver of which would require the consent of certain holders of our non-convertible preferred stock. Such governance rights could limit our ability to freely conduct business and/or enter into certain transactions, any of which could adversely affect our performance. See the section titled “Description of Capital Stock—Non-Convertible Preferred Stock” for further details regarding our non-convertible preferred stock.



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***The Credit Agreement contains financial covenants and other restrictions on our actions that may limit our operational flexibility or otherwise adversely affect our results of operations.***

The terms of the Credit Agreement include a number of covenants that limit our ability and our subsidiaries' ability to, among other things, incur additional indebtedness, grant liens, merge or consolidate with other companies or sell substantially all of our assets, pay dividends, make redemptions and repurchases of stock, make investments, loans and acquisitions or engage in transactions with affiliates. The terms of the Credit Agreement also include financial covenants, including a liquidity covenant and a recurring revenue covenant. The terms of the Credit Agreement may restrict our current and future operations and could adversely affect our ability to finance our future operations or capital needs. In addition, complying with these covenants may make it more difficult for us to successfully execute our business strategy, including potential acquisitions, and compete against companies which are not subject to such restrictions.

***We may require additional capital, which may not be available on terms acceptable to us, or at all.***

We intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges, including the need to develop new products or enhance our existing platform, improve our operating infrastructure or acquire complementary businesses and technologies. We may require additional financing to meet our working capital and capital expenditure in the future. Accordingly, we may need to engage in equity or debt financings to secure additional funds. If we raise additional funds through future issuances of equity, equity-linked securities or convertible debt securities, our existing stockholders could suffer significant dilution, and any new securities we issue could have rights, preferences and privileges superior to those of holders of our common stock. Debt financings increase expenses, may contain covenants that restrict the operation of our business, and must be repaid regardless of operating results. For example, covenants contained in our Credit Agreement will limit our ability to pay dividends, to create, incur, or assume indebtedness or liens, to consummate certain strategic transactions, to engage in transactions with affiliates and to make certain investments.

We evaluate financing opportunities from time to time, and our ability to obtain financing will depend, among other things, on our development efforts, business plans and operating performance and the condition of the capital markets at the time we seek financing. We may not be able to obtain additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and to respond to business challenges could be impaired, and our business, financial condition and results of operations could be adversely affected.

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

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in our financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as described in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations." The results of these estimates form the basis for making judgments about the recognition and measurement of certain assets and liabilities and revenue and expenses that is not readily apparent from other sources. Our accounting policies that involve judgment and use of estimates include revenue recognition, fair value of stock-based compensation, fair value of the common stock underlying our stock-based awards and fair value of assets acquired and liabilities assumed in a business combination. If our assumptions change or if actual circumstances differ from those in our assumptions, our results of operations could be adversely affected, which could cause our results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the market price of our common stock.



***We rely on assumptions and estimates to calculate certain of our key metrics, and real or perceived inaccuracies in such metrics may harm our reputation and our business.***

We track certain operational metrics, including number of Active Customers, with internal systems and tools that are not independently verified by any third party and which 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 have 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. We may also discover unexpected errors in the data that we are using that resulted from technical or other errors. 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. If we determine that any of our metrics or figures are not accurate, we may be required to revise or cease reporting such metrics or figures. 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 these metrics. 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. In addition, our methodology for calculating these metrics may differ from the methodology used by other companies to calculate similar metrics and figures. If our operating metrics are not accurate representations of our business, if investors do not perceive our operating metrics to be accurate or if we discover material inaccuracies with respect to these figures, we expect that our business, financial condition and results of operations could be adversely affected.

***Operating as a public company will require us to incur substantial costs and will require substantial management attention.***

As a public company, we will incur substantial legal, accounting and other expenses that we did not incur as a private company. For example, we will become subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, the applicable requirements of the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the rules and regulations of the SEC and the listing standards of \_\_\_\_\_, or the Exchange. The Exchange Act requires, among other things, we file annual, quarterly and current reports with respect to our business, financial condition and results of operations. Compliance with these rules and regulations will increase our legal and financial compliance costs, and increase demand on our systems, particularly after we are no longer an “emerging growth company.” In addition, as a public company, we may be subject to stockholder activism, which can lead to additional substantial costs, distract management and impact the manner in which we operate our business in ways we cannot currently anticipate. As a result of disclosure of information in this prospectus and in filings required of a public company, our business, financial condition and results of operations will become more visible, which may result in threatened or actual litigation, including by competitors.

Certain members of our management team have limited experience managing a publicly traded company, and certain members joined us more recently. As such, our management team may not successfully or efficiently manage our transition to being a public company subject to significant regulatory oversight and reporting obligations under the federal securities laws and the continuous scrutiny of securities analysts and investors. These new obligations and constituents will require significant attention from our senior management and could divert their attention away from the day-to-day management of our business, which may harm our business, financial condition and results of operations.

***Our ability to use our net operating losses to offset future taxable income may be subject to certain limitations.***

Our ability to utilize our federal net operating loss carryforwards, or NOLs, may be limited under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, or the Code. These limitations apply if we experience an “ownership change,” which is generally defined as a greater than 50 percentage point change (by value) in the ownership of our equity by certain stockholders over a rolling three-year period.

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We conducted a formal study through June 30, 2021 that concluded that although there had been prior ownership changes, there were no actual limitations on the use of our NOLs. We have not conducted another formal study to assess whether any additional ownership change has occurred. If we have undergone additional ownership changes, or if we undergo an ownership change in the future, including as a result of this offering, our ability to use our pre-change NOLs and other pre-change tax attributes (such as research and development tax credits) to offset our post-change income or taxes may be limited. Similar provisions of state tax law may also apply to limit the use of our state net operating loss carryforwards. Future changes in our stock ownership, some of which may be outside of our control, may result in an ownership change under these rules.

There is a risk that due to changes in tax law, regulatory changes or other unforeseen reasons, our existing NOLs or business tax credits could expire or otherwise become unavailable to offset future income tax liabilities. At the state level, there may also be periods during which the use of NOLs or business tax credits is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed by us. For these reasons, we may not be able to realize a tax benefit from the use of our NOLs or tax credits, even if we attain profitability.

***Our results of operations may be harmed if we are required to collect or pay sales or other taxes in jurisdictions where we have not historically done so.***

States and some local taxing jurisdictions have differing rules and regulations governing sales and use and other taxes, such as gross receipts taxes, excise taxes, and telecom taxes, and these rules and regulations are subject to varying interpretations that may change over time. The application of federal, state, local and international tax laws to services provided electronically is evolving. In particular, the applicability of sales taxes and other taxes to our platform in various jurisdictions is unclear. We collect and remit sales tax and other taxes in the United States and value-added tax, or VAT, in a number of international jurisdictions. It is possible, however, that we could face sales tax or other tax or VAT audits and that our liability for these taxes could exceed our estimates as tax authorities in the United States or other jurisdictions could still assert that we are obligated to collect additional tax amounts from our paying customers and remit those taxes to those authorities. We could also be subject to audits in states and international jurisdictions for which we have not accrued tax liabilities. A successful assertion that we should be collecting additional sales or other taxes on our platform in jurisdictions where we have not historically done so and do not accrue for such taxes could result in substantial tax liabilities for past sales, discourage organizations from subscribing to our platform, or otherwise harm our business, financial condition and results of operations.

Further, one or more state or foreign or other tax authorities could seek to impose additional sales, use, telecommunications tax or other tax collection and record-keeping obligations on us or may determine that such taxes should have, but have not been, paid by us. Liability for past taxes may also include substantial interest and penalty charges. Any successful action by state, foreign or other authorities to compel us to collect and remit sales tax, use tax, telecommunication tax or other taxes, either retroactively, prospectively, or both, may harm our business, financial condition and results of operations.

***Changes in U.S. tax laws and regulations and those which we are subject to in various tax jurisdictions could adversely affect our business, financial condition and results of operations.***

New income, sales, use or other tax laws, statutes, rules, regulations, or ordinances could be enacted at any time. Those enactments could harm our domestic and international business operations and our business, financial condition and results of operations. Further, existing tax laws, statutes, rules, regulations or ordinances could be interpreted, changed, modified or applied adversely to us. These events could require us or our customers to pay additional tax amounts on a prospective or retroactive basis, as well as require us or our customers to pay fines and/or penalties and interest for past amounts deemed to be due. If we raise our prices to offset the costs of these changes, existing and prospective customers may elect not to purchase our offerings in the future. Additionally, new, changed, modified or newly interpreted or applied tax laws could increase our customers and our compliance, operating and other costs, as well as the costs of our offerings. Further, these events could decrease

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the capital we have available to operate our business. Any or all of these events may harm our business, financial condition and results of operations.

As we expand the scale of our international business activities, any changes in the U.S. or foreign taxation of such activities may increase our worldwide effective tax rate and harm our business, financial condition and results of operations. We may be subject to taxation in several jurisdictions around the world with increasingly complex tax laws, the application of which can be uncertain. The amount of taxes we pay in these jurisdictions could increase substantially as a result of changes in the applicable tax principles, including increased tax rates, new tax laws or revised interpretations of existing tax laws and precedents. An increase in our tax liabilities could harm our liquidity and results of operations. In addition, the authorities in these jurisdictions could review our tax returns and impose additional tax, interest and penalties, and the authorities could claim that various withholding requirements apply to us or assert that benefits of tax treaties are not available to us, any of which may harm us and our results of operations.

### ***Our results of operations may be adversely affected by changes in accounting principles applicable to us.***

GAAP is subject to interpretation by the Financial Accounting Standards Board, or the FASB, the SEC and other various bodies formed to promulgate and interpret appropriate accounting principles. Changes in accounting principles applicable to us, or varying interpretations of current accounting principles, could have a significant effect on our reported results of operations. Further, any difficulties in the implementation of changes in accounting principles, including the ability to modify our accounting systems, could cause us to fail to meet our financial reporting obligations, which could result in regulatory discipline and harm investors' confidence in us.

### **Risks Related to Ownership of Our Common Stock, Governance and this Offering**

#### ***There has been no public market for our common stock prior to this offering, and the trading price of our common stock may be volatile.***

There has been no public market for our common stock prior to this offering, and an active trading market for our common stock may not develop or be sustained. 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 may fluctuate significantly in response to a number of factors, most of which we cannot predict or control, including:

- price and volume fluctuations in the overall stock market or of technology stocks from time to time;
- volatility in the market due to macro-economic developments, including but not limited to, the occurrence of pandemics such as the COVID-19 pandemic and rising interest rates and increased inflation;
- 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, as well as the anticipation of the expiration of, or releases from, market standoff agreements or lock-up agreements;
- 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;
- the financial projections we may provide to the public, any changes in those projections or our failure to meet those projections;
- announcements by us or our competitors of new offerings or products;

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- 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;
- short selling of our common stock or related derivative securities;
- actual or anticipated changes in our results of operations or fluctuations in our results of operations;
- actual or perceived cybersecurity breaches or incidents;
- actual or anticipated developments in our business, our competitors’ businesses or the competitive landscape generally;
- announced or completed acquisitions of businesses, products or technologies by us or our competitors;
- developments or disputes concerning our intellectual property or other proprietary rights;
- litigation involving us, our industry, or both, or investigations by regulators into our operations or those of our competitors;
- new laws, regulations, rules or industry standards or new interpretations of existing laws, regulations, rules or industry standards applicable to our business;
- the impact of political instability, natural disasters, war and/or events of terrorism, such as the conflict in the Middle East and between Russia and Ukraine and the corresponding tensions created from such conflict between Russia, the United States and countries in Europe and the Middle East, as well as other countries such as China;
- changes in accounting standards, policies, guidelines, interpretations or principles;
- any significant change in our management or board of directors; and
- sales of our common stock by us, our founders, officers, directors and employees.

In addition, if the market for technology stocks or the stock market in general experiences a loss of investor confidence, the trading price of our common stock could decline for reasons unrelated to our business, financial condition or results of operations. The trading price of our common stock might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. In the past, following periods of volatility in the overall market and the trading price of a particular company’s securities, securities class action litigation has often been instituted against these companies. This litigation, if instituted against us, would result in substantial costs and a diversion of our management’s attention and resources.

Recently, the stock markets in general, and the markets for technology stocks in particular, have experienced extreme volatility. The stock prices of many technology companies have declined significantly and in certain instances the declines have been unrelated or disproportionate to the operating performance of those companies. Furthermore, the trading price of our common stock may be adversely affected by third parties trying to drive down the price of our common stock. Short sellers and others, some of whom post anonymously on social media, can negatively affect the trading price of our common stock and may be positioned to profit if the trading price of our common stock declines. These broad market and industry factors may seriously harm the trading price of our common stock, regardless of our operating performance.

***A substantial portion of the outstanding shares of our common stock after this offering are restricted from immediate resale but may be sold on a stock exchange in the near future. The large number of shares eligible for public sale or subject to rights requiring us to register them for public sale could depress the trading price of our common stock.***

The trading price of our common stock could decline as a result of sales of a large number of shares of our common stock in the market after this offering, and the perception that these sales could occur may also depress

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the trading price of our common stock. Based on \_\_\_\_\_ shares of our common stock (after giving effect to the Capital Stock Conversion) outstanding as of January 31, 2024, we will have shares of our common stock outstanding following the completion of this offering. The shares of common stock that we are selling in this offering may be resold immediately. The remaining shares of our capital stock will become available for sale under the terms of market standoff provisions in agreements with us, and lock-up agreements entered into between the holders of those shares and the underwriters of this offering.

Our executive officers, directors, and the holders of substantially all of our capital stock and securities convertible into or exchangeable for our capital stock will enter into lock-up agreements with the underwriters of this offering under which they have agreed, subject to specific exceptions, not to dispose of or hedge any of our capital stock for days following the date of this prospectus. We refer to this period as the restricted period. When the restricted period expires with respect to all or a portion of our shares, our security holders will be able to sell their shares in the public market. See the section titled “Shares Eligible for Future Sale” for additional information.

As a result of these agreements and the provisions of our amended and restated investors’ rights agreement, dated as of July 27, 2023, or our IRA, described further in the section titled “Description of Capital Stock—Registration Rights,” and subject to the provisions of Rule 144 or Rule 701, shares of our common stock became or will become available for sale in the public market as follows:

- beginning on the date of this prospectus, all shares of our common stock sold in this offering became immediately available for sale in the public market; and
- beginning 181 days after the date of this prospectus, the remainder of the shares of our common stock will become immediately available for sale in the public market, subject in some cases to the volume and other restrictions of Rule 144.

Upon the completion of this offering, stockholders owning an aggregate of up to \_\_\_\_\_ shares of our common stock will be entitled, under our IRA, to require us to register shares owned by them for public sale in the United States. In addition, we intend to file a registration statement to register shares reserved for future issuance under our equity compensation plans. Upon effectiveness of that registration statement, subject to the satisfaction of applicable exercise periods and the expiration or waiver of the lock-up agreements referred to above, the shares issued upon exercise of outstanding stock options will be available for immediate resale in the United States in the open market.

Sales of our common stock as restrictions end or pursuant to registration rights may make it more difficult for us to sell equity securities in the future at a time and price that we deem appropriate. These sales also could cause the trading price of our common stock to fall and make it more difficult for you to sell shares of our common stock.

### ***Sales, directly or indirectly, of shares of our common stock by existing equityholders could cause the market price of our common stock to decline.***

Sales, directly or indirectly, of a substantial number of shares of our common stock, or the public 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 equityholders have substantial unrecognized gains on the value of the equity they hold, and may take, or attempt to take, steps to sell, directly or indirectly, their shares or otherwise secure, or limit the risk to, the value of their unrecognized gains on those shares.

While our executive officers, directors and the holders of substantially all of our capital stock and securities convertible into or exchangeable for our capital stock have entered into lock-up agreements with the underwriters, sales, short sales or hedging transactions involving our equity securities, whether before or after the

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completion of this offering and whether or not we believe them to be prohibited, could adversely affect the market price of our common stock. Further, record holders of our securities are typically the parties to the lock-up agreements, while holders of beneficial interests in our shares who are not also record holders in respect of such shares are not typically subject to any such agreements or other similar restrictions. Accordingly, we believe that holders of beneficial interests who are not record holders and are not bound by lock-up agreements could enter into transactions with respect to those beneficial interests that negatively impact the market price of our common stock. In addition, to the extent an equityholder does not comply with or the underwriters are unable to enforce the terms of a lock-up agreement, such equityholder may be able to sell, short sell, transfer, hedge, pledge or otherwise dispose of or attempt to sell, short sell, transfer, hedge, pledge or otherwise dispose of, their equity interests at any time after the completion of this offering, which could negatively impact the market price of our common stock.

***Upon the completion of this offering, our executive officers, directors and holders of 5% or more of our common stock will collectively beneficially own approximately % of the outstanding shares of our common stock and will continue to have substantial control over us, which will limit your ability to influence the outcome of important transactions, including a change in control.***

Upon the completion of this offering, our executive officers, directors and our stockholders who own 5% or more of our outstanding common stock and their affiliates, in the aggregate, will beneficially own approximately % of the outstanding shares of our common stock, based on the number of shares outstanding as of January 31, 2024 and assuming no exercise of the underwriters' option to purchase additional shares of our common stock. As a result, these stockholders, if acting together, will be able to influence or control matters requiring approval by our stockholders, including the election of directors and the approval of mergers, acquisitions or other extraordinary transactions. They may also have interests that differ from yours and may vote in a way with which you disagree and which may be adverse to your interests. This concentration of ownership may have the effect of delaying, preventing or deterring a change in control of our company, could deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale of our company, and might ultimately affect the market price of our common stock.

***Delaware law and provisions in our amended and restated certificate of incorporation and amended and restated bylaws could make a merger, tender offer or proxy contest difficult, thereby depressing the trading price of our common stock.***

Our status as a Delaware corporation and the anti-takeover provisions of the Delaware General Corporation Law may discourage, delay or prevent a change in control by prohibiting us from engaging in a business combination with an interested stockholder for a period of three years after the date of the transaction in which the person became an interested stockholder, even if a change in control would be beneficial to our existing stockholders. In addition, our amended and restated certificate of incorporation and amended and restated bylaws that will become effective immediately prior to the completion of this offering will contain provisions that may make the acquisition of our company more difficult, including the following:

- our amended and restated bylaws will provide that approval of the holders of at least % of the voting power of the outstanding shares of our common stock voting as a single class is required for stockholders to amend or adopt any provision of our bylaws;
- our amended and restated certificate of incorporation will not provide for cumulative voting;
- vacancies on our board of directors will be able to be filled only by our board of directors and not by stockholders;
- a special meeting of our stockholders may only be called by the Chairperson of our board of directors, our Chief Executive Officer, our President or a majority of the "whole board" of our board of directors, where the "whole board" is the total number of authorized directorships whether or not there exist any vacancies or other unfilled seats in previously authorized directorships;

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- certain litigation against us can only be brought in Delaware;
- our amended and restated certificate of incorporation will authorize undesignated preferred stock, the terms of which may be established and shares of which may be issued without further action by our stockholders; and
- advance notice procedures will apply for stockholders to nominate candidates for election as directors or to bring matters before an annual meeting of stockholders.

These provisions, alone or together, could discourage, delay or prevent a transaction involving a change in control of our company. These provisions could also discourage proxy contests and make it more difficult for stockholders to elect directors of their choosing and to cause us to take other corporate actions they desire, any of which, under certain circumstances, 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.

***Our amended and restated bylaws will designate a state or federal court located within the State of Delaware as the exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to choose the judicial forum for disputes with us or our directors, officers or employees.***

Our amended and restated bylaws, which will become 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 sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (iii) any action arising pursuant to any provision of the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws or (iv) any other action asserting a claim that is governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware), in all cases subject to the court having jurisdiction over indispensable parties named as defendants.

Section 22 of the Securities Act of 1933, as amended, or 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. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated bylaws will further provide that the federal district courts of the United States will be the exclusive forum for resolving any complaints asserting a cause of action arising under the Securities Act. We note, however, that investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder, and that there is uncertainty as to whether a court would enforce this exclusive forum provision. Further, the enforceability of similar choice of forum provisions in other companies' charter documents has been challenged in legal proceedings, and it is possible that a court could find these types of provisions to be inapplicable or unenforceable. For example, in December 2018, the Court of Chancery of the State of Delaware determined that a provision stating that U.S. federal district courts are the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act is not enforceable. Although this decision was reversed by the Delaware Supreme Court in March 2020, other courts may still find these provisions to be inapplicable or unenforceable.

Any person or entity purchasing or otherwise acquiring any interest in any of our securities shall be deemed to have notice of and consented to this provision. This exclusive-forum provision may limit a stockholder's ability to bring a claim in a judicial forum of its choosing for disputes with us or our directors, officers or other employees, which may discourage lawsuits against us and our directors, officers and other employees. This exclusive forum provision will not apply to any causes of action arising under the Securities Act or the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. If a court were to find either



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exclusive-forum provision in our amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving the dispute in other jurisdictions, which may harm our business, financial condition and results of operations.

***We are an “emerging growth company” and the reduced disclosure requirements applicable to emerging growth companies may make our common stock less attractive to investors.***

We are an “emerging growth company,” as defined in the JOBS Act, and we intend to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not “emerging growth companies,” including an exemption from compliance with the auditor attestation requirement on the effectiveness of our internal control over financial reporting, reduced disclosure obligations about our executive compensation arrangements and exemptions from the requirements to obtain a nonbinding advisory vote on executive compensation or stockholder approval of any golden parachute arrangements. As an “emerging growth company,” we are also allowed to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are made applicable to private companies. As a result, our financial statements may not be comparable to those of companies that comply with new or revised accounting pronouncements as of public company effective dates. Any difficulties in implementing these pronouncements could cause us to fail to meet our financial reporting obligations, which could result in regulatory discipline and harm investors’ confidence in us. We may take advantage of these exemptions for so long as we are an “emerging growth company,” which could be for as long as five full reporting years following the completion of this offering. We cannot predict if investors will find our common stock less attractive because we will rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and the trading price of our common stock may be more volatile.

***If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about us, our business or our market, or if they change their recommendations regarding our common stock adversely, the trading price and trading volume of our common stock could decline.***

The trading market for our common stock will depend, in part, on the research and reports that securities or industry analysts publish about us, our business, our market or our competitors. The analysts’ estimates are based upon their own opinions and are often different from our estimates or expectations. If any of the analysts who cover us change their recommendation regarding our common stock adversely, provide more favorable relative recommendations about our competitors, or publish inaccurate or unfavorable research about our business, the trading price of our common stock 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, we could lose visibility in the financial markets and demand for our securities could decrease, which could cause the trading price and volume of our common stock to decline.

***We do not intend to pay cash dividends for the foreseeable future on our common stock.***

We have never declared or paid any cash dividends on our common stock and do not intend to pay any cash dividends in the foreseeable future on our common stock. We anticipate that we will retain all of our future earnings for use in the operation of our business and for general corporate purposes. Except for any dividends we are obligated to make pursuant to our non-convertible preferred stock, assuming such stock remains outstanding, any determination to pay dividends in the future will be at the discretion of our board of directors. Further, so long as our non-convertible preferred stock remains outstanding, holders of such shares will have priority in payment of dividends over our common stockholders. Accordingly, investors must rely on sales of their capital stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments.



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***Our principal stockholders will continue to have significant influence over the election of our board of directors and approval of any significant corporate actions, including any merger, consolidation, or sale of all or substantially all of our assets.***

Our founders, executive officers, directors and other principal stockholders, in the aggregate, beneficially own a majority of our outstanding capital stock. These stockholders currently have, and likely will continue to have, significant influence with respect to the election of our board of directors and approval or disapproval of all significant corporate actions. In addition, certain of these holders have entered into voting agreements and voting proxies that further concentrate influence with respect to significant corporate actions. The concentrated voting power of these stockholders could have the effect of delaying or preventing an acquisition of us or another significant transaction. This influence over our affairs could, under some circumstances, be adverse to the interests of other stockholders.

***An entity affiliated with Vahe Kuzoyan, our co-founder and President, borrowed funds from affiliates of an underwriter in this offering and has pledged shares of our common stock to secure such borrowings. The forced sale of these shares pursuant to a margin call could cause our stock price to decline and negatively impact our business.***

In December 2021, Goldman Sachs Lending Partners LLC, an affiliate of Goldman, Sachs & Co. LLC, one of the underwriters of this offering, entered into a loan agreement and a security and pledge agreement, collectively referred to as the loan agreements, with Vahe Kuzoyan, our co-founder, President and a member of our board of directors and his spouse, individually and as trustees of the K-A Family Trust dated December 6, 2021, or the Trust. Under the loan agreements, Goldman Sachs Lending Partners LLC agreed to make a loan in the principal amount of \$20 million to the Trust, to be used in connection with a home purchase and for personal liquidity needs. After certain repayments, the loan principal was reduced to approximately \$12 million and the loan agreements did not provide for further borrowing capacity. In March 2024, the loan agreements were amended to allow the borrowers to borrow an additional \$5 million such that the aggregate outstanding principal could not exceed \$17 million. As of April 15, 2024, the outstanding loan principal was approximately \$14 million. The loan is secured by pledges of a portion of our common stock currently owned by the Trust.

If the price of our common stock were to decline substantially, Mr. Kuzoyan, his spouse and the Trust may be forced by Goldman Sachs Lending Partners LLC to provide additional collateral for the loan or to sell shares of our common stock in order to remain within the margin limitations imposed under the terms of his loan. The loan agreement between Goldman Sachs Lending Partners LLC, on the one hand, and Mr. Kuzoyan, his spouse and the Trust on the other hand, prohibits the non-pledged shares currently owned by Mr. Kuzoyan, his spouse and the Trust, as well as equity interests in our Company held by Mr. Kuzoyan, from being pledged to secure any other loans or from being sold, transferred or assigned. These factors may limit Mr. Kuzoyan's and the Trust's ability to either pledge additional shares of our common stock or sell shares of our common stock as a means to avoid or satisfy a margin call with respect to the pledged shares of our common stock in the event of a decline in our stock price that is so substantial as to trigger a margin call. Any sales of common stock following a margin call that is not satisfied may cause the price of our common stock to decline further.

## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements within the meaning of the federal securities laws, which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as “may,” “will,” “should,” “expect,” “plan,” “anticipate,” “could,” “intend,” “target,” “project,” “contemplate,” “believe,” “estimate,” “predict,” “potential” or “continue” or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. Forward-looking statements contained in this prospectus include, but are not limited to, statements about:

- our future financial performance, including our expectations regarding our revenue, cost of revenue, operating expenses, our ability to determine reserves and our ability to achieve and maintain future profitability;
- the sufficiency of our cash, cash equivalents and investments to meet our liquidity needs;
- the demand for our platform or for similar solutions in general;
- our ability to attract and retain customers;
- our ability to develop new products and bring them to market in a timely manner and make enhancements to our platform;
- our ability to compete with existing and new competitors in existing and new markets and offerings;
- any impact of changes in current laws or regulations, or implementation of new laws or regulations;
- our ability to manage and insure risk associated with our business;
- our ability to successfully acquire and integrate companies and assets;
- our expectations regarding new and emerging trades;
- our ability to develop and protect our brand;
- our expectations and management of future growth;
- our expectations concerning relationships with third parties;
- our ability to maintain, protect and enhance our intellectual property;
- industry trends, in particular the rate of adoption of trades-specific and end-to-end technologies and digitization of the trades;
- our ability to anticipate technological and industry developments and our ability to enhance our platform or develop new products to respond to such developments;
- our ability to drive growth by incorporating artificial intelligence and machine learning solutions into our platform;
- our ability to scale our systems and operations as we grow, including through organic and inorganic growth;
- our reliance on key personnel and our ability to attract, maintain and retain management and skilled personnel;
- our expectations regarding present and future litigation;
- our expectations regarding the effects of existing and developing laws and regulations, including with respect to taxation and privacy and data protection;
- our ability to maintain the security and availability of our platform and protect against data breaches and other security incidents;

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- the increased expenses associated with being a public company;
- our plan to issue and donate                shares of our common stock to fund certain of our social impact initiatives;
- our ability to avoid any findings of material weaknesses or significant deficiencies in the future; and
- our anticipated uses of net proceeds from this offering.

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

You should not rely upon forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this prospectus primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations and prospects. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors, including those 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. We cannot assure you that the results, events and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements.

Neither we nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements. Moreover, 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 we may make.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this prospectus, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

## INDUSTRY, MARKET AND OTHER DATA

Unless otherwise indicated, estimates and information contained in this prospectus concerning our industry and the market in which we operate, including our general expectations, market position, market opportunity and market size, are based on industry publications and reports generated by third-party providers, other publicly available studies and our internal sources and estimates. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Although we are responsible for all of the disclosures contained in this prospectus and we believe the information from the industry publications and other third-party sources included in this prospectus is reliable, we have not independently verified the accuracy or completeness of the data contained in such sources. Market and industry data is subject to change and may be limited by the availability of raw data, the voluntary nature of the data gathering process and other limitations inherent in any statistical survey of such data. In addition, projections, assumptions and estimates of the future performance of the markets in which we operate are necessarily subject to uncertainty and risk due to a variety of factors, including those described in the sections titled “Risk Factors” and “Special Note Regarding Forward-Looking Statements.” These and other factors could cause results to differ materially from those expressed in the estimates made by third parties and by us. Accordingly, you are cautioned not to place undue reliance on such market and industry data or any other such estimates.

The content of, or accessibility through, the below sources and websites, except to the extent specifically set forth in this prospectus, does not constitute a portion of this prospectus and is not incorporated herein and any websites are an inactive textual reference only.

The sources of the statistical data, estimates and market and industry data contained in this prospectus are identified by superscript notations and are provided below:

- Angi Inc., The Economy of Everything Home, 2022, <https://www.angi.com/research/reports/market/>.
- Harvard Joint Center for Housing Studies, The State of the Nation’s Housing, 2023, [www.jchs.harvard.edu](http://www.jchs.harvard.edu). All rights reserved.

## USE OF PROCEEDS

We estimate that the net proceeds to us from the sale of shares of our common stock in this offering will be approximately \$ \_\_\_\_\_, based upon the assumed initial public offering price of \$ \_\_\_\_\_ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. If the underwriters' option to purchase additional shares of our common stock from us is exercised in full, we estimate that the net proceeds to us would be approximately \$ \_\_\_\_\_, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

Each \$1.00 increase or decrease in the assumed initial public offering price of \$ \_\_\_\_\_ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease the net proceeds that we receive from this offering by approximately \$ \_\_\_\_\_, 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 the underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase or decrease of 1.0 million in the number of shares of our common stock offered by us would increase or decrease the net proceeds that we receive from this offering by approximately \$ \_\_\_\_\_, assuming the assumed initial public offering price remains the same and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

The principal purposes of this offering are to increase our capitalization and financial flexibility, create a public market for our common stock and enable access to the public equity markets for us and our stockholders. We intend to use the net proceeds we receive from this offering for general corporate purposes, including working capital, operating expenses and capital expenditures. Additionally, we may use a portion of the net proceeds to acquire or invest in businesses, products, services or technologies.

We cannot further specify with certainty the particular uses of the net proceeds that we will receive from this offering. Accordingly, we will have broad discretion in using these proceeds. The timing and amount of our actual expenditures will be based on many factors, including cash flows from operations and the anticipated growth of our business. Pending the use of proceeds from this offering as described above, we may invest the net proceeds that we receive in this offering in short-term, investment grade, interest-bearing instruments.

## **DIVIDEND POLICY**

We have never declared or paid any cash dividends on our capital stock. We currently intend to retain any future earnings and do not expect to pay any dividends in the foreseeable future, except for cash dividends that have accrued, or in the future accrue, on shares of our non-convertible preferred stock. Other than with respect to such cash dividends that have accrued, or in the future accrue, on shares of our non-convertible preferred stock, any future determination to declare cash dividends will be made at the discretion of our board of directors, subject to applicable laws, and will depend on a number of factors, including our financial condition, results of operations, capital requirements, contractual restrictions, general business conditions and other factors that our board of directors may deem relevant. In addition, the holders of our non-convertible preferred stock may have priority over the holders of our preferred stock or common stock with respect to any future determination to declare cash dividends. See the section titled “Description of Capital Stock—Non-Convertible Preferred Stock” for a discussion of the terms of our non-convertible preferred stock and the rights afforded to holders of such shares. Moreover, the terms of our Credit Agreement place certain limitations on the amount of cash dividends we can pay, even if no amounts are currently outstanding. See the section titled “Risk Factors—Risks Related to Financial, Tax and Accounting Matters—Our Credit Agreement contains financial covenants and other restrictions on our actions that may limit our operational flexibility or otherwise adversely affect our results of operations.”

## CAPITALIZATION

The following table sets forth cash and cash equivalents, as well as our capitalization, as of January 31, 2024, as follows:

- on an actual basis;
- on a pro forma basis, giving effect to (i) the Capital Stock Conversion, as if such conversion had occurred on January 31, 2024, resulting in a decrease in redeemable convertible preferred stock and an increase in total stockholders' equity, (ii) stock-based compensation expense of \$ \_\_\_\_\_ associated with options and RSUs that contain a performance-based vesting condition that will be satisfied upon the effectiveness of the registration statement of which this prospectus forms a part, as if the offering had occurred on January 31, 2024, resulting in an increase in additional paid-in capital and accumulated deficit within total stockholders' deficit and (iii) the filing and effectiveness of our amended and restated certificate of incorporation in Delaware that will become effective immediately prior to the completion of this offering; and
- on a pro forma as adjusted basis, giving effect to (i) the pro forma adjustments set forth above and (ii) the sale and issuance by us of \_\_\_\_\_ shares of our common stock in this offering, based upon the assumed initial public offering price of \$ \_\_\_\_\_ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us, net of \$ \_\_\_\_\_ million of offering costs paid as of January 31, 2024.

The as adjusted information set forth in the table below is illustrative only and will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing. You should read this table together with our consolidated financial statements and related notes and the sections titled "Summary Consolidated Financial and Other Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" that are included elsewhere in this prospectus.

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	As of January 31, 2024		
	Actual	Pro Forma	Pro Forma As Adjusted <sup>(1)</sup>
	<i>(in thousands, except for share and per share amounts)</i>		
Cash and cash equivalents	\$ 146,710	\$	
Long-term debt (current and long-term portion)	176,378		
Non-convertible preferred stock, par value \$0.001 per share: 250,000 shares authorized, 250,000 shares issued and outstanding, actual; 250,000 shares authorized, issued and outstanding, pro forma and pro forma as adjusted	233,546		
Redeemable convertible preferred stock, par value \$0.001 per share: 42,465,855 shares authorized, 42,465,855 shares issued and outstanding, actual; no shares authorized, issued and outstanding, pro forma and pro forma as adjusted	1,395,878		
Stockholders' deficit:			
Common stock, par value \$0.001 per share: 92,630,000 shares authorized, 34,185,388 shares issued and outstanding, actual; shares authorized and shares issued and outstanding, pro forma; and shares authorized and shares issued and outstanding, pro forma as adjusted	34		
Additional paid-in capital	388,739		
Accumulated deficit	(866,636)		
Total stockholders' deficit	(477,863)		
Total capitalization	\$ 1,327,939	\$	

(1) Each \$1.00 increase or decrease in the assumed initial public offering price of \$ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, the amount of our pro forma as adjusted cash and cash equivalents, additional paid-in capital, total stockholders' equity (deficit) and total capitalization by \$ , 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 underwriting discounts and commissions and estimated offering expenses payable by us. An increase or decrease of 1.0 million shares in the number of shares offered by us would increase or decrease, as applicable, the amount of our pro forma as adjusted cash and cash equivalents, additional paid-in capital, total stockholders' equity and total capitalization by \$ , assuming the assumed initial public offering price remains the same, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

If the underwriters' option to purchase additional shares of our common stock from us is exercised in full, pro forma as adjusted cash and cash equivalents, additional paid-in capital, total stockholders' equity (deficit), total capitalization and shares of common stock outstanding as of January 31, 2024 would be \$ , \$ , \$ , \$ and , respectively.

The pro forma and pro forma as adjusted columns in the table above are based on shares of our common stock (after giving effect to the Capital Stock Conversion) outstanding as of January 31, 2024, and exclude the following:

- 7,981,903 shares of our common stock issuable upon the exercise of options to purchase shares of our common stock outstanding as of January 31, 2024, with a weighted-average exercise price of \$16.44 per share;
- 3,346,629 shares of our common stock subject to RSUs outstanding as of January 31, 2024;
- 250,000 shares of our non-convertible preferred stock outstanding as of January 31, 2024;
- shares of our common stock that we are committing to donate over the next ten years to fund certain of our social impact initiatives; and



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- shares of our common stock reserved for future issuance under our equity compensation plans, consisting of:
  - shares of our common stock to be reserved for future issuance under our 2024 Plan, which will become effective prior to the completion of this offering;
  - 1,826,467 shares of our common stock reserved for future issuance under our 2015 Plan as of January 31, 2024, which number of shares will be added to the shares of our common stock to be reserved for future issuance under our 2024 Plan upon its effectiveness, at which time we will cease granting awards under our 2015 Plan; and
  - shares of our common stock to be reserved for future issuance under our ESPP, which will become effective prior to the completion of this offering.

Our 2024 Plan and ESPP will each provide for annual automatic increases in the number of shares of our common stock reserved thereunder, and our 2024 Plan will provide for increases to the number of shares that may be granted thereunder based on shares under our 2015 Plan or our 2007 Plan that expire, are tendered to or withheld by us for payment of an exercise price or for satisfying tax withholding obligations or are forfeited or otherwise repurchased by us, as more fully described in the section titled “Executive Compensation—Employee Benefit and Stock Plans.”

## DILUTION

If you invest in our common stock in this offering, your ownership interest will be diluted to the extent of the difference between the initial public offering price per share of our common stock and the pro forma as adjusted net tangible book value per share of our common stock immediately after this offering. Dilution per share to new investors represents the difference between the amount per share paid by purchasers of shares of our common stock in this offering and the pro forma as adjusted net tangible book value per share of our common stock immediately after completion of this offering.

Net tangible book value (deficit) per share is determined by dividing our total tangible assets less our total liabilities excluding deferred contract cost assets and operating right-of-use assets and liabilities, non-convertible preferred stock, and redeemable convertible preferred stock by the number of shares of our common stock outstanding. Our historical net tangible book value (deficit) as of January 31, 2024 was \$(1,552.8) million, or \$(45.42) per share. Our pro forma net tangible book value (deficit) as of January 31, 2024 was \$ \_\_\_\_\_ million, or \$ \_\_\_\_\_ per share, based on the total number of shares of our common stock outstanding as of January 31, 2024, after giving effect to (i) the Capital Stock Conversion, as if such conversion had occurred on January 31, 2024, resulting in a decrease in redeemable convertible preferred stock and an increase in total stockholders' equity, (ii) stock-based compensation expense of \$ \_\_\_\_\_ associated with options and RSUs that contain a performance-based vesting condition that will be satisfied upon the effectiveness of the registration statement of which this prospectus forms a part, as if the offering had occurred on January 31, 2024, resulting in an increase in additional paid-in capital and accumulated deficit within total stockholders' deficit and (iii) the filing and effectiveness of our amended and restated certificate of incorporation in Delaware that will become effective immediately prior to the completion of this offering.

After further giving effect to the sale and issuance by us of \_\_\_\_\_ shares of our common stock in this offering at the assumed initial public offering price of \$ \_\_\_\_\_ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us, net of \$ \_\_\_\_\_ million of offering costs paid as of January 31, 2024, our pro forma as adjusted net tangible book value as of January 31, 2024 would have been \$ \_\_\_\_\_, or \$ \_\_\_\_\_ per share. This 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 as adjusted net tangible book value of \$ \_\_\_\_\_ per share to investors purchasing shares of our common stock in this offering at the assumed initial public offering price. The following table illustrates this dilution:

Assumed initial public offering price per share	\$
Historical net tangible book value (deficit) per share as of January 31, 2024	\$(45.42)
Increase per share attributable to the pro forma adjustments described above	_____
Pro forma net tangible book value (deficit) per share as of January 31, 2024	_____
Increase in pro forma net tangible book value per share attributable to new investors purchasing shares of common stock in this offering	_____
Pro forma as adjusted net tangible book value per share immediately after this offering	_____
Dilution in pro forma as adjusted net tangible book value per share to new investors in this offering	\$ _____

Each \$1.00 increase or decrease in the assumed initial public offering price of \$ \_\_\_\_\_ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, our pro forma as adjusted net tangible book value per share to new investors by \$ \_\_\_\_\_, and would increase or decrease, as applicable, dilution per share to new investors purchasing shares of common stock in this offering by \$ \_\_\_\_\_, 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 underwriting discounts and

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commissions and estimated offering expenses payable by us. Similarly, each increase or decrease of 1.0 million shares in the number of shares of our common stock offered by us would increase or decrease, as applicable, our pro forma as adjusted net tangible book value by approximately \$ \_\_\_\_\_ per share and increase or decrease, as applicable, the dilution to new investors purchasing shares of common stock in this offering by \$ \_\_\_\_\_ per share, assuming the assumed initial public offering price remains the same, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

If the underwriters' option to purchase additional shares of our common stock from us is exercised in full, the pro forma as adjusted net tangible book value per share of our common stock, as adjusted to give effect to this offering, would be \$ \_\_\_\_\_ per share, and the dilution in pro forma net tangible book value per share to new investors purchasing shares of common stock in this offering would be \$ \_\_\_\_\_ per share.

The following table presents, as of January 31, 2024, after giving effect to the Capital Stock Conversion, the differences between the existing stockholders and the new investors purchasing shares of our common stock in this offering with respect to the number of shares purchased from us, the total consideration paid or to be paid to us, which includes net proceeds received from the issuance of our common stock and the average price per share paid or to be paid to us at the assumed initial public offering price of \$ \_\_\_\_\_ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, before deducting underwriting discounts and commissions and estimated offering expenses payable by us:

	<u>Shares Purchased</u>		<u>Total Consideration</u>		<u>Average Price Per Share</u>
	<u>Number</u>	<u>Percent</u>	<u>Amount</u>	<u>Percentage</u>	<u>\$</u>
Existing stockholders		%	\$	%	\$
New investors					\$
Totals		<u>100%</u>		<u>100%</u>	

Each \$1.00 increase or decrease in the assumed initial public offering price of \$ \_\_\_\_\_ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, the total consideration paid by new investors and total consideration paid by all stockholders by \$ \_\_\_\_\_, assuming that the number of shares of our common stock offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase or decrease of 1.0 million shares in the number of shares of our common stock offered by us would increase or decrease the total consideration paid by new investors and total consideration paid by all stockholders by \$ \_\_\_\_\_, assuming the assumed initial public offering price remains the same and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

Except as otherwise indicated, the above discussion and tables assume no exercise of the underwriters' option to purchase additional shares of our common stock from us. If the underwriters' option to purchase additional shares of our common stock is exercised in full, our existing stockholders would own \_\_\_\_\_ % and our new investors would own \_\_\_\_\_ % of the total number of shares of our common stock outstanding upon completion of this offering.

The number of shares of our common stock that will be outstanding after this offering is based on \_\_\_\_\_ shares of our common stock (after giving effect to the Capital Stock Conversion) outstanding as of January 31, 2024, and excludes:

- 7,981,903 shares of our common stock issuable upon the exercise of options to purchase shares of our common stock outstanding as of January 31, 2024, with a weighted-average exercise price of \$16.44 per share;
- 3,346,629 shares of our common stock subject to RSUs outstanding as of January 31, 2024;

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- 250,000 shares of our non-convertible preferred stock outstanding as of January 31, 2024;
- shares of our common stock that we are committing to donate over the next ten years to fund certain of our social impact initiatives; and
- shares of our common stock reserved for future issuance under our equity compensation plans, consisting of:
  - shares of our common stock to be reserved for future issuance under our 2024 Plan, which will become effective prior to the completion of this offering;
  - 1,826,467 shares of our common stock reserved for future issuance under our 2015 Plan as of January 31, 2024, which number of shares will be added to the shares of our common stock to be reserved for future issuance under our 2024 Plan upon its effectiveness, at which time we will cease granting awards under our 2015 Plan; and
  - shares of our common stock to be reserved for future issuance under our ESPP, which will become effective prior to the completion of this offering.

Our 2024 Plan and ESPP each provide for annual automatic increases in the number of shares of our common stock reserved thereunder, and our 2024 Plan provides for increases to the number of shares that may be granted thereunder based on shares under our 2015 Plan or our 2007 Plan that expire, are tendered to or withheld by us for payment of an exercise price or for satisfying tax withholding obligations or are forfeited or otherwise repurchased by us, as more fully described in the section titled “Executive Compensation—Employee Benefit and Stock Plans.”

To the extent that any outstanding options to purchase our common stock are exercised, RSUs are settled or new awards are granted under our equity compensation plans, there will be further dilution to investors participating in this offering. In addition, we may choose to raise additional capital because of market conditions or strategic considerations, even if we believe that we have sufficient funds for our current or future operating plans. If we raise additional capital through the sale of equity or convertible debt securities, the issuance of these securities could result in further dilution to our stockholders.

## MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the consolidated financial statements and related notes included elsewhere in this prospectus. This discussion contains forward-looking statements that involve risks and uncertainties and our actual results, events or circumstances could differ materially from those described in forward-looking statements. Factors that could cause or contribute to such differences include those identified below and those discussed in the section titled “Risk Factors” and other parts of this prospectus. Our historical results are not necessarily indicative of the results that may be expected for any period in the future. The last day of our fiscal year is January 31, and our fiscal quarters end on April 30, July 31, October 31 and January 31. Our fiscal years ended January 31, 2023 and 2024 are referred to herein as fiscal 2023 and fiscal 2024, respectively.*

### Overview

ServiceTitan is **the operating system that powers the trades.**

We are modernizing a massive and technologically underserved industry—an industry commonly referred to as the “trades.” The trades consist of the collection of field service activities required to install, maintain, and service the infrastructure and systems of residences and commercial buildings.

Our founders, Ara Mahdessian and Vahe Kuzoyan, founded ServiceTitan to provide tradespeople, like their parents, with technology that is purpose-built to help trades businesses thrive. We built our cloud-based software platform to offer end-to-end capabilities to manage complex workflows, connect key stakeholders and provide impactful industry best practices. ServiceTitan remains to this day maniacally focused on the success of our customers as we fundamentally believe that our customers’ success leads to our success.

Since our founding, we have translated our passion for the trades into a commitment to innovation.

We serve many trades, including plumbing, electrical, HVAC, garage door, pest control, landscaping and others. As of January 31, 2024, we served over \_\_\_\_\_ customers, and in fiscal 2024 and fiscal 2023 we processed over \$ \_\_\_\_\_ billion and \$ \_\_\_\_\_ billion of Gross Transaction Value, or GTV, respectively. GTV represents the sum of total dollars invoiced by our customers to end customers through our platform in a given period, which is intended to be a proxy for the total revenue our customers generate from their end customers. We define a customer as a parent organization, which may have multiple locations, brands or subsidiaries that have been billed in the prior three months, and we strategically focus on Active Customers, which we define as customers with over \$ \_\_\_\_\_ of annualized billings.<sup>8</sup> Our customers have ranged in size from family-owned contractors with a few employees to large franchises with national footprints of over 500 locations and over one billion dollars in annual GTV. As of January 31, 2024, we supported customers that operate in zip codes representing approximately \_\_\_\_\_ % of the U.S. population, based on U.S. census data as of \_\_\_\_\_. From our founding through January 31, 2024, over \_\_\_\_\_ million jobs have been completed by our customers through our platform. As of January 31, 2024, our Active Customers had on average approximately \_\_\_\_\_ employees and \$ \_\_\_\_\_ in annual GTV. As of January 31, 2024, we had over \_\_\_\_\_ Active Customers, representing over \_\_\_\_\_ % of our revenue for fiscal 2024. No single customer, including the aggregation of customers with a central buying negotiator (such as a franchise network), had aggregated revenue that exceeded \_\_\_\_\_ % of our revenue in fiscal 2023 or fiscal 2024. As a testament to our platform’s ability to scale with our customers, as of January 31, 2024, we had \_\_\_\_\_ customers with annualized billings exceeding \$ \_\_\_\_\_ on our platform.<sup>8</sup>

We designed our platform to address key workflows within a trades business. Contractors spend their days interfacing with the ServiceTitan platform across what we believe to be the five most business-critical functions, or

<sup>8</sup> See the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Business Performance” for a description of how we calculate annualized billings.

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the “core centers of gravity,” inside a trades business: CRM (customer relationship management, including sales enablement, marketing automation and customer service), FSM (field service management, including scheduling and dispatching), ERP (enterprise resource planning, including inventory), HCM (human capital management, including compensation and payroll) and FinTech (including payments and third-party consumer financing).

We go to market with our platform in three ways: Core, Pro and FinTech products. Our Core offers a base-level functionality across all key workflows, including call tracking, scheduling, dispatching, end-customer communications, marketing automation, estimating, job costing, sales, inventory and payroll. To supplement our Core and provide an even higher level of functionality, we offer our Pro products, which provide value-additive capabilities such as Marketing Pro, Pricebook Pro, Dispatch Pro and Scheduling Pro, as well as our FinTech products, which include payment processing and third-party financing solutions.

We are intimately aware of the challenges our customers face every day. Our platform is differentiated by our close customer proximity and deep connection with the trades industry, which enables us to make real-time, evidence-based recommendations to our customers, augmented by the vast amounts of data that we synthesize into best practices. Our platform enables impactful outcomes for our customers, including accelerating revenue and driving operational efficiency, all while improving the experience for both end customers and contractors. As customers experience the significant business acceleration benefits of our platform, we have often observed our customers hire more technicians, increase GTV and adopt more of our products. Increased customer adoption of our platform leads to further data and insights, allowing us to build more differentiated features and address opportunities in new trades, use cases and customer subsegments. All of this allows us to drive more growth and efficiency for customers, delivering outsized return on investment, or ROI, in our products. As the functionality and utility of our platform continues to expand, we benefit from the growth in the number of customers on, degree of usage of, and GTV flow through our platform.

We have consistently grown and scaled our business operations organically and through acquisitions in recent periods, while investing for the future. From fiscal 2021 to fiscal 2024, our revenue grew from \$179.2 million to \$614.3 million, respectively, representing a compound annual growth rate of 51%. Most recently, our revenue was \$467.7 million and \$614.3 million for fiscal 2023 and 2024, respectively, representing a year-over-year increase of 31%. During fiscal 2023 and fiscal 2024, we incurred losses from operations of \$221.9 million and \$182.9 million, respectively, with \$97.1 million and \$17.1 million in non-GAAP losses from operations, respectively. During fiscal 2023 and fiscal 2024, we incurred net losses of \$269.5 million and \$195.1 million, respectively. Our net loss and loss from operations and non-GAAP loss from operations in recent periods reflect our continued investment in the growth of our business to capture the large market opportunity available to us.

### **Our Revenue Model**

We have two general categories of revenue: (i) platform revenue and (ii) professional services and other revenue.

**Platform Revenue:** The majority of our revenue is platform revenue, which we generate through (a) subscription revenue generated from access to and use of our platform, including subscriptions to our Core and certain Pro products, and (b) usage-based revenue generated from the transactions using our FinTech solutions and usage of certain Pro products. Our customer contracts are generally based on the number of users, mix of products, number of end customers and the amount of GTV. Platform revenue is generated through the following:

- *Subscription.* We offer tiered subscription contracts to our customers that vary depending on the features and functionality they require for our Core product, which offers a base-level functionality across all key workflows, including call tracking, scheduling, dispatching, end-customer communications, marketing automation, estimating, job costing, sales, inventory and payroll. To supplement our Core product and provide an even higher level of functionality, our Pro products, including Marketing Pro, Pricebook Pro, Dispatch Pro and Scheduling Pro, provide value-additive capabilities. The majority of our Pro product offerings are sold on a subscription basis, typically as an add-on extension to our Core subscription offering.
- *Usage.* We receive a fee from third-party payment processors and third-party financing partners that we help connect to the end customers on our platform. Because the third-party processor and third-party

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financing partners provide the payment settlement and financing options to the end customer and are responsible for the provision of the payment or financing services, we do not assume any balance sheet risk for these transactions. Our revenue from these FinTech transactions consists primarily of fees from revenue sharing agreements with payment processing and end-customer financing partners, and we recognize this revenue on a net basis. In addition, usage revenue includes fees from certain Pro product features sold on a usage basis, including direct mail services, and other usage-based services.

We benefit from the predictable nature of our platform revenue. For both fiscal 2023 and fiscal 2024, our platform revenue represented 95% of our total revenue, which we believe demonstrates the general recurring nature of our platform revenue.

**Professional Services and Other Revenue:** We generate a lesser portion of our revenue from professional services to provide onboarding, implementation and configuration support to our customers and training to their employees. Professional services and other revenue also includes live voice and chat services and certain ancillary products and services sold to customers. Our professional services and other revenue represented 5% of our total revenue for both fiscal 2023 and fiscal 2024.

### **Our Business Model**

The trades form a critical but heavily fragmented industry. Trades businesses are often difficult to reach through traditional enterprise software sales and marketing approaches, which are designed to engage IT departments as buyers. We engage trades businesses with a deep understanding of their unique needs and objectives and with a mindset focused on creating a clear and immediate value add.

Our customers' success is our first priority. By making our customers more successful, we establish proof points that strengthen our brand and attract additional customers to our platform. This powers a referral-based, go-to-market flywheel that furthers our ability to efficiently serve the market.

We employ several strategies to efficiently go-to-market. These include digital marketing, which draws inbound leads to our website, and outbound direct marketing, such as targeted phone outreach. We also benefit from significant word-of-mouth and often generate new business through referrals from current customers and industry partners that are trusted across the trades, including industry associations, OEMs and distributors. We extend our reach further through industry conferences, including our annual customer conferences, Pantheon and Ignite, which were most recently held in fall 2023 with collectively over 3,500 customers and 50 partners, including OEMs, technology partners and trade associations, in attendance. These conferences organically grow our brand awareness, reinforce our trusted leadership within the industry, generate a robust pipeline of potential customers and keep us informed of evolving customer needs to guide our innovation. Combined with a robust outbound marketing program, these efforts fuel our sales pipeline, resulting in product demonstration requests and sales opportunities.

Our customers' journey begins with onboarding and training, which we see as essential to our customers' success. During onboarding, our teams heavily invest in our customers' success by ensuring an effective implementation experience. We train technicians, customer service representatives and other office employees and integrate their data flows and systems with our platform to maximize the value we can deliver. We accordingly price our onboarding services competitively as acquisition, retention and sales velocity tools.

Once onboarded, customers often expand their relationship with us by layering on additional functionality as they see the benefit of our platform and their specific needs evolve. We pride ourselves in our ability to anticipate and recommend which products would best serve a customer's unmet needs. We employ dedicated FinTech and Pro product sales teams that introduce these products at the right time for each customer, leveraging our industry and

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internal expertise to know the appropriate moment to approach the customer. Our ability to retain and expand customer relationships is evidenced by our net dollar retention rate of % and % as of January 31, 2024 and January 31, 2023, respectively.<sup>9</sup>

### **Key Factors Affecting Our Business Performance**

We believe that the growth and future success of our business is dependent upon many factors, including those described below.

#### *Acquire New Customers*

We have a history of growing the number of customers on our platform. As of January 31, 2024, we served over Active Customers and are focused on continuing to grow the number of Active Customers that use our platform. We strategically focus on Active Customers, who we believe have achieved the scale necessary to leverage our products and exhibit consistent behaviors across our customer base. Active Customers drove over % of our revenue in fiscal 2023 and over % of our revenue in fiscal 2024. We grew Active Customers from in fiscal 2023 to in fiscal 2024, a % year-over-year increase. We believe our market opportunity is substantial, and we expect to continue to make significant investments across all aspects of our business in order to continue to attract new customers.

*Serve Additional Customers in Existing Trades.* We designed our platform to address key workflows within a trades business. In contrast, existing solutions are difficult to adopt and are resource-intensive to stitch together in a manner that would address multiple workflows and generate return on investment for trades businesses. This gives us a substantial opportunity to continue to invest in our platform and in our sales and marketing efforts to add more customers in the expansive set of trade verticals we have penetrated so far. We also believe that there is further potential to expand our customer base by productizing additional capabilities for these trade verticals.

*Extend Our Customer Footprint by Penetrating New Trades.* ServiceTitan began by serving a single trade, plumbing, focused on residential homes, and now serves many trades that serve all sites: homes, businesses, and even new construction. As we have penetrated new trades over time, we have significantly expanded our potential customer reach, unlocking new markets to drive future customer growth. We plan to continue to innovate and expand into new trade verticals through our playbook of harnessing common features of the trades industry, while also identifying and building features specific to each new trade vertical. It takes significant time and research and development to identify new trade verticals to enter and build out functionalities on top of our common products to ensure we can go to market with an end-to-end offering in that new vertical. At times, we have and will continue to opportunistically consider acquisitions or other strategic opportunities to accelerate our penetration into a new trade vertical. For example, through our acquisition of Aspire, we were able to immediately expand into commercial landscaping while simultaneously focusing our efforts on areas where we could organically drive immediate value to residential and commercial customers in existing trades. Expanding into new trades through acquisitions or other strategic transactions requires investment capital and management's attention to ensure successful integration.

*Expand Our Geographic Footprint to Reach Additional Customers.* We intend to explore expanding our footprint given the significant market opportunity outside the United States and Canada. To date, we have not made any significant investments in growing our presence in international markets, but we believe there is a significant demand for our platform internationally. Our ability to conduct operations internationally and acquire customers in new geographies will require significant management attention, resources and sales and marketing investment to build brand awareness including partnering with local trade organizations and social media groups to efficiently reach new customers there.

<sup>9</sup> See the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Business Performance" for a description of how we calculate net dollar retention rate.



### ***Retain and Expand Our Existing Customer Relationships***

Our ability to retain and increase the revenue we earn from existing customers is a key driver of our future business performance and depends on our customers renewing their subscriptions to our platform, expanding their number of users, increasing the usage of existing solutions and GTV, and adopting additional products. We have observed that as customers experience the significant business acceleration benefits of our platform, they typically not only remain on our platform but also often hire more technicians, increase GTV and adopt more of our products. This behavior is evidenced by our net dollar retention rate, which increased from \_\_\_\_\_ % as of January 31, 2023 to \_\_\_\_\_ % as of January 31, 2024, and is driven by the three key strategies described below:<sup>10</sup>

*Retain Our Customers.* Our ability to retain existing customers on our platform differentiates us from our competitors and underscores the long-term value of our customer relationships. Our customer relationship begins with a thorough onboarding process. Then, our customers deploy our platform end-to-end across their entire organization, meaning the ServiceTitan platform powers their workflows and is the primary interface used by their employees. As a result, we become deeply embedded as the operating system that powers our customers' businesses. Over time, our Customer Success Management teams work closely with our customers to assist them in fully utilizing our platform in the most effective way possible including training employees, importing data and integrating systems with our platform. As a result, we have seen strong retention of customers using our platform, as demonstrated by our gross dollar retention rate of \_\_\_\_\_ % as of January 31, 2024 and \_\_\_\_\_ % as of January 31, 2023.<sup>11</sup>

*Grow with Our Customers.* Our long-term revenue growth is correlated with the success of customers on our platform, and we strive to support the growth of their businesses. Our platform often accelerates revenue growth for our customers by empowering their technicians and employees with the best tools and training to drive better end-customer outcomes that, in turn, generate higher ticket sizes and more repeatable work orders. As our customers grow on our platform, generating more sales, hiring more technicians, and automating more workflows, they also significantly increase GTV, and, in turn, drive our growth and financial success.

*Drive More Value to Our Customers through Additional Product Adoption.* As customers realize the benefits of our Core offering, they often adopt one or more of our FinTech and Pro products. We efficiently expand our customer relationships over time to serve their additional needs and automate more workflows through our platform. We believe that the more our customers use our platform to power their workflows, the more value we deliver to them, and the higher revenue we can earn from them. Our ability to increase adoption of our products will depend on customer satisfaction with our platform, competition, pricing and our ability to continuously demonstrate the value proposition of our products. We plan to continue investing in sales and marketing, thought

<sup>10</sup> Our net dollar retention rate measures the increase in annualized billings across our existing customer base by comparing the annualized billings from the same set of customers across comparable periods. To calculate our net dollar retention rate as of a given quarter, we first calculate annualized billings from the cohort of all customers billed in the same quarter in the prior year, or the prior period annualized billings. We then calculate annualized billings from these same customers as of the current quarter, or the current period annualized billings. Current period annualized billings includes the effect of any expansion, contraction or churn over the trailing 12 months. We divide (a) current period annualized billings by (b) prior period annualized billings to arrive at the net dollar retention rate.

We define annualized billings for a given quarter as the annualized value of that quarter's billings, which is the amount invoiced, for platform solutions. Contracts for our platform range from monthly to multi-year. While monthly subscribers as a group have historically maintained or increased their subscriptions over time, there is no guarantee that any particular customer on a monthly subscription will renew its subscription in any given month, and therefore the calculation of annualized billings for these monthly subscriptions may not accurately reflect revenue to be received over a 12-month period from such customers. There may be seasonal fluctuations in annualized billings as a result of heightened demand for our customers during peak times. Annualized billings should be viewed independently of, and not as a replacement for, revenue and does not represent our revenue on an annualized basis.

<sup>11</sup> To calculate our gross dollar retention rate as of a given quarter, we first calculate prior period annualized billings. We then identify the value of annualized billings from any customers whose billings were zero in the current period (excluding the impact of one-time credits), which we refer to as churn. We then divide (a) the prior period annualized billings minus churn by (b) the prior period annualized billings to calculate the gross dollar retention rate.

leadership, industry resources and customer success initiatives with a focus on driving additional value to customers on our platform.

***Build New Products to Extend Our Platform.***

We have a culture of significant innovation evidenced by the extension of our platform's capabilities over time, producing new workflows across trades. We intend to continue to invest in research and development to expand and improve the functionality of our platform, to develop new FinTech and Pro products and to broaden our capabilities to address new market opportunities across trades. Additionally, we have considered, and will continue to opportunistically consider, innovative opportunities for acquisitions or other strategic transactions that advance our product roadmap more efficiently than building functionality ourselves through research and development. For example, we acquired Schedule Engine, an online booking technology, to address end customers' expectation to book their trade service online. This inorganic product expansion requires significant capital, management attention to ensure successful integration of the companies and research and development resources to integrate the new product into our platform.

We intend to continue leveraging our extensive data-driven insights to judiciously invest in research and development to enhance the capabilities of our platform and develop new FinTech and Pro products. Powering key workflows of our customers through our Core positions us to deliver value-added Pro and FinTech products that complement our Core offering. We build each Pro and FinTech product as an integrated add-on to our expansive Core offering to deliver our customers business outcomes in a way that we believe no individual, standalone point solution can. As we continue to innovate and execute on our product roadmap, we believe customers will continue to find our new products additive and therefore continue to adopt them.

We believe that there is further potential to expand our market opportunity by building new products to earn an even greater potential share of our customers' GTV in the future. Our engrained position in the industry enables us to continuously monitor the evolving needs of trades businesses and develop relevant new tools accordingly. While our engrained industry position and exposure to the trades facilitate efficient product development opportunities, innovating new products will continue to require substantial time and research and development resources.

**Components of Results of Operations**

***Revenue***

We have two general categories of revenue as set forth below:

***Platform Revenue***

We principally generate platform revenue through (i) subscription revenue generated from access to and use of our platform, including subscriptions to our Core and certain Pro products, and (ii) usage-based revenue generated from the transactions using our FinTech solutions and usage of certain Pro products. Our customer contracts are generally based on the number of users, mix of products, number of end customers and the amount of GTV.

We offer tiered subscription plans for our Core and Pro products with varying contract lengths. Pursuant to these subscription contracts our customers do not have the ability to take possession of our proprietary software. For new customers, we enter into either annual or multi-year subscription agreements with contract terms ranging from 12 to 36 months; however, some older customers are on month-to-month contracts. In nearly all cases, these contracts (monthly, annual, or multi-year) are renewed automatically unless canceled in advance. We generally bill our customers on a monthly basis in advance of services, regardless of contract term. In some cases for certain products, the customer is billed in arrears. Pricing for these subscriptions are driven by the features included in the package and are linked to the size of the customer's business, generally based on the number of field technicians at the customer but in some cases directly tied to the number of end customers or the customer's revenue. In this way, our success is linked to the growth of our customers.

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When subscription fees are received in advance of providing the related services, we record deferred revenue on our consolidated balance sheet and recognize the revenue ratably over the related subscription period.

Usage-based services primarily consist of payment processing where we connect to third-party processors to allow our customers to accept payments, primarily credit and debit cards, and also includes end-customer financing solutions and other forms of payment. The third-party processor determines the eligibility of the end customer to participate in the programs, provides the payment settlement and financing options to the end customer and is responsible for the provision of the payment or financing services. We receive a fee from the third-party processors, depending on the size and type of the transaction, which we recognize net of interchange and other direct expenses which are passed onto the customer. Revenue from financing and processing payments is recognized at the time of the transaction. In addition to payment processing revenue, we have a number of Pro products that generate revenue depending on the level of usage, which we recognize monthly in arrears based on consumption.

### *Professional Services and Other Revenue*

Professional services and other revenue is primarily derived from services we provide to our customers, principally onboarding, training, and some ongoing professional services. Professional services and other revenue also includes live voice and chat services and certain ancillary products and services sold to customers. Fees for these professional services are generally invoiced separately at the commencement of the contract or as ordered by the customer. Revenue is recognized for professional services as the services are performed.

### **Cost of Revenue**

#### *Platform*

Cost of platform revenue consists of personnel-related costs in connection with product support and customer success, as well as costs related to the provisioning of our platform services. Costs related to the provisioning of our platform services are primarily comprised of fees paid to third-party service providers associated with delivery of Pro and FinTech products, platform infrastructure and server costs, call tracking fees, and payment processing fees. Personnel-related costs primarily include salary, employee benefits, bonuses and stock-based compensation. In addition, cost of platform revenue includes amortization of certain acquired intangible assets, amortization of capitalized internal-use software costs directly related to our product development activities, and allocated overhead.

We accumulate certain costs such as depreciation, rent, utilities, and other facilities related costs and allocate them across our expense categories based on headcount. We refer to these costs as “allocated overhead.”

We expect our cost of platform revenue to increase in absolute dollars as the usage of our platform and product offerings increases.

#### *Professional Services and Other*

Professional services and other cost of revenue consists primarily of personnel-related costs in connection with providing customer onboarding and customer implementation, live voice and chat services. Personnel-related costs primarily include salary, employee benefits, bonuses and stock-based compensation. Professional services and other cost of revenue also includes amortization of certain acquired intangible assets, allocated overhead, and the cost of other ancillary products and services sold to customers. Professional services and other cost of revenue historically has exceeded professional services and other revenue as we invest in providing customers with implementation and onboarding services to enhance customer success. We expect our cost of professional services and other revenue to increase in absolute dollars as the adoption of our product offerings for both new and existing customers increases.

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### ***Operating Expenses***

Operating expenses consist of sales and marketing, research and development and general and administrative expenses. For each of these categories of expense, personnel-related costs consisting primarily of salary, employee benefits, bonuses and stock-based compensation are the most significant components.

We anticipate incurring significant additional operating expenses during the period in which we complete our initial public offering as a result of the stock-based compensation expense associated with our options and restricted stock units as well as additional stock-based compensation expense going forward.

#### ***Sales and Marketing***

Sales and marketing expense consists primarily of personnel-related costs, consulting costs and other costs incurred in connection with our sales and marketing efforts. Personnel-related costs primarily include salary, commissions, employee benefits, bonus and stock-based compensation. Sales and marketing expense also includes marketing and advertising expenses, such as our annual customer conferences, Pantheon and Ignite, and travel and trade show expenses, amortization of acquired customer intangible assets and allocated overhead. As our annual customer conferences are significant sales and marketing events, we expect an increase in sales and marketing expense during the quarter in which they occur. We expect that sales and marketing expense will increase on an absolute dollar basis as we invest to grow our business. We plan to continue to expand sales and marketing efforts to attract new customers, retain existing customers and increase revenue from both new and existing customers. This growth will include adding outbound sales personnel and expanding our marketing activities to continue to generate additional leads.

#### ***Research and Development***

Research and development expense consists primarily of personnel-related and other costs incurred in connection with product management and development efforts. Personnel-related costs primarily include salary, employee benefits, bonus and stock-based compensation. Research and development expense also includes fees to third-party product development resources, infrastructure and server costs, and allocated overhead costs. We expect that research and development expense will increase on an absolute dollar basis as we invest to grow our business.

#### ***General and Administrative***

General and administrative expense consists primarily of personnel-related costs for our executive, finance, legal, information systems, operations and human resource teams. Personnel-related costs primarily include salary, employee benefits, bonus and stock-based compensation. General and administrative expense also includes professional fees, other outside consulting expenses, acquisition and disposal related expenses, and allocated overhead. We expect that general and administrative expenses will increase on an absolute dollar basis but over time decrease as a percentage of total revenue as we focus on the efficiency of our processes and systems that will enable our internal support functions to scale with the growth of our business. In the short term, we anticipate increases to general and administrative expenses as we incur the costs of compliance associated with being a public company, including increased accounting and legal expenses.

#### ***Other Expense, Net***

Other expense, net, consists primarily of interest expense related to our debt arrangements with financial institutions, interest income earned on our cash and cash equivalents, loss on extinguishment of debt, gains or losses on foreign currency transactions and miscellaneous other income.

#### ***Provision For (Benefit From) Income Taxes***

Our income tax provision consists primarily of U.S. federal, state, and foreign income taxes. We maintain a full valuation allowance for our U.S. federal and state deferred tax assets, including net operating loss carryforwards, that are unable to be offset by our U.S. federal and state deferred tax liabilities, as we have concluded that it is not more likely than not that the U.S. deferred tax assets will be realized.

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### Results of Operations

The following table sets forth our consolidated statements of operations data for the period indicated:

	Fiscal	
	2023	2024
Revenue:		
Platform	\$ 443,523	\$ 581,751
Professional services and other	24,211	32,590
Total revenue	<u>467,734</u>	<u>614,341</u>
Cost of revenue:		
Platform	140,921	169,766
Professional services and other	60,789	67,945
Total cost of revenue	<u>201,710</u>	<u>237,711</u>
Gross profit	<u>266,024</u>	<u>376,630</u>
Operating expenses:		
Sales and marketing	196,775	219,994
Research and development	158,870	203,534
General and administrative	132,235	135,966
Total operating expenses	<u>487,880</u>	<u>559,494</u>
Loss from operations	<u>(221,856)</u>	<u>(182,864)</u>
Other expense, net		
Interest expense	(54,542)	(16,436)
Interest income	1,624	7,067
Loss on extinguishment of debt	(9,607)	—
Other income, net	1,801	1,224
Total other expense, net	<u>(60,724)</u>	<u>(8,145)</u>
Loss before income taxes	<u>(282,580)</u>	<u>(191,009)</u>
Provision for (benefit from) income taxes	<u>(13,057)</u>	<u>4,136</u>
Net loss	<u>(269,523)</u>	<u>(195,145)</u>

### Comparison of the Fiscal Years Ended January 31, 2023 and 2024

#### Revenue

	Fiscal		Change	
	2023	2024	\$	Percent
Revenue				
Platform	\$443,523	\$581,751	\$138,228	31%
Professional services and other	24,211	32,590	8,379	35%
Total revenue	<u>\$467,734</u>	<u>\$614,341</u>	<u>\$146,607</u>	<u>31%</u>

Platform revenue increased by \$138.2 million, or 31%, for fiscal 2024, compared to fiscal 2023. This increase was primarily driven by subscription revenue which increased by \$109.3 million, or 33%, for fiscal 2024, compared to fiscal 2023. In addition, revenue from our usage-based products increased by \$28.9 million, or 26%, for fiscal 2024, compared to fiscal 2023. This increase was primarily driven by increases in the volume and value of payments processed using our FinTech offerings.

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Professional services and other revenue increased by \$8.4 million, or 35%, for fiscal 2024, compared to fiscal 2023. This increase was primarily driven by the acquisition of Schedule Engine in the third quarter of fiscal 2023 and increased adoption of our platform product offerings.

### *Cost of Revenue*

	Fiscal		Change	
	2023	2024	\$	Percent
Cost of revenue				
Platform	\$140,921	\$169,766	\$28,845	20%
Professional services and other	60,789	67,945	7,156	12%
Total cost of revenue	\$201,710	\$237,711	\$36,001	18%
Gross profit	\$266,024	\$376,630		
Platform gross margin	68%	71%		
Professional services and other gross margin	(151)%	(108)%		
Total gross margin	57%	61%		

Platform cost of revenue increased by \$28.8 million, or 20%, for fiscal 2024, compared to fiscal 2023. This increase was primarily due to a \$12.1 million increase in the costs to deliver of our Core, FinTech, and Pro products supporting the increase in revenue and a \$4.9 million increase in amortization of capitalized internally developed software. In addition, personnel-related costs increased by \$4.4 million primarily due to an increase in headcount, including an increase of \$0.8 million in stock-based compensation. Allocated overhead also increased by \$3.2 million primarily related to depreciation of the build-out costs associated with our new headquarters space. Platform gross margin increased to 71% for fiscal 2024, compared to 68% for fiscal 2023 primarily due to improved efficiencies in delivering our platform at scale.

Professional services and other cost of revenue increased by \$7.2 million, or 12%, for fiscal 2024, compared to fiscal 2023. This increase was primarily due to an increase of \$3.2 million in amortization of acquired intangible assets, which included \$2.5 million of accelerated amortization expense related to our decision to phase out the use of certain services, and a \$2.2 million restructuring charge related to our reduction in workforce in fiscal 2024. Additionally, allocated overhead increased by \$1.0 million primarily related to depreciation of the build-out costs associated with our new headquarters space. Professional services and other gross margin improved to (108)% for fiscal 2024, compared to (151)% for fiscal 2023 primarily due to improved efficiencies in delivering our professional services at scale.

### *Operating Expenses*

#### *Sales and Marketing*

	Fiscal		Change	
	2023	2024	\$	Percent
Sales and marketing	\$196,775	\$219,994	\$23,219	12%
Sales and marketing as a percentage of revenue	42%	36%		

Sales and marketing expense increased by \$23.2 million, or 12%, for fiscal 2024, compared to fiscal 2023. The increase in sales and marketing expense was primarily driven by an increase of \$15.2 million in personnel-related costs related to an increase in headcount, including an increase of \$4.0 million in commissions and an increase of \$7.0 million in stock-based compensation, of which \$2.3 million related to an expense recorded in connection with our fiscal 2024 tender offer resulting from the fact that the tender offer purchase price was in excess of fair value. Additionally, allocated overhead increased \$3.8 million, primarily related to depreciation of the build-out costs associated with our new headquarters space, and marketing and advertising costs increased \$1.9 million.

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### *Research and Development*

	Fiscal		Change	
	2023	2024	\$	Percent
Research and development	\$158,870	\$203,534	\$44,664	28%
Research and development as a percentage of revenue	34%	33%		

Research and development expense increased by \$44.7 million, or 28%, for fiscal 2024, compared to fiscal 2023. The increase in research and development expense was primarily driven by an increase of \$38.3 million in personnel-related costs related to an increase in headcount, including an increase of \$12.1 million in stock-based compensation, of which \$4.4 million related to an expense recorded in connection with our fiscal 2024 tender offer resulting from the fact that the tender offer purchase price was in excess of fair value. Allocated overhead increased \$4.5 million, primarily related to depreciation of the build-out costs associated with our new headquarters space. Additionally, infrastructure and server costs and software subscription fees related to our ongoing product development efforts increased \$1.6 million related to our ongoing product development efforts. These increases were partially offset by a decrease of \$1.7 million in third-party development resources as we leveraged more internal development resources in fiscal 2024.

### *General and Administrative*

	Fiscal		Change	
	2023	2024	\$	Percent
General and administrative	\$132,235	\$135,966	\$3,731	3%
General and administrative as a percentage of revenue	28%	22%		

General and administrative expense increased by \$3.7 million, or 3%, for fiscal 2024, compared to fiscal 2023. The increase in general and administrative expense was primarily driven by an increase of \$17.9 million in stock-based compensation, of which \$6.3 million related to an expense recorded in connection with our fiscal 2024 tender offer resulting from the fact that the tender offer purchase price was in excess of fair value and \$6.3 million related to the recognition of expense for certain performance-based equity awards where the performance condition was estimated to be probable of achievement. In addition, allocated overhead increased \$4.5 million primarily related to depreciation of the build-out costs associated with our new headquarters space and our allowance for credit losses increased by \$2.3 million. These increases were partially offset by a decrease of \$7.1 million in consulting costs primarily due to acquisition-related accounting support being required in fiscal 2023, a decrease of \$6.0 million in legal and other acquisition-related expenses, and \$5.5 million of abandoned offering costs that were recognized in fiscal 2023.

### *Other Expense, Net*

	Fiscal		Change	
	2023	2024	\$	Percent
Other expense, net	\$(60,724)	\$(8,145)	\$52,579	(87)%

Other expense, net decreased by \$52.6 million, or 87%, for fiscal 2024, compared to fiscal 2023 primarily due to a decrease of \$38.1 million in interest expense related to the restructuring of our debt, and our fiscal 2023 other expense, net included a \$9.6 million loss on the extinguishment of debt whereas there was no loss on extinguishment in fiscal 2024 and interest income increased \$5.4 million due to higher interest rates.

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### *Provision For (Benefit From) Income Taxes*

	<u>Fiscal</u>		<u>Change</u>	
	<u>2023</u>	<u>2024</u>	<u>\$</u>	<u>Percent</u>
Provision for (benefit from) income taxes	\$(13,057)	\$4,136	\$17,193	(132)%

We had an income tax provision of \$4.1 million for fiscal 2024 compared to a benefit from income taxes of \$13.1 million for fiscal 2023. The change was primarily driven by a \$16.7 million tax benefit related to the valuation allowance release related to the FieldRoutes and Schedule Engine acquisitions in fiscal 2023, as the deferred tax liabilities from these acquisitions were an available source of income to realize our deferred tax assets.

### **Non-GAAP Financial Measures**

In addition to our results prepared in accordance with GAAP, we believe non-GAAP gross profit and non-GAAP gross margin in total and for platform and professional services and other, non-GAAP loss from operations and non-GAAP operating margin are useful in evaluating our operating performance.

For the reasons set forth below, we believe that excluding the following items provides information that is helpful in understanding our operating results, evaluating our future prospects, comparing our financial results across accounting periods, and comparing our financial results to our peers, many of which provide similar non-GAAP financial measures.

- *Stock-based compensation expense and related employer payroll taxes.* We exclude stock-based compensation expenses and related employer payroll taxes to allow investors to make more meaningful comparisons of our performance between periods and to facilitate a comparison of our performance to those of other peer companies. Stock-based compensation may vary between periods due to various factors unrelated to our core performance, including as a result of the assumptions used in the valuation methodologies, timing and amount of grants and other factors. We exclude employer payroll taxes because the amounts vary based on timing and settlement or vesting of awards unrelated to our core operating performance. Moreover, stock-based compensation expense is a non-cash expense that we exclude from our internal management reporting processes and when assessing our actual performance, budgeting, planning, and forecasting future periods.
- *Amortization of acquired intangible assets.* We incur amortization expense for acquired intangible assets in connection with acquisitions of certain businesses and technologies. Amortization of acquired intangible assets is a non-cash expense that is significantly affected by the timing and size of acquisitions, and the inherent subjective nature of purchase price allocations. Because these costs have already been incurred, we exclude the amortization expense from our internal management reporting processes. We exclude these charges when assessing our actual performance and when budgeting, planning, and forecasting future periods. Investors should note that the use of intangible assets contributed to our revenues earned during the periods presented and will contribute to our future period revenues as well.
- *Restructuring charges.* To better align our strategic priorities with our investments, we implemented a workforce reduction in fiscal 2024. In connection with that reduction, we incurred employee-related expenses including severance and other termination benefits. We excluded these charges when assessing our actual performance in fiscal 2024 and when budgeting, planning and forecasting future periods.
- *Loss on operating lease assets.* In fiscal 2024, we incurred an impairment on certain right-of-use assets and other long-lived assets. See Note 2 of our audited consolidated financial statements included elsewhere in this prospectus. We believe that it is useful to exclude these charges when assessing the level of various operating expenses and resource allocations when budgeting, planning and forecasting



future periods. In addition, we believe excluding such costs enhances the comparability between periods.

- *Acquisition related items.* We have incurred costs related to acquisitions, including legal, third-party valuation and due diligence, insurance costs, and one-time retention bonuses for employees of acquired companies. In addition, we periodically record the change to the fair value of contingent consideration related to past acquisitions. We exclude these items when assessing our actual performance and when budgeting, planning and forecasting future periods. We believe excluding these items allows investors to make meaningful comparisons between our core operating results and those of other peer companies.
- *Write-off of deferred offering costs.* We wrote off previously capitalized costs related to an offering of our securities that we elected not to pursue in fiscal 2023. These costs are not recurring in nature and we believe excluding these charges allows investors to make meaningful comparisons between our actual performance and those of other peer companies. We also exclude these charges when assessing our actual performance and when budgeting, planning and forecasting future periods.

These measures, however, have certain limitations in that they reflect the exercise of judgment by our management about which expenses are excluded or included and do not include the impact of certain expenses that are reflected in our consolidated statement of operations that are necessary to run our business. These non-GAAP financial measures should be considered in addition to, not as a substitute for or in isolation from, our financial results determined in accordance with GAAP. We caution investors that amounts presented in accordance with our definition of non-GAAP gross profit, non-GAAP gross margin, non-GAAP loss from operations and non-GAAP operating margin may not be comparable to similar measures disclosed by other companies because not all companies and analysts calculate non-GAAP gross profit, non-GAAP gross margin, non-GAAP loss from operations and non-GAAP operating margin in the same manner.

***Non-GAAP Gross Profit and Non-GAAP Gross Margin***

We define non-GAAP gross profit and non-GAAP gross margin as GAAP gross profit and GAAP gross margin, respectively, excluding stock-based compensation expense and related employer payroll taxes, amortization of acquired intangible assets, restructuring charges, loss on operating lease assets, and acquisition related items. Total non-GAAP gross margin represents total non-GAAP gross profit as a percentage of total revenue. Non-GAAP Platform gross margin represents non-GAAP platform gross profit as a percentage of platform revenue and non-GAAP professional services and other gross margin represents non-GAAP professional services and other gross profit as a percentage of professional services and other revenue.

The following table reflects the reconciliation of GAAP gross profit to non-GAAP gross profit and GAAP gross margin to non-GAAP gross margin for the periods presented:

	Platform		Professional Services and Other		Total	
	Fiscal		Fiscal		Fiscal	
	2023	2024	2023	2024	2023	2024
GAAP gross profit	\$ 302,602	\$ 411,985	\$ (36,578)	\$ (35,355)	\$ 266,024	\$ 376,630
Stock-based compensation expense and related employer payroll taxes	4,204	5,694	4,112	4,424	8,316	10,118
Amortization of acquired intangible assets	21,326	21,844	1,268	4,484	22,594	26,328
Restructuring charges	—	1,217	—	2,181	—	3,398
Loss on operating lease assets	—	798	—	347	—	1,145
Acquisition related items	92	—	166	—	258	—
Non-GAAP gross profit	<u>\$ 328,224</u>	<u>\$ 441,538</u>	<u>\$ (31,032)</u>	<u>\$ (23,919)</u>	<u>\$ 297,192</u>	<u>\$ 417,619</u>

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	Platform		Professional Services and Other		Total	
	Fiscal		Fiscal		Fiscal	
	2023	2024	2023	2024	2023	2024
GAAP gross margin	68%	71%	(151)%	(108)%	57%	61%
Stock-based compensation expense and related employer payroll taxes	1%	1%	17%	14%	2%	2%
Amortization of acquired intangible assets	5%	4%	5%	14%	5%	4%
Restructuring charges	0%	0%	0%	7%	0%	1%
Loss on operating lease assets	0%	0%	0%	1%	0%	0%
Acquisition related items	0%	0%	1%	0%	0%	0%
Non-GAAP gross margin	74%	76%	(128)%	(73)%	64%	68%

\* Totals may not foot due to rounding.

### Non-GAAP Loss from Operations and Non-GAAP Operating Margin

We define non-GAAP loss from operations and non-GAAP operating margin as GAAP loss from operations and GAAP operating margin, respectively, excluding stock-based compensation expense and related employer payroll taxes, amortization of acquired intangible assets, restructuring charges, acquisition related items, loss on operating lease assets and write-off of deferred offering costs. Non-GAAP operating margin represents non-GAAP loss from operations as a percentage of total revenue.

The following table reflects the reconciliation of GAAP loss from operations to non-GAAP loss from operations and GAAP operating margin to non-GAAP operating margin for the periods presented:

	Fiscal	
	2023	2024
GAAP loss from operations	\$ (221,856)	\$ (182,864)
Stock-based compensation expense and related employer payroll taxes	64,575	105,032
Amortization of acquired intangible assets	45,358	48,817
Restructuring charges	—	8,182
Acquisition related items	9,262	(1,092)
Loss on operating lease assets	—	4,857
Write-off of deferred offering costs	5,563	—
Non-GAAP loss from operations	\$ (97,098)	\$ (17,068)

	Fiscal	
	2023	2024
GAAP operating margin	(47)%	(30)%
Stock-based compensation expense and related employer payroll taxes	14%	17%
Amortization of acquired intangible assets	10%	8%
Restructuring charges	0%	1%
Acquisition related items	2%	0%
Loss on operating lease assets	0%	1%
Write-off of deferred offering costs	1%	0%
Non-GAAP operating margin	(21)%	(3)%

\* Totals may not foot due to rounding.

## **Liquidity and Capital Resources**

Since our inception, we have financed our operations, capital expenditures and acquisitions primarily through issuance of redeemable convertible preferred stock, non-convertible preferred stock, and debt as well as through payments received from our customers. As of January 31, 2024, we had cash and cash equivalents of \$146.7 million and \$70.0 million available under the Credit Agreement, as described below. Cash and cash equivalents consisted of checking accounts and money market funds with maturities less than 90 days from the date of purchase.

We believe that our existing cash and cash equivalents, cash available under our Credit Agreement, and cash receipts from our revenue arrangements will be sufficient to support working capital, operating lease payments and capital expenditure requirements for at least the next 12 months from the date of this prospectus. Our future capital requirements and the adequacy of available funds will depend on many factors, including those set forth in the section titled “Risk Factors.” Further, in the future we may enter into arrangements to acquire or invest in businesses, products, services and technologies. We may be required to seek additional equity or debt financing. In the event that additional financing is required from outside sources, we cannot be sure that any additional financing will be available to us on acceptable terms if at all. If we are unable to raise additional capital when desired, our business, operating results and financial condition could be adversely affected.

### ***Credit Agreement***

In January 2023, we entered into a credit agreement, or the Credit Agreement, that includes (i) a term loan facility, or the Term Loan Facility, in an initial aggregate principal amount of \$180.0 million, and (ii) a revolving credit facility, or the Revolving Credit Facility, in an initial aggregate principal amount of \$70.0 million. The Term Loan Facility and the Revolving Credit Facility bear interest at a floating rate which can be, at our option, (i) a term Secured Overnight Financing Rate, or SOFR, based rate for a specified interest period plus an applicable margin of 3.5% per annum or (ii) a base rate plus an applicable margin of 2.5% per annum. The term SOFR-based rate applicable to the Credit Agreement is subject to a “floor” of 0.75%. The Credit Agreement contains standard and customary covenants for agreements of this type, including various reporting, affirmative and negative covenants. On the first day of each calendar quarter, we are required to repay an aggregate principal amount equal to 0.25% of the aggregate original principal amount of the Term Loan Facility, and a commitment fee of 0.5% per annum on undrawn amounts under the Revolving Credit Facility. The Term Loan Facility and the Revolving Credit Facility will mature in January 2028, unless extended as described in the Credit Agreement. As of January 31, 2024, the outstanding principal balance of the Term Loan Facility was \$178.7 million, and there were no amounts drawn under the Revolving Credit Facility. See the section titled “Description of Certain Indebtedness” for additional information regarding the Credit Agreement.

### ***Non-Convertible Preferred Stock***

In October 2022, we issued 250,000 shares of non-convertible preferred stock and warrants to purchase 1,262,516 shares of common stock for \$0.01 per share. The total net proceeds received after issuance costs for this financing was \$249.2 million. The warrants were fully exercised in October 2022. We used the net proceeds from the foregoing to repay a portion of the indebtedness incurred under term loans that were entered into in February 2022 in connection with our acquisition of FieldRoutes, or the 2022 Term Loans.

The holders of the non-convertible preferred stock are entitled to cumulative dividends at 10% per annum for the first five years and 15% per annum between the fifth and sixth anniversary. Dividends prior to the sixth anniversary are paid-in-kind. After the sixth anniversary, the holders are entitled to cash dividends, payable quarterly, at an annual rate of 20% of the non-convertible preferred stock liquidation preference. We have the right to redeem the non-convertible preferred stock at any time. See the section titled “Description of Capital Stock—Non-Convertible Preferred Stock” for a discussion of the terms of our non-convertible preferred stock and the rights afforded to holders of such shares.

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### **Cash Flows**

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

	Fiscal	
	2023	2024
Net cash used in operating activities	\$(120,748)	\$(39,702)
Net cash used in investing activities	(681,182)	(40,347)
Net cash provided from financing activities	889,033	24,269
Net increase (decrease) in cash, cash equivalents, and restricted cash	<u>\$ 87,103</u>	<u>\$(55,780)</u>

### **Operating Activities**

Net cash used in operating activities was \$39.7 million in fiscal 2024. This primarily related to our net loss of \$195.1 million, adjusted for non-cash charges of \$208.2 million and net cash outflows of \$52.7 million for changes in our operating assets and liabilities. The primary drivers of the changes in our operating assets and liabilities relate to an increase in deferred contract costs of \$12.6 million, an increase in contract assets of \$11.8 million, a decrease in lease liability of \$9.2 million, an increase in accounts receivable of \$7.8 million, a decrease in accounts payable and accrued operating expenses, accrued personnel-related expenses and other liabilities of \$6.4 million, and an increase in prepaid and other assets of \$5.2 million. The changes in our operating assets and liabilities are primarily due to the growth of our business, timing of cash receipts from customers, timing of cash payments to our vendors and timing of payroll.

Net cash used in operating activities was \$120.7 million for fiscal 2023. This primarily related to our net loss of \$269.5 million, adjusted for non-cash charges of \$141.6 million and net cash inflows of \$7.2 million for changes in our operating assets and liabilities. The primary drivers of the changes in our operating assets and liabilities relate to an increase in accounts payable and accrued operating expenses, accrued personnel-related expenses and other liabilities of \$26.5 million, an increase in lease liability of \$9.3 million, and an increase in deferred revenue of \$1.7 million, partially offset by an increase in contract assets of \$10.2 million, an increase in deferred contract costs of \$11.1 million, an increase in accounts receivable of \$4.5 million, and an increase in prepaid and other assets of \$4.6 million. The changes in our operating assets and liabilities are primarily due to the growth of our business, timing of cash receipts from customers, timing of cash payments to our vendors and timing of payroll.

### **Investing Activities**

Net cash used in investing activities was \$40.3 million for fiscal 2024. This consisted of cash outflows relating to \$28.4 million for the purchase of property and equipment primarily related to improvements to our headquarters and other facilities and \$15.7 million for the investments in capitalized internal-use software, partially offset by the proceeds from the sale of intangible assets of \$2.7 million and the repayment of an employee loan of \$1.5 million.

Net cash used in investing activities was \$681.2 million for fiscal 2023. This consisted of cash outflows relating to the payment, net of cash acquired of \$589.7 million for the acquisitions of FieldRoutes and Schedule Engine, \$74.0 million for the purchase of property and equipment primarily related to improvements to our headquarters and other facilities, \$15.5 million for the investments in capitalized internal-use software, and \$2.5 million related to deposits for property and equipment, partially offset by the repayment of an employee loan of \$0.5 million.

### **Financing Activities**

Net cash provided by financing activities was \$24.3 million for fiscal 2024. This consisted of proceeds from the issuance of Series H-1 redeemable preferred stock, net of issuance costs, of \$33.6 million and \$9.7 million from

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the exercise of stock options, partially offset by the net settlement of shares for the tax withholding of RSUs of \$16.5 million, the payment of debt of \$1.4 million, and the payment of contingent consideration of \$0.8 million.

Net cash provided by financing activities was \$889.0 million for fiscal 2023. This consisted of proceeds of \$905.0 million from the 2022 Term Loans and the Credit Agreement, and proceeds from the issuance of Series H redeemable preferred stock, net of issuance costs, of \$472.9 million, proceeds from the issuance of non-convertible preferred stock and warrants, net of issuance costs, of \$249.2 million, proceeds from the repayment of employee notes of \$8.8 million, and exercise of stock options, net of repurchases, of \$2.0 million, partially offset by the repayment of the 2022 Term Loans of \$725.0 million, the payment of debt issuance costs of \$17.8 million, the payment of \$2.0 million of offering costs, the net settlement of shares for the tax withholding of RSUs of \$3.4 million and the payment of contingent consideration of \$0.7 million.

### **Qualitative and Quantitative Disclosures about Market Risk**

We are exposed to 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 the result of fluctuations in interest rates and foreign currency exchange rates.

#### ***Interest Rate Risk***

As of January 31, 2024, we had cash and cash equivalents of \$146.7 million. Our cash and cash equivalents are held for working capital purposes. We do not enter into investments for trading or speculative purposes. Due to the short-term nature of our investments, we have not been exposed to, nor do we anticipate being exposed to, material risks due to changes in interest rates.

Our exposures to market risk for changes in interest rates relate primarily to the Credit Agreement (described above) which bears floating interest rates and a rising interest rate environment will increase the amount of interest paid on these loans. Each 100 basis point increase in these initial rates would increase annual interest expense by approximately \$1.8 million assuming the loans remain outstanding for the annual period.

#### ***Foreign Currency Risk***

The vast majority of our cash generated from revenue is denominated in U.S. dollars, with a small amount denominated in Canadian dollars. Our expenses are generally denominated in the currencies of the jurisdictions in which we conduct our operations, which are primarily in the United States, Armenia and Canada. Our results of operations and cash flows are, therefore, subject to fluctuations due to changes in foreign currency exchange rates. The effect of a hypothetical 10% change in foreign currency exchange rates applicable to our business would not have had a material impact on our consolidated financial statements in fiscal 2023 and fiscal 2024. As the impact of foreign currency exchange rates has not been material to our historical operating results, we have not entered into derivative or hedging transactions, but we may do so in the future if our exposure to foreign currency becomes more significant.

#### ***Inflation Risk***

If our costs, in particular personnel-related costs, become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition and results of operations.

#### ***Critical Accounting Policies and Estimates***

Our audited consolidated financial statements and the related notes thereto included elsewhere in this prospectus are prepared in accordance with GAAP. The preparation of consolidated financial statements requires us to make

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estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs and expenses and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ significantly from our estimates.

An accounting policy is deemed critical if it is both important to the portrayal of our financial condition and results and requires us to make difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. An accounting estimate is deemed critical where the nature of the estimate is material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change, and the impact of the estimate on our financial condition or operating performance is material.

We believe that the accounting policies described below involve a significant degree of judgment and complexity. Accordingly, we believe these are the most critical to aid in fully understanding and evaluating our consolidated financial condition and results of operations. For further information of the below critical accounting policies and estimates and our other significant accounting policies, see Note 2 to our audited consolidated financial statements included elsewhere in this prospectus.

### ***Revenue Recognition***

Revenue recognition represents an important accounting policy to the understanding of our financial condition and results of operations. Our revenue recognition may require the use of significant judgment in determining whether services are considered distinct performance obligations that should be accounted for separately and determining estimated standalone selling prices for the purposes of allocating the transaction price to distinct performance obligations. For information regarding our revenue recognition accounting policy, see Note 2 to our audited consolidated financial statements included elsewhere in this prospectus.

### ***Stock-Based Compensation***

Stock-based compensation represents a critical accounting policy to the understanding of our results of operations. For information regarding our stock-based compensation accounting policy, see Note 2 to our audited consolidated financial statements included elsewhere in this prospectus.

The value of our common stock is the primary input to measure the grant date fair value of our stock-based awards. The valuation of our common stock is a critical accounting estimate as it is subject to significant assumptions and estimates as described below.

### ***Common Stock Valuations***

We are required to estimate the fair value of the common stock underlying our stock awards. Significant judgment is required in determining the fair value of our common stock. Prior to us becoming a public company, the fair values of the common stock underlying our stock-based awards were determined by our board of directors with input from management and independent third-party valuations prepared in accordance with the American Institute of Certified Public Accountants Accounting and Valuation Guide: *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*. We believe that our board of directors has the relevant experience and expertise to determine the fair value of our common stock. As described below, the exercise price of our stock-based options was determined by our board of directors based in part on the most recent contemporaneous third-party valuation as of the grant date. Given the absence of a public trading market of our common stock, 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 by independent third-party specialists;
- the prices, rights, preferences and privileges of our redeemable convertible preferred stock relative to those of our common stock;

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- lack of marketability of our common stock;
- our actual operating and financial performance;
- current business conditions and projections;
- likelihood of achieving a liquidity event, such as an initial public offering or a merger or acquisition of our company given prevailing market conditions;
- the market performance of comparable publicly traded companies; and
- the U.S. and global capital market conditions.

In valuing our common stock, we determined the equity value using a hybrid approach where two scenarios were examined: (1) the IPO scenario and (2) the stay private scenario. The per share equity values derived from these scenarios were then probability weighted to estimate the per share value of our common stock.

In the IPO scenario, we used the precedent transaction method which estimates the fair value of our equity based on the sale prices of shares of our preferred or common stock in a recent financing, if applicable, or other transactions in our capital stock. We then estimated the per share value of our common stock by dividing the total equity value by our number of shares of common stock assuming our preferred stock converts.

In the stay private scenario, we estimated the fair value of our equity using a market approach valuation method. The market approach estimates equity value based on the guideline public company method or the precedent transaction method described above. The guideline public company method analyzes the 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 metrics to estimate the value of the subject company. We then determined the per share value of our common stock using an option-pricing model, or OPM, to which we then applied a lack of marketability discount. The OPM allocates values to each equity class by creating a series of call options on our equity value, with exercise prices based on the liquidation preferences, participation rights and strike prices of the equity instruments.

### *Acquisitions*

Accounting for acquisitions represents a critical accounting policy. For information regarding our acquisition accounting policy, see Note 2 to our audited consolidated financial statements included elsewhere in this prospectus. Determining the fair value of assets acquired and liabilities assumed requires management to make judgments and estimates, including the selection of valuation methodologies, assumptions used in future revenue, cost and cash flow forecasts and selection of comparable companies. We engage the assistance of valuation specialists in concluding on fair value measurements in connection with determining fair values of assets acquired and liabilities assumed in a business combination. While we use our best estimates and judgments, estimates are inherently uncertain and subject to refinement. The valuation of intangible assets, primarily customer relationships and developed technology, includes estimates that are critical accounting estimates. These critical estimates are primarily those relating to forecasted growth rates, customer retention rates and obsolescence rates of acquired technology. We base these estimates using information available regarding historical trends and future industry conditions and macroeconomic events, and judgments regarding the replacement and obsolescence of acquired technologies, among other factors.

### **Recent Accounting Pronouncements**

See Note 2 to our consolidated financial statements included elsewhere in this prospectus for a description of recently adopted accounting pronouncements and recently issued accounting pronouncements not yet adopted.

**JOBS Act Accounting Election**

We are an “emerging growth company” under the JOBS Act, which permits us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We have elected to use this extended transition period until we are no longer an emerging growth company or until we affirmatively and irrevocably opt out of the extended transition period. As a result, our consolidated financial statements may not be comparable to companies that comply with new or revised accounting pronouncements applicable to public companies.



## BUSINESS

### Overview

ServiceTitan is **the operating system that powers the trades**.

We are modernizing a massive and technologically underserved industry—an industry commonly referred to as the “trades.” The trades consist of the collection of field service activities required to install, maintain, and service the infrastructure and systems of residences and commercial buildings. Tradespeople—like your local plumber, roofer, landscaper, HVAC technician and others who are employed in the trades—are immensely skilled and extensively trained. They are the essential, unsung heroes who work tirelessly to ensure that our needs are met where we live or work, ready at a moment’s notice to leave their families in the middle of the night to go across town to help others. The trades constitute a large, expanding cornerstone of our economy. There are hundreds of thousands of trades businesses providing essential services in every corner of the country. Based on internal analysis of industry data, we estimate the customers of trades businesses, which we refer to as “end customers,” spent over \$ trillion in on trades services for homes and businesses in the United States and Canada alone.

Despite the size and criticality of the trades and the specialized skills of tradespeople, technology solutions have generally not evolved to address their needs. Thus, many trades are forced to rely on a variety of inadequate tools to manage their workflows. As a result, before software like ours was created, we believe tradespeople were unable to fully harness the transformative benefits of modern technology to improve both their businesses and quality of life.

ServiceTitan was born in the trades and built for the trades. Our founders, Ara Mahdessian and Vahe Kuzoyan, are the sons of trades business owners. They grew up watching their parents work late into the night after full days in the field—balancing the books, preparing invoices and scheduling the next day’s work—manually performing repetitive tasks that consumed their time and diverted their energy away from what they loved: serving customers and spending time with their families. Ara and Vahe founded ServiceTitan to provide tradespeople, like their parents, with technology that is purpose-built to help trades businesses thrive. We built our cloud-based software platform to offer end-to-end capabilities to manage complex workflows, connect key stakeholders and provide impactful industry best practices. ServiceTitan remains to this day maniacally focused on the success of our customers as we fundamentally believe that our customers’ success leads to our success.

ServiceTitan provides an end-to-end, cloud-based software platform that connects and manages a wide array of business workflows such as advertising, job scheduling and management, dispatching, generating estimates and invoices, payment processing and more. We designed our platform to be the operating system for the trades, to assimilate features, capabilities and best-practices across trades for all of our customers and to provide them with a playbook to scale and operate more efficiently. Tradespeople spend their days interfacing with the ServiceTitan platform across what we believe to be the five most business-critical functions, or the “core centers of gravity,” inside a trades business: CRM (customer relationship management, including sales enablement, marketing automation and customer service), FSM (field service management, including scheduling and dispatching), ERP (enterprise resource planning, including inventory), HCM (human capital management, including compensation and payroll) and FinTech (including payments and third-party consumer financing). By offering interoperable capabilities in all five centers of gravity, we continuously capture comprehensive data insights across key workflows in a trades business. We believe these data insights position us to deliver differentiated value to our customers and to develop durable customer relationships, as demonstrated by our gross dollar retention rate of % as of January 31, 2024 and % as of January 31, 2023.<sup>12</sup>

We are intimately aware of the challenges our customers face every day. Our software has been built on tens of thousands of hours of customer interactions and billions of data points collected from tradespeople’s live usage.

<sup>12</sup> See the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Business Performance” for a description of how we calculate gross dollar retention rate.

Our close customer proximity and deep connection with the industry enable us to make evidence-based recommendations that can improve our customers' business outcomes by identifying and replicating what works and fixing what does not. Our insights are augmented by the vast amounts of structured and unstructured data that we synthesize into best practices. These insights are then delivered across automated workflows, many of which we enhance with artificial intelligence, or AI, to address the distinct vertical-specific needs of the trades. Our comprehensive capabilities help our customers manage, grow and further professionalize their businesses, positioning them to realize the following impactful outcomes:

- **Accelerate Revenue.** Our suite of products provides powerful tools to help our customers drive more sales by helping them to determine which end customers to target, marketing to end customers effectively and optimizing the process to convert and retain end customers by making the job-booking process as seamless as possible. We also continuously refine and provide data-backed industry best practice playbooks to train technicians to be effective sales representatives and build trust with the end customer.
- **Drive Operational Efficiency.** Our platform helps to increase overall productivity by seamlessly integrating our customers' often fragmented business processes. Our tools enable office staff and technicians to collaborate more effectively and focus on their end customers' needs by providing access to consistent and real-time information, automating back-office workflows and enabling payment collection on-site.
- **Deliver a Superior End-Customer Service Experience.** Our tools help the trades provide the kind of modern, convenient, mobile-first end-customer experience that earns five-star reviews and builds brand loyalty, where the end customer is typically a homeowner, business owner or property manager. Our tools enable customers to deliver transparent, seamless end-customer outcomes from the initial call through job completion and on-site payment collection, and then receive immediate feedback through reviews to make any necessary refinements or remediations to confirm end-customer satisfaction. Further, our embedded position in the trades ecosystem allows us to proactively monitor shifting end-customer expectations and continuously innovate around them.
- **Provide a Differentiated Employee Experience.** Our software delivers cutting-edge tools that improve experiences for office staff and can increase commissions for technicians. We arm technicians with relevant data and a suite of capabilities that empower them to be more knowledgeable and productive at the job site, ultimately delivering an enhanced end-customer experience. These tools are designed to drive higher average ticket sizes and better end-customer reviews and retention, which in turn can lead to higher commissions for technicians while minimizing their time spent on menial tasks. We believe higher commission opportunities, in tandem with the efficiency and employee experience benefits enabled by our platform, help to increase employee morale and retention in an industry facing competition over a shortage of skilled labor. Our customers' technicians also benefit from being at the forefront of technology powering the trades, which can further drive technician retention at ServiceTitan-powered businesses.
- **Heighten Business Owners' Visibility, Control and Peace of Mind.** Our platform offers our customers real-time insights into key business workflows through customizable dashboards that can be accessed essentially anywhere, anytime. We empower our customers to make optimal high-impact, data-driven decisions for their businesses. Through this enhanced sense of control combined with the meaningful benefits we can deliver to business owners' operational results, our tools are designed to deliver peace of mind to owners of trades businesses that their businesses are running smoothly and they are on an informed path to success.

We serve many trades, including plumbing, electrical, HVAC, garage door, pest control, landscaping and others. As of January 31, 2024, we served over \_\_\_\_\_ customers, and in fiscal 2024 and fiscal 2023 we processed over \$ \_\_\_\_\_ billion and \$ \_\_\_\_\_ billion of Gross Transaction Value, or GTV, respectively. GTV represents the sum of total dollars invoiced by our customers to end customers through our platform in a given period, which is intended to be a proxy for the total revenue our customers generate from their end customers.

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We define a customer as a parent organization, which may have multiple locations, brands or subsidiaries that have been billed in the prior three months, and we strategically focus on Active Customers, which we define as customers with over \$ [redacted] of annualized billings.<sup>13</sup> Our customers have ranged in size from family-owned contractors with a few employees to large franchises with national footprints of over 500 locations and over one billion dollars in annual GTV. As of January 31, 2024, we supported customers that operated in zip codes representing approximately [redacted] % of the U.S. population, based on U.S. census data as of [redacted]. From our founding through January 31, 2024, over [redacted] million jobs have been completed by our customers through our platform. As of January 31, 2024, our Active Customers had on average approximately [redacted] employees and \$ [redacted] in annual GTV. As of January 31, 2024, we had over [redacted] Active Customers, representing over [redacted] % of our revenue for fiscal 2024. No single customer, including the aggregation of customers with a central buying negotiator (such as a franchise network), had aggregated revenue that exceeded [redacted] % of our revenue in fiscal 2023 or fiscal 2024. As a testament to our platform's ability to scale with our customers, as of January 31, 2024, we had [redacted] customers with annualized billings exceeding \$ [redacted] on our platform.<sup>13</sup>

We have two general categories of revenue: (i) platform revenue and (ii) professional services and other revenue. The majority of our revenue is platform revenue, which we generate through (a) subscription revenue generated from access to and use of our platform, including subscriptions to our Core and certain Pro products, and (b) usage-based revenue generated from transactions using our FinTech solutions and usage of certain Pro products. Our Core offers a base-level functionality across all key workflows, including call tracking, scheduling, dispatching, end-customer communications, marketing automation, estimating, job costing, sales, inventory and payroll. To supplement our Core and provide an even higher level of functionality, we offer our Pro products, which provide value-additive capabilities, as well as our FinTech products, which include payment processing and third-party financing solutions. As of January 31, 2024, over [redacted] % of our Active Customers used one or more of our FinTech or Pro products in addition to their subscription to our Core. Our net dollar retention rate, which we view as a measure of our customers' growth and success on our platform, was [redacted] % as of January 31, 2024 and was [redacted] % as of January 31, 2023.<sup>14</sup> We also generate a small portion of revenue from professional services and other sources, with this type of revenue generally earned when we onboard new customers.

We have consistently grown and scaled our business operations organically and through acquisitions in recent periods, while investing for the future. From fiscal 2021 to fiscal 2024, our revenue grew from \$179.2 million to \$614.3 million, respectively, representing a compound annual growth rate of 51%. Most recently, our revenue was \$467.7 million and \$614.3 million for fiscal 2023 and 2024, respectively, representing a year-over-year increase of 31%. During fiscal 2023 and fiscal 2024, we incurred losses from operations of \$221.9 million and \$182.9 million, respectively. During fiscal 2023 and fiscal 2024, we incurred net losses of \$269.5 million and \$195.1 million, respectively, with \$97.1 million and \$17.1 million in non-GAAP losses from operations, respectively.<sup>15</sup> Our net loss, loss from operations and non-GAAP loss from operations in recent periods reflect our continued investment in the growth of our business to capture the large market opportunity available to us.

## Industry Background

Access to clean water, consistent power, heated and ventilated air, an environment free from pest infestations, and a roof overhead are just some of the basic requirements of the modern home and business. We take these standards of living and comforts for granted until something goes wrong—a water pipe bursts, the heat goes out in the dead of winter or the power goes down in the middle of the workday. It is in these moments when tradespeople come to the rescue and we remember how much we depend on the trades.

<sup>13</sup> See the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Business Performance" for a description of how we calculate annualized billings.

<sup>14</sup> See the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Business Performance" for a description of how we calculate net dollar retention rate.

<sup>15</sup> See the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures—Non-GAAP Loss from Operations and Non-GAAP Operating Margin" for a description of non-GAAP loss from operations and a reconciliation of non-GAAP loss from operations to loss from operations, the most directly comparable financial measure calculated in accordance with GAAP, as well as a summary of certain limitations of non-GAAP measures.

### ***The Trades Are Massive, Durable and Rapidly Professionalizing***

The trades are a cornerstone of our global economy and one of the largest employment categories for the U.S. workforce. They attract considerable spending on homes, businesses and other properties. Based on internal analysis of industry data, we estimate end customers spent over \$ trillion in on trades services for homes and businesses in the United States and Canada alone.

The critical and generally non-discretionary nature of the work conducted by trades businesses also makes it a resilient category in times of economic and societal uncertainty. According to an industry report, over 75% of the 666 million jobs completed by trades businesses across U.S. residential home services in 2022 were expected to be immediate, preventative or non-discretionary in nature.<sup>16</sup>

In addition to being large and durable, the trades have several tailwinds that we expect to continue for the foreseeable future. First, the U.S. building stock, including homes, businesses, and other properties, are aging, requiring increasing levels of upkeep. In 1991, the median age of a U.S. owner-occupied home was 27 years; by 2021 the median age had increased to 43 years, its highest in the last three decades.<sup>17</sup> Second, homeowners and property managers increasingly lack the technical skills, know-how and willingness to perform increasingly complex projects in a “DIY” manner, driving up demand for professional tradespeople. Finally, climate change has ushered in changing and increasingly extreme weather patterns, including warmer summers and colder winters that result in, for instance, a heightened need for HVAC systems. Over time, changing weather patterns can lead to more wear-and-tear on homes and businesses, increasing the frequency of maintenance projects and new installations. In addition, a shift to clean energy would require installation and associated maintenance of new equipment, requiring the expertise of tradespeople.

Historically, the trades consisted of smaller, often family-owned entrepreneurial businesses with limited operational and geographical footprints. However, in recent years, more businesses are seeking to integrate modern technologies into their operations. Furthering this paradigm shift is the influx of professional operators, including private equity owners, who are investing in and consolidating the trades, accelerating the digital shift with a focus on scaling and improving efficiency. At the same time, end customers increasingly demand seamless digital experiences that have become commonplace in other industries. These external forces create strong incentives for trades businesses to adopt transformative technology solutions to enhance business operations and deliver an enhanced customer experience.

### ***Existing Tools Are Not Fulfilling the Needs of the Industry***

The lack of modern, industry-specific technology solutions has made it difficult for trades businesses to meet the elevated expectations of end customers. Other than the solutions provided by ServiceTitan, the technology tools available to the trades broadly fall into one of four categories:

- *Multiple Disjointed Point-Specific Tools with Narrow Capabilities*, that require a trades business to patch together numerous capabilities to support all its workflows and dedicate significant time, resources, capital and technical expertise, driving up costs without clear upside.
- *Horizontal Software Not Purpose-Built for the Trades*, which typically require heavy customization as well as significant ongoing investment to meet the industry-specific needs of the trades and to keep pace with fast-changing industry dynamics, new technology and shifting consumer expectations. These generic tools are ill-suited for trades businesses, large or small, that generally do not manage complex IT deployments.
- *Legacy On-Premise Technology Tools*, which were designed to address specific back-office use cases and fail to serve the end-to-end needs of a modern trades business. Often developed on-premise with unscalable data models, the constrained architectures of these tools generally fail to provide full connectivity between the business owner, field technicians and back-office.

<sup>16</sup> Angi Inc., The Economy of Everything Home, 2022, <https://www.angi.com/research/reports/market/>.

<sup>17</sup> Harvard Joint Center for Housing Studies, The State of the Nation’s Housing, 2023, [www.jchs.harvard.edu](http://www.jchs.harvard.edu). All rights reserved.

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- *Limited and Narrow, Down-market Solutions*, provided by new entrants inspired by ServiceTitan's success, offer solutions to address workflow challenges but we believe they fail to provide the end-to-end functionality and depth of trades expertise that ServiceTitan has built out over the past decade. These nascent solutions generally offer a thin layer of product capabilities that only address a narrow set of workflows and lack the ability to effectively serve larger trades businesses or scale with their customers as they grow.

### ***The Trades Require an Industry-Centric Approach***

Trades businesses are complex in nature, servicing many types of jobs across complex workflows in distributed locations. Therefore, we believe that to adequately serve the trades, a software solution needs to be purpose-built for the nuanced dynamics of the trades, including the following:

- *Distributed Workforce with Dynamic Workflows*. Trade workflows are often fluid and geographically distributed as technicians, dispatchers, customer support representatives, salespeople, and owners may all be in separate and changing locations throughout the day but require immediate collaborative capabilities. Each job requires these distinct and separated constituents to frequently and dynamically interact with one another in real-time to appropriately address an end customer's job requirements. Further, jobs are generally complex and varying in scope, often requiring distinct combinations of parts and inventory. With such dispersed and variable workflows, combined with the scarcity of technicians and inherent costs of dispatching a technician to a job, we believe that establishing operating standards and maintaining real-time connectivity to ensure that all employees are working in sync can better position trades businesses to deliver high-quality and cost-efficient service.
- *Individual Trades Have Similar but Distinct Characteristics*. The industry consists of a wide array of trades that service different needs of households and businesses. Though each trade has similar operational challenges and business goals, there are often many unique workflows and specifications that require configurations based on the nuances of a particular trade and/or end customer. For example, plumbing, electrical and HVAC services are often provided on-demand and require immediate dispatching, sophisticated in-the-field job estimating and sales enablement solutions on-site. Meanwhile, commercial or construction landscaping projects require sophisticated measurement and estimation for recurring maintenance contracts. Pest control and lawn care are often offered as scheduled recurring services that require membership optimization.
- *Technology Adoption Requires Business Transformation*. Often there are structural inefficiencies in trades businesses' historical operational workflows. However, these processes have existed for generations, and trades businesses may be apprehensive to invest in technology solutions that carry the risk of massively disrupting their established norms. Since trades businesses tend to devote their resources to serving their customers, they often lack large IT organizations required to stitch together narrow solutions, build software products in-house or customize horizontal technology to fit their distinct workflows.

Given the distinct characteristics and challenges of the trades, the need for a software platform built specifically for and trusted by this industry is critical.

### **The ServiceTitan Approach**

The trades deserve a modern platform to deliver superior performance from the back-office to field technicians to end customers. ServiceTitan was born to heed this calling. Our differentiated approach to drive success for our customers is built on three cornerstones:

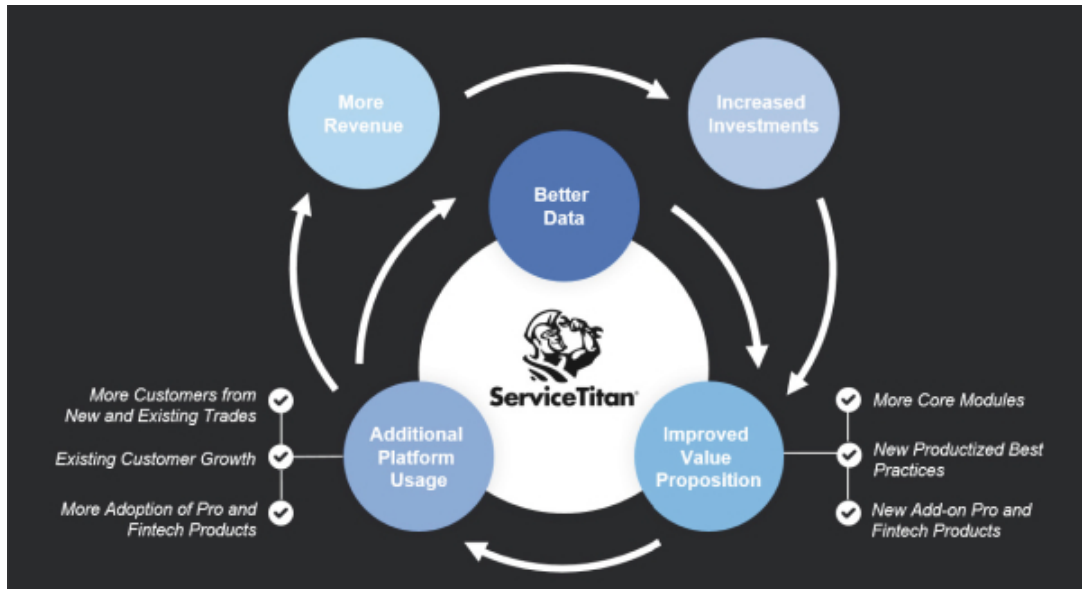
- ***Our Software is Trades-Specific and End-to-End***. We have built what we believe to be the first and only comprehensive cloud-based software solution designed specifically for the diverse spectrum of trades businesses, fully integrating across various facets of business operations, including the five centers of gravity (CRM, FSM, ERP, HCM and FinTech). Rather than targeting specific functional

areas as is traditional in enterprise software, we target our entire customer – a trades business – and have purpose-built our platform to cover their needs and workflows end-to-end. These needs can differ slightly across trade verticals. Therefore, we combine product offerings that are broadly applicable across trades along with tools that are more trade-specific to ensure we have productized all key workflows and can deliver our broad range of solutions through our platform.

- ***We Are Experts in the Trades.*** ServiceTitan lives and breathes the trades. We are emphatically focused on understanding the evolving challenges and workflows of trades stakeholders through continuously engaging with customers and observing their on-site utilization of our products. We also employ in-house industry experts, such as former contractors, former association leaders and other subject matter experts, and work closely with customers and industry partners, including large distributors, OEMs and industry associations, to maintain a constant pulse of the trades. Our position at the center of the trades ecosystem is evident from the success of our annual customer conferences, Pantheon and Ignite, which were most recently held in fall 2023 with over 3,500 customers and 50 trade partners, and are consistently rated by customers as high impact industry gatherings.
- ***We Leverage Our Data Assets to Improve Customer Outcomes and Experiences.*** The trades live and breathe ServiceTitan. Trades businesses spend their days using our platform and processing key workflows through us. Our platform is typically used by nearly every employee across functions at trades businesses, giving us an unrivaled ability to collect data across all workflows and all users. From the moment an end customer clicks on our customer's website, to the scheduling of the dispatched technician, to the GPS pings from the technicians' trucks en-route to a job, down to financing decisions and payment, our customers rely on the ServiceTitan platform to record and collect operational and end-customer data. We anonymize, aggregate and analyze this customer data, including end-customer calls, routing telemetry, job booking details, dispatch data, equipment cost and sales, job costing, lead conversions, and payment detail. This data, spanning over customers and \$ billion in GTV, alongside third party industry and macro data, allows us to glean insights and productize further improvements for our customers.

We leverage these insights derived from our unique data assets together with our ever-growing expertise to build a differentiated perspective on the best way to run a trades business. Because our software is end-to-end, we are able to productize these best practices in our platform to drive real value for our customers. For example, efficiently matching demand to available service capacity is one of the biggest challenges of the trades business; because the services provided by our customers are often needed right away, generating more leads than a customer has capacity to service leads to a waste of previous marketing dollars. Our Ads optimization engine within Marketing Pro leverages dispatch, scheduling and capacity data, and combines it with leads data, all of which flow through our platform, to optimize online marketing in real time. This allows customers to throttle their marketing spend and increase ROI, at the campaign level, based on live available capacity and predicted job value by trade and job types.

This approach drives a powerful flywheel that reinforces our leadership in the trades. As the functionality of our platform expands, our customers can take advantage of that new functionality to increase the usage of our platform, fuel our revenue growth opportunities and enhance our data assets. This allows us to enhance existing solutions, create new products and enter new trades which further improves our value proposition. In turn, we are able to attract new customers and empower our customers to grow, further driving usage and accelerating a virtuous flywheel that reinforces our leadership in the trades.



We supercharge this flywheel with our AI capabilities. ServiceTitan has always strived to be at the forefront of bringing data and machine learning to the trades, and now with the proliferation of AI, we continue to utilize the latest innovations to layer both traditional AI and GenAI into solutions across our platform. To accomplish this, the data we track across our platform, which we refer to as our proprietary data assets, is fed into Titan Intelligence, our AI engine, which automates customer tasks and drives additional insight-based actions, informed by external micro and macro data that we license from third-parties, such as credit card purchase data, further enhancing our value proposition and driving more usage. While we have used our proprietary data assets and micro and macro data licensed from third parties to build our AI solutions, our proprietary algorithms once built do not materially rely on these historic data sets to function.

We believe ServiceTitan has the three necessary ingredients to truly harness the power of AI to drive value for our customers:

- *Massive and growing proprietary data asset.*
- *Similar customer profiles with common workflows.*
- *An end-to-end platform, allowing us to put insights into action.*

We bring AI solutions to our customers in two ways:

- *AI Features and Insights.* We embed AI-driven features and insights within certain existing products. For example, AI document readers, Automatic Job Summarizer, FinTech Financing Plan Optimizer and Service Demand Forecasting can drive immediate value for both top-line growth and efficiency for our customer base. They also enable our customers to start small and build trust in the AI systems reducing barriers to entry for ServiceTitan AI products.
- *AI Products.* We have launched and plan to launch additional innovative, purpose-built, add-on AI products designed specifically for the trades to transform the way our customers perform certain functions. For example, Dispatch Pro is a fully automated, AI-driven dispatching and routing solution, which generates data-based recommendations and takes actions to streamline the dispatch processes for our customers. Trades businesses have historically experienced several inefficiencies in dispatching technicians for field jobs, including inaccurate estimation of job revenue, mismatch of technician strengths for the type of job, and misallocation of jobs resulting in idling or overbooking of technicians. Given our end-to-end nature, we are able to analyze the data that flows through our platform, simulate



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thousands of possible scenarios to project job value, use logic based on industry best practices to automatically assign the best technician for a specific job and ultimately help our customers maximize profitability. This allows our platform to automatically balance the priority of generating the most revenue per job with route optimization, providing demonstrable ROI to our customers and enabling them to increase topline and scale staff with lower overhead cost.

### **Our Platform**

Our end-to-end platform is purpose-built to enable our customers to accelerate the performance of their businesses. We provide owners, technicians, customer service representatives and other office staff with the tools to accelerate growth, drive operational efficiencies and deliver a superior end-customer and field service technician experience, all while monitoring key business drivers and outcomes.

We designed our platform to address key workflows within a trades business. Our platform offerings include: Core, Pro and FinTech products. Our Core offers a base-level functionality across all key workflows, including call tracking, scheduling, dispatching, end-customer communications, marketing automation, estimating, job costing, sales, inventory and payroll. To supplement our Core and provide an even higher level of functionality, we offer our Pro products, which provide value-additive capabilities such as Marketing Pro, Pricebook Pro, Dispatch Pro and Scheduling Pro to further boost operational and financial efficiencies, as well as our FinTech products, which include third-party payment processing and third-party financing solutions.





Our solutions are designed to be highly configurable to best meet the specific needs of each trade vertical. We combine product offerings that are broadly applicable across verticals along with tools that are more trade vertical-specific, including those we acquired through FieldRoutes and Aspire, to ensure we have productized all key workflows necessary to deliver meaningful value to our customers. Today, we go to market in nearly all trade verticals we serve with our ServiceTitan solutions, and additionally cover the pest, cleaning, lawncare and commercial landscaping verticals with our FieldRoutes and Aspire solutions. Over time, we expect to continue investing in the shared services layer across all of the solutions in our platform, increasing the level of integration across workflows. As we continue to innovate and deliver on our product roadmap, we will thoughtfully configure our platform and introduce solutions to additional trades that are relevant to their specific needs and workflows. Further, Titan Intelligence, our AI engine, is woven into components of our Core and Pro product offerings and is integrated into our FinTech solutions. We expect GenAI to be a key component of our platform going forward and plan to continue integrating AI across our platform, enhancing our product offerings with differentiated data insights.

## Our Value Propositions

We offer comprehensive capabilities to help our customers manage and grow their businesses, with the following key outcomes:

- **Accelerate Revenue.** Our suite of products provides powerful tools to help our customers drive more sales and increase average ticket sizes. We help our customers accelerate their growth by helping them to determine which end customers to target, marketing to end customers effectively through the right campaign at the right times and optimizing the process to convert and retain end customers by making the job-booking process as seamless as possible. We empower technicians with the tools and training necessary to help drive better end-customer results and higher ticket sizes that, in turn, can generate higher and more repeatable revenue for our customers. We also continuously refine and provide data-backed industry best practice playbooks to train technicians to be effective sales representatives and build trust with the end-customer.
- **Drive Operational Efficiency.** Our platform helps to increase overall productivity by seamlessly integrating our customers' often fragmented business processes historically served by multiple disjointed point solutions. Our tools enable office staff and technicians to collaborate more effectively and focus on their end customers' needs by providing access to consistent and real-time information, automating back-office workflows and enabling payment collection on-site. More specifically, beginning with our customers' marketing efforts, our platform can monitor and suggest prioritization of advertising spend according to available resources. From a customer service representative perspective, our call booking capabilities allow our customers to have a more informed booking process with fewer customer service representatives. When dispatching a technician, our platform can automatically dispatch the optimal technician for the job via the most efficient route, and arms them with robust property data and job background to ensure they arrive prepared.
- **Deliver a Superior End-Customer Service Experience.** Our tools help the trades provide the kind of modern, convenient, mobile-first end-customer experience that earns five-star reviews and builds brand loyalty. The end customer's experience is tailored and seamless from the initial call, when they are greeted by a customer service representative who has access to information about who the end customer is, what issue they are facing and what their history with our customer might be. Once the job is booked, our platform enables the end customer to receive and send text messages regarding their job, ranging from appointment reminders to technician bios and real-time truck tracking. The end customer is then assigned a technician scheduled to actually arrive on time, is informed on property and job details and is equipped with a tablet that can take the end customer through job estimates to facilitate an informed decision and efficiently troubleshoot any unexpected issue. When the technician completes the job, the end customer can remit payment or opt into third-party consumer financing options for pricier jobs, all on-site through the technician's tablet. Our tools enable customers to deliver transparent, seamless end-customer outcomes from the initial call through job completion and on-site

payment collection, and then receive immediate feedback through reviews to make any necessary refinements or remediations to confirm end-customer satisfaction. Further, our embedded position in the trades ecosystem allows us to proactively monitor shifting end-customer expectations and continuously innovate around them.

- ***Provide a Differentiated Employee Experience.*** Our software delivers cutting-edge tools that improve experiences for office staff and can increase commissions for technicians. From the moment a technician is dispatched, they are armed with an efficient GPS route, relevant property data and a suite of capabilities on their tablets from estimation to payment processing that empower them to be more knowledgeable and productive at the job site, ultimately delivering an enhanced end-customer experience. These tools are designed to drive higher average ticket sizes and better end-customer reviews and retention, which in turn can lead to higher commissions for technicians. Technicians are also able to focus on delivering their valuable expertise to end customers instead of spending time on menial tasks. We believe higher commission opportunities, in tandem with the efficiency and employee experience benefits enabled by our platform, help to increase employee morale and retention in an industry facing competition over a shortage of skilled labor. Our engrained position in the industry enables us to continuously monitor the evolving needs of trades businesses and develop new tools accordingly to further enhance the technician experience. As a result, our customers' technicians benefit from being at the forefront of technology powering the trades, which can further drive technician retention at ServiceTitan-powered businesses.
- ***Heighten Business Owners' Visibility, Control and Peace of Mind.*** Our platform offers our customers real-time insights into key business workflows through customizable dashboards that can be accessed essentially anywhere, anytime. With our dashboards and comprehensive data sets, our customers can make high-impact, data-driven decisions based on extensive, actionable and predictive insights to proactively pivot toward growth and away from potential operational challenges. We empower owners to make optimal decisions for their businesses. Through this enhanced sense of control combined with the meaningful benefits we can deliver to business owners' operational results, our tools are designed to deliver peace of mind to owners of trades businesses that their businesses are running smoothly and they are on an informed path to success.

We view our platform as a critical tool for trades businesses as we deliver on our aforementioned value propositions.

### **Why We Continue to Win**

We believe we have several distinct competitive advantages that drive our continued success:

- ***Customer Proximity and Deep Domain Expertise.*** We understand the challenges that tradespeople experience every day in their businesses. Since our founding, we have maintained a singular focus on offering a purpose-built platform leveraging our domain expertise and strong passion for the trades. We talk to our customers constantly and have differentiated insight into their behavior, successes, and challenges. We are deeply-rooted in the industry and obsess about our customers, allowing us to identify what is working for them and what is not. We learn from challenges to drive future successes across the platform. We employ industry experts (former employees of customers, industry partners and others) and partner with trade industry organizations to ensure we understand trades businesses and address their needs from product innovation to end-customer success.
- ***End-to-End and Trades-Specific Platform Extensible Across Trade Verticals.*** We continue to invest in a robust layer of solutions, including FinTech and Pro products, that can be leveraged across trade verticals, which we refer to as "shared services." At the same time, we have certain focused solutions to enable more vertical-specific workflows, such as those acquired through FieldRoutes and Aspire, to ensure that our offering covers the end-to-end workflows of each trade vertical we serve. Over time, we take aspects of these vertical-specific solutions and make them configurable to other trades, adding to our layer of shared services. As our shared services layer continues to grow, our customers across all

trades can benefit from a wider and deeper range of offerings. Our shared services layer also provides us with a head start when entering new trades; we formulate our learnings from trades we have penetrated so far into a proven strategy to enter new trades verticals. Our goal when we enter a new trade vertical is to tailor our end-to-end offering for that space, leveraging our shared services layer and configurable tools. This end-to-end nature helps us go-to-market in a new vertical as an all-in-one platform that will be an attractive alternative to available single or bundled solutions existing in that vertical. Additionally, we draw on our proven go-to-market playbook from other verticals that includes partnering with key industry organizations, incorporating vertical-specific integrations and rapidly accumulating best practices relevant to the vertical to ensure credibility and fortify our thought leadership.

- **Powerful Data-Driven Insights.** From our founding through January 31, 2024, customers on our platform have completed over million jobs and over \$ billion of GTV has been processed on our platform. All of this activity provides us with data-driven insights that improve our customer value proposition. As Titan Intelligence, our AI engine, evolves and matures, our data-driven capabilities can become more powerful and more insightful. We will continue to weave Titan Intelligence throughout our products, enhancing the value of our products to our customers and leveraging the power of AI in additional use cases. Enhanced value to our customer will often equate to an improved ROI of our product from our customers' point of view, which in turn could justify pricing increases in the future.
- **Innovative Business Model.** Our business model deeply aligns with the success of our customers. We often sell to business owners and key executives, who know the needs of their business best, and understand the full breadth of pain points with existing solutions, and our deep domain expertise gives us the credibility to speak their language during the go-to-market process. During onboarding, our teams heavily invest in our customers' success by providing an effective implementation experience, training technicians, customer service representatives and other office employees and integrating their data flows and systems with our platform from the initial go-live. As customers experience the significant business acceleration benefits of our platform, we have often observed our customers hire more technicians, increase GTV and adopt more of our products, as evidenced by our net dollar retention rate of % as of January 31, 2024, and our gross dollar retention rate of % as of January 31, 2024.<sup>18</sup>
- **World Class Team of Titans.** Our founders and management team are well-positioned as champions of the trades with deep domain experience as well as software and FinTech expertise. ServiceTitan is a values-driven organization that embraces diverse perspectives with curiosity, respect and humility. ServiceTitan is focused on bringing people together onto our team and working together under a strict meritocracy in order to be able to serve a historically underserved industry. Our culture has been a critical component of our success since our founding and tightly connects all of our employees, who we refer to as Titans, to our mission. We seek to attract, train and retain high-caliber talent that is committed to supporting the trades by resolving their most significant and difficult operational challenges. We have a collective commitment to changing lives, achieving the extraordinary and being a dream team. These values and principles help us attract, unite and retain top quality talent from diverse backgrounds to serve the historically underserved trades industry.

## Our Growth Opportunities

We intend to invest in our business to advance the trades through the adoption of our platform.

<sup>18</sup> See the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Business Performance" for a description of how we calculate net dollar retention rate and gross dollar retention rate.

Our growth strategies include the following:

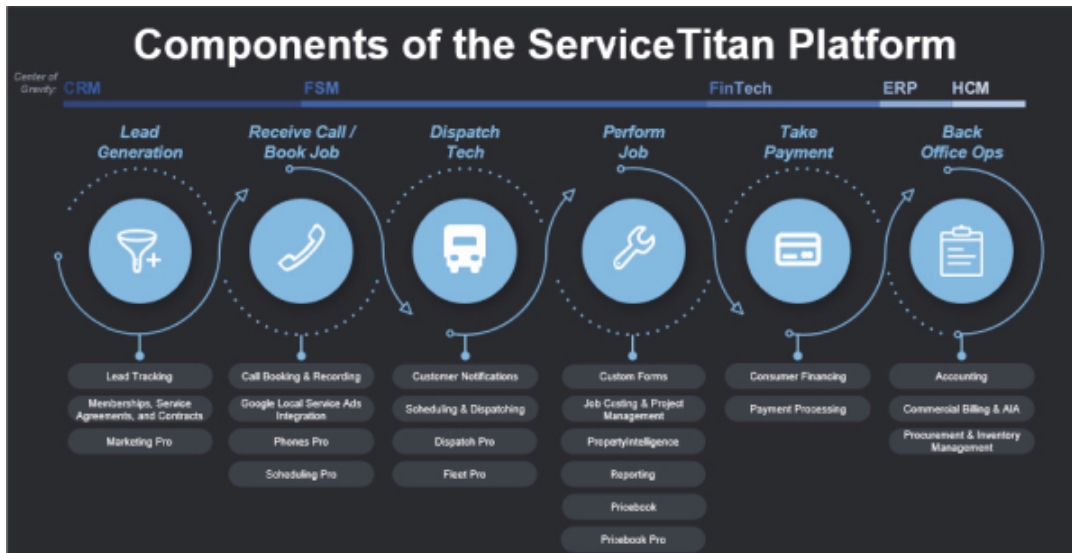
- ***Acquiring New Customers across New and Existing Markets.*** We are focused on expanding our already vast customer base across new and existing trades and regions. In further serving these trades, we have expanded our focus to serve not only residential homes but also businesses. As a result of these efforts, the number of Active Customers on our platform as of January 31, 2024 increased % year-over-year.
  - ***Adding New Customers in Existing Trades.*** We believe there is a significant, untapped opportunity to invest in sales and marketing and add more customers in the trades we already serve. Our strong reputation, brand recognition and organic word-of-mouth marketing are expected to further those efforts.
  - ***Expanding into New Trades.*** We intend to continue to invest in our platform to address the needs of additional trades. We have expanded into new trades through a proven playbook by harnessing common features applicable across the industry, while identifying and building key additional features specific to each trade and end market. We believe our track record and continued strategy to build features that directly address key pain points for our stakeholders across a growing number of trades will continue to differentiate us and help expand our customer base across a growing addressable market. As we expand to new trades, our best practice playbooks will continue to provide a blueprint for our customers to expand into additional trades.
  - ***Expanding Our Geographic Footprint.*** We believe that there is a significant opportunity to strategically expand the usage of our platform outside of the United States and Canada over time based on the current needs of different regions. To date, we have not made any significant investments in growing our presence in international markets, but we believe there is demand for our platform internationally. We see future international expansion as a major opportunity for growth and capturing a larger part of the global trades industry.
- ***Expanding Existing Customer Relationships.*** We orient our activities around what is best for our customers, not only because it's the right thing to do, but also because it drives our growth and financial success.
  - ***Growing with Our Customer.*** As our customers grow their businesses while using our platform, they often hire and add more users to their existing subscription and also complete more transactions through our platform, which both drive more revenue for ServiceTitan. As our customers scale further, they may look to expand into additional trades, which they can leverage our platform to do.
  - ***Driving Adoption of Add-On Products.*** As our customers realize the positive impact of using our products, grow and further professionalize, they often adopt additional ServiceTitan features, namely our FinTech and Pro products. This increased adoption not only drives our revenue through adoption of existing add-on products, but also gives us a sharper inside perspective of how customers engage with our platform and what additional add-on products might be helpful for us to innovate. We then leverage our end-to-end expertise and extensive data assets to tailor additional new products that can remedy the inefficiencies we have identified in our customer workflows and to strengthen our existing capabilities by embedding more features that drive value and make the platform even more powerful.
- ***Innovating Our Platform.*** We intend to continue to invest in research and development to enhance the capabilities of our platform and develop new Pro and FinTech products. We will continue to leverage our extensive data assets to inform our product roadmap, innovating around our customers' evolving needs and their end customers' rising expectations. We expect to continue to build each FinTech and Pro product as a deeply integrated add-on to our expansive Core offering to deliver meaningful outcomes to our customers in a way that would be difficult to achieve without the breadth and depth of the ServiceTitan platform.

## Components of Our Platform

ServiceTitan was built to be the operating system that powers the trades. We designed our platform to comprehensively address key workflows for trades businesses including call tracking, scheduling, dispatching, end-customer communications, marketing automation, estimating, sales, inventory and payroll. Our customers access our platform through a web browser if in the office (including users like customer service representatives, dispatchers, accountants, warehouse managers and other employees) and through a mobile application if in the field (primarily technicians). Given the vertical-specific nature of the trades, we tailor certain product offerings to address specific needs of each trade. As we continue to innovate and deliver on our product roadmap, we intend to thoughtfully configure and introduce solutions to additional verticals as relevant to their specific needs and workflows. Today, we go to market in nearly all trade verticals with ServiceTitan offerings, with the exceptions of the pest, cleaning, lawncare and commercial landscaping verticals, which we address with FieldRoutes and Aspire offerings.

Our platform offers key benefits through three main offerings: Core, FinTech and Pro products. Our entry point to a typical customer’s business is through our Core offering, which provides our standard level of end-to-end functionalities, addressing an expansive set of key business workflows. We also deliver enhanced functionality through our comprehensive portfolio of FinTech and Pro products that integrate seamlessly on top of our Core to suit each customer’s unique needs. As our customers adopt more of our platform’s additive products and features, we have the opportunity to further accelerate the growth of their business, drive operational efficiencies and deliver a superior end-customer experience. As customers realize these benefits, they generally adopt more products and features which, in turn, can lead to even more value generation for their businesses. As of January 31, 2024, over % of our Active Customers had adopted one or more of our FinTech and Pro products.

Our platform is also highly extensible because of our application programming interfaces, or APIs, and developer tools that allow our customers to integrate our products with their systems and third-party applications, further extending and embedding our platform into the broader trades ecosystem. Our partners and system integrators regularly engage with our platform to create value-add extensions that help serve our customers in an even more complete and flexible manner, integrate with adjacent best-in-class products, enhance the stickiness of our platform as we become even further embedded in the ecosystem and provide monetization opportunities through revenue-share partnerships as well as API monetization.



## **Lead Generation**

### *Lead Tracking*

A single customer can have thousands of online leads from a variety of sources, including ads, Yelp and Google sponsorships, which makes knowing which lead sources are producing inbound calls critical to maximizing our customers' sales and marketing ROI. ServiceTitan's lead tracking feature assigns a unique phone number to each marketing campaign that helps map leads to revenue-generating jobs and provides a customer visibility into the effectiveness of each marketing dollar.

### *Memberships, Service Agreements and Contracts*

Our platform allows our customers to effortlessly create new maintenance memberships and equipment-based contracts that are customizable to apply discounts or offer upgrades for additional services. Our customers are also notified when end customers' memberships are expiring and are provided a summary of the membership information to ensure they have the right data when following up on renewals, helping drive up retention and overall revenue.

Additionally, we offer our business customers the flexibility to provide services using service agreements. This feature offers customers consistent and predictable revenue-generating opportunities to generate work when on-site by seamlessly managing sales and maintenance schedules, tracking progress and profitability of each agreement and automating renewals.

### *Marketing Pro*

To complement the lead tracking feature of our Core, Marketing Pro offers automated email marketing, direct mail marketing services, reputation management, ads measurement and optimization and Audience Builder.

- *Email Marketing.* Email marketing allows customers to set up automated email campaigns integrated seamlessly with our Core, sending such emails to end customers as promotions depending on when they last did business or reminders for estimates that need approval.
- *Direct Mail.* Through Marketing Pro, our customers can send marketing mail campaigns with the click of a button directly from the ServiceTitan platform, using data to target the right end customers and optimize their marketing dollars.
- *Reputation Management.* We are acutely aware of how our customers painstakingly build their brands based on end-customer loyalty. Our platform reminds end customers to leave reviews and can connect the review to the technician based on data tagged to the end customer. This allows customers to use positive reviews as incentive compensation for technicians and gives them an opportunity to remediate any issues perceived by end customers, facilitating ultimately positive outcomes that can be the difference in creating a repeat end customer.
- *Ads Measurement & Optimization.* Getting key insights into the performance of their ad campaigns and marketing dollars is important to our customers. With Ads Measurement, trades businesses gain visibility into how well each of their online ad campaigns are doing across multiple channels. In addition, Ads Optimizer also helps customers programmatically target better leads, using propensity scores to decrease their cost per lead and increase their ROI on ad spend.
- *Audience Builder.* Audience Builder sits at the core of Marketing Pro by powering the seamless integration between marketing workflows with ServiceTitan data. With Audience Builder, customers can select key customer segments (such as those with unsold estimates, recurring Memberships or within certain zip codes) to receive automated marketing messages.

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### **Job Booking**

#### *Call Booking and Recording*

Our Call Booking and Recording feature automatically populates end-customer information as calls come in, making appointment booking an informed and effortless process. We use our data-driven insights to show customer service representatives key property details and customer history and build in best practices around collecting key information to enable data analytics.

ServiceTitan routes an end customer's call through a call recording system and attaches the recording to the related job, allowing a business owner to regularly review calls for quality assurance and a technician, who is en-route to the job site, to listen to the call from their mobile application to understand the job and any specific requirements.

#### *Google Local Service Ads Integration*

Our Google Local Service Ads Integration feature enables a prospective end customer to view availability and book directly with our customers with the click of a button using Google search.

#### *Phones Pro*

Phones Pro is a Voice over Internet Protocol phone system that allows customers to route calls through the ServiceTitan platform. This allows our customers to immediately know which customer service representative is taking the call, enabling in-depth reporting on key performance indicators such as call abandonment rates and average call duration. Phones Pro also allows our customers to receive call transcripts and automated alerts for escalation.

We also use AI in our Second Chance Leads feature to analyze interactions that failed to result in booked appointments and are worth pursuing a second attempt.

#### *Scheduling Pro*

Scheduling Pro allows end customers to book work orders directly through the dispatch board at any time, resulting in less friction for end customers who would otherwise be in queue, and increased orders for our customers even during periods when sales representatives are busy or after-hours. This feature helps our customers capture revenue that may otherwise be lost. Once an order has been placed, Scheduling Pro enables dispatchers to see where each technician is in the job cycle so they can queue up new jobs. With Scheduling Pro, our customers get the benefit of providing 24/7 service, helping resolve calls with personalized, industry-expert guidance and building brand and customer relationships.

### **Dispatching Technician**

#### *Customer Notifications*

End customers receive automated text notifications when their job is booked and the technician is on the way, along with the technician's picture and a link to the technician's GPS location. Moreover, end customers can directly communicate with the technician through a two-way chat feature and receive real-time updates.

#### *Scheduling & Dispatching*

Our Scheduling & Dispatching dashboard provides information about a technician's schedule, current capacity and skill set, and an overview of booked appointments, recurring jobs and non-job events. With this critical information, dispatchers can efficiently schedule next jobs and respond to urgent requests and emergencies, all the while mapping the right technician to the job. Our platform also uses GPS systems to get real-time information on technician routes to find the most efficient routes and help businesses stay responsive.



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### *Dispatch Pro*

Dispatch Pro incorporates AI in our core dispatch solutions to provide analyses that help customers make smarter business decisions. This feature is constantly improving its algorithm to learn from technicians' historical data (like total sales, average tickets, sold memberships, probability of generating leads, technician reassignment and more) to choose the best-matched technician for a job, while also optimizing technician routes. Part of predicting the best technician for a job is understanding each technician's predicted job value, which we productized as a feature within Dispatch Pro. Job Value Prediction is powered by Titan Intelligence, which uses an AI algorithm to predict job value by calibrating an opted-in customer's data with anonymized aggregate data from similar customer profiles to model out the revenue of the current and future jobs associated with that technician, to help optimize their dispatch. Dispatch Pro can also help dispatchers manage unexpected circumstances. For example, if a technician calls in sick or their vehicle breaks down, our customers can easily use their Dispatch Board to pause Dispatch Pro for the technician, unassign them, and then let Dispatch Pro reassign or reschedule the technician's remaining appointments.

### *Fleet Pro*

Fleet Pro is a comprehensive, proactive fleet management solution that helps managers efficiently manage their fleet, save money and maximize ROI on fleet spend. This feature pulls data from GPS and AI-assisted smart cameras connected to the ServiceTitan network to provide managers complete visibility into technicians' vehicle use, including idle times, helping prevent inflated wages and identify lost billing opportunities. Since Fleet Pro works seamlessly with our Timesheets module, managers can also flag any discrepancies in reported hours based on location data, saving hours a week from having to manually reconcile timesheets with location data and saving costs on over-reported wages.

### **Performing Job**

#### *Custom Forms*

Custom Forms ensures that our customers are collecting relevant information from their end customer to understand the job request, provide estimates and identify sales velocity opportunities. This feature also serves as quality control by mandating staff to follow predefined best practices across all verticals, such as safety checklist and opportunity review forms. Using the information collected, our platform identifies the appropriate language required in contracts, allowing our customers to focus on execution and client satisfaction.

#### *Job Costing and Project Management*

For projects that go beyond a single call or single day, understanding profitability in real-time is critical. Our Job Costing and Project Management functionality helps our customers understand how to manage and track all their projects (whether at one or multiple locations) in real-time using the Budget vs. Actual table features through step-by-step workflows, providing visibility into the phases of work a project goes through, percent expended and variances at an itemized level, and more.

#### *Job Estimates*

Our Job Estimating allows customers to provide real-time estimates and proposals and significantly improve time to close sales. More specifically, real-time estimates and proposals enable our customers to present various alternatives to end customers in the field, providing not only a recommendation, but also choice between "good, better, best" options with tradeoffs in up-front cost and lifetime value. Ultimately, this choice provides a modern, pleasant in-home experience for the end customer, and in-turn enables our customers to increase their close rates. We also provide advanced estimating tools that allow customers to maintain profit margins through visibility to accurate cost data.



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### *Property Intelligence and Custom Proposals*

Our PropertyIntel product allows our customers to collect, connect and visualize essential landscaping data to service more jobs in less time using features such as high-resolution aerial imagery for property measurement, precision measuring tools, automated time and cost estimates and autonomous mower and drone integrations. Once equipped with this landscaping data, our customers can use our Custom Proposals feature to design competitive bids and win jobs. Together with our Core functionality, PropertyIntel's capabilities allow customers to identify superior enhancement opportunities, target marketing efforts to specific property needs, increase service effectiveness and achieve greater levels of profitability.

### *Reporting*

Our customers can track performance by creating personalized key performance indicators or using our AI-powered benchmarked industry metrics and best practices that are generated by leveraging our most successful customers and analyzing anonymized customer data (Benchmark Insights). This built-in reporting feature is easily accessible through our dashboard and helps customers make data-driven decisions from essentially anywhere, anytime.

### *Pricebook*

Our platform allows customers to promptly offer a variety of pricing options to the end customer through a customizable pricebook that can be pre-loaded with pictures, videos, warranties and other information for each item. With our core Pricebook feature, customers can track material and labor costs including bonuses and commissions for each item and make appropriate pricing adjustments, all the while getting real-time insights into their profit margins.

### *Pricebook Pro*

Pricebook Pro offers capabilities that extend from pricing to estimates to inventory to accounting. Powered by Titan Intelligence, Pricebook Pro supplements our core Pricebook product with value-additive features. From 10-minute onboarding with Smart Start, which creates a Pricebook based on similar customer profiles, to Smart Recommendations, which helps put together estimates based on similar job and equipment profiles, Pricebook Pro allows greatly enhanced efficiency for our customers. Additionally, with features like Price Insights, Pricebook Pro utilizes data to let customers benchmark their pricing relative to their competitors, allowing them to price competitively.

### ***Taking Payment***

#### *Payment Processing*

Our platform offers integrated payment processing of credit cards, bank transfers (ACH), and checks via third parties, allowing technicians to process payments through customer portals or at the job for a seamless customer experience.

#### *Consumer Financing*

Using our Consumer Financing features, our customers can rapidly and efficiently connect end customers with third-party financing options to pay for the costs incurred in connection with the work performed. Through our platform an end customer can even view their monthly payment, which is particularly important as trades businesses often perform critical, non-discretionary and expensive jobs such as replacing an HVAC or water heating system.

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### ***Back Office Operations***

#### *Accounting*

Our platform provides a full suite of accounting capabilities (for example, timekeeping, payroll, accounts receivable, accounts payable, collections and multi-party billing). We also provide AI-powered accounting assistance to automate personalized responses (during collection activities) and job summarization (to go onto end-customer invoices). This reduces the time spent on print views and increases revenue by generating print templates aligned with customer specifications.

Our accounting features also offer flexibility to work across various accounting platforms (including Quickbooks and Sage Intacct) and address our customers' varying invoicing needs (ranging from single-party same-day invoices to multi-party, progress billing to insurance claims) in ways that make sense for businesses.

Though we are not a general ledger, through our accounting features our platform can manage the job and project-specific costing down to the gross margin level given our insights into of labor tracking and purchase orders tied to jobs and projects.

#### *Commercial Billing*

Our billing feature allows trades businesses to improve operational efficiency and billing accuracy by automating billing processes. Further, as our platform has access to key details of projects, including initial estimates and labor and materials costs, we also provide progress billing capabilities, which prove to be helpful as projects are often paid over time.

#### *Procurement and Inventory Management*

Our software allows customers to swiftly replenish stock and manage inventory stored in trucks and warehouses across multiple geographic locations. Additionally, customers can make transfers and track in-process orders on a real-time basis through our Inventory Mobile App. These procurement and inventory management capabilities improve overall end-customer experience by ensuring accurate data entry and efficiently managing stock to avoid delays.

### ***Other Components of ServiceTitan***

#### *TitanAdvisor*

We built TitanAdvisor to utilize data-driven insights from across our platform to identify and recommend features not yet implemented by a customer. TitanAdvisor recommends targeted features and products to help our customers achieve their top priorities, whether it be to accelerate growth or increase operational efficiency, and provides a step-by-step guide to implement the feature recommendations.



Natively built across the ServiceTitan platform, Titan Intelligence uses a rich set of AI, machine learning and analytics-powered tools that include the latest GenAI capabilities to harness ServiceTitan data and fuel industry insights, trends, features, products, recommendations, and data-driven strategies for the trades.

As Titan Intelligence, our AI engine, is woven into components of our Core and Pro product offerings and is integrated into our FinTech solutions Titan Intelligence is a powerful and growing part of our platform today and is the foundation of our AI strategy going forward. We have already begun innovating based on our two-prong AI strategy: we embed AI-driven features and insights within certain existing products and have launched and plan to launch additional innovative, purpose-built, add-on AI products, all powered by Titan Intelligence:

- *AI Features and Insights.* We embed AI-driven features and insights within certain existing products. For example, we enhanced our existing Phones Pro with our Titan Intelligence-powered Second Chance Leads feature which automatically reviews unbooked calls to help our customers identify which lost sale opportunities are potential revenue generating candidates and can most likely be saved with subsequent call backs.
- *AI Products.* We have launched and plan to launch additional innovative, purpose-built, add-on AI products designed specifically for the trades to transform the way our customers perform certain functions. For example, Titan Intelligence powers Dispatch Pro, our fully automated, AI-driven dispatching and routing solution, which generates data-based recommendations and takes actions to streamline the dispatch processes for our customer.

As we continue to grow, drive customer successes, and learn more about the trades and our customers, we expect that Titan Intelligence, our AI engine, will become increasingly intelligent, helpful, and fundamental to our customers' day-to-day decision making through further infusing the power of AI into features and insights within our existing platform, as well as through new AI products.

## ServiceTitan's Foundational Principles

At ServiceTitan, we live and breathe our values and principles. Our Titans come to work with a passion to help the underserved, hard-working people in the trades reach the success they deserve. Our culture is key to our success, and is encapsulated in these three values:

1. **Change Lives.** Our customers', our teammates', our partners', our communities' and our own lives. Because that's the biggest impact we can make. Because we find that to be the most fulfilling investment of our time.
2. **Achieve the Extraordinary.** Because life is too short—and the opportunity cost for our time is too high—to settle for ordinary. Because we want to make history. Because we want to achieve something very few get to achieve.
3. **Be a Dream Team.** Because we can make a bigger mark collectively than individually. Because we do not want to celebrate on top of the mountain alone. Because we want to share the journey, the battles, the setbacks, the successes and the memories together.

We implement our culture by asking that Titans live by the following concrete Titan principles:

- We obsess over making customers successful.
- We put customers first, company second, me third.
- We cultivate a high-trust environment.
- We make each other better.
- We're working on the best version of ourselves.
- We build the dream team.
- We have high standards.
- We demonstrate ownership.
- We dream big and move quickly.
- We make (our own | good | quick) decisions.
- We speak up but make good arguments.
- We're goal-oriented and results-driven.
- We dive deep.
- We're an inclusive meritocracy.
- We're entitled to nothing and grateful for everything.

Our company culture has been recognized externally by a number of leading organizations, including Inc. Magazine's *Best Places to Work* (2019-2021), Los Angeles Business Journal's *Best Large Companies to Work for in Los Angeles* (2020), and Atlanta Business Chronicle's *Best Places to Work* (2019).

## Our 1% Pledge

We have committed to the issuance and donation of \_\_\_\_\_ shares of our common stock over the next ten years in addition to any profit, time or other assets we may contribute, which constitutes part of our 1% Pledge to contribute 1% of profit, product, equity, or time to charity. None of such shares were outstanding as of January 31, 2024.

## Our Customers

We serve customers ranging from family-owned businesses with a few employees to large enterprises with a national footprint, some of which are an aggregation of multiple customers through a franchise network or other common buying partners, who employ directly, or through their franchise network, thousands of employees and generate over one billion dollars in annual GTV. The key decision maker for our customers is typically the business owner, and for some of our larger customers it is common for the business owner to employ executives such as a chief information officer to manage and upgrade critical IT systems or a general manager to oversee business operations. The general manager is typically also a key influencer in buying decisions. As of January 31, 2024, we delivered our platform to Active Customers in U.S. states and provinces in Canada. We strategically focus on Active Customers. As of January 31, 2024, our Active Customers had on average approximately employees and \$ in annual GTV. As of January 31, 2024, we had over Active Customers, representing over % of our revenue. No single customer, including the aggregation of customers with a central buying negotiator (such as a franchise network) has aggregated revenue that exceed % of our revenue in fiscal 2023 or fiscal 2024. As a testament to our platform's ability to scale with our customers, as of January 31, 2024, we had customers with annualized billings exceeding \$ on our platform.<sup>19</sup>

## Sales and Marketing

Our go-to-market strategy is designed by people who know and are passionate about the trades. Therefore, we can effectively and authentically communicate our platform's proven ability to address the trades' unique workflows and challenges in our initial conversations with business owners and key executives across both small and midsize and enterprise segments. We acquire customers through a diverse array of sales and marketing channels, including digital marketing that draws inbound leads to our website, and outbound direct marketing, such as targeted phone outreach. We also benefit from significant word-of-mouth and often generate new business through referrals by our current customers, and also from industry partners that are trusted across the trades ecosystem, including industry associations, OEMs and distributors.

We primarily sell subscriptions to our Core through our direct sales team. Our sales team is incentivized to close business on a monthly basis, with most of our sales activity conducted over the phone and via video conference, accelerating the time from initial outreach to onboarding. For larger enterprise prospects, we employ a dedicated enterprise sales team spread geographically across the United States to be closer to their prospective account base. This team prospects both in-person and virtually, and targets the key decision makers, which often include the business owner and other key executives at the operating level or at the owner or investor level.

In addition to our initial sales team focused on new customer acquisition, we employ dedicated FinTech and Pro product sales teams that introduce these products at the right time for each customer. These teams invest time with our customers to become trusted resources. We pride ourselves in our ability to anticipate and recommend which products would best serve a customer's unmet needs, often triggered by increased utilization in a customer's TitanAdvisor Score.

Our marketing efforts start with delivering value to our customers through knowledge sharing, product training and community building. We develop best practice playbooks and digital tools that help our customers navigate industry trends and challenges, leaning heavily on our domain expertise. We also sponsor and host in-person and virtual industry events, podcasts, data-driven benchmarking reports and social communities to provide our customers with opportunities to learn, network and share best practices. Our annual customer conferences, Pantheon and Ignite, provide customers and select prospective customers with the opportunity to learn from world-renowned speakers and build community in immersive events built specifically for the trades industry. In addition to the value that these collective efforts provide to the trades community, they build awareness of our

<sup>19</sup> See the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Business Performance" for a description of how we calculate annualized billings.

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brand, establish us as trusted leaders within the industry and generate a robust flow of potential customers. We supplement our organic reach with targeted paid digital marketing programs that source qualified leads for our sales team. Finally, our efforts to provide value to the industry throughout the customer journey generate a substantial amount of referrals from customers and other industry participants. Each of these steps is measured and tested to optimize efficiency and overall output.

Overall, our highly collaborative and motivated sales and marketing organization help build deep industry relationships, understand challenges faced by existing and potential customers, and demonstrate the benefits of our product offerings. The operational excellence we have developed between sales and marketing has created a highly efficient, repeatable funnel from lead creation to successfully growing long-term customer relationships. These organizations continue to drive our brand recognition and our reputation as a thought leader across the trades.

### **Customer Success**

Our customer success teams support customers through their entire customer lifecycle, from initial onboarding to ongoing success and support. Our customer success organization consists of Professional Services, Customer Success Management, Support, and Customer Training, with dedicated support from operations and enablement teams.

For a customer to be successful on ServiceTitan, it is critical that their data, process flows and integrations are properly set up, an effort that is led by our Professional Services team. As this is the first experience a new customer has with ServiceTitan, each customer is set up with a preconfigured platform that incorporates best practice workflows and automation specific to their trade. Our Professional Services team then assists customers with onboarding and configuration to ensure they are successful at go-live and beyond. For most customers, this onboarding experience is conducted remotely. However, the onboarding process can scale to meet the needs of large strategic customers, who may be offered enterprise grade onboarding with advanced program management methodology, tools and an in-person experience as needed. Historically, our onboarding was one-to-one, meaning each new customer would have their own onboarding experience. However, we found that many of our customers benefit from going through the onboarding experience together with peers from their trades from across the country. We believe this new, cohort-based onboarding experience has led to higher customer satisfaction as well as faster onboarding times, and we expect to continue to innovate on this experience.

After initial onboarding, each customer is assigned a Customer Success Manager, or CSM, who is responsible for working closely with our customers to assist them in fully utilizing ServiceTitan in the most effective way possible. CSMs leverage tools such as the TitanAdvisor tool, to help guide customers to improve product adoption and utilization, which closely correlates to better customer business outcomes such as revenue and efficiency. Our CSMs also support customer expansion with Pro product and FinTech offerings. Additionally, our customers also have access to our large knowledge base, webinars, and a broader community of customers and power users, many of whom are certified through our Certified Administrators program, which help raise the level of knowledge, expertise, adoption rate and continuous improvement in the use of our products.

We offer customer support via chat, phone and email. We also have a team of technical Customer Support specialists who help customers with highly technical issues that cannot be resolved immediately. We believe that our customer experience is critical to both the success of our customers and a key differentiating factor of our platform over alternative solutions.

### **Research and Development**

Our research and development team consists of product, platform and infrastructure and site reliability engineering, product management, AI and data science, user experience and design, technical program management, content and enablement as well as product and information security. We invest substantial resources in research and development to enhance our platform's functionalities and expand the products and

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services we offer. We employ in-house industry experts (former tradespeople, former association leaders and others) to ensure we understand the trades and address the needs of the industry through product innovation and customer success. We continually review and incorporate suggestions, feedback and new use cases from our broad customer base and engaged community into our platform and invest substantial resources to improve our platform by incorporating this feedback. We believe these investments will help us maintain our competitive position. We also analyze the data flowing through our platform to understand opportunities for driving further efficiencies and productizing improvements for our customers. Additionally, we devote considerable attention and resources to what we refer to as “customer trust,” which entails providing a continuously secure, performant and stable platform in keeping with SaaS industry standards.

Historically, our research and development efforts have led to our rapid rollouts of numerous features within our Core, such as inventory management, projects, general ledger-based accounting, enterprise hub and more. On top of our Core, we have also developed and launched an array of value-additive Pro and FinTech products since 2019. Our research and development team is focused on driving operational improvements to reduce the development cycle and more rapidly rollout products and functionality for customer use.

Our research and development activities through direct employment are conducted primarily in the United States and Armenia. We have invested in research and development outside of the United States because we believe it is a strategic advantage for us, allowing us to develop our platform capabilities more efficiently and attract exceptional talent globally.

### **Competition**

The market for technology and business process solutions catering to the needs of the trades is in its early phases of development and technology adoption with many trades businesses still relying on a combination of rudimentary workflows. Where incumbent technology has been adopted, it has generally had a limited impact because the incumbent technology typically lacks a singular, purpose-built platform that integrates a comprehensive set of mission-critical workflows throughout the project lifecycle and fails to empower a distributed and mobile workforce.

We compete either directly or indirectly with software vendors offering point-specific tools for specific elements of trade workflows, horizontal solutions for generic functionalities, legacy on-premise field service management applications, and narrow bundled solutions for down-market trades businesses. Examples of these software vendors include Salesforce, SAP, FieldEdge, Workwave, ServiceTrade, BuildOps, HouseCall Pro and Jobber. We expect competition to increase as other established and emerging companies enter our market, as customer requirements evolve and as new products and technologies are introduced. The principal competitive factors in our industry include:

- ability to connect multiple stakeholders in a cloud-based platform;
- ease of deployment, implementation and integration across business verticals;
- ease of integration with an organization’s existing IT infrastructure;
- ease of use, irrespective of IT organization’s level of support or degree of sophistication;
- industry expertise and resulting tailored solutions;
- breadth and depth of products;
- customer experience and customer support;
- proven customer success, with a strong referable customer base;
- scale and reach of customer base and level of platform adoption;
- brand awareness and brand reputation;
- ability to deploy mobile capabilities, including use in the field;

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- ability to improve and expand product offerings;
- ability to automate complex processes;
- time to value;
- ability to offer customizations and configurations;
- ability to aggregate and analyze data and information;
- security and reliability;
- strength of sales and marketing efforts;
- price; and
- network effect of the customer community including the customer conferences.

We believe that we compete favorably across the factors listed above. Our industry requires constant change and innovation, and we plan to continue to innovate and evolve our platform and technology to empower our customers. However, we could face significant risks to our business, financial condition and results of operations as a result of competition. For additional information, see the section titled “Risk Factors—Risks Related to Our Business and Operations—We face competition from both established and new companies offering services similar to ours, and many of our potential customers have developed, or could develop, proprietary solutions, all of which may have a negative effect on our ability to add new customers, retain existing customers and/or grow our business.”

### **Intellectual Property**

Our success depends in part upon our ability to safeguard our core technology and other intellectual property protection for our technology, inventions, improvements, proprietary rights and other assets. We seek to accomplish that objective by establishing intellectual property rights in and protecting those assets through a combination of patent, trademark and copyright law, trade secret, protection, license agreements, confidentiality procedures, employee invention assignment agreements, non-disclosure agreements with third parties and other contractual measures. As of January 31, 2024, we owned 14 issued U.S. patents, four issued foreign patents, nine U.S. patent applications and seven foreign patent applications. In addition, as of January 31, 2024, we owned 14 registered trademarks in the United States, one pending trademark application in the United States, as well as 17 registered trademarks in non-U.S. jurisdictions and five pending trademark applications in various non-U.S. jurisdictions. We also have registered domain names for websites that we use in our business. We intend to pursue additional intellectual property protection to the extent we believe it would be beneficial and cost-effective. Despite our efforts to protect our intellectual property rights, they may not be respected in the future or may be invalidated, circumvented or challenged. For additional information, see the section titled “Risk Factors—Risks Related to Our Intellectual Property.”

### **Government Regulation**

We are subject to various federal, state, local and foreign laws and regulations that involve matters central to our business. These laws and regulations may involve data privacy, security and protection, intellectual property, telecommunications, telemarketing, import and export controls, consumer protection, employment and labor, workplace safety, anti-bribery, immigration, federal securities and tax and other subjects. Additional laws and regulations relating to these areas likely will be passed in the future, and these or existing laws and regulations may be interpreted or enforced in new or expanded manners, each of which could result in significant limitations on ways we operate our business. There is a risk that certain regulations could become applicable to us as we expand the functionality of and products offered through our platform. New and evolving laws and regulations, and changes in their enforcement and interpretation, may require changes to our platform, products or business practices, and may significantly increase our compliance costs and otherwise adversely affect our business and



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results of operations. As our business expands to include additional products or service additional trades businesses, and our operations continue to expand internationally, our compliance requirements and costs may increase and we may be subject to increased regulatory scrutiny. See the section titled “Risk Factors—Risks Related to Legal and Regulatory Environment—Our business is subject to extensive government regulation and oversight. Our failure to comply with extensive, complex, overlapping and frequently changing rules, regulations and legal interpretations could adversely affect our business” for additional information about the laws and regulations we are subject to and the risks to our business associated with such laws and regulations.

### **Data Privacy and Security**

The data we collect, use, receive and otherwise process is integral to our business, enabling us to provide our products to our customers and providing us with insights to improve our platform and products. Our collection, use, receipt and other processing of data in our business subjects us to numerous U.S. state and federal and international laws and regulations addressing privacy, data protection, information security and the collection, storing, sharing, use, transfer, disclosure, protection and processing of certain types of data, and use of personal information for marketing, advertising and other activities conducted by telephone, email, mobile devices and the internet. Such regulations include, for example, the Personal Information Protection and Electronic Documents Act, CAN-SPAM, Canada’s Anti-Spam Law, TCPA, the Fair Credit Reporting Act, the FTC Act, Federal Communications Act, the Federal Wiretap Act, FCC regulations, Electronic Communications Privacy Act and the CCPA. We work to comply with, and to help allow customers to comply with, applicable laws and regulations relating to privacy, data protection, cybersecurity and information security. This helps underpin our strategy of building trust and providing a strong experience to customers. Despite our efforts to comply with applicable laws, regulations and other obligations relating to privacy, data protection, cybersecurity and information security, it is possible that our interpretations of the law, practices or platform could be inconsistent with, or fail or be alleged to fail to meet all requirements of, such laws, regulations or obligations. Our failure, or the failure by our third-party partners, vendors, service providers or customers, to comply with applicable laws or regulations or any other obligations relating to privacy, data protection, cybersecurity or information security, or any compromise of security that results in unauthorized access to, or use, modification, release or other processing of personal information or other data relating to customers, their employees, other personnel and end customers or other individuals, or the perception that any of the foregoing types of failure or compromise has occurred, could damage our reputation and brand, discourage new and existing customers from using our platform or result in fines, investigations or proceedings by governmental agencies and private claims and litigation, any of which could adversely affect our business, financial condition and results of operations. See the section titled “Risk Factors—Risks Related to Data Privacy, Data Protection, Cybersecurity and Technology—The collection, processing, storage, use and disclosure of personal information are governed by a rapidly evolving framework of privacy, data protection, cybersecurity information transfers or other laws or regulations worldwide and may limit the use and adoption of our services and adversely affect our business” for additional information about our approach to laws and regulations relating to privacy, data protection and information security.

### **Our People**

As of January 31, 2024, we had a total of 2,802 Titans across the United States, Canada, Armenia and other international locations. We engage our Titans through direct employment, professional employer organizations, or PEOs, and as independent contractors. In the locations where we use PEOs, we contract with the PEO for it to serve as the “employer of record.” Those individuals are employed by the PEO, but provide services to us. We also engage individuals through a PEO self-employed model in certain jurisdictions where we contract with the PEO, which in turn contracts with individuals as independent contractors. The highest concentration of these workers are in Macedonia and Mexico. The majority of our workforce, however, is based in the United States, where our executive team and most of our engineering, product managers, sales and marketing, customer success and general and administrative personnel are located. Our Titans in Armenia and our other international locations primarily consist of engineers and customer success personnel.

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None of our employees are represented by a labor union or covered by a collective bargaining agreement with respect to their employment with us. We have not experienced any work stoppages and we consider our relations with our employees to be good.

We have invested substantial time and resources in building our team. We are highly dependent on our management and high-quality employees, and it is crucial that we continue to attract and retain top talent. To facilitate attraction and retention, we strive to make ServiceTitan a diverse, inclusive and equitable workplace, with opportunities for our employees to grow and develop in their careers. We believe that our employee relations are strong.

### **Facilities**

Our corporate headquarters are located in Glendale, California, where we lease an aggregate of approximately 215,000 square feet, as of January 31, 2024, pursuant to lease agreements that expire in July 2030. Our other leased facilities in the United States are in Atlanta, Georgia; Draper, Utah; and Chesterfield, Missouri, as well as internationally in Armenia. We lease all of our facilities and do not own any real property.

We believe that our facilities are suitable to meet our current needs, and that suitable additional or alternative space will be available as needed to accommodate any growth to support new employees or new geographic markets.

### **Legal Proceedings**

From time to time, we are involved in various legal proceedings arising from the normal course of business activities. We are not presently a party to any litigation the outcome of which, we believe, if determined adversely to us, would individually or taken together, materially and adversely affect our business, results of operations or financial condition. Future litigation may be necessary to defend ourselves, our partners and our customers by determining the scope, enforceability and validity of third-party proprietary rights, to establish our proprietary rights or for other matters. Involvement in such proceedings 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 because of legal expenses and settlement costs, diversion of management attention and resources and other factors.

## MANAGEMENT

### Executive Officers and Directors

The following table provides information regarding our executive officers and directors as of January 31, 2024:

Name	Age	Position(s)
<b>Executive Officers:</b>		
Ara Mahdessian	38	Chief Executive Officer and Director
Vahe Kuzoyan	40	President and Director
Dave Sherry	40	Chief Financial Officer
<b>Non-Employee Directors:</b>		
Nina Achadjian	38	Director
Michael Brown	51	Director
Tim Cabral	56	Director
Byron Deeter	49	Director
Sameer Dholakia	50	Director
Ilya Golubovich	38	Director
William Griffith	52	Director
William Hsu	48	Director
Diya Jolly	47	Director

### Executive Officers

**Ara Mahdessian.** Ara Mahdessian is one of our co-founders and has served as our Chief Executive Officer and as a member of our board of directors since June 2007. Mr. Mahdessian holds a B.S. in Management Science and Engineering from Stanford University.

Mr. Mahdessian was selected to serve on our board of directors because of the perspective and experience he brings as our Chief Executive Officer and as a co-founder.

**Vahe Kuzoyan.** Vahe Kuzoyan is one of our co-founders and President. He has led our product and development efforts since our founding in June 2007. Mr. Kuzoyan holds a B.A. in Neuroscience and a B.S. in Computer Science from the University of Southern California.

Mr. Kuzoyan was selected to serve on our board of directors because of the perspective and experience he brings as our President and as a co-founder.

**Dave Sherry.** Dave Sherry has served as our Chief Financial Officer since June 2023. Prior to joining us, from May 2019 to June 2023, Mr. Sherry served as Chief Financial Officer at QuintoAndar, Ltd., a real estate marketplace headquartered in Brazil. From June 2018 to May 2019, Mr. Sherry served as a Growth Operating Partner at Accel, a venture capital firm, and from June 2012 to February 2018, Mr. Sherry worked at Lightspeed Commerce Inc., a point-of-sale and e-commerce software provider, initially as a finance and operations leader and from January 2014 to February 2018 as its Chief Financial Officer. Mr. Sherry holds a B.B.A. from University of Michigan and an M.B.A. from Stanford University Graduate School of Business.

### Non-Employee Directors

**Nina Achadjian.** Nina Achadjian has served as a member of our board of directors since November 2018. Since October 2017, Ms. Achadjian has been an investor at Index Ventures, an international venture capital firm, where she served as Principal from October 2017 to March 2020 and has served as Partner since April 2020. Ms. Achadjian currently serves on the board of directors of several private technology companies, including

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CodeSignal, Inc., DeepScribe Inc., Monograph, Inc., Motive Technologies, Inc., Persona Identities, Inc., Seso Inc., Shopmonkey, Inc., and Vizcom Technologies, Inc., among others. Prior to working in the venture capital industry, Ms. Achadjian held an operating role at Google LLC, an Internet search and a technology company, and began her career in sales and trading at Citigroup Inc., a global investment bank. Ms. Achadjian holds a B.A. in Government from Harvard University.

Ms. Achadjian was selected to serve on our board of directors because of her extensive experience in the venture capital industry, her knowledge of the technology industry, and her experience serving as a director of various privately held technology companies.

**Michael Brown.** Michael Brown has served as a member of our board of directors since February 2018. Mr. Brown is a General Partner at Battery Ventures, which he joined in December 1998, and he currently serves on the boards of directors of several privately held companies. Mr. Brown was previously a member of the High Technology Group at Goldman Sachs & Co., a global investment bank, from 1996 until 1998 and worked as a Financial Analyst within Goldman's Financial Institutions Group from 1994 until 1996. Mr. Brown previously served as the chair of the National Venture Capital Association from June 2021 to June 2022, and holds a B.S. in Finance and International Business from Georgetown University.

Mr. Brown was selected to serve on our board of directors because of his extensive experience in the venture capital industry, his knowledge of the technology industry, and his experience serving as a director of various publicly and privately held technology companies.

**Tim Cabral.** Tim Cabral has served as a member of our board of directors since November 2019. From February 2010 to September 2020, Mr. Cabral served as Chief Financial Officer of Veeva Systems Inc., a cloud-computing company, continued to serve as an Advisor from September 2020 to January 2022 and was appointed to serve as interim Chief Financial Officer in April 2024. From February 2008 to February 2010, Mr. Cabral served as Chief Financial Officer and Chief Operations Officer of Modus Group, LLC, a wireless solutions and services company, and served as Chief Financial Officer and Vice President of Operations for Agistics, Inc., an employee management services company, from March 2005 to June 2007. Prior to joining Agistics, Inc., Mr. Cabral served in various leadership roles in finance at PeopleSoft, Inc., a computer technology company acquired by Oracle Corporation. Mr. Cabral has served on the boards of directors of Veeva Systems Inc., a publicly traded cloud-computing company, since January 2022, SingleStore, Inc., a private cloud database company since March 2021, and Doximity, Inc., a publicly traded online network for medical professionals, since September 2020. He previously served on the board of directors of Apttus Corporation, a software provider, from October 2017 to October 2018, when it was acquired by Thoma Bravo. Mr. Cabral holds a B.S. in Finance from Santa Clara University and an M.B.A. from the Leavey School of Business at Santa Clara University.

Mr. Cabral was selected to serve on our board of directors because of his knowledge of the technology industry and his extensive experience in various financial leadership roles.

**Byron Deeter.** Byron Deeter has served as a member of our board of directors since March 2015. Since April 2005, Mr. Deeter has served as a Partner of Bessemer Venture Partners, a venture capital and private equity investment firm. From April 2004 to April 2005, Mr. Deeter served as a Business Development & Market Development Executive at International Business Machines Corporation, or IBM, a technology and consulting company. From December 1999 to April 2004, Mr. Deeter served in several roles at Trigo Technologies, Inc., a product information management company, which was acquired by IBM in 2004, including co-founder, President, Chief Executive Officer and Vice President of Business Development. Prior to this, Mr. Deeter served as an Associate at TA Associates, a private equity firm, and as an Analyst at McKinsey & Company, a business consulting firm. Mr. Deeter served on the board of directors of Twilio, Inc., a publicly traded cloud communications platform as a service company, from November 2010 to April 2024, and also currently serves on the boards of directors of several privately held companies. He previously served on the board of directors of SendGrid, Inc., a publicly traded customer communication platform, from January 2012 until February 2019,

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prior to SendGrid's acquisition by Twilio, in addition to several other publicly traded and privately held companies. Mr. Deeter holds a B.A. in Political Economy from the University of California, Berkeley.

Mr. Deeter was selected to serve on our board of directors because of his extensive experience in the venture capital industry, his knowledge of the technology industry and his experience as a director of publicly and privately held technology companies.

**Sameer Dholakia.** Sameer Dholakia has served as a member of our board of directors since July 2021. Since May 2022, Mr. Dholakia has served as a Partner of Bessemer Venture Partners, a venture capital and private equity investment firm. From February 2019 to June 2020, Mr. Dholakia served as the Chief Executive Officer of Twilio SendGrid at Twilio, Inc., a cloud communication platform. From September 2014 to February 2019, he served as the Chief Executive Officer and as a member of the board of directors of SendGrid, Inc., a publicly traded customer communication platform acquired by Twilio in February 2019, and as Chairperson of the board of directors of SendGrid from September 2017 to February 2019. Prior to joining SendGrid, Mr. Dholakia served in management roles at Citrix Systems, Inc., an enterprise software company, and at VMLogix, Inc., a provider of virtualization management software, prior to its acquisition by Citrix. Mr. Dholakia has served on the boards of directors of PagerDuty, Inc., a publicly traded cloud computing company, since December 2019, and EvenUp, Inc., a privately held software company, since April 2023, and has also served on the boards of directors of several privately held companies. Mr. Dholakia holds a B.A. in Economics and an M.A. in Organizational Studies from Stanford University and an M.B.A. from Harvard Business School.

Mr. Dholakia was selected to serve on our board of directors because of his extensive experience serving as an executive and director of publicly and privately held technology companies.

**Ilya Golubovich.** Ilya Golubovich has served as a member of our board of directors since June 2007. Since April 2023, Mr. Golubovich has served as the Chief Business Officer of A2VE Capital Advisors Ltd., an investment and business advisory firm. He previously served as the founding and managing partner of I2BF Global Ventures, an international venture capital firm, from June 2007 until April 2023. Mr. Golubovich has served on the board of directors of Presto Automation, now a publicly traded provider of technology solutions to the restaurant industry, since April 2017, and also currently serves on the boards of directors of several privately held companies. He previously served on the board of directors of Maxwell Technologies, Inc., then a publicly traded manufacturer of energy storage and power deliver solutions, from May 2017 until May 2019, prior to Maxwell's acquisition by Tesla, Inc, as well as on the boards of directors of several privately held companies. Mr. Golubovich holds a B.S. in Management Science and Engineering from Stanford University.

Mr. Golubovich was selected to serve on our board of directors because of his extensive experience in the venture capital industry, his knowledge of the technology industry, and his experience serving as a director of publicly and privately held technology companies.

**William Griffith.** William Griffith has served as a member of our board of directors since November 2016. Since January 2013, Mr. Griffith has served as a partner of ICONIQ Capital Group, L.P., an investment and venture capital firm, where he founded ICONIQ Strategic Partners, ICONIQ's growth equity investing platform. Prior to joining ICONIQ, Mr. Griffith served as a General Partner at Technology Crossover Ventures, a private equity and venture capital firm, from August 2000 to December 2011. Mr. Griffith began his career in investment banking at Morgan Stanley and at the Beacon Group, a private equity firm acquired by JPMorgan Chase. Mr. Griffith has served on the board of directors of Procore Technologies, Inc., a publicly traded construction management software company, since December 2015, and also serves on the boards of directors of several privately-held companies. Previously, Mr. Griffith served on the boards of directors of BlackLine, Inc., a publicly traded enterprise software company, from September 2013 to February 2020, and Orbitz Worldwide, Inc., a publicly traded online travel company, from July 2007 to August 2011. Mr. Griffith holds an M.B.A. from Stanford University Graduate School of Business and an A.B. in History and Engineering from Dartmouth College.

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Mr. Griffith was selected to serve on our board of directors because of his experience in the venture capital industry, his knowledge of the technology industry, and his extensive experience as a director of publicly and privately held technology companies.

**William Hsu.** William Hsu has served on our board of directors since March 2015. Since September 2011, Mr. Hsu has served as a founding partner of Mucker Capital, a venture capital firm. Prior to founding Mucker Capital, from October 2008 to October 2011, Mr. Hsu served as SVP and Chief Product Officer of AT&T Interactive, a digital advertising and marketing services company. Prior to AT&T Interactive, Mr. Hsu served in various leadership and product management positions at Green Dot Corporation, a financial technology company, eBay Inc., a global commerce and payments platform, and BuildPoint Corporation, a provider of online bid management services acquired by Roper Technologies, Inc. Mr. Hsu began his career in investment banking at Credit Suisse First Boston, a global investment bank. Mr. Hsu currently serves on the boards of directors of several privately held companies. Mr. Hsu holds a B.S. in Industrial Engineering from Stanford University and an M.B.A. from the Wharton School of University of Pennsylvania.

Mr. Hsu was selected to serve on our board of directors because of his extensive serving in various leadership and product management roles at technology companies, and his experience serving as a director of various privately held companies.

**Diya Jolly.** Diya Jolly has served on our board of directors since July 2021. Since April 2023, Ms. Jolly has served as the Chief Product Officer of Xero Limited, a suite of online accounting software. From April 2019 to October 2022, Ms. Jolly served as the Chief Product Officer of Okta, Inc., an identity and access management company, and later served as Advisor to Okta, Inc. from October 2022 to April 2023. Prior to joining Okta, Ms. Jolly served as Vice President of Product Management of Google LLC, a global technology company, from June 2011 to April 2019. Prior to Google, Ms. Jolly served in various product management roles at FreeWheel Media, Inc., an online video advertising solutions company, Microsoft Corporation, a software company, and Motorola Mobility LLC, a consumer electronics and telecommunications company. Ms. Jolly began her career as a Business Analyst at McKinsey & Company, a management consulting firm. Ms. Jolly holds a B.S. in Electrical Engineering and a B.A. in Economics from the University of Michigan and an M.B.A from Harvard Business School.

Ms. Jolly was selected to serve on our board of directors because of her because of her extensive experience in various leadership and product management roles at technology companies.

### **Family Relationships**

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

### **Code of Business Conduct and Ethics**

In connection with this offering, our board of directors will adopt a code of business conduct and ethics that applies to all of our employees, officers and directors, including our Chief Executive Officer, President, Chief Financial Officer, and other executive and senior financial officers. The full text of our code of business conduct and ethics will be posted on the investor relations page on our website. We intend to disclose any amendments to our code of business conduct and ethics, or waivers of its requirements, on our website or in filings under the Exchange Act.

### **Board of Directors**

Our business and affairs are managed under the direction of our board of directors. Our board of directors currently consists of directors. Pursuant to our current restated certificate of incorporation and amended and restated voting agreement, our current directors were elected as follows:

- Messrs. Mahdessian and Kuzoyan were elected as the designees nominated by holders of our common stock;

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- Messrs. Golubovich, Hsu, Cabral and Dholakia and Ms. Jolly were elected as the designees nominated by holders of our common stock and preferred stock;
- Mr. Deeter was elected as the designee nominated by holders of our Series A preferred stock;
- Mr. Griffith was elected as the designee nominated by holders of our Series B preferred stock;
- Mr. Brown was elected as the designee nominated by holders of our Series C preferred stock; and
- Ms. Achadjian was elected as the designee nominated by holders of our Series D preferred stock.

Our amended and restated voting agreement will terminate and the provisions of our current restated certificate of incorporation by which our directors were elected will be amended and restated in connection with this offering. After this offering, the number of directors will be fixed by our board of directors, subject to the terms of our amended and restated certificate of incorporation and amended and restated bylaws that will become effective immediately prior to the completion of this offering. Each of our current directors will continue to serve as a director until the election and qualification of their successor, or until their earlier death, resignation or removal.

### **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 background, employment and affiliations, our board of directors has determined that \_\_\_\_\_ and \_\_\_\_\_ do not have a relationship 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 the \_\_\_\_\_, or the Exchange. 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 capital stock by each non-employee director, and the transactions involving them described in the section titled “Certain Relationships and Related Party Transactions.”

### **Committees of the 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 is described below. Members will serve on these committees until the election and qualification of their successor, or their earlier death, resignation or removal, or until as otherwise determined by our board of directors.

#### *Audit Committee*

Effective as of the date the registration statement of which this prospectus forms a part is declared effective by the SEC, the members of our audit committee will consist of \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_, with \_\_\_\_\_ serving as Chairperson, each of whom meets the requirements for independence under the listing standards of the Exchange and SEC rules and regulations. Each member of our audit committee also meets the financial literacy and sophistication requirements of the listing standards of the Exchange. In addition, our board of directors has determined that \_\_\_\_\_ and \_\_\_\_\_ are audit committee financial experts within the meaning of Item 407(d) of Regulation S-K under the Securities Act. Following the completion of this offering, our audit committee will, among other things:

- select a qualified firm to serve as the independent registered public accounting firm to audit our financial statements;
- help to ensure the independence and performance of the independent registered public accounting firm;

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- discuss the scope and results of the audit with the independent registered public accounting firm, and review, with management and the independent registered public accounting firm, our interim and year-end results of operation;
- develop procedures for employees to submit concerns anonymously about questionable accounting or audit matters;
- review our policies on risk assessment and risk management, including responsibility for oversight of risks and exposures associated with major financial and cybersecurity risks;
- review related party transactions; and
- approve or, as required, pre-approve, all audit and all permissible non-audit services, other than de minimis 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, which satisfies the applicable rules and regulations of the SEC and the listing standards of the Exchange.

### ***Compensation Committee***

Effective as of the date the registration statement of which this prospectus forms a part is declared effective by the SEC, the members of our compensation committee will consist of \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_, with \_\_\_\_\_ serving as Chairperson, each of whom meets the requirements for independence under the listing standards of the Exchange and SEC rules and regulations. Each member of our compensation committee is also a non-employee director, as defined pursuant to Rule 16b-3 promulgated under the Exchange Act, or Rule 16b-3. Following the completion of this offering, our compensation committee will, among other things:

- review, approve and determine, or make recommendations to our board of directors regarding, the compensation of our executive officers;
- administer our equity compensation plans;
- review and approve and make recommendations to our board of directors regarding incentive compensation and equity compensation plans; and
- review and approve general policies relating to compensation and benefits of our employees.

Our compensation committee will operate under a written charter, to be effective prior to the completion of this offering, which satisfies the applicable rules and regulations of the SEC and the listing standards of the Exchange.

### ***Nominating and Corporate Governance Committee***

Effective as of the date the registration statement of which this prospectus forms a part is declared effective by the SEC, the members of our nominating and corporate governance committee will consist of \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_, with \_\_\_\_\_ serving as Chairperson, each of whom meets the requirements for independence under the listing standards of the Exchange and SEC rules and regulations. Following the completion of this offering, our nominating and corporate governance committee will, among other things:

- identify, evaluate and select, or make recommendations to our board of directors regarding, nominees for election to our board of directors and its committees;
- evaluate the performance of our board of directors and of individual directors;
- consider and make recommendations to our board of directors regarding the composition of our board of directors and its committees;



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- review developments in corporate governance practices;
- evaluate the adequacy of our corporate governance practices and reporting; and
- develop and make recommendations to our board of directors regarding corporate governance guidelines and matters.

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

### **Compensation Committee Interlocks and Insider Participation**

None of the members of our compensation committee is or has been an officer or employee of our company. None of our executive officers currently serves, or in the past year has served, as a member of the board of directors or compensation committee (or other board committee performing equivalent functions) of any entity that has one or more of its executive officers serving on our board of directors or compensation committee.

### **Non-Employee Director Compensation**

Prior to the completion of this offering, we did not maintain a formalized non-employee director compensation program, though we typically provide non-employee directors who are not affiliated with one of our significant investors an equity award in connection with the director's commencement of service on our board of directors and an additional equity award after the initial equity award fully vests. Accordingly, we granted Tim Cabral, Diya Jolly and Sameer Dholakia equity awards in connection with their commencement of service on our board of directors.

None of our non-employee directors received any compensation for service as directors during fiscal 2024. Messrs. Mahdessian and Kuzoyan do not receive additional compensation for their service as directors.

### ***Director Compensation Table***

<b>Name</b>	<b>Option Awards (\$) (1)</b>	<b>Total (\$)</b>
Nina Achadjian	—	—
Michael Brown	—	—
Tim Cabral	—	—
Byron Deeter	—	—
Sameer Dholakia	—	—
Ilya Golubovich	—	—
William Griffith	—	—
William Hsu	—	—
Diya Jolly	—	—

(1) The following table lists all outstanding equity awards held by non-employee directors as of January 31, 2024:

<b>Name</b>	<b>Number of Shares Underlying Options</b>
Nina Achadjian	—
Michael Brown	—
Tim Cabral	67,500
Byron Deeter	—
Sameer Dholakia	40,000
Ilya Golubovich	—
William Griffith	—
William Hsu	—
Diya Jolly	40,000

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Prior to the completion of this offering, we expect to adopt a non-employee director compensation program, or Director Compensation Program, pursuant to which our non-employee directors will be eligible to receive cash compensation and equity awards for service on our board of directors.

Under the Director Compensation Program, commencing upon completion of this offering, our non-employee directors will be eligible to receive cash compensation as follows:

- Each non-employee director will receive an annual cash retainer in the amount of \$ .
- The chair and each member of the audit committee will receive additional cash compensation in the amount of \$ and \$ per year, respectively, for service on the audit committee.
- The chair and each member of the compensation committee will receive additional cash compensation in the amount of \$ and \$ per year, respectively, for service on the compensation committee.
- The chair and each member of the nominating and corporate governance committee will receive additional cash compensation in the amount of \$ and \$ per year, respectively, for service on the nominating and corporate governance committee.

All annual cash retainers will be paid quarterly in arrears promptly following the end of the applicable quarter, and prorated for partial quarters of service.

If a non-employee director is initially appointed or elected to our board of directors on or following the completion offering, that director will automatically be granted an award of a number of RSUs calculated by dividing (a) \$ by (b) the average closing trading price of a share of our common stock over the trading days preceding the grant date. The initial award will vest as to of the total number of RSUs on each anniversary of the grant date, subject to continued service with us through the applicable vesting date.

Each non-employee director who is serving immediately before and continues to serve immediately after each annual stockholder's meeting will automatically be granted on the date of the annual stockholder's meeting an award of a number of RSUs calculated by dividing (a) \$ by (b) the average closing trading price of a share of our common stock over the trading days preceding the grant date. Each annual award will fully vest on the earlier of (i) the first anniversary of the grant date, and (ii) immediately before the next annual stockholder's meeting following the grant date, subject to continued service with us through the applicable vesting date.

## EXECUTIVE COMPENSATION

This section discusses the material components of the executive compensation program for our named executive officers, or NEOs. Our NEOs for fiscal 2024 are as follows:

- Ara Mahdessian, our Co-Founder and Chief Executive Officer;
- Vahe Kuzoyan, our Co-Founder and President; and
- Dave Sherry, our Chief Financial Officer.

### Fiscal 2024 Summary Compensation Table

The following table and the amounts therein sets forth total compensation paid to our NEOs for fiscal 2024.

<u>Name and Principal Position</u>	<u>Fiscal Year</u>	<u>Salary (\$)</u>	<u>Stock Awards (\$)<sup>(1)</sup></u>	<u>Non-Equity Incentive Plan Compensation (\$)<sup>(2)</sup></u>	<u>All Other Compensation (\$)<sup>(3)</sup></u>	<u>Total (\$)</u>
Ara Mahdessian <i>Co-Founder and Chief Executive Officer</i>	2024	457,577	6,003,356	166,327	585,139	7,212,399
Vahe Kuzoyan <i>Co-Founder and President</i>	2024	457,577	6,003,356	166,327	1,200	6,628,460
Dave Sherry <sup>(4)</sup> <i>Chief Financial Officer</i>	2024	275,001	14,728,473	104,179	65,996	15,173,649

(1) The amounts reported represent the aggregate grant date fair value of RSUs granted during fiscal 2024, calculated in accordance with ASC Topic 718. Such grant-date fair value does not take into account any estimated forfeitures related to vesting conditions. The assumptions used in calculating the grant date fair value of the RSUs reported in this column are set forth in the consolidated financial statements included elsewhere in this prospectus. These amounts do not reflect the actual economic value that may be realized by the NEO.

(2) The amounts reported represent performance-based bonuses that were earned by our NEOs based on performance during fiscal 2024 and paid during March 2024.

(3) The amounts reported represent personal security services, technology allowances, relocation allowance, gross-up for taxes incurred on relocation allowance and 401(k) matching contributions as follows:

<u>Name</u>	<u>Personal Security Services (\$)</u>	<u>Technology Allowance (\$)</u>	<u>Relocation Allowance (\$)</u>	<u>Gross-Up on Relocation Allowance (\$)</u>	<u>401(k) Plan Matching Contributions (\$)</u>
Ara Mahdessian	583,939	1,200	—	—	—
Vahe Kuzoyan	—	1,200	—	—	—
Dave Sherry	—	—	38,965	22,031	5,000

(4) Mr. Sherry commenced employment with us in June 2023.

### Narrative to Summary Compensation Table

#### *Fiscal 2024 Salaries*

Our NEOs each receive a base salary to compensate them for services rendered to our company. The base salary payable to each NEO is intended to provide a fixed component of compensation reflecting the executive's skill set, experience, role and responsibilities. For fiscal 2024, Mr. Mahdessian, Mr. Kuzoyan, and Mr. Sherry's annual base salaries are as follows: \$457,577, \$457,577, and \$433,334, respectively.

Our board of directors and compensation committee may adjust base salaries from time to time in their discretion.

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### ***Fiscal 2024 Bonuses***

We maintain an annual performance-based cash bonus program in which each of our NEOs participated during fiscal 2024. Each NEO's target bonus payout is determined by the achievement of our company meeting certain corporate goals at target level. Under the performance-based cash bonus program, each NEO's target bonus amount is expressed as a percentage of base salary. For fiscal 2024 the target bonus amount for each of Mr. Mahdessian and Kuzoyan was initially 30%, which was increased to 50% commencing March 1, 2023 for a pro-rated target bonus amount of approximately 48.5%. Mr Sherry's target bonus amount for fiscal 2024 was established at 50% of his pro-rated annual base salary in connection with his commencement of employment with us.

Under our annual performance-based cash bonus program, bonus amounts earned were based on achievement of certain performance goals set by our board of directors relating to certain financial metrics, each with threshold, target, and stretch performance levels and may be adjusted based on our board of directors' or compensation committee's assessment of individual performance. In March 2024, our board of directors and our compensation committee determined that the corporate goals were achieved at 75% for fiscal 2024. The bonus amounts awarded to our NEOs under our annual performance-based cash bonus program are set forth above in the Summary Compensation Table in the column titled "Non-Equity Incentive Plan Compensation."

Our compensation committee and board of directors may adjust the target bonus opportunities of, or award discretionary bonuses to, our NEOs from time to time in their discretion.

### ***Equity-Based Awards***

We have granted stock options and RSUs to our employees, including our NEOs, to attract and retain them, as well as to align their interests with the interests of our stockholders. Each RSU represents the right to receive one share of our common stock after vesting.

In June 2023, we granted each of Mr. Mahdessian and Mr. Kuzoyan an award of 96,393 RSUs, in connection with our annual performance review process. The RSUs have a seven-year term and vest based on the satisfaction of service-based vesting conditions and a liquidity event vesting condition. The service-based vesting condition is satisfied as to 1/16 of the total number of RSUs on each quarterly anniversary of June 15, 2023, subject to continued service with us. The liquidity event vesting condition will be satisfied upon the earlier of two weeks following the expiration of the lock-up period pursuant to the lock-up agreements to be entered into with the underwriters in connection with this offering or a sale of the Company, subject to continued service with us or the named executive officer experiencing a termination effected by the Company without cause or by the named executive officer for good reason, in each case, within the period commencing 3 months prior to a sale of the Company and ending on the first anniversary of such sale of the Company.

Also in June 2023, we granted Mr. Sherry an award of 177,366 RSUs that vest as to 25% of the total number of RSUs on June 15, 2024 and as to 1/16 of the total number of RSUs on each quarterly anniversary thereafter, subject to continued service to us. We also granted Mr. Sherry an award of 59,122 RSUs that vest in four equal quarterly installments commencing on the one-year anniversary of the first March 15, June 15, September 15 or December 15 that follows the completion of this offering, subject to continued service to us.

In connection with this offering, we intend to adopt the 2024 Plan to facilitate the grant of cash and equity incentives to directors, employees (including our NEOs), and consultants of our company and certain of its affiliates and to enable us to obtain and retain services of these individuals, which is essential to our long-term success. We expect that the 2024 Plan will be effective prior to the completion of this offering.

**Other Elements of Compensation**

***Retirement Savings and Health and Welfare Benefits***

We maintain a 401(k) retirement savings plan for all U.S. employees, including our NEOs, who satisfy certain eligibility requirements. Under our 401(k) plan, eligible employees may elect to defer up to all eligible compensation, subject to applicable annual Code limits. We may match contributions made by our employees, including our NEOs, on a discretionary basis. Our NEOs are eligible to participate in the 401(k) plan on the same terms as other full-time employees.

All of our full-time employees, including our NEOs, are eligible to participate in our health and welfare plans, including health, dental and vision benefits; medical and dependent care flexible spending accounts; short-term and long-term disability insurance; and life and AD&D insurance.

***Perquisites and Other Personal Benefits***

All of our employees are eligible for a technology allowance of \$100 per month to help offset the cost of personal technology devices and home internet service. Otherwise, we determine perquisites on a case-by-case basis and will provide a perquisite to a named executive officer when we believe it is necessary to attract or retain the named executive officer. During fiscal 2024, outside of company-provided security, relocation allowances, and gross ups of taxes incurred in connection with relocation allowances, we did not provide any perquisites or personal benefits to our NEOs not otherwise made available to our other employees.

**Outstanding Equity Awards at Year-End**

The following table sets forth information regarding outstanding equity awards held by our executive officers as of January 31, 2024:

Name	Vesting Commencement Date	Option Awards				Stock Awards			
		Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$) <sup>(1)</sup>	Equity Incentive Plan Awards: Number of Shares, Units or Other Rights That Have Not Vested (#)
Ara Mahdessian	12/9/2020	681,353	—	—	12.72	12/8/2030	—	—	—
	12/9/2020 <sup>(2)</sup>	262,604	78,072	—	12.72	12/8/2030	—	—	—
	12/9/2020 <sup>(3)</sup>	—	—	170,338	12.72	12/8/2030	—	—	—
	12/9/2020 <sup>(4)</sup>	—	—	170,338	12.72	12/8/2030	—	—	—
	6/15/2023 <sup>(5)</sup>	—	—	—	—	—	—	96,393	6,063,120
Vahe Kuzoyan	12/9/2020	681,353	—	—	12.72	12/8/2030	—	—	—
	12/9/2020 <sup>(2)</sup>	262,604	78,072	—	12.72	12/8/2030	—	—	—
	12/9/2020 <sup>(3)</sup>	—	—	170,338	12.72	12/8/2030	—	—	—
	12/9/2020 <sup>(4)</sup>	—	—	170,338	12.72	12/8/2030	—	—	—
	6/15/2023 <sup>(5)</sup>	—	—	—	—	—	—	96,393	6,063,120
Dave Sherry	6/15/2023 <sup>(6)</sup>	—	—	—	—	—	177,366	11,156,321	—
	6/15/2023 <sup>(7)</sup>	—	—	—	—	—	—	59,122	3,718,774

(1) Market value was calculated using \$62.90, which was the fair market value of a share of our common stock as of January 31, 2024, as determined by our board of directors.  
(2) Option vests and becomes exercisable as to 25% of the underlying shares on the first anniversary of the vesting commencement date and as to 1/48th of the underlying shares on each monthly anniversary of the vesting commencement date thereafter, in each case, subject to continued service to us.  
(3) Option vests and becomes exercisable as to 25% of the underlying shares on the first anniversary of the completion of this offering and as to 1/48th of the underlying shares each month thereafter, in each case, subject to continued service to us.  
(4) Option vests and becomes exercisable following the completion of this offering if (i) any market stand-off period applicable to investors who held preferred stock prior to the completion of this offering has expired and such stockholders have at least two window periods within which to freely trade our Class A common stock and (ii) the average closing price for a share of our common stock for a period of six (6) calendar months is equal to or greater than \$234.83, in each case, subject to continued service to us.

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- (5) Restricted stock units require the satisfaction of two requirements to vest – a service-based requirement and a liquidity event requirement. The liquidity event requirement will be satisfied on the earlier of (a) two weeks after the expiration of any market stand-off or lock-up period imposed in connection with this offering or (b) a sale of the Company, subject to continued service to us or the named executive officer experiencing a termination effected by the Company without cause or by the named executive officer for good reason, in each case, within the period commencing 3 months prior to a sale of the Company and ending on the first anniversary of such sale of the Company. The service-based requirement is satisfied in substantially equal installments on the first 16 quarterly anniversaries of the vesting commencement date, subject to continued service to us through the applicable date.
- (6) Restricted stock units vest as to 25% of the total number of restricted stock units on the first anniversary of the vesting commencement date and as to 1/16<sup>th</sup> of the total number of restricted stock units on each of the quarterly anniversaries of the vesting commencement date thereafter, in each case, subject to continued service to us.
- (7) Restricted stock units vest in four substantially equal quarterly installments with the first such installment vesting on the first March 15, June 15, September 15 or December 15 that follows the one-year anniversary of completion of this offering, subject to continued service to us.

### **Executive Compensation Arrangements**

We have entered into proprietary information and invention assignment agreements with each of our NEOs. In connection with this offering, we have entered or will enter into amended and restated offer letters with each of our NEOs, which set forth the title, base salary and target bonus opportunity for the NEO.

### **Change of Control and Severance Policy**

Prior to the completion of this offering, we expect that our board of directors will adopt a Change of Control and Severance Policy, or the Policy, which is expected to become effective prior to the completion of this offering, and that we will enter into participation agreements under the Policy with each of our NEOs. The Policy and participation agreements will supersede any severance and/or change in control provisions of any offer letter, employment agreement, or equity award agreement entered into between us and our NEOs. Under the Policy, in the event an NEO's employment with us is terminated by us without cause (as defined in the Policy) or by the NEO for good reason (as defined in the Policy), then, subject to the timely delivery of a general release of claims, the NEO will be entitled to receive continued base salary for a period of \_\_\_\_\_ months, in the case of Messrs. Mahdessian and Kuzoyan, or \_\_\_\_\_ months, in the case of Mr. Sherry, a \_\_\_\_\_ target bonus for the year of termination payable in monthly installments, and up to \_\_\_\_\_ months of company-funded healthcare continuation coverage. In the event such termination occurs within the period commencing three months prior to a change in control and ending on the first anniversary of the change in control, then, in lieu of the foregoing severance amounts, the NEO is entitled to receive a lump sum cash payment in an amount equal to \_\_\_\_\_ months of base salary, in the case of Messrs. Mahdessian and Kuzoyan, or \_\_\_\_\_ months of base salary, in the case of Mr. Sherry, \_\_\_\_\_ of the NEO's target bonus opportunity for the year of termination payable in a cash lump sum, up to \_\_\_\_\_ months of company-funded healthcare continuation coverage, and full vesting acceleration of all equity awards.

### **Equity Compensation Plans**

The following summarizes the material terms of the long-term incentive compensation plan in which our NEOs will be eligible to participate following the consummation of this offering as well as our 2015 Plan and 2007 Plan, or the 2007 Plan together with the 2015 Plan, the Prior Plans, under which we have previously made periodic grants of equity and equity-based awards to our NEOs and other key employees.

#### ***2024 Incentive Award Plan***

We intend to adopt the 2024 Plan, which will be effective on the date immediately prior to the date our registration statement relating to this offering becomes effective. The principal purpose of the 2024 Plan is to attract, retain and motivate selected employees, consultants and directors through the granting of stock-based compensation awards and cash-based performance bonus awards. The material terms of the 2024 Plan, as it is currently contemplated, are summarized below.

*Share Reserve.* Under the 2024 Plan, \_\_\_\_\_ shares of our common stock will be initially reserved for issuance pursuant to a variety of stock-based compensation awards, including stock options, stock appreciation rights, or

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SARs, restricted stock awards, RSU awards, performance bonus awards, performance stock unit awards, dividend equivalents, or other stock or cash based awards. The number of shares initially reserved for issuance or transfer pursuant to awards under the 2024 Plan will be increased by (i) the number of shares represented by awards outstanding under the 2015 Plan and 2007 Plan, or such awards, the Prior Plan Awards, that become available for issuance under the counting provisions described below following the effective date and (ii) an annual increase on the first day of each fiscal year beginning in 2025 and ending in 2034, equal to the lesser of (A) % of the shares of common stock outstanding (on an as converted basis) on the last day of the immediately preceding year and (B) such smaller number of shares of common stock as determined by our board of directors; provided, however, that no more than shares of common stock may be issued upon the exercise of incentive stock options, or ISOs.

The following counting provisions will be in effect for the share reserve under the 2024 Plan:

- to the extent that an award (including a Prior Plan Award) expires, lapses, or is terminated, converted into an award in respect of shares of another entity in connection with a spin-off or other similar event, exchanged for cash, surrendered, repurchased, canceled, in any case, in a manner that results in us acquiring the underlying shares at a price not greater than the price paid by the participant or not issuing the underlying shares, such unused shares subject to the award at such time will be available as common stock for future grants under the 2024 Plan;
- to the extent shares are tendered or withheld to satisfy the grant, exercise price, or tax withholding obligation with respect to any award under the 2024 Plan or Prior Plan Award, such tendered or withheld shares will be available as common stock for future grants under the 2024 Plan;
- to the extent shares subject to SARs are not issued in connection with the stock settlement of SARs on exercise thereof, such shares will be available as common stock for future grants under the 2024 Plan;
- the payment of dividend equivalents in cash in conjunction with any outstanding awards or Prior Plan Awards will not be counted against the shares available for issuance under the 2024 Plan; and
- shares issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form of combination by us or any of our subsidiaries will not be counted against the shares available for issuance under the 2024 Plan.

In addition, the sum of the grant date fair value of all equity-based awards and the maximum that may become payable pursuant to a cash-based award to any individual for services as a non-employee director during any calendar year may not exceed \$ .

*Administration.* The compensation committee of our board of directors is expected to administer the 2024 Plan unless our board of directors assumes authority for administration. The board of directors may delegate its powers to a committee, which, to the extent required to comply with Rule 16b-3, is intended to be comprised of “non-employee directors” for purposes of Rule 16b-3 under the Exchange Act. The 2024 Plan provides that our board of directors or compensation committee may delegate its authority to grant awards other than to individuals subject to Section 16 of the Exchange Act or officers or directors to whom authority to grant awards has been delegated.

Subject to the terms and conditions of the 2024 Plan, the administrator has the authority to select the persons to whom awards are to be made, to determine the number of shares to be subject to awards and the terms and conditions of awards, and to make all other determinations and to take all other actions necessary or advisable for the administration of the 2024 Plan. The administrator is also authorized to adopt, amend or rescind rules relating to administration of the 2024 Plan. Our board of directors may at any time remove the compensation committee as the administrator and revert in itself the authority to administer the 2024 Plan. The full board of directors will administer the 2024 Plan with respect to awards to non-employee directors.

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*Eligibility.* Awards under the 2024 Plan may be granted to individuals who are then our officers, employees, or consultants or are the officers, employees, or consultants of certain of our subsidiaries. Such awards also may be granted to our directors. However, only employees of our company or certain of our subsidiaries may be granted ISOs.

*Awards.* The 2024 Plan provides that the administrator may grant or issue stock options, SARs, restricted stock, RSUs, performance bonus awards, performance stock units, other stock or cash-based awards and dividend equivalents, or any combination thereof. Each award will be set forth in a separate agreement with the person receiving the award and will indicate the type, terms and conditions of the award.

- *Nonstatutory Stock Options*, or NSOs, will provide for the right to purchase shares of our common stock at a specified price which may not be less than fair market value on the date of grant, and usually will become exercisable (at the discretion of the administrator) in one or more installments after the grant date, subject to the participant's continued employment or service with us and/or subject to the satisfaction of corporate performance targets and individual performance targets established by the administrator. NSOs may be granted for any term specified by the administrator that does not exceed ten years.
- *Incentive Stock Options*, or ISOs, will be designed in a manner intended to comply with the provisions of Section 422 of the Code and will be subject to specified restrictions contained in the Code. Among such restrictions, ISOs must have an exercise price of not less than the fair market value of a share of common stock on the date of grant, may only be granted to employees, and must not be exercisable after a period of ten years measured from the date of grant. In the case of an ISO granted to an individual who owns (or is deemed to own) at least 10% of the total combined voting power of all classes of our capital stock, the 2024 Plan provides that the exercise price must be at least 110% of the fair market value of a share of common stock on the date of grant and the ISO must not be exercisable after a period of five years measured from the date of grant.
- *Restricted Stock* may be granted to any eligible individual and made subject to such restrictions as may be determined by the administrator. Restricted stock, typically, may be forfeited for no consideration or repurchased by us at the original purchase price if the conditions or restrictions on vesting are not met. In general, restricted stock may not be sold or otherwise transferred until restrictions are removed or expire. Purchasers of restricted stock, unlike recipients of options, will have voting rights and will have the right to receive dividends, if any, prior to the time when the restrictions lapse, however, extraordinary dividends will generally be placed in escrow, and will not be released until restrictions are removed or expire.
- *Restricted Stock Units*, or RSUs, may be awarded to any eligible individual, typically without payment of consideration, but subject to vesting conditions based on continued employment or service or on performance criteria established by the administrator. Like restricted stock, RSUs may not be sold, or otherwise transferred or hypothecated, until vesting conditions are removed or expire. Unlike restricted stock, stock underlying RSUs will not be issued until the RSUs have vested, and recipients of RSUs generally will have no voting or dividend rights prior to the time when vesting conditions are satisfied.
- *Stock Appreciation Rights*, or SARs, may be granted in connection with stock options or other awards, or separately. SARs granted in connection with stock options or other awards typically will provide for payments to the holder based upon increases in the price of our common stock over a set exercise price. The exercise price of any SAR granted under the 2024 Plan must be at least 100% of the fair market value of a share of our common stock on the date of grant. SARs under the 2024 Plan will be settled in cash or shares of our common stock, or in a combination of both, at the election of the administrator.
- *Performance Bonus Awards and Performance Stock Units* are denominated in cash or shares/unit equivalents, respectively, and may be linked to one or more performance or other criteria as determined by the administrator.



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- *Other Stock or Cash Based Awards* are awards of cash, fully vested shares of our common stock and other awards valued wholly or partially by referring to, or otherwise based on, shares of our common stock. Other stock or cash based awards may be granted to participants and may also be available as a payment form in the settlement of other awards, as standalone payments and as payment in lieu of base salary, bonus, fees or other cash compensation otherwise payable to any individual who is eligible to receive awards. The administrator will determine the terms and conditions of other stock or cash based awards, which may include vesting conditions based on continued service, performance and/or other conditions.
- *Dividend Equivalents* represent the right to receive the equivalent value of dividends paid on shares of our common stock and may be granted alone or in tandem with awards other than stock options or SARs. Dividend equivalents are converted to cash or shares by such formula and such time as determined by the administrator. In addition, dividend equivalents with respect to an awards subject to vesting will either (i) to the extent permitted by applicable law, not be paid or credited or (ii) be accumulated and subject to vesting to the same extent as the related award.

Any award may be granted as a performance award, meaning that the award will be subject to vesting and/or payment based on the attainment of specified performance goals.

*Change in Control.* In the event of a change in control, unless the administrator elects to terminate an award in exchange for cash, rights or other property, or cause an award to accelerate in full prior to the change in control, such award will continue in effect or be assumed or substituted by the acquirer, provided that any performance-based portion of the award will be subject to the terms and conditions of the applicable award agreement. In the event the acquirer refuses to assume or replace awards granted, prior to the completion of such transaction, awards issued under the 2024 Plan (other than any portion subject to performance-based vesting) will be subject to accelerated vesting such that 100% of such awards will become vested and exercisable or payable, as applicable. The administrator may also make appropriate adjustments to awards under the 2024 Plan and is authorized to provide for the acceleration, cash-out, termination, assumption, substitution or conversion of such awards in the event of a change in control or certain other unusual or nonrecurring events or transactions.

*Adjustments of Awards.* The administrator has broad discretion to take action under the 2024 Plan, as well as make adjustments to the terms and conditions of existing and future awards, to prevent the dilution or enlargement of intended benefits and facilitate necessary or desirable changes in the event of certain transactions and events affecting our common stock, such as stock dividends, stock splits, mergers, acquisitions, consolidations and other corporate transactions. In addition, in the event of certain non-reciprocal transactions with our stockholders known as “equity restructurings,” the administrator will make equitable adjustments to the 2024 Plan and outstanding awards.

*Amendment and Termination.* The administrator may terminate, amend or modify the 2024 Plan at any time and from time to time. However, we must generally obtain stockholder approval to the extent required by applicable law, rule or regulation (including any applicable stock exchange rule), and generally no amendment may materially and adversely affect any outstanding award without the affected participant’s consent. Notwithstanding the foregoing, an option may be amended to reduce the per share exercise price below the per share exercise price of such option on the grant date and options may be granted in exchange for, or in connection with, the cancellation or surrender of options having a higher per share exercise price without receiving additional stockholder approval.

No ISOs may be granted pursuant to the 2024 Plan after the tenth anniversary of the effective date of the 2024 Plan, and no additional annual share increases to the 2024 Plan’s aggregate share limit will occur without stockholder approval from and after such anniversary. Any award that is outstanding on the termination date of the 2024 Plan will remain in force according to the terms of the 2024 Plan and the applicable award agreement.

## **2015 Plan**

We currently maintain the 2015 Plan, which was adopted by our board of directors in May 2015 and has been periodically amended since then. The principal purpose of the 2015 Plan is to enhance our ability to attract, retain, and motivate persons who make (or are expected to make) important contributions to us by providing them with equity ownership opportunities. Following the completion of this offering, we will not make any further grants under the 2015 Plan. However, the 2015 Plan will continue to govern the terms and conditions of the outstanding awards granted under the 2015 Plan which, as of the date of this prospectus, constitute outstanding equity awards.

*Eligibility.* The 2015 Plan provides for the grant of NSOs, restricted stock, and RSUs to (i) non-employee directors, and (ii) employees and consultant of our company, our parent, or our subsidiary companies. The 2015 Plan provides for the grant of ISOs to employees.

*Share Reserve.* As of January 31, 2014, we have reserved an aggregate of 20,087,223 shares of our common stock for issuance under the 2015 Plan. As of January 31, 2024, options to purchase a total of 7,928,077 shares of our common stock were issued and outstanding and a total of 3,327,246 shares of our common stock subject to RSUs were issued and outstanding under the 2015 Plan. 1,826,467 shares remained available for future grants.

*Plan Administration.* Our board of directors or a committee appointed by our board of directors administers the 2015 Plan. Each committee will consist of one or more members of our board of directors and will have such authority and be responsible for such functions as our board of directors has assigned to it. Subject to the provisions of the 2015 Plan, our board of directors has full authority and discretion to take any actions it deems necessary or advisable for the administration of our 2015 Plan. All decisions, interpretations and other actions of the board of directors are final and binding on all participants and all persons deriving their rights from a participant.

*Awards.* The 2015 Plan provides for the direct award or sale of shares of our common stock, for the grant of options to purchase shares of our common stock and for the grant of RSUs to acquire shares of our common stock (each, an award and the recipient of such award, a participant) to eligible participants. Each award will be set forth in a separate agreement with the person receiving the award and will indicate the type, terms and conditions of the award.

*Stock Options.* Stock options have been granted under our 2015 Plan. Subject to the provisions of our 2015 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 ten 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.

ISOs 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 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. The administrator determines how a participant may pay the exercise price of an option, and the permissible methods are generally set forth in the 2015 Plan or the applicable award agreement. If a participant's "service" (as defined in our 2015 Plan) terminates, that participant may exercise the vested portion of his or her option for the period of time stated in the 2015 Plan or the applicable award agreement. Vested options generally will remain exercisable for three months or such earlier or later period of time as set forth in the applicable award agreement (but in no event earlier than 30 days after the termination of service) if a participant's service terminates for a reason other than death or disability. If a participant's service terminates due to death or disability, vested options generally will remain exercisable for six months (in the case of a termination due to disability) or 12 months (in the case of a termination due to death and in no event earlier than six months after the participant's death) from the date of termination (or such other longer period as set forth in

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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.* RSUs have been granted under our 2015 Plan. Subject to the terms and conditions of our 2015 Plan and the individual award agreement, the administrator determines the terms, conditions and restrictions related to the RSUs, including the vesting criteria, which, depending on the extent to which the criteria are met, will determine the number of RSUs that will be paid to a participant. Upon meeting the applicable vesting criteria, a participant holding an award of RSUs is entitled to receive a payout as determined by the administrator. At any time after the grant of RSUs, the administrator may, in its sole discretion, reduce or waive any vesting criteria that must be met to receive a payout. Payment of earned RSUs will be made as soon as practicable after the date(s) determined by the administrator and set forth in the award agreement. Earned RSUs generally will be settled in shares unless otherwise determined by the administrator in accordance with our 2015 Plan. On the date set forth in the award agreement, all unearned RSUs will be forfeited to us.

*Non-Transferability of Awards.* Unless determined otherwise by the administrator, an award may be transferable by a participant only by (i) a beneficiary designation, (ii) a will or (iii) the laws of descent and distribution, except that if the applicable option agreement so provides, an NSO may also be transferable to the extent permitted by Rule 701 under the Securities Act. An ISO may be exercised during an applicable participant's lifetime only by participant or by participant's guardian or legal representative. However, the administrator may permit an NSO, to the extent that it is vested, to be transferable by gift or domestic relations order to a family member of the participant, subject to the terms and conditions of the 2015 Plan.

*Certain Adjustments.* In the event of a subdivision of our outstanding shares of capital stock, a declaration of a dividend payable in shares of our common stock, a combination or consolidation of our outstanding common stock into a lesser number of shares, a reclassification or any other increase or decrease in the number of our issued shares of common stock effected without our receipt of consideration, proportionate adjustments will automatically be made in each of (i) the number and kind of our shares of common stock available for future grant under our 2015 Plan, (ii) the number and kind of our shares of common stock covered by each outstanding award, (iii) the exercise price of each outstanding option and the purchase price applicable to any unexercised stock purchase right and (iv) any repurchase price that applies to shares of our common stock granted under our 2015 Plan pursuant to the terms of our repurchase right under the applicable award agreement. In the event of a declaration of an extraordinary dividend payable in a form other than shares of our common stock that has a material effect on the fair market value of our common stock, a recapitalization, a spin-off or a similar occurrence, the administrator at its sole discretion may make appropriate adjustments in one or more of the items listed in (i) through (iv) above or any adjustments required by the California Corporations Code.

*Mergers and Consolidations.* In the event that we are a party to a merger or consolidation, or in the event of a sale of all or substantially all of our stock or assets, all shares acquired under the 2015 Plan and all awards outstanding on the effective date of the transaction will be treated in the manner described in the definitive transaction agreement (or, in the event the transaction does not entail a definitive agreement to which we are a party, in the manner determined by our board of directors in its capacity as administrator of the 2015 Plan, with such determination having final and binding effect on all parties), which agreement or determination need not treat all awards (or all portions of an award) in an identical manner. The treatment specified in the transaction agreement or as determined by our board of directors may include (without limitation) one or more of the following with respect to each outstanding award: (i) continuation of the option or award by us (if we are the surviving corporation), (ii) assumption of the option by the surviving corporation or its parent in a manner that complies with Code Section 424(a) (whether or not the option is an ISO), (iii) substitution by the surviving corporation or its parent of a new option for the option in a manner that complies with Code Section 424(a) (whether or not the option is an ISO), (iv) cancellation of the option and a payment to the participant with respect to each share subject to the portion of the option that is vested as of the transaction date equal to the excess of

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(A) the value, as determined by our board of directors in its absolute discretion, of the property (including cash) received by the holder of a share of stock as a result of the transaction, over (B) the per-share exercise price of the option, subject to the terms and conditions of the 2015 Plan, (v) cancellation of the option without the payment of any consideration; provided that the optionee must be notified of such treatment and given an opportunity to exercise the option in accordance with the 2015 Plan, (vi) suspension of the participant's right to exercise the Option during a limited period of time preceding the closing of the transaction if such suspension is administratively necessary to permit the closing of the transaction or (vii) termination of any right the participant has to exercise the option prior to vesting in the shares subject to the option. Our board of directors discretion to accelerate, in whole or part, the vesting and exercisability of an option or other 2015 Plan award in connection with such a transaction.

*Drag Along Right.* Shares acquired pursuant to awards under the 2015 Plan are subject to a drag-along right that will expire upon the effective date of the registration statement of which this prospectus forms a part.

*Amendment and Termination.* Our board of directors may amend, suspend or terminate our 2015 Plan at any time and for any reason; provided, however, that any amendment to our 2015 Plan will be subject to the approval of our stockholders to the extent required by applicable laws, regulations or rules. As noted above, on the business day immediately prior to the effective date of the registration statement of which this prospectus forms a part, our 2015 Plan will be terminated and we will not grant any additional awards under our 2015 Plan thereafter.

### **2007 Plan**

Our 2007 Plan was originally adopted by our board of directors and approved by our stockholders in 2007. Our 2007 Plan was terminated in 2015 in connection with the adoption of our 2015 Plan and as a result no new awards may be issued under our 2007 Plan. However, our 2007 Plan will continue to govern the terms and conditions of the outstanding awards previously granted under our 2007 Plan.

Prior to its termination, our 2007 Plan allowed us to grant ISOs, within the meaning of Section 422 of the Code, NSOs and stock purchase rights, which we refer to as awards, and the recipients of which we refer to as participants, to eligible employees and consultants of ours and any parent or subsidiary of ours. As of January 31, 2024, stock options to purchase a total of 53,826 shares of our common stock were issued and outstanding under our 2007 Plan.

*Plan Administration.* Our 2007 Plan is administered by our board of directors or one or more committees appointed by our board of directors. Different committees may administer our 2007 Plan with respect to different service providers. The administrator has all authority and discretion necessary or appropriate to administer our 2007 Plan and to control its operation, including the authority to construe and interpret the terms of our 2007 Plan and the awards granted under our 2007 Plan. The administrator has the authority to institute a program under which (i) outstanding options are surrendered or cancelled in exchange for options of the same type (which may have lower or higher exercise prices and different terms), options of a different type, and/or cash, and/or (ii) the exercise price of an outstanding option is reduced. The administrator's decisions are final and binding on all participants and any other persons holding awards.

*Eligibility.* Employees and consultants of ours or our parent or subsidiary companies and our member of our board of directors were eligible to receive awards under the 2007 Plan. Only our employees or employees of our parent or subsidiary companies were eligible to receive ISOs.

*Stock Options.* Stock options are outstanding under our 2007 Plan. Subject to the provisions of our 2007 Plan, the administrator determined 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 a stock option is stated in the applicable award agreement, but the term of a stock option may not exceed 10 years from the grant date. The administrator determines the exercise price of stock options, which generally may not be less than 100% of the fair market value of our common stock

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on the grant date. ISOs 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 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. The administrator determines how a participant may pay the exercise price of a stock option, and the permissible methods are generally set forth in the applicable award agreement. If a participant's service to us or any subsidiary of ours is terminated, the participant's vested options will be exercised for the period of time stated in the applicable award agreement. In no event will a stock option remain exercisable beyond its original term. If a participant does not exercise his or her stock option within the time specified in the award agreement, the stock option will terminate.

*Non-transferability of Awards.* Unless determined otherwise by the administrator, awards may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than by will or by the laws of descent and distribution.

*Certain Adjustments.* If any 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 our corporate structure affecting the shares occurs, the administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the 2007 Plan, must adjust the number and class of shares that may be delivered under the 2007 Plan and/or the number, class and price of shares covered by each outstanding award.

*Dissolution or Liquidation.* In the event of our proposed dissolution or liquidation, each award will terminate immediately prior to the consummation of such proposed action, unless otherwise determined by the administrator.

*Change of Control.* In the event of a merger or change in control, each outstanding award shall be treated as the administrator determines, including, without limitation, that each award be assumed or an equivalent award substituted by the successor corporation or a parent or subsidiary of the successor corporation. The administrator shall not be required to treat all awards similarly in the transaction. In the event that the successor corporation does not assume or substitute for an award, the participant shall fully vest in and have the right to exercise his or her outstanding awards, including shares as to which such award would not otherwise be vested or exercisable. In addition, if an award is not assumed or substituted in the event of a merger or change in control, the administrator must notify the participant in writing or electronically that the award shall be fully vested and exercisable for a period of time determined by the administrator in its sole discretion, and any award not assumed or substituted for shall terminate upon the expiration of such period for no consideration, unless otherwise determined by the administrator.

*Amendment and Termination.* Our board of directors may, at any time, amend or alter our 2007 Plan, but no such amendment or alteration may materially and adversely affect the rights of any participant under any outstanding grant, without his or her consent. As noted above, our 2007 Plan was terminated in 2015.

### **2024 Employee Stock Purchase Plan**

We intend to adopt the ESPP, which will be effective on the date immediately prior to the date the registration statement relating to this offering becomes effective. The ESPP is designed to allow our eligible employees to purchase shares of our common stock, at periodic intervals, with their accumulated payroll deductions. The ESPP is intended to qualify under Section 423 of the Code. The material terms of the ESPP, as it is currently contemplated, are summarized below.

*Administration.* Subject to the terms and conditions of the ESPP, our compensation committee will administer the ESPP. Our compensation committee can delegate administrative tasks under the ESPP to the services of an

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agent and/or employees to assist in the administration of the ESPP. The administrator will have the discretionary authority to administer and interpret the ESPP. Interpretations and constructions of the administrator of any provision of the ESPP or of any rights thereunder will be conclusive and binding on all persons. We will bear all expenses and liabilities incurred by the ESPP administrator.

*Share Reserve.* The maximum number of our shares of our common stock which will be authorized for sale under the ESPP is equal to the sum of (i) \_\_\_\_\_ shares of common stock and (ii) an annual increase on the first day of each fiscal year beginning in 2025 and ending in 2034, equal to the lesser of (A) \_\_\_\_\_ % of the shares of common stock outstanding (on an as converted basis) on the last day of the immediately preceding fiscal year and (B) such number of shares of common stock as determined by our board of directors; provided, however, no more than \_\_\_\_\_ shares of our common stock may be issued under the ESPP. The shares reserved for issuance under the ESPP may be authorized but unissued shares or reacquired shares.

*Eligibility.* Employees eligible to participate in the ESPP for a given offering period generally include employees who are employed by us or one of our subsidiaries on the first day of the offering period. Our employees (and, if applicable, any employees of our subsidiaries) who customarily work less than five months in a calendar year or are customarily scheduled to work less than 20 hours per week will not be eligible to participate in the ESPP. Finally, an employee who owns (or is deemed to own through attribution) 5% or more of the combined voting power or value of all our classes of stock or of one of our subsidiaries will not be allowed to participate in the ESPP.

*Participation.* Employees will enroll under the ESPP by completing a payroll deduction form permitting the deduction from their compensation of at least 1% of their compensation but not more than 15% of their base compensation. Such payroll deductions may be expressed as either a whole number percentage or a fixed dollar amount, and the accumulated deductions will be applied to the purchase of shares on each purchase date. However, a participant may not purchase more than 100,000 shares in each offering period and may not accrue the right to purchase shares of common stock at a rate that exceeds \$25,000 in fair market value of shares of our common stock (determined at the time the option is granted) for each calendar year the option is outstanding (as determined in accordance with Section 423 of the Code). The ESPP administrator has the authority to change these limitations for any subsequent offering period.

*Offering.* Under the ESPP, participants are offered the option to purchase shares of our common stock at a discount during a series of successive offering periods, the duration and timing of which will be determined by the ESPP administrator. However, in no event may an offering period be longer than 27 months in length.

The option purchase price will be the lower of 85% of the closing trading price per share of our common stock on the first trading date of an offering period in which a participant is enrolled or 85% of the closing trading price per share on the purchase date, which will occur on the last trading day of each purchase period within an offering period.

Unless a participant has previously canceled his or her participation in the ESPP before the purchase date, the participant will be deemed to have exercised his or her option in full as of each purchase date. Upon exercise, the participant will purchase the number of whole shares that his or her accumulated payroll deductions will buy at the option purchase price, subject to the participation limitations listed above.

A participant may cancel his or her payroll deduction authorization at any time prior to the end of the offering period. Upon cancellation, the participant will have the option to either (i) receive a refund of the participant's account balance in cash without interest or (ii) exercise the participant's option for the current offering period for the maximum number of shares of common stock on the applicable purchase date, with the remaining account balance refunded in cash without interest. Following at least one payroll deduction, a participant may also decrease (but not increase) his or her payroll deduction authorization once during any offering period. If a participant wants to increase or decrease the rate of payroll withholding, he or she may do so effective for the

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next offering period by submitting a new form before the offering period for which such change is to be effective.

A participant may not assign, transfer, pledge or otherwise dispose of (other than by will or the laws of descent and distribution) payroll deductions credited to a participant's account or any rights to exercise an option or to receive shares of our common stock under the ESPP, and during a participant's lifetime, options in the ESPP shall be exercisable only by such participant. Any such attempt at assignment, transfer, pledge or other disposition will not be given effect.

*Adjustments upon Changes in Recapitalization, Dissolution, Liquidation, Merger, or Asset Sale.* In the event of any increase or decrease in the number of issued shares of our common stock resulting from a stock split, reverse stock split, stock dividend, combination, or reclassification of the common stock, or any other increase or decrease in the number of shares of common stock effected without receipt of consideration by us, we will proportionately adjust the aggregate number of shares of our common stock offered under the ESPP, the number and price of shares which any participant has elected to purchase under the ESPP and the maximum number of shares which a participant may elect to purchase in any single offering period. If there is a proposal to dissolve or liquidate us, then the ESPP will terminate immediately prior to the consummation of such proposed dissolution or liquidation, and any offering period then in progress will be shortened by setting a new purchase date to take place before the date of our dissolution or liquidation. We will notify each participant of such change in writing prior to the new exercise date. If we undergo a merger with or into another corporation or sell all or substantially all of our assets, each outstanding option will be assumed or an equivalent option substituted by the successor corporation or the parent or subsidiary of the successor corporation. If the successor corporation refuses to assume the outstanding options or substitute equivalent options, then any offering period then in progress will be shortened by setting a new purchase date to take place before the date of our proposed sale or merger. We will notify each participant of such change in writing prior to the new exercise date.

*Amendment and Termination.* Our board of directors may amend, suspend, or terminate the ESPP at any time. However, the board of directors may not amend the ESPP without obtaining stockholder approval within 12 months before or after such amendment to the extent required by applicable laws.



## CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

In addition to the compensation arrangements, including employment, termination of employment and change in control arrangements, discussed in the sections titled “Management” and “Executive Compensation,” the following is a description of each transaction since February 1, 2021 and each currently proposed transaction in which:

- we have been or are to be a participant;
- the amount involved exceeded or exceeds \$120,000; and
- any of our directors, executive officers or holders of more than 5% 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.

### Equity Financings

#### *Series F Redeemable Convertible Preferred Stock Financing*

On March 25, 2021, we sold an aggregate of 2,795,266 shares of our Series F redeemable convertible preferred stock at a purchase price of \$107.3234 per share, for an aggregate purchase price of \$299,997,451. The following table summarizes purchases of our Series F redeemable convertible preferred stock by related persons:

<u>Stockholder</u>	<u>Shares of Series F Redeemable Convertible Preferred Stock</u>	<u>Total Purchase Price</u>
Entities affiliated with Battery Ventures <sup>(1)</sup>	111,811	\$ 11,999,937
Entities affiliated with Bessemer Venture Partners <sup>(2)</sup>	111,809	\$ 11,999,722
Entities affiliated with ICONIQ Capital <sup>(3)</sup>	419,292	\$ 44,999,843
Tim Cabral <sup>(4)</sup>	5,590	\$ 599,938

- (1) Shares purchased by Battery Ventures Select Fund I, L.P. and Battery Investment Partners Select Fund I, L.P., or collectively, the Battery Select Entities. Entities affiliated with Battery Ventures, including the Battery Select Entities, currently hold more than 5% of our outstanding capital stock. Michael Brown, a member of our board of directors, is General Partner at Battery Ventures.
- (2) Shares purchased by Bessemer Venture Partners VIII Institutional LP and Bessemer Venture Partners VIII LP, or collectively, the Bessemer Series F Entities. Entities affiliated with Bessemer Venture Partners, including the Bessemer Series F Entities, currently hold more than 5% of our outstanding capital stock. Byron Deeter and Sameer Dholakia, members of our board of directors, are Partners at Bessemer Venture Partners.
- (3) Shares purchased by ICONIQ Strategic Partners V, L.P., ICONIQ Strategic Partners V-B, L.P. and ICONIQ Strategic Partners Co-Invest, L.P. (Series ST), or collectively, the ICONIQ Series F Entities. Entities affiliated with ICONIQ Capital, including the ICONIQ Series F Entities, currently hold more than 5% of our outstanding capital stock. William Griffith, a member of our board of directors, is Founding Partner at ICONIQ Capital.
- (4) Tim Cabral is, and was at the time of the Series F redeemable convertible preferred stock financing, a member of our board of directors.

#### *Series G Redeemable Convertible Preferred Stock Financing*

On June 28, 2021, we sold an aggregate of 1,681,214 shares of our Series G redeemable convertible preferred stock at a purchase price of \$118.9609 per share, for an aggregate purchase price of \$199,998,731. The following table summarizes purchases of our Series G redeemable convertible preferred stock by related persons:

<u>Stockholder</u>	<u>Shares of Series G Redeemable Convertible Preferred Stock</u>	<u>Total Purchase Price</u>
Entities affiliated with Battery Ventures <sup>(1)</sup>	26,898	\$ 3,199,810
Entities affiliated with Bessemer Venture Partners <sup>(2)</sup>	126,091	\$ 14,999,899
Entities affiliated with ICONIQ Capital <sup>(3)</sup>	210,151	\$ 24,999,752

- (1) Shares purchased by the Battery Select Entities. Entities affiliated with Battery Ventures, including the Battery Select Entities, currently hold more than 5% of our outstanding capital stock. Michael Brown, a member of our board of directors, is General Partner at Battery Ventures.



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- (2) Shares purchased by 15 Angels II LLC. Entities affiliated with Bessemer Venture Partners, including 15 Angels II LLC, currently hold more than 5% of our outstanding capital stock. Byron Deeter and Sameer Dholakia, members of our board of directors, are Partners at Bessemer Venture Partners.
- (3) Shares purchased by ICONIQ Strategic Partners V, L.P., ICONIQ Strategic Partners V, Co-Invest, L.P. (Series ST2), and ICONIQ Strategic Partners V-B, L.P., or collectively, the ICONIQ Series G Entities. Entities affiliated with ICONIQ Capital, including the ICONIQ Series G Entities, currently hold more than 5% of our outstanding capital stock. William Griffith, a member of our board of directors, is Founding Partner at ICONIQ Capital.

### ***Series H Redeemable Convertible Preferred Stock Financing***

On November 22, 2022, December 20, 2022 and January 9, 2023, we sold an aggregate of 4,317,830 shares, 620,777 shares and 665,711 shares, respectively, of our Series H redeemable convertible preferred stock at a purchase price of \$84.5712 per share, for an aggregate purchase price of \$473,963,898. The following table summarizes purchases of our Series H redeemable convertible preferred stock by related persons:

<b>Stockholder</b>	<b>Shares of Series H Redeemable Convertible Preferred Stock</b>	<b>Total Purchase Price</b>
TPG Tech Adjacencies II Sherpa, L.P. <sup>(1)</sup>	3,559,131	\$300,999,980
VLH Investments, LLC <sup>(2)</sup>	29,560	\$ 2,499,925

<sup>(1)</sup> Shares purchased by TPG Tech Adjacencies II Sherpa, L.P., or TPG, which currently holds more than 5% of our outstanding capital stock.

<sup>(2)</sup> Shares purchased by VLH Investments, LLC. John Ohanessian, the brother-in-law of Vahe Kuzoyan, one of our executive officers and a member of our board of directors, is the manager of VLH Investments, LLC. Mr. Kuzoyan's mother, father-in-law, and brother-in-law are also investors in VLH Investments, LLC.

### ***Series H-1 Redeemable Convertible Preferred Stock Financing***

On July 27, 2023, we sold an aggregate of 402,026 shares of our Series H-1 redeemable convertible preferred stock at a purchase price of \$84.5712 per share, for an aggregate purchase price of \$33,999,821. Series H-1 Preferred Stock was only issued and sold to investors that purchased shares in the 2023 Tender Offer, as further described under "Tender Offers" below. The aggregate amount sold to each investor was equal to 25% of the aggregate amount of common stock purchased by such investor in the 2023 Tender Offer. The following table summarizes purchases of our Series H-1 redeemable convertible preferred stock by related persons:

<b>Stockholder</b>	<b>Shares of Series H-1 Redeemable Convertible Preferred Stock</b>	<b>Total Purchase Price</b>
Entities affiliated with ICONIQ Capital <sup>(1)</sup>	47,296	\$ 3,999,879

<sup>(1)</sup> Shares purchased by ICONIQ Strategic Partners V, L.P. and ICONIQ Strategic Partners V-B, L.P., or collectively, the ICONIQ Series H-1 Entities. Entities affiliated with ICONIQ Capital, including the ICONIQ Series H-1 Entities, currently hold more than 5% of our outstanding capital stock. William Griffith, a member of our board of directors, is Founding Partner at ICONIQ Capital.

### **Investors' Rights Agreement**

We are party to an Amended and Restated Investors' Rights Agreement, or IRA, dated as of July 27, 2023, which provides, among other things, that certain holders of our capital stock, including Battery Ventures, Bessemer Venture Partners, ICONIQ Capital and TPG, have the right to demand that we file a registration statement or request that their shares of our capital stock be covered by a registration statement that we are otherwise filing. Following the completion of this offering, the holders of approximately \_\_\_\_\_ shares of our common stock, including the shares of common stock issuable upon the conversion of our Series A-1, Series A-2, Series A-3, Series B, Series C, Series D, Series E, Series F, Series G, Series H and Series H-1 redeemable convertible preferred stock are entitled to rights with respect to the registration of their shares under the Securities Act. See

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the section titled “Description of Capital Stock—Registration Rights” for additional information. Ara Mahdessian and Vahe Kuzoyan, two of our executive officers and members of our board of directors, are also party to our IRA. Michael Brown and William Griffith, members of our board of directors, are affiliated with Battery Ventures and ICONIQ Capital, respectively. Byron Deeter and Sameer Dholakia, members of our board of directors, are affiliated with Bessemer Venture Partners.

### **Right of First Refusal and Co-Sale Agreement**

Pursuant to certain of our equity compensation plans and certain agreements with our stockholders, including our Amended and Restated Right of First Refusal and Co-sale Agreement, dated as of July 27, 2023, 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 completion of this offering. Ara Mahdessian and Vahe Kuzoyan, two of our executive officers and members of our board of directors, and Battery Ventures, Bessemer Venture Partners, ICONIQ Capital and TPG, are party to the right of first refusal and co-sale agreement. Michael Brown and William Griffith, members of our board of directors, are affiliated with Battery Ventures and ICONIQ Capital, respectively. Byron Deeter and Sameer Dholakia, members of our board of directors, are affiliated with Bessemer Venture Partners.

### **Voting Agreement**

We are party to an Amended and Restated Voting Agreement, dated as of July 27, 2023, under which certain holders of our capital stock, including Battery Ventures, Bessemer Venture Partners, ICONIQ Capital and TPG, have agreed to vote their shares of our capital stock on certain matters, including with respect to the election of directors. Upon completion of this offering, the voting agreement will terminate and none of our stockholders will have any special rights regarding the election or designation of members of our board of directors. Ara Mahdessian and Vahe Kuzoyan, two of our executive officers and members of our board of directors, are party to the voting agreement. Michael Brown and William Griffith, members of our board of directors, are affiliated with Battery Ventures and ICONIQ Capital, respectively. Byron Deeter and Sameer Dholakia, members of our board of directors, are affiliated with Bessemer Venture Partners.

### **Tender Offers**

We facilitated a tender offer, or the 2023 Tender Offer, that was completed on July 7, 2023, whereby current and former employees and other stockholders sold shares of our common stock at a purchase price of \$70.00 per share to existing and new investors who also purchased shares of our Series H-1 redeemable convertible preferred stock. Ara Mahdessian and Vahe Kuzoyan, two of our executive officers and members of our board of directors, sold shares of our common stock in the 2023 Tender Offer. Entities affiliated with ICONIQ Capital, which, together with their affiliates, beneficially own more than 5% of our outstanding capital stock, purchased shares of our common stock in our 2023 Tender Offer. An aggregate of 1,942,709 shares of our common stock were tendered pursuant to our 2023 Tender Offer for an aggregate purchase price of approximately \$136.0 million.

From March 2021 through April 2021, we facilitated a tender offer, or the 2021 Tender Offer, whereby current and former employees sold shares of our common stock at a purchase price of \$100.00 per share to existing and new investors. Entities affiliated with Battery Ventures and ICONIQ Capital, which, together with their affiliates, beneficially own more than 5% of our outstanding capital stock, and Tim Cabral, a member of our board of directors, purchased shares of our common stock in the 2021 Tender Offer. An aggregate of 1,999,982 shares of our common stock were tendered pursuant to the 2021 Tender Offer for an aggregate purchase price of approximately \$200.0 million.

### **Employment of Immediate Family Members**

Areni Mahdessian, the sister of Ara Mahdessian, one of our executive officers and a member of our board of directors, has been employed by us in a non-executive capacity since April 2016 and is currently Director,

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Product Management. Ms. Mahdessian’s cash compensation in fiscal 2022, fiscal 2023 and fiscal 2024 was approximately \$199,218, \$238,480 and \$243,098, respectively, and was comprised of salary and bonus. In fiscal 2022, fiscal 2023, and fiscal 2024, Ms. Mahdessian was granted 1,104, 3,090 and 1,242 RSUs, respectively. Ms. Mahdessian’s total compensation and benefits are in line with employees of comparable experience that held similar roles.

Levon Kuzoyan, the brother of Vahe Kuzoyan, one of our executive officers and a member of our board of directors, has been employed by us in a non-executive capacity since April 2015 and is currently a Corporate Solutions Engineer. Mr. Kuzoyan’s total cash compensation in fiscal 2022, fiscal 2023 and fiscal 2024 was approximately \$178,472, \$200,534 and \$155,722, respectively, and was comprised of salary and bonus. In fiscal 2022, fiscal 2023, and fiscal 2024, Mr. Kuzoyan was granted 518, 521 and 244 RSUs, respectively. Mr. Kuzoyan’s total compensation and benefits are in line with employees of comparable experience that held similar roles.

### **Commercial Arrangements**

We have a commercial relationship with Okta, Inc., or Okta. Diya Jolly, a member of our board of directors since July 2021, served as the Chief Product Officer of Okta from April 2019 to October 2022 and later served as an advisor to Okta from October 2022 to April 2023. Ms. Jolly was not involved in any discussions regarding the commercial relationship between the company and Okta. In fiscal 2022, fiscal 2023 and fiscal 2024 we made service payments to Okta of \$808,409, \$1,620,304 and \$1,303,242, respectively.

We have a commercial relationship with DialPad, Inc., or DialPad. Entities affiliated with ICONIQ, a beneficial owner of greater than 5% of our common stock, hold a greater than 10% equity interest in DialPad. William Griffith, a member of our board of directors since November 2016, is a director of the General Partner of several ICONIQ entities. Mr. Griffith has not been involved in any discussions regarding the commercial relationship between the company and DialPad. During fiscal 2022, fiscal 2023 and fiscal 2024 we made service payments to DialPad of \$1,231,065, \$2,033,356 and \$3,039,641, respectively.

### **Other Transactions**

We have granted stock options and RSUs to our executive officers and certain of our directors. See the sections titled “Executive Compensation—Outstanding Equity Awards at Year-End” and “Management—Non-Employee Director Compensation” for a description of these stock options and RSUs.

Other than as described above under this section titled “Certain Relationships and Related Party Transactions,” since February 1, 2021, we have not entered into any transactions, nor are there any currently proposed transactions, between us and a related party where the amount involved exceeds, or would exceed, \$120,000, and in which any related person had or will have a direct or indirect material interest. We believe the terms of the transactions described above were comparable to terms we could have obtained in arm’s-length dealings with unrelated third parties.

### **Limitation of Liability and Indemnification of Officers and Directors**

We expect to adopt an amended and restated certificate of incorporation, which will become effective immediately prior to the completion of this offering, and which will contain provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by the Delaware General Corporation Law, as may be amended. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for the following:

- any breach of their duty of loyalty to our company or our stockholders;

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- 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 as provided in Section 174 of the Delaware General Corporation Law; or
- any transaction from which they derived an improper personal benefit.

Any amendment to, or repeal of, these provisions will not eliminate or reduce the effect of these provisions in respect of any act, omission or claim that occurred or arose prior to that amendment or repeal. If the Delaware General Corporation Law is amended to provide for further limitations on the personal liability of directors of corporations, then the personal liability of our directors will be further limited to the greatest extent permitted by the Delaware General Corporation Law.

In addition, we expect to adopt amended and restated bylaws, which will become effective immediately prior to the completion of this offering, and which will provide that we will indemnify, to the fullest extent permitted by law, any person who is or was a party or is threatened to be made a party to any action, suit or proceeding by reason of the fact that they are or were one of our directors or officers or is or was serving at our request as a director or officer of another corporation, partnership, joint venture, trust or other enterprise. Our amended and restated bylaws are expected to provide that we may indemnify to the fullest extent permitted by law any person who is or was a party or is threatened to be made a party to any action, suit or proceeding by reason of the fact that they are or were one of our employees or agents or is or was serving at our request as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise. Our amended and restated bylaws will also provide that we must advance expenses incurred by or on behalf of a director or officer in advance of the final disposition of any action or proceeding, subject to limited exceptions.

Further, we have entered into or will enter into indemnification agreements with each of our directors and executive officers that may be broader than the specific indemnification provisions contained in the Delaware General Corporation Law. These indemnification agreements require us, among other things, to indemnify our directors and executive officers against liabilities that may arise by reason of their status or service. These indemnification agreements also require us to advance all expenses incurred by the directors and executive officers in investigating or defending any such action, suit or proceeding. We believe that these agreements are necessary to attract and retain qualified individuals to serve as directors and executive officers.

The limitation of liability and indemnification provisions that are expected to be included in our amended and restated certificate of incorporation, amended and restated bylaws and in indemnification agreements that we have entered into or will enter into with our directors and executive officers may discourage stockholders from bringing a lawsuit against our directors and executive officers for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against our directors and executive 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 executive officers as required by these indemnification provisions. At present, we are not aware of any pending litigation or proceeding involving any person who is or was one of our directors, officers, employees or other agents or is or was serving at our request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, for which indemnification is sought, and we are not aware of any threatened litigation that may result in claims for indemnification.

We have obtained insurance policies under which, subject to the limitations of the policies, coverage is provided to our directors and executive officers against loss arising from claims made by reason of breach of fiduciary duty or other wrongful acts as a director or executive officer, including claims relating to public securities matters, and to us with respect to payments that may be made by us to these directors and executive officers pursuant to our indemnification obligations or otherwise as a matter of law.

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Certain of our non-employee directors may, through their relationships with their employers, be insured or indemnified against certain liabilities incurred in their capacity as members of our board of directors.

The underwriting agreement will provide for indemnification by the underwriters of us and our officers and directors for certain liabilities arising under the Securities Act or otherwise.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling our company pursuant to the foregoing provisions, 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.

### **Policies and Procedures for Related Party Transactions**

Following the completion of this offering, our audit committee will have the primary responsibility for reviewing and approving or disapproving “related party transactions,” which, subject to certain exceptions set forth in Item 404 of Regulation S-K under the Securities Act, are transactions, relationships or arrangements, or any series of transactions, relationships or arrangements, between us and related persons in which the aggregate amount involved exceeds or may be expected to exceed \$120,000 and in which a related person has or will have a direct or indirect material interest. Upon completion of this offering, our policy regarding transactions between us and related persons will provide that a related person is defined as a director, executive officer, nominee for director or greater than 5% beneficial owner of our common stock, in each case since the beginning of the most recently completed year, and any of their immediate family members. Our audit committee charter that will be in effect upon completion of this offering will provide that our audit committee shall review and approve or disapprove any related party transactions.

## PRINCIPAL STOCKHOLDERS

The following table sets forth certain information with respect to the beneficial ownership of our capital stock as of \_\_\_\_\_, or the Beneficial Ownership Date, and as adjusted to reflect the sale of our common stock in this offering assuming no exercise of the underwriters' option to purchase additional shares of our common stock, for:

- each of our executive officers;
- each of our directors;
- all of our current directors and executive officers as a group; and
- each person known by us to be the beneficial owner of more than 5% of our securities.

We have determined beneficial ownership in accordance with the rules of the SEC, and thus it represents sole or shared voting or investment power with respect to our securities. Unless otherwise indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all shares that they beneficially owned, subject to community property laws where applicable. The information does not necessarily indicate beneficial ownership for any other purpose, including for purposes of Sections 13(d) and 13(g) of the Securities Act.

We have based our calculation of the percentage of beneficial ownership prior to this offering on \_\_\_\_\_ shares of our common stock outstanding as of the Beneficial Ownership Date, which includes \_\_\_\_\_ shares of preferred stock that will automatically convert into \_\_\_\_\_ shares of common stock immediately prior to the completion of this offering pursuant to the terms of our amended and restated certificate of incorporation, and excludes 250,000 shares of our non-convertible preferred stock. See the section titled "Description of Capital Stock—Non-Convertible Preferred Stock" for additional information on the rights and preferences of our non-convertible preferred stock.

We have based our calculation of the percentage of beneficial ownership after this offering on \_\_\_\_\_ shares of our common stock issued by us in our initial public offering and \_\_\_\_\_ shares of common stock outstanding immediately after the completion of this offering, assuming that the underwriters will not exercise their option to purchase up to an additional \_\_\_\_\_ share of our common stock from us in full. We have deemed shares of our common stock subject to stock options that are currently exercisable or exercisable within 60 days of the Beneficial Ownership Date or issuable pursuant to the vesting and settlement of RSUs which are subject to service-based vesting conditions expected to occur within 60 days of the Beneficial Ownership Date. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person.

Unless otherwise indicated, the address of each beneficial owner listed in the table below is c/o ServiceTitan, Inc., 800 N. Brand Blvd., Suite 100, Glendale, California 91203.

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	Number of Shares Beneficially Owned Common Stock	Percentage of Shares Beneficially Owned (%)	
		Before the Offering Common Stock	After the Offering Common Stock
<b>Executive Officers and Directors:</b>			
Ara Mahdessian			
Vahe Kuzoyan			
Dave Sherry			
Nina Achadjian			
Michael Brown			
Tim Cabral			
Byron Deeter			
Sameer Dholakia			
Ilya Golubovich			
William Griffith			
William Hsu			
Diya Jolly			
All executive officers and directors as a group (12 persons)			
<b>5% Stockholders:</b>			
Entities affiliated with Battery Ventures			
Entities affiliated with Bessemer Venture Partners			
Entities affiliated ICONIQ Capital			
TPG Tech Adjacencies II Sherpa, L.P. <sup>(1)</sup>			

\* Represents beneficial ownership of less than one percent (1%) of the outstanding shares of our common stock.

(1) Consists of \_\_\_\_\_ held by TPG Tech Adjacencies II Sherpa, L.P., a Delaware limited partnership, whose general partner is TPG Tech Adjacencies II SPV GP, LLC, a Cayman Islands limited liability company, whose sole member is TPG Tech Adjacencies GenPar II, L.P., a Delaware limited partnership, whose general partner is TPG Tech Adjacencies GenPar II Advisors, LLC, a Delaware limited liability company, whose sole member is TPG Operating Group I, L.P., a Delaware limited partnership, whose general partner is TPG Holdings I-A, LLC, a Delaware limited liability company, whose sole member is TPG Operating Group II, L.P., a Delaware limited partnership, whose general partner is TPG Holdings II-A, LLC, a Delaware limited liability company, whose sole member is TPG GPCo, LLC, a Delaware limited liability company, whose sole member is TPG Inc., a Delaware corporation, whose shares of Class B common stock (which represent a majority of the combined voting power of the common stock) are held collectively by (i) TPG Group Holdings (SBS), L.P., a Delaware limited partnership, whose general partner is TPG Group Holdings (SBS) Advisors, LLC, a Delaware limited liability company, (ii) Alabama Investments (Parallel), LP, a Delaware limited partnership, whose general partner is Alabama Investments (Parallel) GP, LLC, a Delaware limited liability company ("Alabama Investments"), (iii) Alabama Investments (Parallel) Founder A, LP, a Delaware limited partnership, whose general partner is Alabama Investments, and (iv) Alabama Investments (Parallel) Founder G, LP, a Delaware limited partnership, whose general partner is Alabama Investments. The managing member of each of TPG Group Holdings (SBS) Advisors, LLC and Alabama Investments is TPG GP A, LLC, a Delaware limited liability company, which is controlled by entities owned by David Bonderman, James G. Coulter and Jon Winkelried. Messrs. Bonderman, Coulter and Winkelried disclaim beneficial ownership of the securities held by TPG Tech Adjacencies II Sherpa, L.P., except to the extent of their pecuniary interest therein, if any. The address of each of TPG GP A, LLC and Messrs. Bonderman, Coulter and Winkelried is c/o TPG Inc., 301 Commerce Street, Suite 3300, Fort Worth, Texas 76102.

## DESCRIPTION OF CAPITAL STOCK

### General

The following description summarizes certain important terms of our capital stock, as they are expected to be in effect immediately prior to the completion of this offering. We expect to adopt an amended and restated certificate of incorporation and amended and restated bylaws that will become effective immediately prior to the completion of this offering, and this description summarizes the provisions that are expected to be included in such documents. Because it is only a summary, it does not contain all the information that may be important to you. For a complete description of the matters set forth in this section titled “Description of Capital Stock,” you should refer to our amended and restated certificate of incorporation, amended and restated bylaws and IRA, which are included as exhibits to the registration statement of which this prospectus forms a part, and to the applicable provisions of Delaware law. Immediately following the completion of this offering, after giving effect to the filing and effectiveness of our amended and restated certificate of incorporation and amended and restated bylaws, our authorized capital stock will consist of \_\_\_\_\_ shares of capital stock, \$0.001 par value per share, of which:

- \_\_\_\_\_ shares are designated as common stock;
- 250,000 shares are designated as non-convertible preferred stock; and
- \_\_\_\_\_ shares are designated as preferred stock.

Assuming the (i) filing and effectiveness of our amended and restated certificate of incorporation and amended and restated bylaws and (ii) conversion of all outstanding shares of our redeemable convertible preferred stock into shares of our common stock, which will occur immediately prior to the completion of this offering, as of January 31, 2024, there were \_\_\_\_\_ shares of our common stock outstanding (after giving effect to the Capital Stock Conversion), held by \_\_\_\_\_ stockholders of record, 250,000 shares of our non-convertible preferred stock outstanding held by two stockholders of record, and no shares of our preferred stock outstanding. Pursuant to our amended and restated certificate of incorporation, our board of directors will have the authority, without stockholder approval except as required by the listing standards of the Exchange, to issue additional shares of our capital stock.

### Common Stock

#### *Dividend Rights*

Subject to preferences that may apply to any shares of non-convertible preferred stock or preferred stock outstanding at the time, the holders of our common stock are entitled to receive dividends out of funds legally available if our board of directors, in its discretion, determines to issue dividends and then only at the times and in the amounts that our board of directors may determine. See the section titled “Dividend Policy” for additional information.

#### *Voting Rights*

Holders of our common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders. We have not provided for cumulative voting for the election of directors in our amended and restated certificate of incorporation.

#### *No Preemptive or Similar Rights*

Our common stock is not entitled to preemptive rights and is not subject to redemption or sinking fund provisions. The rights, preferences and privileges of the holders of our common stock will be subject to and may be adversely affected by the rights of the holders of shares of our non-convertible preferred stock and any series of our preferred stock that we may designate in the future.



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### ***Right to Receive Liquidation Distributions***

If we become subject to a liquidation, dissolution or winding-up, the assets legally available for distribution to our stockholders would be distributable ratably among the holders of our common stock and any participating preferred stock outstanding at that time, subject to prior satisfaction of all outstanding debt and liabilities, the preferential rights of and the payment of liquidation preferences on any outstanding shares of non-convertible preferred stock, and the preferential rights of and the payment of liquidation preferences, if any, on any outstanding shares of preferred stock.

### ***Fully Paid and Non-Assessable***

All of our outstanding shares of common stock are, and the shares of common stock to be issued in this offering will be, fully paid and nonassessable.

### **Non-Convertible Preferred Stock**

Our non-convertible preferred stock is not convertible into common stock or other capital stock of the Company, but may be redeemed under the conditions described below.

### ***Dividend Rights***

Dividends on each share of non-convertible preferred stock accrue on a daily basis, whether or not declared by our board of directors and whether or not we have assets legally available to make payment of such dividends, at a rate equal to 10% per annum from October 3, 2022 to October 2, 2027, 15% per annum from October 3, 2027 to October 2, 2028, and 20% per annum thereafter. The applicable dividend rate shall be increased by 2% per annum during any period in which we fail to make required dividend payments. The dividend amount payable on a particular date is calculated by multiplying the applicable rate by the sum of \$1,000 and the amount of dividends accrued but not yet paid as of such date. Dividends are payable in-kind quarterly in arrears; provided, however, that no cash dividends will be paid prior to October 3, 2028, and instead the dollar value of each dividend per share that has accrued shall be added to the liquidation amount that the holder of such share is entitled to receive in the event of a liquidation, a deemed liquidation event (as defined in our amended and restated certificate of incorporation), dissolution, or winding up. After October 3, 2028, dividends on each outstanding share of non-convertible preferred stock shall, unless prohibited by law, be declared and paid only as cash dividends. We may not pay dividends on our common stock or any outstanding shares of preferred stock unless all declared and payable dividends on our non-convertible preferred stock have been paid or set aside for payment.

### ***Voting Rights***

For so long as any shares of our non-convertible preferred stock are outstanding, we may not, without the written consent or affirmative vote of (i) the holders of at least 75% of the outstanding shares of non-convertible preferred stock, including Saturn FD Holdings, LP and Coatue Tactical Solutions PS Holdings AIV I LP and their respective affiliates, or the Lead Investors, for so long as the Lead Investors hold in the aggregate a majority of the outstanding shares of non-convertible preferred stock, or (ii) the holders of at least 50% of the outstanding shares of non-convertible preferred stock, including the Lead Investors, for so long as the Lead Investors hold in the aggregate less than a majority of the outstanding shares of non-convertible preferred stock, take any of the following actions, either directly or indirectly:

- create, authorize, or issue shares ranking *pari passu* with or senior to any non-convertible preferred stock with respect to liquidation preference;
- liquidate, dissolve or wind-up our business if any or all of the consideration payable to the holders of non-convertible preferred stock is other than in cash (unless all outstanding shares of non-convertible preferred stock are redeemed in connection with the liquidation, dissolution, winding up);

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- purchase or redeem, or pay or declare any dividend or make any distribution on, any shares of our capital stock, subject to certain exceptions;
- create or hold capital stock in any subsidiary that we do not wholly own, or sell, transfer or otherwise dispose of certain capital stock or other assets of any of our subsidiaries to any person other than a wholly-owned subsidiary;
- enter into or be a party to any transaction with any of our stockholders, directors, or officers, except for transactions made in the ordinary course of business or upon fair and reasonable terms approved by a majority of independent or disinterested members of our board of directors;
- incur, assume or guarantee indebtedness, or issue or authorize any debt security, if our aggregate indebtedness following such action would exceed \$500,000,000;
- amend, alter or repeal any provision of our amended and restated certificate of incorporation, including Exhibit A thereto, or our amended and restated bylaws in a manner that adversely affects the powers, preferences or rights of the non-convertible preferred stock;
- increase the authorized number of shares of non-convertible preferred stock;
- reclassify, alter or amend any of our existing securities if such action would render such security senior to the non-convertible preferred stock in respect of dividend, liquidation or redemption rights;
- enter into or effect any transaction or take any other action in which the rights, preferences or privileges of the non-convertible preferred stock are impaired or adversely affected, or otherwise to avoid or attempt to avoid the observance or performance of any of the terms to be observed or performed under our amended and restated certificate of incorporation in respect of our non-convertible preferred stock, other than in the case of a transaction in which all outstanding shares of non-convertible preferred stock are redeemed at or immediately following the effective time or closing of such transaction.

Other than as outlined above, following the completion of this offering the holders of our non-convertible preferred stock will have no voting rights, except as required by law.

### ***Redemption Rights***

We have the right to redeem, at any time, any or all of the outstanding shares of non-convertible preferred stock at a redemption price per share equal to \$1,000 plus all accrued but unpaid dividends on such share; provided that the aggregate redemption price must be at least \$50,000,000 (unless the total outstanding shares of non-convertible preferred stock have an aggregate redemption price of less than \$50,000,000, in which case we must redeem all outstanding shares of non-convertible preferred stock).

### ***No Preemptive or Similar Rights***

Our non-convertible preferred stock is not entitled to preemptive rights and is not subject to sinking fund provisions.

### ***Right to Receive Liquidation Distributions***

If we become subject to a liquidation, dissolution or winding-up, the assets legally available for distribution to our stockholders would be distributable to the holders of our non-convertible preferred stock before any payment shall be made to the holders of our common stock or any outstanding preferred stock.

### ***Fully Paid and Non-Assessable***

All of our outstanding shares of non-convertible preferred stock are fully paid and nonassessable.

### **Preferred Stock**

After the completion of this offering, no shares of our preferred stock will be outstanding except for our non-convertible preferred stock. Pursuant to our amended and restated certificate of incorporation that will become effective immediately prior to the completion of this offering, our board of directors will have the authority, subject to limitations prescribed by Delaware law, to issue preferred stock in one or more series, to establish from time to time the number of shares to be included in each series and to fix the designation, powers, preferences and rights of the shares of each series and any of its qualifications, limitations or restrictions, in each case without further vote or action by our stockholders. Our board of directors can also increase or decrease the number of shares of any series of preferred stock, but not below the number of shares of that series then outstanding, without any further vote or action by our stockholders. Our board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of our common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring or preventing a change in control of our company and might adversely affect the market price of our common stock and the voting and other rights of the holders of our common stock. We have no current plan to issue any shares of preferred stock.

### **Options**

As of January 31, 2024, we had (i) outstanding options to purchase an aggregate of 53,826 shares of our common stock, with a weighted-average exercise price of approximately \$0.19 per share, under our 2007 Plan and (ii) outstanding options to purchase an aggregate of 7,928,077 shares of our common stock, with a weighted average exercise price of approximately \$16.55 per share, under our 2015 Plan.

### **RSUs**

As of January 31, 2024, we had outstanding 3,327,246 shares of our common stock subject to RSUs under our 2015 Plan. As of January 31, 2024, we had outstanding 19,383 shares of our common stock subject to RSUs that were issued in connection with our acquisition of FieldRoutes.

### **Our 1% Pledge**

We have committed to the issuance and donation of \_\_\_\_\_ shares of our common stock over the next ten years in addition to any profit, time or other assets we may contribute, which constitutes part of our 1% Pledge to contribute 1% of profit, product, equity, or time to charity. None of such shares were outstanding as of January 31, 2024.

### **Registration Rights**

After the completion of this offering, certain holders of our common stock will be entitled to rights with respect to the registration of their shares under the Securities Act. These registration rights are contained in our IRA. We and certain holders of our preferred stock are parties to our IRA. The registration rights set forth in our IRA will expire (i) five years following the completion of this offering, (ii) with respect to any particular stockholder, when such stockholder is able to sell all of its shares pursuant to Rule 144 or another similar exemption under the Securities Act during any 90-day period or (iii) upon the closing of a deemed liquidation event (as defined in our current restated certificate of incorporation), pursuant to which such stockholders receive proceeds solely in the form of cash or marketable securities. We will pay the registration expenses (other than underwriting discounts, selling commissions, stock transfer taxes and certain attorneys' fees) of the holders of the shares registered pursuant to the registrations described below. 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. We expect that our stockholders will waive their rights under our IRA (i) to receive notice of this offering and (ii) to include

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their registrable shares in this offering. In addition, in connection with this offering, we expect that each stockholder that has registration rights will agree not to sell or otherwise dispose of any securities without the prior written consent of us and the underwriters for a period of 180 days after the date of this prospectus, subject to certain terms and conditions. See the sections titled “Shares Eligible for Future Sale—Lock-Up and Market Standoff Agreements” and “Underwriting” for additional information.

### ***Demand Registration Rights***

After the completion of this offering, the holders of up to \_\_\_\_\_ shares of our common stock will be entitled to certain demand registration rights. At any time beginning 180 days after the effective date of the registration statement of which this prospectus forms a part, the holders of at least a majority of these shares then outstanding can request that we register the offer and sale of their shares. Such request for registration must cover securities, the anticipated aggregate public offering price of which, before payment of underwriting discounts, selling commissions and stock transfer taxes, is at least \$50,000,000. We are obligated to effect only two such registrations. If we determine that it would be materially detrimental to us and our stockholders to effect such a demand registration, we have the right to defer such registration for a period of up to 90 days, not more than once in any 12-month period.

### ***Piggyback Registration Rights***

After the completion of this offering, if we propose to register the offer and sale of our common stock under the Securities Act, in connection with the public offering of such common stock the holders of up to \_\_\_\_\_ shares of our common stock will be entitled to certain “piggyback” registration rights allowing the holders to include their shares in such registration, subject to certain marketing and other limitations. As a result, whenever we propose to file a registration statement under the Securities Act, other than with respect to (i) a registration in which the only common stock being registered is common stock issuable upon conversion of debt securities that are also being registered, (ii) a registration related to any employee benefit plan or a corporate reorganization or other transaction covered by Rule 145 promulgated under the Securities Act or (iii) a registration on any registration form which does not include substantially the same information as would be required to be included in a registration statement covering the public offering of our common stock, the holders of these shares are entitled to notice of the registration and have the right, subject to certain limitations, to include their shares in the registration.

### ***S-3 Registration Rights***

After the completion of this offering, the holders of up to \_\_\_\_\_ shares of our common stock will be entitled to certain Form S-3 registration rights. The holders of at least 10% of these shares then outstanding may make a written request that we register the offer and sale of their shares on a registration statement on Form S-3 if we are eligible to file a registration statement on Form S-3. Such request for registration must cover securities, the anticipated aggregate public offering price of which, before payment of underwriting discounts, selling commissions and stock transfer taxes, is at least \$10,000,000. These stockholders may make an unlimited number of requests for registration on Form S-3; however, we will not be required to effect a registration on Form S-3 if we have effected two such registrations within the 12-month period preceding the date of the request. If we determine that it would be materially detrimental to us and our stockholders to effect such a demand registration, we have the right to defer such registration for a period of up to 90 days, not more than once in any 12-month period.

### ***Anti-Takeover Provisions***

Certain provisions of Delaware law, our amended and restated certificate of incorporation and our amended and restated bylaws, which will become effective immediately prior to the completion of this offering and are summarized below, may have the effect of delaying, deferring or discouraging another person from acquiring

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control of us. They are also designed, in part, to encourage persons seeking to acquire control of us to negotiate first with our board of directors. We believe that the benefits of increased protection of our potential ability to negotiate with an unfriendly or unsolicited acquirer outweigh the disadvantages of discouraging a proposal to acquire us because negotiation of these proposals could result in an improvement of their terms. See the section titled “Risk Factors—Risks Related to Ownership of Our Common Stock, Governance and this Offering—Delaware law and provisions in our amended and restated certificate of incorporation and amended and restated bylaws could make a merger, tender offer or proxy contest difficult, thereby depressing the trading price of our common stock.”

### ***Delaware Law***

We will be governed by the provisions of Section 203 of the Delaware General Corporation Law. In general, Section 203 prohibits a public Delaware corporation from engaging in a “business combination” with an “interested stockholder” for a period of three years after the date of the transaction in which the person became an interested stockholder, unless:

- prior to the date of the transaction, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, but not the outstanding voting stock owned by the interested stockholder, (1) shares owned by persons who are directors and also officers and (2) shares owned by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- at or subsequent to the date of the transaction, the business combination is approved by the board of directors of the corporation and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least two-thirds of the outstanding voting stock that is not owned by the interested stockholder.

Generally, a “business combination” includes a merger, asset or stock sale, or other transaction or series of transactions together resulting in a financial benefit to the interested stockholder. 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 outstanding voting stock. We expect the existence of this provision to have an anti-takeover effect with respect to transactions our board of directors does not approve in advance. We also anticipate that DGCL Section 203 may also discourage attempts that might result in a premium over the market price for the shares of common stock held by stockholders.

### ***Amended and Restated Certificate of Incorporation and Amended and Restated Bylaw Provisions***

Our amended and restated certificate of incorporation and our amended and restated bylaws, which will become effective immediately prior to the completion of this offering, will include a number of provisions that could deter hostile takeovers or delay or prevent changes in control of our board of directors or management team, including the following:

#### *Board of Directors Vacancies*

Our amended and restated certificate of incorporation and amended and restated bylaws will authorize only our board of directors to fill vacant directorships, including newly created seats. In addition, the number of directors constituting our board of directors is permitted to be set only by a resolution adopted by a majority vote of our entire board of directors. These provisions would prevent a stockholder from increasing the size of our board of

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directors and then gaining control of our board of directors by filling the resulting vacancies with its own nominees. This makes it more difficult to change the composition of our board of directors but promotes continuity of management.

### *Directors Removed Only for Cause*

Our amended and restated certificate of incorporation will provide that stockholders may remove directors only for cause.

### *Supermajority Requirements for Amendments of Our Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws.*

Our amended and restated certificate of incorporation will further provide that the affirmative vote of holders of at least two-thirds of the voting power of all of the then-outstanding shares of voting stock will be required to amend certain provisions of our amended and restated certificate of incorporation, including provisions relating to the size of the board, removal of directors, special meetings, actions by written consent, and designation of our preferred stock. The affirmative vote of holders of at least two-thirds of the voting power of all of the then-outstanding shares of voting stock will be required to amend or repeal our amended and restated bylaws, although our amended and restated bylaws may be amended by a simple majority vote of our board of directors.

### *Stockholder Action; Special Meeting of Stockholders*

Our amended and restated certificate of incorporation will provide that special meetings of our stockholders may be called only by a majority of our board of directors, the chairman of our board of directors, our lead independent director, or our chief executive officer. Our amended and restated certificate of incorporation will provide that our stockholders may not take action by written consent, but may only take action at annual or special meetings of our stockholders. As a result, holders of our capital stock would not be able to amend our amended and restated bylaws or remove directors without holding a meeting of our stockholders called in accordance with our amended and restated bylaws. Further, our amended and restated bylaws will provide that special meetings of our stockholders may be called only by a majority of our board of directors, the chairman of our board of directors, our lead independent director, or our chief executive officer, thus prohibiting a stockholder from calling a special meeting. These provisions might delay the ability of our stockholders to force consideration of a proposal or for stockholders to take any action, including the removal of directors.

### *Advance Notice Requirements for Stockholder Proposals and Director Nominations*

Our amended and restated bylaws will provide advance notice procedures for stockholders seeking to bring business before our annual meeting of stockholders or to nominate candidates for election as directors at our annual meeting of stockholders. Our amended and restated bylaws will also specify certain requirements regarding the form and content of a stockholder's notice. These provisions might preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our annual meeting of stockholders if the proper procedures are not followed. We expect that these provisions might also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company.

### *No Cumulative Voting*

The Delaware General Corporation Law provides that stockholders are not entitled to cumulate votes in the election of directors unless a corporation's certificate of incorporation provides otherwise. Our amended and restated certificate of incorporation will not provide for cumulative voting.

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### *Issuance of Undesignated Preferred Stock*

Our board of directors will have the authority, without further action by our stockholders, to issue up to \_\_\_\_\_ shares of undesignated preferred stock with rights and preferences, including voting rights, designated from time to time by our board of directors. The existence of authorized but unissued shares of preferred stock would enable our board of directors to render more difficult or to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or other means.

### *Exclusive Forum*

Our amended and restated certificate of incorporation will provide that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (i) any derivative action or proceeding brought on behalf of us; (ii) any action asserting a claim of breach of fiduciary duty owed by any director, officer, or other employee of our company to us or our stockholders; (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law or our amended and restated certificate of incorporation and bylaws; or (iv) any action asserting a claim governed by the internal affairs doctrine. This provision would not apply to claims brought to enforce a duty or liability created by the Exchange Act, or any other claim for which the federal courts have exclusive jurisdiction.

Furthermore, our amended and restated certificate of incorporation will also provide that unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended. Any person or entity purchasing or otherwise acquiring any interest in our shares of capital stock shall be deemed to have notice of and consented to the foregoing forum selection provisions. 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.

Our exclusive forum provision will not relieve us of our duties to comply with the federal securities laws and the rules and regulations thereunder, and our stockholders will not be deemed to have waived our compliance with these laws, rules and regulations.

The enforceability of similar federal court choice of forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that a court could find this type of provision to be inapplicable or unenforceable. If a court were to find either of the choice of forum provisions contained in our amended and restated certificate of incorporation or amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions.

The choice of forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with the company or our directors, officers or other employees, which may discourage such lawsuits against the company and our directors, officers and other employees and result in increased costs for investors to bring a claim.

### **Transfer Agent and Registrar**

Upon the completion of this offering, the transfer agent and registrar for our common stock will be Computershare Trust Company, N.A. The transfer agent and registrar's address is 250 Royall Street, Canton, Massachusetts 02021.

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**Limitations of Liability and Indemnification**

See the section titled “Certain Relationships and Related Party Transactions—Limitation of Liability and Indemnification of Officers and Directors.”

**Listing**

We intend to apply to list our common stock on the Exchange under the symbol “ ”.



## DESCRIPTION OF CERTAIN INDEBTEDNESS

### General

On January 23, 2023, we entered into the Credit Agreement, by and among us, Wells Fargo Bank, N.A., as administrative agent and collateral agent, each lender from time to time party thereto, and each swingline lender and letter of credit issuer from time to time party thereto. The Credit Agreement includes (i) the Term Loan Facility, in an initial aggregate principal amount of \$180.0 million, and (ii) the Revolving Credit Facility, in an initial aggregate principal amount of up to \$70.0 million. Up to \$10.0 million of the Revolving Credit Facility may be borrowed in the form of swingline loans and up to \$10.0 million may be issued under letters of credit. The proceeds from the Revolving Credit Facility and the Term Loan Facility were or will be used for working capital, general corporate purposes and refinancing existing indebtedness. The Term Loan Facility and the Revolving Credit Facility will mature on January 23, 2028, unless extended in accordance with the terms of the Credit Agreement. As of January 31, 2024, the outstanding principal balance of the Term Loan Facility was \$178.7 million, and there were no amounts drawn under the Revolving Credit Facility.

The Credit Agreement permits us to increase the Term Loan Facility and/or add one or more incremental term loan facilities and/or increase the commitments under the Revolving Credit Facility from time to time and/or add one or more incremental revolving credit facilities from time to time subject to a cap as set forth in the Credit Agreement, subject, in each case, to the receipt of additional commitments from existing and/or new lenders and certain other conditions set forth in the Credit Agreement.

### Amortization, Interest Rates, and Fees

On the first day of each calendar quarter, we are required to repay an aggregate principal amount equal to 0.25% of the aggregate original principal amount of the Term Loan Facility.

The Term Loan Facility and the Revolving Credit Facility bear interest at a floating rate which can be, at our option, either (i) a term SOFR-based rate for a specified interest period plus an applicable margin of 3.50% per annum or (ii) a base rate plus an applicable margin of 2.50% per annum. The term SOFR-based rate applicable to the Credit Agreement is subject to a “floor” of 0.75%.

The base rate for any day is a fluctuating rate equal to the greatest of (i) the federal funds effective rate in effect on such day and the overnight bank funding rate in effect on such day, plus 0.50%, (ii) the term SOFR rate for a one-month interest period, plus 1.00% and (iii) the rate of interest for such day as announced within Wells Fargo as the “prime rate”.

We are required to pay a commitment fee of 0.5% per annum on undrawn amounts under the Revolving Credit Facility.

### Voluntary Prepayments

Voluntary prepayment of outstanding borrowings under the Credit Agreement are permitted at any time without premium or penalty, subject to, among other things, prior written notice, minimum amount requirements, and payment of any applicable fees.

### Mandatory Prepayments

Our Credit Agreement requires us to prepay borrowings under the Term Loan Facility with the proceeds of certain transactions received by us or any restricted subsidiary. Such transactions include (i) any incurrence of debt not permitted under the Credit Agreement and debt incurred to refinance the borrowings under the Credit Agreement, (ii) receipt of certain asset sale proceeds or insurance proceeds and (iii) excess cash flow, in each case, subject to certain exceptions.

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### **Guarantees**

Subject to certain exceptions, all obligations under our Credit Agreement are jointly and severally, fully and unconditionally guaranteed by all of our existing and future direct and indirect subsidiaries (subject to certain exceptions).

### **Security**

Our obligations and the obligations of the guarantors under the Credit Agreement are secured by pledges of and perfected first priority security interests in (i) substantially all of the existing and future equity interests of each subsidiary of ours or of any guarantor and (ii) substantially all of our and the guarantors' tangible and intangible assets, in each case, subject to certain exceptions.

### **Certain Covenants**

Our Credit Agreement contains a number of covenants that, among other things, restrict, subject to certain exceptions, the ability of us or our subsidiaries to:

- incur additional indebtedness;
- create or incur liens;
- engage in consolidations, mergers, liquidations or dissolutions;
- make acquisitions, investments, loans (including guarantees), advances or capital contributions;
- sell, transfer, or otherwise dispose of assets;
- pay dividends and distributions on, or purchase, redeem, defease or otherwise acquire or retire for value, capital stock;
- prepay certain other indebtedness or modify certain documents; and
- create restrictions on the payment of dividends.

In addition, our Credit Agreement includes (i) a covenant requiring that we maintain liquidity of at least \$50.0 million at all times and (ii) a covenant requiring that we achieve certain specified recurring revenue amounts on a quarterly basis. As of January 31, 2024, we believe we were in compliance with all covenants under our Credit Agreement.

### **Events of Default**

Our Credit Agreement includes certain events of default customary for financings of this type, including, among others, failure to pay principal, interest or other amounts (subject to grace periods in certain instances); material inaccuracy of representations and warranties; violation of certain covenants; specified cross-default and cross-acceleration to other material indebtedness; certain bankruptcy and insolvency events; invalidity of guarantees or grants of security interest; certain undischarged judgments; and changes of control.

## SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock, and we cannot predict the effect, if any, that market sales of shares of our common stock or the availability of shares of our common stock for sale will have on the market price of our common stock prevailing from time to time. Future sales of our common stock in the public market, or the availability of such shares for sale in the public market, could adversely affect market prices prevailing from time to time. As described below, only a limited number of shares of our common stock will be available for sale shortly after this offering due to contractual and legal restrictions on resale. Nevertheless, sales of our common stock in the public market after such restrictions lapse, or the perception that those sales may occur, could adversely affect the prevailing market price at such time and our ability to raise equity capital in the future.

Following the completion of this offering, based on the number of shares of our capital stock outstanding as of January 31, 2024, we will have a total of \_\_\_\_\_ shares of our common stock outstanding. Of these outstanding shares, all of the shares of our common stock sold in this offering will be freely tradable, except that any shares purchased in this offering by our affiliates, as that term is defined in Rule 144 (after giving effect to the Capital Stock Conversion) under the Securities Act, would only be able to be sold in compliance with the Rule 144 limitations described below.

The remaining outstanding shares of our common stock will be, and shares subject to stock options and shares underlying outstanding RSUs will be upon issuance, deemed “restricted securities” as defined in Rule 144 under the Securities Act. Restricted securities may be sold in the public market only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rule 144 or Rule 701 under the Securities Act, which rules are summarized below. As a result of the lock-up and market standoff agreements described below and the provisions of our IRA described in the section titled “Description of Capital Stock—Registration Rights,” and subject to the provisions of Rule 144 or Rule 701, shares of our common stock will be available for sale in the public market as follows:

- beginning on the date of this prospectus, all \_\_\_\_\_ shares of our common stock sold in this offering will be immediately available for sale in the public market; and
- beginning \_\_\_\_\_ days after the date of this prospectus (subject to the terms of the lock-up and market standoff agreements described below) \_\_\_\_\_ additional shares of common stock will become eligible for sale in the public market, of which \_\_\_\_\_ shares of common stock will be held by affiliates and subject to the volume and other restrictions of Rule 144, as described below.

### Lock-Up and Market Standoff Agreements

We will agree that we will not (i) offer, pledge, announce the intention to sell, 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 dispose of, directly or indirectly, or file with the SEC a registration statement under the Securities Act relating to any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing or (ii) enter into any swap or other arrangement that transfers all or a portion of the economic consequences associated with the ownership of any shares of common stock or any such other securities (regardless of whether any of these transactions are to be settled by the delivery of shares of common stock or such other securities, in cash or otherwise), in each case without the prior written consent of Goldman Sachs & Co. LLC and \_\_\_\_\_ for a period of \_\_\_\_\_ days after the date of this prospectus, other than the shares of our common stock to be sold hereunder and certain other exceptions.

Our directors, our executive officers and holders of a substantial majority of all of our capital stock and securities convertible into our capital stock have entered or will enter into lock-up agreements with the underwriters prior to the commencement of this offering pursuant to which each of these persons or entities, with limited

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exceptions, for a period of \_\_\_\_\_ days after the date of this prospectus, may not, without the prior written consent of Goldman Sachs & Co. LLC and (i) offer, pledge, announce the intention to sell, 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 our common stock or any securities convertible into or exercisable or exchangeable for our common stock (including, without limitation, common stock or such other securities which may be deemed to be beneficially owned by such directors, executive officers and stockholders in accordance with the rules and regulations of the SEC and securities which may be issued upon exercise of a stock option or warrant) or (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the common stock or such other securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of common stock or such other securities, in cash or otherwise or (iii) make any demand for or exercise any right with respect to the registration of any shares of our common stock or any security convertible into or exercisable or exchangeable for our common stock.

In addition, our executive officers, directors and holders of a substantial majority of all of our capital stock and securities convertible into or exchangeable for our capital stock have entered into market standoff agreements with us under which they have agreed that, subject to certain exceptions, for a period of \_\_\_\_\_ days after the date of this prospectus, they will not, without our prior written consent, dispose of or hedge any shares or any securities convertible into or exchangeable for shares of our common stock.

### **Rule 144**

In general, Rule 144 provides that once we have been subject to the public company reporting requirements of Section 13 or Section 15(d) of the Exchange Act for at least 90 days, a person who is not deemed to have been one of our affiliates for purposes of the Securities Act at any time during the 90 days preceding a sale and who has beneficially owned the shares of our common stock proposed to be sold for at least six months is entitled to sell those shares without complying with the manner of sale, volume limitation or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than our affiliates, then that person would be entitled to sell those shares without complying with any of the requirements of Rule 144.

In general, Rule 144 provides that our affiliates or persons selling shares of our common stock on behalf of our affiliates are entitled to sell upon expiration of the market standoff agreements and lock-up agreements described above, within any three-month period, a number of shares of our common stock that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding, which will equal \_\_\_\_\_ shares immediately after the completion of this offering; or
- the average weekly trading volume of our common stock during the four calendar weeks preceding the filing of a notice on Form 144 with respect to that sale.

Sales of our common stock made in reliance upon Rule 144 by our affiliates or persons selling shares of our common stock on behalf of our affiliates are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us.

### **Rule 701**

Rule 701 generally allows a stockholder who purchased shares of our capital stock pursuant to a written compensatory plan or contract and who is not deemed to have been an affiliate of our company during the immediately preceding 90 days to sell these shares in reliance upon Rule 144, but without being required to comply with the public information, holding period, volume limitation or notice provisions of Rule 144.

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Rule 701 also permits affiliates of our company to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. All holders of Rule 701 shares, however, are required to wait until 90 days after the date of this prospectus before selling those shares pursuant to Rule 701.

### **Our 1% Pledge**

We have committed to the issuance and donation of \_\_\_\_\_ shares of our common stock over the next ten years in addition to any profit, time or other assets we may contribute, which constitutes part of our 1% Pledge to contribute 1% of profit, product, equity, or time to charity. None of such shares were outstanding as of January 31, 2024.

### **Registration Rights**

Pursuant to our IRA, after the completion of this offering, the holders of up to \_\_\_\_\_ shares of our common stock, or certain transferees, will be entitled to certain rights with respect to the registration of the offer and sale of those shares under the Securities Act. See the section titled “Description of Capital Stock—Registration Rights” for a description of these registration rights. If the offer and sale of these shares of our common stock are registered, the shares will be freely tradable without restriction under the Securities Act, subject to the Rule 144 limitations applicable to affiliates, and a large number of shares may be sold into the public market.

### **Registration Statement**

We intend to file a registration statement on Form S-8 under the Securities Act promptly after the effectiveness of this offering to register shares of our common stock subject to RSUs and options outstanding, as well as reserved for future issuance, under our equity compensation plans. The registration statement on Form S-8 is expected to become effective immediately upon filing, and shares of our common stock covered by the registration statement will then become eligible for sale in the public market, subject to the Rule 144 limitations applicable to affiliates, vesting restrictions and any applicable market standoff agreements and lock-up agreements. See the section titled “Executive Compensation—Employee Benefit and Stock Plans” for a description of our equity compensation plans.

## MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS

The following discussion is a summary of the material U.S. federal income tax consequences to Non-U.S. Holders (as defined below) of the purchase, ownership, and disposition of our common stock issued pursuant to this offering, but does not purport to be a complete analysis of all potential tax effects. The effects of other U.S. federal tax laws, such as estate and gift tax laws, and any applicable state, local, or non-U.S. tax laws are not discussed. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended, or the Code, Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the U.S. Internal Revenue Service, or the IRS, in each case in effect as of the date hereof. These authorities may change or be subject to differing interpretations. Any such change or differing interpretation may be applied retroactively in a manner that could adversely affect a Non-U.S. Holder. We have not sought and will not seek any rulings from the IRS regarding the matters discussed below. There can be no assurance the IRS or a court will not take a contrary position to that discussed below regarding the tax consequences of the purchase, ownership, and disposition of our common stock.

This discussion is limited to Non-U.S. Holders that 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 U.S. federal income tax consequences relevant to a Non-U.S. Holder’s particular circumstances, including the impact of the Medicare contribution tax on net investment income and the alternative minimum tax. In addition, it does not address consequences relevant to Non-U.S. Holders subject to special rules, including, without limitation:

- U.S. expatriates and former citizens or long-term residents of the United States;
- persons holding our common stock as part of a hedge, straddle, or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- banks, insurance companies, and other financial institutions;
- brokers, dealers, or traders in securities;
- “controlled foreign corporations,” “passive foreign investment companies,” and corporations that accumulate earnings to avoid U.S. federal income tax;
- partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes (and investors therein);
- tax-exempt organizations or governmental organizations;
- persons deemed to sell our common stock under the constructive sale provisions of the Code;
- persons who hold or receive our common stock pursuant to the exercise of any employee stock option or otherwise as compensation;
- tax-qualified retirement plans; and
- “qualified foreign pension funds” as defined in Section 897(l)(2) of the Code and entities all of the interests of which are held by qualified foreign pension funds.

If an entity treated as a partnership for U.S. federal income tax purposes holds our common stock, the tax treatment of a partner in the partnership will depend on the status of the partner, the activities of the partnership, and certain determinations made at the partner level. Accordingly, partnerships holding our common stock and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

**THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. INVESTORS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE**

**APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP, AND DISPOSITION OF OUR COMMON STOCK ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS, UNDER THE LAWS OF ANY STATE, LOCAL, OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.**

**Definition of a Non-U.S. Holder**

For purposes of this discussion, a “Non-U.S. Holder” is any beneficial owner of our common stock that is neither a “U.S. person” nor an entity treated as a partnership for U.S. federal income tax purposes. A U.S. person is any person that, for U.S. federal income tax purposes, is or is treated as any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized under the laws of the United States, any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (i) is subject to the primary supervision of a U.S. court and all substantial decisions of which are subject to the control of one or more “United States persons” (within the meaning of Section 7701(a)(30) of the Code), or (ii) has a valid election in effect to be treated as a United States person for U.S. federal income tax purposes.

**Distributions**

As described in the section titled “Dividend Policy,” we do not expect to pay any dividends in the foreseeable future. However, if we do make distributions of cash or property 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 not treated as dividends for U.S. federal income tax purposes will constitute a return of capital and first be applied against and reduce a Non-U.S. Holder’s adjusted tax basis in its common stock, but not below zero. Any excess will be treated as capital gain and will be treated as described below under “—Sale or Other Taxable Disposition.”

Subject to the discussion below regarding effectively connected income, dividends paid to a Non-U.S. Holder will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends (or such lower rate specified by an applicable income tax treaty, provided the Non-U.S. Holder furnishes a valid IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) certifying qualification for the lower treaty rate). A Non-U.S. Holder that does not timely furnish the required documentation, but that qualifies for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under any applicable tax treaties.

If dividends paid to a Non-U.S. Holder are effectively connected with the Non-U.S. Holder’s conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such dividends are attributable), the Non-U.S. Holder will be exempt from the U.S. federal withholding tax described above. To claim the exemption, the Non-U.S. Holder must furnish to the applicable withholding agent a valid IRS Form W-8ECI, certifying that the dividends are effectively connected with the Non-U.S. Holder’s conduct of a trade or business within the United States.

Any such effectively connected dividends will be subject to U.S. federal income tax on a net income basis at the regular rates applicable to U.S. persons. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected dividends, as adjusted for certain items. Non-U.S. Holders should consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

### **Sale or Other Taxable Disposition**

A Non-U.S. Holder will not be subject to U.S. federal income tax on any gain realized upon the sale or other taxable disposition of our common stock unless:

- the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such gain is attributable);
- the Non-U.S. Holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met; or
- our common stock constitutes a U.S. real property interest, or USRPI, by reason of our status as a U.S. real property holding corporation, or USRPHC, for U.S. federal income tax purposes.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular rates applicable to U.S. persons. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected gain, as adjusted for certain items.

A Non-U.S. Holder described in the second bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on gain realized upon the sale or other taxable disposition of our common stock, which gain may be offset by certain U.S.-source capital losses of the Non-U.S. Holder (even though the individual is not considered a resident of the United States), provided the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.

With respect to the third bullet point above, we believe we currently are not, and do not anticipate becoming, a USRPHC. Because the determination of whether we are a USRPHC depends, however, on the fair market value of our USRPIs relative to the fair market value of our non-U.S. real property interests and our other business assets, there can be no assurance we currently are not a USRPHC or will not become one in the future. Even if we are or were to become a USRPHC, gain arising from the sale or other taxable disposition of our common stock by a Non-U.S. Holder will not be subject to U.S. federal income tax if our common stock is "regularly traded," as defined by applicable Treasury Regulations, on an established securities market, and such Non-U.S. Holder owned, actually and constructively, 5% or less of our common stock throughout the shorter of the five-year period ending on the date of the sale or other taxable disposition or the Non-U.S. Holder's holding period.

Non-U.S. Holders should consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

### **Information Reporting and Backup Withholding**

Payments of dividends on our common stock will not be subject to backup withholding, provided the Non-U.S. Holder certifies its non-U.S. status, such as by furnishing a valid IRS Form W-8BEN, W-8BEN-E, or W-8ECI, or otherwise establishes an exemption. However, information returns are required to be filed with the IRS in connection with any distributions on our common stock paid to the Non-U.S. Holder, regardless of whether such distributions constitute dividends or whether any tax was actually withheld. In addition, proceeds of the sale or other taxable disposition of our common stock within the United States or conducted through certain U.S.-related brokers generally will not be subject to backup withholding or information reporting if the applicable withholding agent receives the certification described above or the Non-U.S. Holder otherwise establishes an exemption. Proceeds of a disposition of our common stock conducted through a non-U.S. office of a non-U.S. broker that does not have certain enumerated relationships with the United States generally will not be subject to backup withholding or information reporting.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides or is established.



Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

#### **Additional Withholding Tax on Payments Made to Foreign Accounts**

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code (such Sections commonly referred to as the Foreign Account Tax Compliance Act, or FATCA) on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends on, and (subject to the proposed Treasury Regulations discussed below) gross proceeds from the sale or other disposition of, our common stock paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (i) the foreign financial institution undertakes certain diligence and reporting obligations, (ii) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (iii) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (i) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends on our common stock. While withholding under FATCA would have applied also to payments of gross proceeds from the sale or other disposition of our common stock beginning on January 1, 2019, proposed Treasury Regulations eliminate FATCA withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued.

Prospective investors should consult their tax advisors regarding the potential application of withholding under FATCA to their investment in our common stock.

## UNDERWRITING

We and the underwriters named below have entered into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares indicated in the following table. Goldman Sachs & Co. LLC and Morgan Stanley & Co. LLC are the representatives of the underwriters.

<u>Underwriters</u>	<u>Number of Shares</u>
Goldman Sachs & Co. LLC	
Morgan Stanley & Co. LLC	
<b>Total</b>	

The underwriters are committed to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised.

The underwriters have an option to buy up to an additional \_\_\_\_\_ shares from us to cover sales by the underwriters of a greater number of shares than the total number set forth in the table above. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters by us. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase \_\_\_\_\_ additional shares.

	<u>No Exercise</u>	<u>Full Exercise</u>
<b>Per Share</b>	\$	\$
<b>Total</b>	\$	\$

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to \$ \_\_\_\_\_ per share from the initial public offering price. After the initial offering of the shares, the representatives may change the offering price and the other selling terms. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

We and our officers, directors, and holders of substantially all of our common stock have agreed with the underwriters, subject to certain exceptions, not to dispose of or hedge any of their common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, except with the prior written consent of the representatives. This agreement does not apply to any existing employee benefit plans. See the section titled "Shares Eligible for Future Sale" for a discussion of certain transfer restrictions.

Prior to the offering, there has been no public market for the shares. The initial public offering price has been negotiated among us and the representatives. Among the factors to be considered in determining the initial public offering price of the shares, in addition to prevailing market conditions, will be our historical performance, estimates of our business potential and earnings prospects, an assessment of our management and the consideration of the above factors in relation to market valuation of companies in related businesses.

An application will be made to list the common stock on the Exchange under the symbol "\_\_\_\_\_".

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In connection with the offering, the underwriters may purchase and sell shares of common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering, and a short position represents the amount of such sales that have not been covered by subsequent purchases. A “covered short position” is a short position that is not greater than the amount of additional shares for which the underwriters’ option described above may be exercised. The underwriters may cover any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to cover the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the option described above. “Naked” short sales are any short sales that create a short position greater than the amount of additional shares for which the option described above may be exercised. The underwriters must cover any such 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 the offering. Stabilizing transactions consist of various bids for or purchases of common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of our common stock, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the common stock. As a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. The underwriters are not required to engage in these activities and may end any of these activities at any time. These transactions may be effected on the Exchange, in the over-the-counter market or otherwise.

We estimate that our share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately \$ .

We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the issuer and to persons and entities with relationships with the issuer, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the issuer. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

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In December 2021, Goldman Sachs Lending Partners LLC, an affiliate of Goldman, Sachs & Co. LLC, one of the underwriters of this offering, entered into a loan agreement and a security and pledge agreement, collectively referred to as the loan agreements, with Vahe Kuzoyan, our co-founder, President and a member of our board of directors and his spouse, individually and as trustees of the K-A Family Trust dated December 6, 2021, or the Trust. Under the loan agreements, Goldman Sachs Lending Partners LLC agreed to make a loan in the principal amount of \$20 million to the Trust, to be used in connection with a home purchase and for personal liquidity needs. After certain repayments, the loan principal was reduced to approximately \$12 million and the loan agreements did not provide for further borrowing capacity. In March 2024, the loan agreements were amended to allow the borrowers to borrow an additional \$5 million such that the aggregate outstanding principal could not exceed \$17 million. As of April 15, 2024, the outstanding loan principal was approximately \$14 million.

### **European Economic Area**

In relation to each Member State of the European Economic Area, or a Relevant Member State, an offer to the public of any shares may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any shares may be made at any time under the following exemptions under the EU Prospectus Regulation:

- to any legal entity which is a “qualified investor” as defined under the EU Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than “qualified investors” as defined under the EU 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 EU Prospectus Regulation,

provided that no such offer of the shares shall result in a requirement for us or any underwriter to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or a supplemental prospectus pursuant to Article 23 of the EU Prospectus Regulation and each person who initially acquires any shares or to whom any offer is made will be deemed to have represented, warranted and agreed to and with each of the underwriters and us that it is a qualified investor within the meaning of Article 2 of the EU Prospectus Regulation.

In the case of any shares being offered to a financial intermediary as that term is used in Article 1(4) of the EU Prospectus Regulation, each financial intermediary will also be deemed to have represented, warranted and agreed that the shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any shares to the public, other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the underwriters has been obtained to each such proposed offer or resale.

We, the underwriters and their affiliates will rely upon the truth and accuracy of the foregoing representations, warranties and agreements. Notwithstanding the above, a person who is not a “qualified investor” and who has notified the underwriters of such fact in writing may, with the prior consent of the Notwithstanding the above, a person who is not a “qualified investor” and who has notified the underwriters of such fact in writing may, with the prior consent of the underwriters, be permitted to acquire shares in the offer.

For the purposes of this provision, the expression an “offer to the public” in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for any shares, and the expression “EU Prospectus Regulation” means Regulation (EU) 2017/1129.

### **United Kingdom**

An offer to the public of any shares may not be made in the United Kingdom, except that an offer to the public in the United Kingdom of any shares may be made at any time under the following exemptions under the UK Prospectus Regulation:

- to any legal entity which is a “qualified investor” as defined under the UK Prospectus Regulation;

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- to fewer than 150 natural or legal persons (other than “qualified investors” as defined under the UK Prospectus Regulation), subject to obtaining the prior consent of the representatives for any such offer; or
- in any other circumstances falling within section 86 of the Financial Services and Markets Act 2000, as amended, or the FSMA,

provided that no such offer of shares shall result in a requirement for us or any underwriter to publish a prospectus pursuant to section 85 of the FSMA or a supplemental prospectus pursuant to Article 23 of the UK Prospectus Regulation and each person who initially acquires any shares or to whom any offer is made will be deemed to have represented, warranted and agreed to and with each of the underwriters and us that it is a qualified investor within the meaning of Article 2 of the UK Prospectus Regulation.

In the case of any shares being offered to a financial intermediary as that term is used in Article 1(4) of the UK Prospectus Regulation, each financial intermediary will also be deemed to have represented, warranted and agreed that the shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any shares to the public, other than their offer or resale in the United Kingdom to qualified investors as so defined or in circumstances in which the prior consent of the underwriters has been obtained to each such proposed offer or resale.

We, the underwriters and their affiliates will rely upon the truth and accuracy of the foregoing representations, warranties and agreements. Notwithstanding the above, a person who is not a “qualified investor” and who has notified the underwriters of such fact in writing may, with the prior consent of the underwriters, be permitted to acquire shares in the offer.

For the purposes of this provision, the expression an “offer to the public” in relation to any shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for any shares.

This Prospectus is only being distributed to and is only directed at: (A) persons who are outside the United Kingdom; or (B) qualified investors who are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, or the Order, or (ii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons falling within (1)-(3) together being referred to as “relevant persons”). The shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire the shares will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus or any of its contents.

### **Canada**

The securities may be sold in Canada 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 securities must be made in accordance with an exemption form, 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 offering memorandum (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 of these rights or consult with a legal advisor.

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Pursuant to section 3A.3 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.

### **Hong Kong**

The shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong), or the Companies (Winding Up and Miscellaneous Provisions) Ordinance, or which do not constitute an invitation to the public within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), or the Securities and Futures Ordinance, or (ii) to “professional investors” as defined in the Securities and Futures Ordinance and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” in Hong Kong as defined in the Securities and Futures Ordinance and any rules made thereunder.

### **Singapore**

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined under Section 4A of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA) under Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to conditions set forth in the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, the securities (as defined in Section 239(1) of the SFA) of that corporation shall not be transferable for 6 months after that corporation has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer in that corporation’s securities pursuant to Section 275(1A) of the SFA, (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore, or Regulation 32.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is a trust (where the trustee is not an accredited investor (as defined in Section 4A of the SFA)) whose sole purpose is to hold investments and each beneficiary of the trust is an accredited investor, the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferable for 6 months after that trust has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer that is

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made on terms that such rights or interest are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction (whether such amount is to be paid for in cash or by exchange of securities or other assets), (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32.

### **Japan**

The securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended), or the FIEA. The securities may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of the FIEA and otherwise in compliance with any relevant laws and regulations of Japan.

## LEGAL MATTERS

Latham & Watkins LLP, San Francisco, California, which has acted as our counsel in connection with this offering, will pass upon the validity of the shares of our common stock being offered by this prospectus. The underwriters have been represented by Wilson Sonsini Goodrich & Rosati, P.C., Palo Alto, California. An investment fund associated with Wilson Sonsini Goodrich & Rosati, P.C. owns less than 1% of our outstanding capital stock as of January 31, 2024.

## EXPERTS

The financial statements as of January 31, 2023 and 2024 and for the years then ended included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

## WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have submitted with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of our common stock offered by this prospectus. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement, some of which is contained in exhibits to the registration statement as permitted by the rules and regulations of the SEC. For further information with respect to us and our common stock, we refer you to the registration statement, including the exhibits filed as a part of the registration statement. Statements contained in this prospectus concerning the contents of any contract or any other document are not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, please see the copy of the contract or document that has been filed. Each statement in this prospectus relating to a contract or document filed as an exhibit is qualified in all respects by the filed exhibit. The SEC maintains an Internet website that contains reports, proxy statements and other information about issuers, like us, that file electronically with the SEC. The address of that website is [www.sec.gov](http://www.sec.gov).

As a result of this offering, we will become subject to the information and reporting requirements of the Exchange Act and, in accordance with this law, will file periodic reports, proxy statements and other information with the SEC. We also maintain a website at [www.servicetitan.com](http://www.servicetitan.com). Upon 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 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.



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**ServiceTitan, Inc.**  
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**As of January 31, 2023 and 2024 and for the years then ended**

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**Report of Independent Registered Public Accounting Firm**

To the Board of Directors and Stockholders of ServiceTitan, Inc.

***Opinion on the Financial Statements***

We have audited the accompanying consolidated balance sheets of ServiceTitan, Inc. and its subsidiaries (the “Company”) as of January 31, 2024 and 2023, and the related consolidated statements of operations, of non-convertible preferred stock, redeemable convertible preferred stock and stockholders’ deficit and of cash flows for the years then ended, including the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of January 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

Los Angeles, California  
April 16, 2024

We have served as the Company’s auditor since 2017.

**ServiceTitan, Inc.**  
**Consolidated Balance Sheets**  
(in thousands, except share and per share data)

	As of January 31,	
	2023	2024
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 202,490	\$ 146,710
Restricted cash	250	1,403
Accounts receivable, net of allowance of \$1,153 and \$3,762 as of January 31, 2023 and 2024, respectively	22,906	28,046
Deferred contract costs, current	7,390	9,451
Contract assets	27,489	39,329
Prepaid expenses	18,367	22,652
Other current assets	2,332	1,640
Total current assets	281,224	249,231
Restricted cash, noncurrent	1,903	750
Deferred contract costs, noncurrent	7,505	8,399
Property and equipment, net	94,511	97,170
Operating lease right-of-use assets	48,721	43,270
Internal-use software, net	23,687	29,300
Intangible assets, net	301,678	251,347
Goodwill	830,872	830,872
Other assets	10,287	7,327
Total assets	<u>\$ 1,600,388</u>	<u>\$ 1,517,666</u>
<b>Liabilities, Non-Convertible Preferred Stock, Redeemable Convertible Preferred Stock and Stockholders' Deficit</b>		
Current liabilities:		
Accounts payable and other accrued expenses	\$ 54,159	\$ 45,293
Accrued personnel-related expenses	56,554	55,321
Deferred revenue, current	10,791	11,160
Operating lease liabilities, current	8,419	11,005
Short-term debt	1,350	1,800
Other current liabilities	5,118	688
Total current liabilities	136,391	125,267
Operating lease liabilities, noncurrent	67,116	58,576
Long-term debt, net	176,237	174,578
Other noncurrent liabilities	6,106	7,684
Total liabilities	<u>385,850</u>	<u>366,105</u>
Commitments and contingencies (Note 8)		
<b>Non-Convertible Preferred Stock</b>		
Non-convertible preferred stock, \$0.001 par value, 250,000 authorized, issued and outstanding as of January 31, 2023 and 2024, respectively. Liquidation preference of \$285,112 as of January 31, 2024	187,402	233,546
<b>Redeemable Convertible Preferred Stock</b>		
Redeemable convertible preferred stock, \$0.001 par value, 44,736,560 shares and 42,465,855 shares authorized as of January 31, 2023 and 2024, respectively. 42,063,829 shares and 42,465,855 shares issued and outstanding as of January 31, 2023 and 2024, respectively. Liquidation preference of \$1,398,054 as of January 31, 2024	1,362,287	1,395,878
<b>Stockholders' Deficit</b>		
Common stock, \$0.001 par value; 95,000,000 shares and 92,630,000 shares authorized as of January 31, 2023 and 2024, respectively. 32,813,495 shares and 34,185,388 shares issued and outstanding as of January 31, 2023 and 2024, respectively	33	34
Additional paid-in capital	336,307	388,739
Accumulated deficit	(671,491)	(866,636)
Total stockholders' deficit	(335,151)	(477,863)
Total liabilities, non-convertible preferred stock, redeemable convertible preferred stock and stockholders' deficit	<u>\$ 1,600,388</u>	<u>\$ 1,517,666</u>

The accompanying notes are an integral part of these consolidated financial statements.

**ServiceTitan, Inc.**  
**Consolidated Statements of Operations**  
**(in thousands, except share and per share data)**

	Fiscal	
	2023	2024
Revenue:		
Platform	\$ 443,523	\$ 581,751
Professional services and other	24,211	32,590
Total revenue	<u>467,734</u>	<u>614,341</u>
Cost of revenue:		
Platform	140,921	169,766
Professional services and other	60,789	67,945
Total cost of revenue	<u>201,710</u>	<u>237,711</u>
Gross profit	<u>266,024</u>	<u>376,630</u>
Operating expenses:		
Sales and marketing	196,775	219,994
Research and development	158,870	203,534
General and administrative	132,235	135,966
Total operating expenses	<u>487,880</u>	<u>559,494</u>
Loss from operations	<u>(221,856)</u>	<u>(182,864)</u>
Other expense, net		
Interest expense	(54,542)	(16,436)
Interest income	1,624	7,067
Loss on extinguishment of debt	(9,607)	—
Other income, net	1,801	1,224
Total other expense, net	<u>(60,724)</u>	<u>(8,145)</u>
Loss before income taxes	(282,580)	(191,009)
Provision for (benefit from) income taxes	<u>(13,057)</u>	<u>4,136</u>
Net loss	(269,523)	(195,145)
Accretion of non-convertible preferred stock	<u>(13,478)</u>	<u>(45,873)</u>
Net loss attributable to common stockholders	<u>\$ (283,001)</u>	<u>\$ (241,018)</u>
Net loss per share, basic and diluted	<u>\$ (9.31)</u>	<u>\$ (7.24)</u>
Weighted-average shares used in computing net loss per share, basic and diluted	<u>30,410,373</u>	<u>33,267,131</u>

The accompanying notes are an integral part of these consolidated financial statements.

**ServiceTitan, Inc.**  
**Consolidated Statements of Non-Convertible Preferred Stock, Redeemable Convertible Preferred Stock and Stockholders' Deficit**  
(in thousands, except share data)

	Non-Convertible Preferred Stock		Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Notes Receivable for exercise of stock options	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount				
<b>Balance as of January 31, 2022</b>	—	\$ —	36,459,511	\$ 889,352	30,030,960	\$ 30	\$ 158,636	\$ (2,311)	\$ (401,968)	\$ (245,613)
Issuance of Series H redeemable convertible preferred stock, net of issuance costs	—	—	5,604,318	472,935	—	—	—	—	—	—
Issuance of non-convertible preferred stock, net of issuance costs	250,000	173,924	—	—	—	—	—	—	—	—
Accretion of non-convertible preferred stock	—	13,478	—	—	—	—	(13,478)	—	—	(13,478)
Issuance of common stock, acquisition consideration	—	—	—	—	818,962	1	45,288	—	—	45,289
Exercise of warrants	—	—	—	—	1,262,516	1	75,265	—	—	75,266
Exercise of stock options	—	—	—	—	1,108,823	1	6,522	—	—	6,523
Settlement of restricted stock units	—	—	—	—	197,738	—	—	—	—	—
Shares repurchased for tax withholding on settlement of restricted stock units	—	—	—	—	(59,220)	—	(3,385)	—	—	(3,385)
Repurchases of shares upon early exercise of stock options for cash, net of issuances	—	—	—	—	(546,284)	—	—	—	—	—
Reclassification from liabilities upon vesting of early exercised stock options	—	—	—	—	—	—	1,695	—	—	1,695
Repayment of notes receivable	—	—	—	—	—	—	—	2,311	—	2,311
Stock-based compensation	—	—	—	—	—	—	65,764	—	—	65,764
Net loss	—	—	—	—	—	—	—	—	\$ (269,523)	(269,523)
<b>Balance as of January 31, 2023</b>	<u>250,000</u>	<u>\$187,402</u>	<u>42,063,829</u>	<u>\$1,362,287</u>	<u>32,813,495</u>	<u>\$ 33</u>	<u>\$ 336,307</u>	<u>\$ —</u>	<u>\$ (671,491)</u>	<u>\$ (335,151)</u>
Issuance of Series H-1 redeemable convertible preferred stock, net of issuance costs	—	—	402,026	\$ 33,591	—	—	—	—	—	—
Accretion of non-convertible preferred stock	—	45,873	—	—	—	—	(45,873)	—	—	(45,873)

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	Non-Convertible Preferred Stock		Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Notes Receivable for exercise of stock options	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount				
Adjustment to non-convertible preferred stock and warrant issuance costs	—	271	—	—	—	—	100	—	—	100
Exercise of stock options	—	—	—	—	849,938	1	9,702	—	—	9,703
Settlement of restricted stock units	—	—	—	—	789,291	—	—	—	—	—
Shares repurchased for tax withholding on settlement of restricted stock units	—	—	—	—	(267,336)	—	(16,506)	—	—	(16,506)
Reclassification from liabilities upon vesting of early exercised stock options	—	—	—	—	—	—	523	—	—	523
Stock-based compensation	—	—	—	—	—	—	104,486	—	—	104,486
Net loss	—	—	—	—	—	—	—	—	\$ (195,145)	(195,145)
<b>Balance as of January 31, 2024</b>	<u>250,000</u>	<u>\$233,546</u>	<u>42,465,855</u>	<u>\$1,395,878</u>	<u>34,185,388</u>	<u>\$ 34</u>	<u>\$ 388,739</u>	<u>\$ —</u>	<u>\$ (866,636)</u>	<u>\$ (477,863)</u>

The accompanying notes are an integral part of these consolidated financial statements.

**ServiceTitan, Inc.**  
**Consolidated Statements of Cash Flows**  
(in thousands)

	Fiscal	
	2023	2024
<b>Cash flows used in operating activities</b>		
Net loss	\$ (269,523)	\$ (195,145)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization expense	57,653	80,989
Amortization of deferred contract costs	6,386	9,402
Noncash operating lease expense	7,719	7,612
Stock-based compensation expense	64,149	102,454
Loss on impairment and disposal of assets	277	5,423
Abandoned offering costs	5,563	—
Change in valuation of contingent consideration	(1,105)	(1,100)
Deferred income taxes	(14,514)	1,826
Amortization of debt issuance costs	5,432	141
Loss on extinguishment of debt	9,607	—
Gain on sale of intangibles	—	(1,224)
Provision for credit losses	391	2,649
Changes in operating assets and liabilities, net of effect of business acquisitions:		
Accounts receivable	(4,454)	(7,789)
Prepaid expenses and other current assets	(1,115)	(3,351)
Deferred contract costs	(11,063)	(12,595)
Contract assets	(10,177)	(11,840)
Other assets	(3,467)	(1,889)
Accounts payable and other accrued expenses	6,877	(2,768)
Accrued personnel-related expenses	18,088	(962)
Operating lease liabilities	9,276	(9,247)
Other liabilities	1,529	(2,657)
Deferred revenue	1,723	369
Net cash used in operating activities	<u>(120,748)</u>	<u>(39,702)</u>
<b>Cash flows used in investing activities</b>		
Capitalized internal-use software	(15,480)	(15,743)
Purchase of property and equipment	(73,960)	(28,354)
Cash received for sale of intangible assets	—	2,739
Deposits for property and equipment	(2,530)	(518)
Repayment of loan to employee	515	1,529
Acquisition of businesses, net of cash acquired	(589,727)	—
Net cash used in investing activities	<u>(681,182)</u>	<u>(40,347)</u>
<b>Cash flows provided by financing activities</b>		
Payment of contingent consideration	(675)	(835)
Proceeds from exercise of stock options	6,753	9,703
Cash paid for repurchases of early exercised options	(4,721)	—
Proceeds from issuance of Series H redeemable convertible preferred stock	473,964	—
Payment of Series H convertible preferred stock issuance costs	(1,029)	—
Proceeds from issuance of Series H-1 redeemable convertible preferred stock	—	34,000
Payment of Series H-1 convertible preferred stock issuance costs	—	(409)
Proceeds from issuance of non-convertible preferred stock and warrants	250,000	—
Payments of non-convertible preferred stock and warrant issuance costs	(810)	—
Proceeds from debt arrangements	905,000	—
Payment of debt arrangements	(725,000)	(1,350)
Payment of debt issuance costs	(17,848)	—
Costs associated with initial public offering	(2,031)	(334)
Shares repurchased for tax withholding for the settlement of restricted stock units	(3,385)	(16,506)
Proceeds from repayment of notes receivable for exercise of stock options	8,815	—
Net cash provided by financing activities	<u>889,033</u>	<u>24,269</u>
Net increase (decrease) in cash, cash equivalents, and restricted cash	87,103	(55,780)
<b>Cash, cash equivalents, and restricted cash</b>		
Beginning of period	117,540	204,643
End of period	<u>\$ 204,643</u>	<u>\$ 148,863</u>

**ServiceTitan, Inc.**  
**Consolidated Statements of Cash Flows**  
**(in thousands)**

	Fiscal	
	2023	2024
<b>Supplemental disclosures of other cash flow information:</b>		
Cash paid for interest expense	\$ 48,751	\$ 14,697
Cash paid for amounts included in the measurement of lease liabilities	\$ 10,925	\$ 14,591
Cash paid for income taxes	\$ 861	\$ 1,837
Tenant improvements received from lessor	\$ 18,396	\$ 3,944
<b>Noncash investing and financing activities:</b>		
Issuance of common stock in consideration for business acquisition	\$ 45,289	\$ —
Capitalized internal-use software additions included in accrued expenses	\$ 2,035	\$ 1,441
Stock-based compensation capitalized in internal-use software	\$ 1,615	\$ 2,032
Property and equipment purchases included in accounts payable and accrued expenses	\$ 6,800	\$ 16
Contingent consideration for acquisition included in accounts payable and accrued operating expenses and other liabilities	\$ 2,370	\$ 435
Reclassification from other liabilities to additional paid-in capital upon vesting of early exercised stock options	\$ 1,695	\$ 523
Costs associated with initial public offering included in accrued expenses	\$ 2,572	\$ 3,407
Debt issuance costs included in accrued expenses	\$ 1,727	\$ —
Right-of-use assets obtained in exchange for lease obligations	\$ 669	\$ 3,293
Asset retirement obligations	\$ 1,666	\$ 359
Accretion of non-convertible preferred stock	\$ 13,478	\$ 45,873
<b>Reconciliation of cash, cash equivalents, and restricted cash within consolidated balance sheets:</b>		
Cash and cash equivalents	\$ 202,490	\$ 146,710
Restricted cash	\$ 2,153	\$ 2,153
Total cash, cash equivalents, and restricted cash shown in the consolidated statements of cash flows	<u>\$ 204,643</u>	<u>\$ 148,863</u>

The accompanying notes are an integral part of these consolidated financial statements.



**ServiceTitan, Inc.**  
**Notes to Consolidated Financial Statements**

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**1. Description of Business**

ServiceTitan, Inc. (“ServiceTitan” or the “Company”) is incorporated in the state of Delaware and its headquarters are in Glendale, California. ServiceTitan is an end-to-end technology platform built for contractors to transform the performance of their businesses. The Company’s platform provides business owners, technicians, customer service representatives and other key office staff with technology tools designed to help customers grow revenue, drive operational efficiencies, deliver a superior end-customer experience and monitor key business drivers in real-time.

In December 2018, the Company opened a subsidiary in Yerevan, Armenia. In June 2022, the Company opened a subsidiary in British Columbia, Canada. These subsidiaries primarily serve as research and development centers.

**Capital Resources and Liquidity**

The Company has incurred net losses and net cash outflows from operating activities since its inception. Through January 31, 2024, the Company’s available liquidity and operations have been financed primarily through the issuance of redeemable convertible preferred stock, non-convertible preferred stock, and debt financing.

The Company believes that its existing cash and cash equivalents, cash receipts from its revenue arrangements, and availability under debt arrangements will be sufficient to support working capital, operating lease payments, capital expenditure requirements, and debt servicing requirements for at least the next 12 months from the date these financial statements were available for issuance. The Company’s future capital requirements and the adequacy of available funds will depend on many factors. Further, in the future the Company may enter into arrangements to acquire or invest in businesses, products, services and technologies. The Company may be required to seek additional equity or debt financing. In the event that additional financing is required from outside sources, the Company cannot be sure that any additional financing will be available on acceptable terms, if at all. If the Company is unable to raise additional capital when desired, the Company’s business, operating results and financial condition could be adversely affected.

**2. Summary of Significant Accounting Policies**

***Basis of Presentation***

The consolidated financial statements and accompanying notes have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”) and regulations of the Securities and Exchange Commission (“SEC”) and include the operations of the Company and its wholly owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

The Company’s fiscal year ends on January 31. The Company’s fiscal years ended January 31, 2023 and January 31, 2024 are referred to herein as fiscal 2023 and fiscal 2024, respectively.

For fiscal 2023 and fiscal 2024, the Company had no material other comprehensive income (loss) items. Accordingly, a separate statement of comprehensive loss has not been presented in these consolidated financial statements.

***Use of Estimates***

The preparation of consolidated financial statements in conformity with GAAP requires management to make, on an ongoing basis, estimates and assumptions that affect the amounts reported and disclosed in the

**ServiceTitan, Inc.**  
**Notes to Consolidated Financial Statements**

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consolidated financial statements and accompanying notes. Actual results may ultimately differ from management's estimates. Areas which are subject to judgment and use of estimates include revenue recognition, expected period of benefit for deferred contract costs, income taxes, estimated credit losses, the expected term used for the accretion of the non-convertible preferred stock, certain accrued liabilities including non-income tax liabilities, internally developed software, useful lives and recoverability of long-lived assets, asset retirement obligations, the recoverability of goodwill, the incremental borrowing rate used to determine lease liabilities, fair value of stock-based compensation, fair value of warrants, and fair value of assets acquired and liabilities assumed in a business combination.

On a periodic basis, management evaluates its estimates based on historical data and experience, as well as various other factors that management believes to be reasonable under the circumstances, the result of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. In addition, the Company routinely engages third-party valuation specialists to assist in the fair value measurement of certain assets acquired and liabilities assumed in a business combination and stock-based compensation and other equity instruments.

***Reclassification***

The Company reclassified certain prior year amounts within the cash flows from operating activities in the consolidated statement of cash flows to conform to the current year presentation. These reclassifications had no impact on total cash used in operating activities.

***Concentrations of Risk***

As of January 31, 2023 and 2024, receivables from a third-party processor used for payment and financing accounted for 25% and 27% of accounts receivable, respectively. Fees from a third-party processor represented approximately 14% of total revenue for both fiscal 2023 and fiscal 2024.

***Segments***

The Company operates as one operating segment. The Company has determined that the Chief Executive Officer is the Chief Operating Decision Maker ("CODM"). The CODM makes decisions for purposes of allocating resources and evaluating financial performance based on consolidated financial information.

***Foreign Currency***

Foreign currency transaction gains and losses, including gains and losses from intercompany agreements between the Company and its subsidiaries, are recorded in other income, net, in the consolidated statements of operations. Foreign currency gains and losses were not material for fiscal 2023 and fiscal 2024.

The functional currency for the Company's Armenian and Canadian subsidiaries is the U.S. dollar. The local currency financial statements of the Armenian and Canadian subsidiaries are remeasured into U.S. dollars with monetary assets and liabilities remeasured using exchange rates at the balance sheet date and nonmonetary assets and liabilities remeasured using the exchange rate at the date the item was initially recognized with the resulting foreign currency gain or loss on remeasurement included in other income, net in the consolidated statements of operations.

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***Cash and Cash Equivalents***

Cash and cash equivalents consist of checking accounts and money market funds. The Company considers highly liquid investments with short-term maturities that are readily convertible to cash to be cash equivalents. Cash equivalents are recorded at fair value.

***Restricted Cash***

Restricted cash represents cash pledged under letters of credit for certain of the Company's facility lease agreements.

***Fair Value Measurements***

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value maximize the use of observable inputs and minimize the use of unobservable inputs. Fair value measurements are based on a fair value hierarchy, based on three levels of inputs, of which the first two are considered observable and the last unobservable, which are the following:

- Level 1: 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 in Level 1 that are observable for the asset or liability, either directly or indirectly, such as quoted market prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.
- Level 3: Unobservable inputs that are supported with little or no market activity and that are significant to the overall fair value of the assets or liabilities.

Financial assets and financial liabilities are classified in their entirety based on the lowest level input that is significant to the fair value measurement.

***Accounts Receivable and Allowance for Credit Losses***

Accounts receivable consists of trade receivables from customers that do not pay monthly via a credit card, debit card or Automated Clearing House ("ACH"), receivables from third-party processors used for payment and financing, and amounts receivable from the Company's payment merchant processor. Merchant processor receivables arise from the time taken to clear transactions through external payment networks, which typically ranges between two to ten business days. Accounts receivable are recorded at the invoiced amount, net of allowance for credit losses, are unsecured, and do not bear interest. The Company determines the need for an allowance for credit losses based upon various factors, including past collection experience, credit quality of the customer, age of the receivable balance, and current economic conditions, as well as specific circumstances arising with individual customers. Accounts receivables are written off against the allowance when management determines a balance is uncollectible and the Company no longer actively pursues collection of the receivable.

As of January 31, 2023 and January 31, 2024, allowance for credit losses of \$1.2 million and \$3.8 million, respectively, was included in the Company's accounts receivable, net balance.

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***Property and Equipment***

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of three years for computer and office equipment and software and five years for all other asset categories except leasehold improvements, which are amortized over the shorter of the lease term or the expected useful life of the leasehold improvements, which ranges from three to seven years. Construction in progress is related to the construction or development of property and equipment that have not yet been placed in service for their intended use. Maintenance and repairs are expensed as incurred. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the Company's loss from operations.

***Asset Retirement Obligations ("ARO")***

The Company establishes an ARO based on the present value of contractually required estimated future costs to retire long-lived assets at the termination or expiration of a lease. The asset associated with the ARO is amortized over the corresponding lease term to operating expense and the ARO is accreted to the end of lease obligation value over the same term. As of January 31, 2023 and 2024, the Company had ARO liabilities of \$1.7 million and \$2.0 million, respectively, included in other noncurrent liabilities on the consolidated balance sheet.

***Internal-use Software***

Software development costs include costs to develop software to be used to meet internal needs and applications used to deliver the Company's services. The Company capitalizes internal-use software development costs when (i) the preliminary project stage is completed, (ii) management has authorized further funding for the completion of the project and (iii) it is probable that the project will be completed and performed as intended. These capitalized costs include external direct costs of materials and services consumed in developing or obtaining the software, personnel and related expenses for employees who are directly associated with and who devote time to internal-use software projects and, when material, interest costs incurred during the development. Capitalization of these costs ceases once the project is substantially complete and the software is ready for its intended purpose. Costs incurred for significant upgrades and enhancements to the Company's software solutions are also capitalized. Costs incurred for post-configuration training, maintenance and minor modifications or enhancements are expensed as incurred. Capitalized software development costs are amortized using the straight-line method over an estimated useful life of three years, commencing when the software is ready for its intended use.

***Leases***

The Company determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use ("ROU") assets and operating lease liabilities in the consolidated balance sheet. The Company does not have any finance leases.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and lease liabilities are recognized based on the present value of the future minimum lease payments, over the lease term at the lease commencement date. As the rates implicit in the leases are not readily determinable, the Company uses its estimated incremental borrowing rate based on the information available at the lease commencement date in determining the present value of lease payments. The operating lease ROU asset

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also includes any lease payments made and excludes lease incentives received and initial direct costs incurred prior to lease commencement. Lease terms may include options to extend or terminate the lease when it is reasonably certain the Company will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. Variable lease payments, which do not vary based on an index or rate, are excluded from the ROU asset and lease liability determination. Variable lease payments are typically usage-based and are recorded in the period in which the obligation for those payments is incurred. Subsequent to an impairment, the Company continues to amortize the lease liability using the same effective interest method, but the impaired ROU asset is amortized on a straight-line basis over the remaining lease term.

The Company does not record ROU assets and operating lease liabilities for operating leases with an initial term of 12 months or less.

***Cloud Computing Arrangements***

The Company incurs costs to implement cloud computing arrangements that are service contracts. Implementation costs, such as integration, configuration and software customization, incurred during the application development stage are capitalized within other assets in the consolidated balance sheet until the software is ready for its intended purpose. Capitalized implementation costs are then amortized on a straight-line basis over the term of the associated hosting arrangement, plus any reasonably certain renewal periods, which generally range from six months to five years. Amortization of capitalized implementation costs are recognized in the same line item in the consolidated statements of operations as the expenses for fees for the associated service arrangement. Cash payments for capitalized implementation costs are included in operating cash flows in the consolidated statements of cash flows.

***Acquisitions***

The Company assesses whether an acquisition is a business combination or an asset acquisition. If substantially all of the gross assets acquired are concentrated in a single asset or group of similar assets, then the acquisition is accounted for as an asset acquisition, where the purchase consideration is allocated on a relative fair value basis to the assets acquired. Contingent consideration in an asset acquisition is recorded when the amounts payable are probable and estimable. Goodwill is not recorded in an asset acquisition. If the gross assets are not concentrated in a single asset or group of similar assets, then the Company determines if the set of assets acquired represents a business. A business is an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return. Depending on the nature of the acquisition, judgment may be required to determine if the set of assets acquired is a business combination or not.

The Company accounts for an acquisition of a business using the purchase method of accounting, which requires the Company to recognize separately from goodwill the assets acquired and the liabilities assumed at their acquisition date fair values. The Company allocates the purchase price, including the fair value of contingent consideration, to the identifiable assets and liabilities of the acquired business at their acquisition date fair values. The excess of the purchase price over the amount allocated to the identifiable assets and liabilities, if any, is recorded as goodwill. The results of a business acquired in a business combination are included in the consolidated financial statements from the date of acquisition.

Determining the fair value of assets acquired and liabilities assumed requires management to make judgments and estimates that may be significant, including the selection of valuation methodologies, estimates of future revenue and cash flows, discount rates and selection of comparable companies. The

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Company engages the assistance of valuation specialists in concluding on fair value measurements in connection with determining fair values of assets acquired and liabilities assumed in a business combination. While the Company uses its best estimates and judgments, estimates are inherently uncertain and subject to refinement. During the measurement period, which may be up to one year from the acquisition date, the Company may record adjustments to the fair value of these tangible and intangible assets acquired and liabilities assumed, with the corresponding offset to goodwill to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the measurement of the amounts recognized as of that date. At the conclusion of the measurement period, any subsequent adjustments are reflected in the Company's consolidated statements of operations.

When the Company grants equity to selling stockholders in connection with an acquisition, it evaluates whether the awards are compensatory. This evaluation includes whether vesting of a stock award is contingent on the continued employment of the selling stockholder beyond the acquisition date. If continued employment is required for stock awards to vest, the award is treated as compensation for post-acquisition services and is recognized as compensation expense over the requisite service period.

Transaction costs related to a business acquisition are recorded in general and administrative expenses and expensed in the period in which the costs are incurred.

***Goodwill***

Goodwill is recorded as the difference, if any, between the aggregate consideration paid for a business acquisition and the fair value of the acquired net tangible and intangible assets. Goodwill is not amortized and is evaluated for impairment at the reporting unit level annually in the fourth quarter of the fiscal year or whenever events or changes in circumstances indicate the carrying amount of goodwill may not be recoverable.

Judgment is required in performing periodic goodwill impairment tests. To review for impairment, the Company first assesses qualitative factors to determine whether events or circumstances lead to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. The Company's qualitative assessment of the recoverability of goodwill, considers various macroeconomic, industry-specific and company-specific factors. Those factors include: (i) severe adverse industry or economic trends; (ii) significant company-specific actions, including exiting an activity in conjunction with restructuring of operations; or (iii) current, historical or projected deterioration of its financial performance. After assessing the totality of events and circumstances, if the Company determines that it is not more likely than not that the fair value of a reporting unit is less than the carrying amount, no further assessment is performed. If, however, the Company determines that it is more likely than not that the fair value of a reporting unit is less than the carrying amount, a quantitative analysis is performed and if the fair value of a reporting unit is less than the carrying amount, an impairment loss is recognized in an amount equal to the excess of the carrying amount above the fair value of the reporting unit, not to exceed the amount of goodwill allocated to the reporting unit. The Company had one reporting unit as of January 31, 2023 and 2024.

***Intangible Assets***

Intangible assets consist of finite-lived acquired customer relationships, developed technology, intellectual property, and trade name assets. The Company determines the appropriate useful life of its intangible assets by performing an analysis of expected cash flows and considering specific facts and circumstances related to each intangible asset. Intangible assets are amortized over their estimated useful lives on a straight-line basis, which approximates the pattern in which the economic benefits of the assets are consumed.

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***Impairment of Intangible and Other Long-lived Assets***

Long-lived assets, which consist primarily of property and equipment, finite-lived intangible assets, internal-use software, and ROU assets, are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. The Company performs impairment testing at the asset group level that represents the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. The carrying amount of an asset group is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset group. An impairment charge is recognized when the carrying amount of an asset group is not recoverable and exceeds its fair value. The impairment loss is measured by comparing the fair value with the carrying amount. Assets to be abandoned with no remaining future service potential are written down to amounts expected to be recovered.

In fiscal 2024, the Company ceased use of certain office space and determined to sublease such space for the remainder of the lease term, which resulted in the Company reassessing its asset groupings. The Company determined the office space asset grouping, comprising primarily of a ROU asset, the related leasehold improvements and other property and equipment, was impaired and recognized an impairment loss of \$4.8 million to reduce the carrying value of the asset grouping to its estimated fair value. The impairment resulted in a reduction of the ROU asset by \$1.1 million and leasehold improvements, furniture and fixtures and office equipment by \$3.7 million. The estimated fair value was determined by using a discounted cash flow method which is a non-recurring fair value measurement based on Level 3 inputs. Key inputs used in this estimate included projected sublease income and a discount rate which incorporated the risk of achievement associated with the forecast. Other than the aforementioned impairment, the Company has not recognized any other material impairment losses of long-lived assets in fiscal 2023 and fiscal 2024.

***Offering Costs***

During fiscal 2023, the Company incurred offering costs of \$3.0 million which consisted of costs incurred in connection with the anticipated sale of common stock in an initial public offering (“IPO”), including certain legal, accounting, printing, and other offering related costs. In fiscal 2023, the Company wrote off a total of \$5.6 million of such offering costs, including \$2.6 million of costs deferred in periods prior to fiscal 2023, to general and administrative expense due to the postponement of the planned offering.

During fiscal 2024, the Company incurred offering costs of \$1.2 million that have been recorded as other assets on the consolidated balance sheet as of January 31, 2024 in connection with the anticipated sale of common stock in an IPO.

***Revenue Recognition***

Revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company determines revenue recognition through the following steps:

- (1) Identification of the contract, or contracts, with a customer;
- (2) Identification of the performance obligations in the contract;
- (3) Determination of the transaction price;

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- (4) Allocation of the transaction price to the performance obligations in the contract; and
- (5) Recognition of revenue when or as the Company satisfies the performance obligations.

The Company generates revenue primarily from platform services and from its professional services.

***Platform***

Platform revenue includes revenue from subscription and usage offerings. Usage offerings primarily include third-party payment processing or third-party financing services through the Company's platform.

***Subscription***

The Company primarily enters into either annual or multi-year subscription contracts with customers for access to the Company's proprietary hosted cloud platforms (the "Core platform"). Historically, the Company entered into monthly contracts with customers. These monthly contracts automatically renew each month for another monthly contract unless canceled at the end of the monthly term or the customer subscribes to an annual or multi-year contract. The Company's customers do not have the ability to take possession of the software.

The subscription contracts specify the contract term, the payment terms, and the services to be provided, and are noncancelable. Fees for access to the Company's Core platform are charged based upon a per unit basis which may vary by product, primarily on a per technician per month basis, and are generally invoiced to the customer in advance on the first day of the monthly service period. Payments are generally due upon invoicing.

For annual and multi-year subscriptions, the contracts provide for a minimum subscription fee for the contract term and in most cases, customers can expand their subscription on a monthly basis for a fee commensurate with the per unit fee defined in the contract.

In addition, customers may subscribe to certain Pro products for additional services to supplement the Core platform and provide enhanced features. Fees for access to these subscription services are billed on a monthly basis at either the beginning or the end of each service period.

Revenue for subscription services is generally recognized evenly over the subscription term, commencing when the customer has access to services.

***Usage***

The Company receives usage-based fees arising from payment transactions as well as usage of certain Pro products features. Customers are offered additional features through the Company's Core platform related to end-customer payment and financing services. The customer can select from a number of third-party payment or finance companies ("a third-party processor") that provide different payment settlement options and, in certain instances, loans to the end customer to finance their property services. The Company acts as an agent by connecting the third-party processor with its customer. The third-party processor determines the eligibility of the end customer to participate in the programs, provides the payment settlement and financing options to the end customer and is responsible for the provision of the payment or financing services. The Company receives a fee from the third-party processors used for payment and financing, which is generally a fixed percentage of the transaction value or loan amount that such third party processed. For financing services, the Company recognizes its fee at funding of the loan financing, and for payment services, the Company recognizes its fee for each payment as the underlying transactions are processed. Such fees



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qualify for the “right-to-invoice” practical expedient where the amount invoiced corresponds directly with the value transferred to the customer for those services. These transaction fees are recorded as revenue on a net basis as the Company does not control the payment settlement or financing used by the end customer.

In addition, usage revenue includes fees from certain Pro products sold on a usage-basis such as direct mail services, and other transaction or usage-based services. Usage-based fees are recognized as revenue in the month of service as they qualify for the “right-to-invoice” practical expedient, as the amount invoiced corresponds directly with the value transferred to the customer for those services.

***Professional Services and Other***

Professional services and other include onboarding, implementing and optimizing the customer’s software experience, as well as accounting migration, customer data migration, other optimization and consulting services, and training. Professional services and other revenue also includes live voice and chat services. Fees for these services are generally invoiced separately at the commencement of the contract. Professional services do not result in significant customization of the Core platform. Revenue is recognized for professional services as the services are performed. Other revenue includes certain ancillary products and services sold to customers.

***Disaggregated Revenue and Revenue by Geography***

Disaggregated revenue was comprised as follows (in thousands):

	Fiscal	
	2023	2024
Subscription	\$332,155	\$441,484
Usage	111,368	140,267
Platform revenue	443,523	581,751
Professional services and other	24,211	32,590
Total revenue	<u>\$467,734</u>	<u>\$614,341</u>

Substantially all of the Company’s revenue is concentrated in the United States. Revenue from customers outside of the United States, based on the billing address of the customer, comprised less than 5% of total revenue for fiscal 2023 and fiscal 2024.

***Significant Judgments***

The Company’s contracts with customers often include promises to deliver multiple services. Determining whether services are considered distinct performance obligations that should be accounted for separately versus together may require significant judgment. Judgment is also required to determine the standalone selling price (“SSP”) for each distinct performance obligation. For contracts that contain multiple performance obligations, the Company allocates the transaction price to each distinct performance obligation on a relative SSP basis. The SSP is the price at which the Company would sell a service separately to a customer. The Company estimates SSP based on the Company’s overall pricing practices, taking into consideration customer demographics, packaged product features, business type, go-to-market strategy and other factors. As the Company’s go-to-market strategies evolve, the Company may modify its pricing practices in the future, which could result in changes to SSP. The Company also applies judgment in estimating the consideration it expects to receive for its services and estimates the amount of refunds or credits based on historical experience.

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#### *Remaining Performance Obligations*

The transaction price allocated to remaining performance obligations represents the contracted transaction price that has not yet been recognized as revenue, which includes deferred revenue and amounts under non-cancellable contracts that will be recognized as revenue in future periods. As of January 31, 2023, the aggregate amount of the transaction price allocated to remaining performance obligations was \$192.6 million, of which the Company expected to recognize approximately 54% as revenue in fiscal 2024 and substantially all of the remainder by January 31, 2026.

As of January 31, 2024, the aggregate amount of the transaction price allocated to remaining performance obligations was \$321.0 million, of which the Company expects to recognize approximately 49% as revenue in fiscal 2025 and substantially all of the remainder by January 31, 2027.

Remaining performance obligations exclude marketing automation usage-based fees and payment and financing solution fees for which the Company applies the “right to invoice” practical expedient.

#### *Contract Assets*

The Company recognizes a contract asset when revenue has been recognized but consideration is conditional upon the Company’s future performance. Contract assets and deferred revenue are presented net on an individual contract basis, separate from any accounts receivable.

A reconciliation of the beginning and ending contract assets is as follows (in thousands):

	Fiscal	
	2023	2024
Contract assets, beginning balance	\$ 17,312	\$ 27,489
Less: Amounts transferred to accounts receivable	(25,814)	(33,111)
New contract assets during the period	35,991	44,951
Contract assets, ending balance	<u>\$ 27,489</u>	<u>\$ 39,329</u>

Contract assets primarily relate to revenue recognized for subscription services and fees allocated for such services are contingent upon the Company’s future performance. There were no impairments of contract assets during fiscal 2023 and fiscal 2024.

#### *Deferred Revenue*

The Company recognizes deferred revenue (contract liabilities) when the Company has received payment prior to recognizing revenue and for amounts that have been invoiced in advance of revenue recognition. The Company generally invoices for any fees for professional services and the fee for the first month of subscription services upon execution of the contract. Substantially all of the \$7.9 million of deferred revenue as of January 31, 2022 was recognized as revenue during fiscal 2023. Substantially all of the \$10.8 million of deferred revenue as of January 31, 2023 was recognized as revenue during fiscal 2024. Deferred revenue of \$11.2 million as of January 31, 2024 is expected to be fully recognized in fiscal 2025.

#### *Deferred Contract Costs*

The Company defers costs, which primarily consist of sales commissions, as these are considered incremental and recoverable costs of obtaining a contract with a customer. These costs are deferred and amortized on a straight-line basis over a period of benefit that the Company has estimated to be three years.

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The Company does not pay commissions for contract renewals that maintain existing terms. The Company estimates the period of benefit by taking into consideration the Company's customer contract terms, the useful life of the internal-use software, average customer life and the Company's commission policies, among other factors. During fiscal 2023 and 2024, the Company capitalized \$11.1 million and \$12.7 million of contract costs and amortized \$6.4 million and \$9.4 million of deferred contract costs, respectively. Amortization expense is included in sales and marketing expense in the consolidated statement of operations. The Company recognized \$0.4 million in impairment of deferred contract costs during fiscal 2024.

### ***Cost of Revenue***

#### *Platform*

Cost of platform revenue consists of personnel-related costs in connection with product support and customer success, as well as costs related to the provisioning of the Company's platform services. Costs related to the provisioning of the Company's platform services is primarily comprised of fees paid to third-party service providers associated with delivery of Pro and FinTech products, platform infrastructure and server costs, call tracking fees, and payment processing fees. Personnel-related costs primarily include salary, employee benefits, bonuses and stock-based compensation. In addition, cost of platform revenue includes amortization of certain acquired intangible assets, amortization of capitalized internal-use software costs directly related to the Company's cloud-based software solution and allocated overhead.

The Company accumulates certain costs such as depreciation, rent, utilities, and other facilities related costs and allocates them across the various expense categories based on headcount. The Company refers to these costs as "allocated overhead."

#### *Professional Services and Other*

Professional services and other cost of revenue consists primarily of personnel-related costs in connection with providing customer onboarding and customer implementation, live voice and chat services, amortization of certain acquired intangible assets, and allocated overhead. Personnel-related costs primarily include salary, employee benefits, bonuses, and stock-based compensation. Other cost of revenue includes the cost of certain other ancillary products and services sold to customers.

### ***Operating Expenses***

#### *Sales and Marketing*

Sales and marketing expense consists primarily of personnel-related costs, and consulting costs incurred in connection with the Company's sales and marketing efforts. Personnel-related costs primarily include salary, commissions, employee benefits, bonus and stock-based compensation. Sales and marketing expense also includes marketing and advertising expenses, such as the Company's annual customer conferences, Pantheon and Ignite, and travel and trade show expenses, amortization of acquired customer intangible assets, and allocated overhead.

Advertising costs are expensed as incurred and were \$25.1 million and \$27.1 million for fiscal 2023 and fiscal 2024, respectively.

#### *Research and Development*

Research and development expense consists primarily of personnel-related and other costs incurred in connection with product management and development efforts. Personnel-related costs primarily include

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salary, employee benefits, bonus and stock-based compensation. Research and development expense also includes fees to third-party product development resources, infrastructure and server costs, and allocated overhead.

Research and development costs are expensed as incurred, except for costs associated with internal-use software development that qualify for capitalization. Amortization of internal-use software development costs related to the Company's cloud-based software solutions are included in platform cost of revenue.

*General and Administrative*

General and administrative expense consists primarily of personnel-related costs including salary, employee benefits, bonus and stock-based compensation for the Company's executive, finance, legal, information systems, and operations and human resource teams. General and administrative expense also includes professional fees, other outside consulting expenses, acquisition and disposal related expenses, and allocated overhead.

***Stock-based Compensation***

The Company recognizes stock-based compensation expense for employees and non-employees based on the grant-date fair value of equity awards over the applicable service period. For awards that vest based only on continued service, stock-based compensation cost is recognized on a straight-line basis over the requisite service period, which is generally the vesting period of the awards. For awards that contain performance vesting conditions, stock-based compensation cost is recognized on a graded vesting basis over the requisite service period when it is probable the performance condition will be achieved. If the performance condition is an IPO or a change in control event, the performance condition is not probable of being achieved for accounting purposes until the event occurs. Once it is probable that the performance condition will be achieved, the Company recognizes stock-based compensation cost over the remaining requisite service period on a graded vesting basis, with a cumulative adjustment for the portion of the service period that occurred for the period prior to the performance condition becoming probable of achievement, if any. Stock-based compensation expense for equity awards that contain performance and market vesting conditions is recognized on a graded vesting basis over the requisite service period commencing when it is probable the performance condition will be achieved even if the market condition is not satisfied. Forfeitures are recorded when they occur.

The grant date fair value of stock options that contain service or performance conditions is estimated using the Black-Scholes option-pricing model. The grant date fair value of restricted stock awards ("RSAs") and restricted stock units ("RSUs") that contain service vesting conditions are estimated based on the fair value of the underlying shares on the grant date. For awards with market vesting conditions, the fair value is estimated using a Monte Carlo simulation model, which incorporates the likelihood of achieving the market condition.

The assumptions and estimates used in the Black-Scholes option-pricing model and the Monte-Carlo simulation model are as follows:

*Fair Value of Common Stock*

Because there is no public market for the Company's common stock, the board of directors (the "Board of Directors") has determined the fair value of the common stock by considering a number of objective and subjective factors including the Company's actual operating and financial performance, market conditions

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and performance of comparable publicly traded companies, developments and milestones in the Company, the likelihood of achieving a liquidity event transaction involving the Company's redeemable convertible preferred stock or common stock, recent sales of and the prices, rights, preferences and privileges of the Company's redeemable convertible preferred stock and common stock, and the results of third-party valuations. The valuations use various models which include assumptions and estimates made by management, which may include forecasted revenues and costs, discount rates, the selection of comparable companies and related multiples and the likelihood and timing of an exit event, among other assumptions and estimates. The fair value was determined in accordance with applicable elements of the Accounting and Valuation Guide issued by the American Institute of Certified Public Accountants, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*.

*Expected Term*

The expected term represents the weighted-average period that the stock options are expected to remain outstanding. To determine the expected term for stock option awards with exercise prices equal to the fair value of the underlying common stock on the date of grant, and which vest based solely on continued service, the Company applies the simplified approach, in which the expected term of an award is presumed to be the mid-point between the vesting date and the expiration date of the award. For non-standard awards, the Company determines the expected term based on historical and estimates of future exercise behavior.

*Volatility*

Because the Company does not have a trading history for its common stock, the Company determines the price volatility based on the historical volatilities of a publicly traded peer group based on daily price observations over a period equivalent to the expected term of the award. The Company will continue to monitor peer companies and other relevant factors used to measure expected volatility for future stock option grants.

*Risk-free Interest Rate*

The risk-free interest rate is based on the yields of U.S. Treasury securities with maturities approximating the expected term of the awards.

*Dividend Yield*

The dividend yield is zero because the Company has never declared or paid a dividend and does not expect to in the foreseeable future.

*Income Taxes*

Deferred income tax assets and liabilities are determined based upon the net tax effects of the differences between the financial statement carrying amounts and the tax basis of assets and liabilities and are measured using the enacted tax rate expected to apply to taxable income in the years in which the differences are expected to be reversed.

A valuation allowance is established if, based upon the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. The Company considers all available evidence, both positive and negative, including historical levels of income or loss, and expectations and risk associated with estimates of future taxable income in assessing the need for a valuation allowance.

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The Company recognizes a tax benefit from an uncertain position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on its technical merits. If this threshold is met, the Company measures the tax benefit as the largest amount of the benefit that is greater than fifty percent likely of being realized upon ultimate settlement.

The Company recognizes penalties and interest accrued with respect to uncertain tax positions, if any, in the provision for or benefit from income taxes in the consolidated statements of operations. As of January 31, 2023 and 2024, accrued penalties and interest related to uncertain tax positions were not material.

***Contingencies***

From time to time, the Company has become involved in claims and other legal matters arising in the ordinary course of business. The Company investigates these claims as they arise. The Company records a loss contingency when it is probable that an asset has been impaired or a liability has been incurred and the amount of the loss can be reasonably estimated. The Company also discloses material contingencies when it is believed a loss is not probable but reasonably possible and discloses the amount of possible loss or range of loss when a reliable estimate can be made. Accounting for contingencies requires the Company to use judgment related to both the likelihood of a loss and the estimate of the amount, or range, of loss.

***Net Loss Per Share***

The Company computes earnings per share using the two-class method where net income is allocated between common stock and participating securities based upon their respective rights to receive dividends as if all income for the period had been distributed. Net losses are not allocated to the redeemable convertible preferred stock as the holders of the redeemable convertible preferred stock do not have a contractual obligation to share in any losses. The Company's redeemable convertible preferred stock are participating securities as they have rights to participate in dividends with the common stockholders. Net losses attributable to common stockholders are adjusted for accretion of non-convertible preferred stock.

Basic net loss per share attributable to common stockholders is computed by dividing the net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period, net of the weighted-average unvested restricted stock and unvested early exercised options subject to repurchase, if any, during the period. Diluted net loss per share is calculated by giving effect to potentially dilutive securities outstanding for the period. Potentially dilutive securities include stock options, unvested early exercised options, and restricted stock computed using the treasury stock method and redeemable convertible preferred stock using the if-converted method. As the Company has reported net losses attributable to common stockholders all potentially dilutive securities are antidilutive, and accordingly, basic net loss per share attributable to common stockholders equals diluted net loss per share attributable to common stockholders.

***Recent Accounting Pronouncements***

As an "emerging growth company," the JumpStart our Business Startups Act of 2012 (the "JOBS Act") allows the Company to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are applicable to private companies. The Company elected to use this extended transition period under the JOBS Act until such time the Company is no longer considered to be an emerging growth company. The adoption dates discussed below reflect this election.

**ServiceTitan, Inc.**  
**Notes to Consolidated Financial Statements**

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***Recently Adopted Accounting Pronouncements***

*Financial Instruments—Credit Losses*

In June 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. ASU 2016-13 requires that certain financial assets be measured at amortized cost net of an allowance for estimated credit losses such that the net receivable represents the present value of expected cash collection. In addition, this standard requires that certain financial assets be measured at amortized cost reflecting an allowance for estimated credit losses expected to occur over the life of the assets. The estimate of credit losses must be based on all relevant information including historical information, current conditions and reasonable and supportable forecasts that affect the collectability of the accounts. The adoption did not have a material impact on the Company’s consolidated financial statements.

***Recent Accounting Pronouncements Not Yet Adopted***

*Segments*

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. This ASU expands public entities’ segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to the CODM and included within each reported measure of segment profit or loss, an amount and description of its composition for other segment items, and interim disclosures of a reportable segment’s profit or loss and assets. All disclosure requirements under ASU 2023-07 are also required for public entities with a single reportable segment. This ASU is effective for fiscal 2025 and interim periods within fiscal 2026, with early adoption permitted, and requires retrospective application to all prior periods. The Company is currently evaluating the impact of the new guidance on the disclosures within its consolidated financial statements.

*Tax Disclosures*

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosure*, requiring enhanced income tax disclosures. This ASU requires disclosure of specific categories and disaggregation of information in the rate reconciliation table. This ASU also requires disclosure of disaggregated information related to income taxes paid, income or loss from continuing operations before income tax expense or benefit disaggregated between domestic and foreign, and income tax expense or benefit from continuing operations disaggregated between federal, state, and foreign. The requirements of this ASU are effective for annual periods beginning with the Company’s fiscal 2026. Early adoption is permitted and the amendments should be applied on a prospective basis. Retrospective application is permitted. The Company is currently evaluating the impact of the new guidance on the disclosure within its consolidated financial statements.

*Debt—Debt with Conversion and Other Options*

In August 2020, the FASB issued ASU 2020-06, *Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40)*. The ASU amends the guidance on convertible instruments and the derivatives scope exception for contracts in an entity’s own equity, which reduces the number of accounting models for convertible debt instruments and convertible preferred stock. This ASU is effective for fiscal 2025 and interim periods within that year. Early adoption is permitted. The Company is currently evaluating the impact to its consolidated financial statements.

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**Notes to Consolidated Financial Statements**

**3. Fair Value Measurements***Fair Value Measurements*

Financial assets and liabilities measured and recorded at fair value on a recurring basis consisted of the following (in thousands):

	As of January 31, 2023			Total
	Level 1	Level 2	Level 3	
Assets:				
Money market funds	\$ 188,485	\$ —	\$ —	\$ 188,485
Total in cash and cash equivalents	<u>\$ 188,485</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 188,485</u>
Liabilities:				
Contingent consideration	\$ —	\$ —	\$ 2,370	\$ 2,370
	As of January 31, 2024			Total
	Level 1	Level 2	Level 3	
Assets:				
Money market funds	\$ 128,336	\$ —	\$ —	\$ 128,336
Total in cash and cash equivalents	<u>\$ 128,336</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 128,336</u>
Liabilities:				
Contingent consideration	\$ —	\$ —	\$ 435	\$ 435

The money market funds are considered Level 1 as fair value is based on market prices for identical assets.

As of January 31, 2023 and 2024, the carrying value of the Company's financial instruments included in current assets and current liabilities (including restricted cash, accounts receivable, accounts payable, and accrued expenses) approximate fair value due to the short-term nature of such items.

As of January 31, 2023 and 2024, the fair value of the Company's outstanding debt was \$177.6 million and \$159.6 million, respectively. The fair value of the debt was estimated using Level 2 inputs, based on interest rates available for debt with terms and maturities similar to the Company's debt.

There were no changes to the Company's valuation techniques used to measure the fair value of assets and liabilities on a recurring basis during fiscal 2023 and fiscal 2024. There were no transfers of assets from Level 2 to Level 3 during fiscal 2023 and fiscal 2024.

Contingent consideration related to the acquisitions of Aspire LLC ("Aspire") and GIS Dynamics LLC ("GIS") are subject to measurement at fair value on a recurring basis using Level 3 measurements. The fair value of the contingent consideration liability relating to the GIS acquisition was determined based on the present value of amounts payable for the number of GIS customers that integrate to the Aspire platform.



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The changes in Level 3 classified fair value measurements for fiscal 2023 and fiscal 2024 were as follows (in thousands):

Balance at January 31, 2022	\$ 4,700
Change in fair value of contingent consideration	(1,105)
Adjustment to prior period Goodwill	(550)
Payment of contingent consideration	(675)
Balance as of January 31, 2023	\$ 2,370
Change in fair value of contingent consideration	(1,100)
Payment of contingent consideration	(835)
Balance as of January 31, 2024	\$ 435

Certain assets, including goodwill, intangible assets and other long-lived assets are also subject to measurement at fair value on a nonrecurring basis using Level 3 measurements, but only when they are deemed to be impaired as a result of an impairment review. For fiscal 2023, no impairments were identified on those assets required to be measured at fair value on a nonrecurring basis. For fiscal 2024, the Company recorded an impairment of long-lived assets of \$4.8 million to reduce the carrying value to estimated fair value (see Note 2).

#### 4. Balance Sheet Components

##### *Prepaid Expenses*

Prepaid expenses consisted of the following (in thousands):

	As of January 31,	
	2023	2024
Prepaid software and subscriptions	\$ 11,593	\$ 13,883
Prepaid insurance	1,553	2,941
Other	5,221	5,828
	<u>\$ 18,367</u>	<u>\$ 22,652</u>

##### *Internal-use Software*

Internal-use software development costs were as follows (in thousands):

	As of January 31,	
	2023	2024
Internal-use software development costs, gross	\$ 40,450	\$ 57,841
Less: Accumulated amortization	(16,763)	(28,541)
Internal-use software development costs, net	<u>\$ 23,687</u>	<u>\$ 29,300</u>

Capitalized software development costs were \$18.7 million and \$17.4 million, and amortization expense for software development costs was \$7.0 million and \$11.8 million for fiscal 2023 and fiscal 2024, respectively. Amortization had not started on \$5.3 million and \$5.8 million of capitalized internal-use software development costs that are not yet ready for their intended use as of January 31, 2023 and 2024, respectively.

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As of January 31, 2024, expected future amortization expense related to capitalized internal-use software development costs is as follows (in thousands):

<b>Fiscal</b>	
2025	\$ 14,315
2026	10,464
2027	4,521
	<u>\$ 29,300</u>

***Property and Equipment, net***

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

	<u>As of January 31,</u>		<u>Estimated Useful Lives in Years</u>
	<u>2023</u>	<u>2024</u>	
Computer equipment	\$ 10,830	\$ 11,334	3
Office equipment	6,790	8,353	3
Furniture and fixtures	12,662	18,108	5
Leasehold improvements	55,289	85,536	3 to 7
Construction in progress	25,672	—	
Property and equipment, gross	111,243	123,331	
Less: Accumulated depreciation	(16,732)	(26,161)	
Total property and equipment, net	<u>\$ 94,511</u>	<u>\$ 97,170</u>	

Depreciation expense was \$5.2 million and \$19.3 million for fiscal 2023 and fiscal 2024, respectively. The Company recorded an impairment of \$3.7 million for property and equipment in fiscal 2024 (see Note 2). Construction in progress as of January 31, 2023 primarily relates to the leasehold improvements for the buildout of the Company's corporate headquarters and other Company facilities that had not been placed into service. There is no construction in progress as of January 31, 2024. The Company recorded an ARO of \$1.7 million and \$2.0 million as of January 31, 2023 and 2024, respectively.

Substantially all of the Company's property and equipment, net, are concentrated in the U.S. as of January 31, 2023 and 2024, respectively.

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**Accounts Payable and Other Accrued Expenses**

Accounts payable and other accrued expenses consisted of the following (in thousands):

	<u>As of January 31,</u>	
	<u>2023</u>	<u>2024</u>
Trade payables	\$ 8,318	\$ 5,817
Non-income tax liabilities	19,270	18,513
Deferred offering costs	2,572	3,157
Accrued construction in progress costs	6,551	—
Cloud hosting costs	5,239	6,033
Accrued interest payable	—	1,348
Income taxes payable	777	1,183
Other	11,432	9,242
	<u>\$ 54,159</u>	<u>\$ 45,293</u>

The Company collects and remits sales and use, value added taxes and other taxes (“non-income tax liabilities”) relating to services provided where required. In instances in which the Company determines there is additional exposure for uncollected non-income tax liabilities relating to services provided due to uncertainty arising from the complexity and interpretation of applicable state and local laws, rules and regulations, or lack of widely known and accepted practices, the Company accrues for these taxes. The accrual requires the use of estimates and is complex. The Company accrues for the amount of taxes that are due, or when the amounts due are uncertain, the Company accrues for the amount of taxes that are probable and estimable. The Company updates its estimates each period considering the impacts of state or local authority audits, settlement of these liabilities or when new information becomes available regarding the Company’s non-income tax obligations. The amount of taxes that the Company may ultimately pay may differ from these estimates.

**Accrued Personnel-Related Expenses**

Accrued personnel-related expenses consisted of the following (in thousands):

	<u>As of January 31,</u>	
	<u>2023</u>	<u>2024</u>
Payroll expenses	\$ 16,232	\$ 18,011
Bonus	35,305	33,003
Commissions	5,017	4,307
	<u>\$ 56,554</u>	<u>\$ 55,321</u>

**5. Business Combinations****Schedule Engine**

On August 1, 2022 the Company acquired all the ownership interest of Ignite-Schedule Engine, Inc. (“Schedule Engine”), a provider of online booking for home and commercial services, for purchase consideration of \$13.5 million in cash and 818,962 shares of common stock valued at \$45.3 million at the acquisition date. The

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Company held back 74,646 shares of common stock valued at \$4.1 million at the acquisition date to cover indemnities, which were released 15 months from the date of acquisition in fiscal 2024. The purchase consideration is subject to working capital and other customary adjustments.

The following table summarizes the purchase price allocation, as well as the estimated useful lives of the acquired intangible assets (in thousands, except years):

		<b>Estimated Useful Lives in Years</b>
Cash and cash equivalents	\$ 98	
Tangible assets	1,960	
Identifiable intangible assets		
Trade name	900	4
Customer relationship	13,000	7
Developed technology	18,900	7
Total intangible assets subject to amortization	<u>32,800</u>	
Accrued and other liabilities	(1,303)	
Deferred tax liability	(7,832)	
Total identifiable net assets	<u>25,723</u>	
Goodwill	<u>33,066</u>	
	<u>\$58,789</u>	

The purchase accounting for the acquisition remained incomplete as of the date of these financial statements were originally available for issuance as management continued to gather and evaluate information about circumstances that existed as of the acquisition date. Goodwill, which primarily relates to expected synergies and assembled workforce, is partially deductible for U.S. federal income tax purposes.

The fair values of the developed technology and trade name were determined using the royalty relief method, and the fair value of customer relationships was determined using the multiple-period excess earnings method.

The Company incurred transaction costs of \$2.5 million related to the acquisition of Schedule Engine during fiscal 2023.

In connection with the acquisition, certain awards in the equity of the seller of Schedule Engine that were held by employees that joined the Company were modified and allowed to continue to vest based on the employees' service in the Company post acquisition. The fair value of these awards was \$3.6 million at the acquisition date. For fiscal 2023 and fiscal 2024, the Company recorded \$1.8 million and \$0.2 million of expense, respectively, related to these awards as stock-based compensation expense. The awards will be recorded at fair value each period through the respective vesting dates. As of January 31, 2024 unrecognized compensation cost related to these awards is \$0.2 million.

For the period from the acquisition date to January 31, 2023, Schedule Engine contributed \$8.7 million to the Company's consolidated revenue. Due to the integration of operations post-acquisition, presenting the operating losses that Schedule Engine contributed to the Company's consolidated operating loss since the acquisition date is impracticable. Pro forma financial information and revenue and earnings of Schedule Engine from the acquisition date through January 31, 2023, is not material.

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**FieldRoutes**

In February 2022, the Company acquired 100% of the membership interests of FSH Topco, LLC dba PestRoutes (“FieldRoutes”), a cloud-based and mobile SaaS provider in the pest control industry, for purchase consideration of \$576.9 million in cash, primarily to expand the Company’s existing technology suite. The Company paid \$8.9 million of the cash purchase price into escrow for potential breaches of representations and warranties. The escrow was released to the members of FieldRoutes on the one-year anniversary of the acquisition date.

The following table summarizes the purchase price allocation, as well as the estimated useful lives of the acquired intangible assets (in thousands, except years):

		<b>Estimated Useful Lives in Years</b>
Cash and cash equivalents	\$ 712	
Current assets	3,501	
Identified intangible assets		
Trade name	2,500	4
Customer relationship	89,300	10
Developed technology	79,400	7
Total intangible assets subject to amortization	171,200	
Other noncurrent assets	510	
Total assets acquired	175,923	
Accrued and other liabilities	(3,435)	
Deferred tax liability	(9,383)	
Noncurrent liabilities	(32)	
Total identifiable net assets	163,073	
Goodwill	413,873	
	<u>\$576,946</u>	

Goodwill, which primarily relates to expected synergies and assembled workforce, is partially deductible for U.S. federal income tax purposes.

The fair values of the developed technology and trade name were determined using the royalty relief method, and the fair value of customer relationships was determined using the multiple-period excess earnings method.

The Company incurred transaction costs and representations and warranties insurance costs of \$3.4 million during fiscal 2023. In addition, the Company incurred bonus expenses related to the transaction of \$3.3 million during fiscal 2023.

In connection with the acquisition, the Company issued 134,388 restricted stock units with a three-year vesting period to certain FieldRoutes employees. The grant date fair value of these units was \$14.1 million and will be expensed as stock-based compensation over the vesting period of three years.

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**6. Intangible Assets and Goodwill**

*Intangible Assets*

The net book values of intangible assets as of January 31, 2023 and 2024 were as follows (in thousands, except years):

As of January 31, 2023				Weighted Average Remaining Useful Life (years)
	Gross Fair Value	Accumulated Amortization	Net Book Value	
Customer relationships	\$ 202,133	\$ (32,099)	\$ 170,034	9.4
Developed technology	154,401	(27,822)	126,579	5.7
Intellectual property	2,388	(1,758)	630	0.8
Tradenames	6,753	(2,318)	4,435	2.8
Total	\$ 365,675	\$ (63,997)	\$ 301,678	

As of January 31, 2024				Weighted Average Remaining Useful Life (years)
	Gross Fair Value	Accumulated Amortization	Net Book Value	
Customer relationships	\$ 200,433	\$ (52,584)	\$ 147,849	8.5
Developed technology	154,401	(53,521)	100,880	4.7
Intellectual property	2,388	(2,388)	—	0.0
Tradenames	6,553	(3,935)	2,618	1.9
Total	\$ 363,775	\$ (112,428)	\$ 251,347	

In fiscal 2024, the Company sold certain assets acquired in the FieldRoutes acquisition. The intangible assets sold had a gross book value of \$1.9 million and accumulated amortization of \$0.4 million.

Amortization expense for intangible assets was as follows fiscal 2023 and fiscal 2024 (in thousands):

	Fiscal	
	2023	2024
Platform cost of revenue	\$21,326	\$21,844
Professional services and other cost of revenue	1,268	4,484
Sales and marketing	22,764	22,489
Total	\$45,358	\$48,817

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As of January 31, 2024, future amortization expense related to the intangible assets is as follows (in thousands):

<u>Fiscal</u>	
2025	\$ 44,770
2026	43,252
2027	36,236
2028	34,969
2029	32,468
Thereafter	59,652
<b>Total</b>	<b><u>\$ 251,347</u></b>

### **Goodwill**

Goodwill represents the excess of the purchase price in a business combination over the fair value of net assets acquired. Goodwill is not amortized, but rather tested for impairment at least annually during the fourth quarter of the Company's fiscal year. The changes to goodwill were as follows (in thousands):

<b>Balance as of January 31, 2022</b>	<b>\$384,483</b>
Additions relating to the acquisition of FieldRoutes	413,873
Adjustment to prior year acquisition	(550)
Additions relating to the acquisition of Schedule Engine	33,066
<b>Balance as of January 31, 2023 and 2024</b>	<b><u>\$830,872</u></b>

There were no additions to goodwill in fiscal 2024. There was no impairment of goodwill during fiscal 2023 and fiscal 2024.

## **7. Debt Arrangements**

### **February 2022 Secured and Unsecured Term Loans**

In February 2022, the Company entered into (i) a secured credit agreement with JPMorgan Chase Bank, N.A., as administrative agent and collateral agent, and certain lenders, pursuant to which the Company borrowed senior secured term loan facilities in the aggregate principal amount of \$475.0 million (the "Secured Term Loans") and (ii) an unsecured credit agreement with JPMorgan Chase Bank, N.A., pursuant to which the Company borrowed a senior unsecured term loan facility in the aggregate principal amount of \$250.0 million (the "Unsecured Term Loan").

During fiscal 2023, the Company repaid the Secured Term Loan and the Unsecured Term Loan in full with proceeds from the issuance of non-convertible preferred stock, redeemable convertible preferred stock and a new loan facility. The Company incurred a loss on extinguishment of the Secured and Unsecured Term Loans of \$9.6 million related to the write-off of the unamortized debt issuance costs.

The Secured Term Loans and the Unsecured Term Loan were funded to assist in the payment of the FieldRoutes purchase price and to fund general operating activities. The Secured Term Loans were to mature on August 1, 2023 and the Unsecured Term Loan was to mature on August 1, 2024 at which time all principal amounts were due and payable.

Pursuant to the secured credit agreements, the Secured Term Loans bore interest at a floating rate which, at the Company's option, was either (i) an adjusted Secured Overnight Financing Rate ("SOFR") for a

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specified interest period plus an applicable margin of 3.75% per annum, or (ii) an alternate base rate plus an applicable margin of 2.75% per annum, provided that, in each case, the applicable margin increased by an additional 100 basis points per annum on, and effective as of, the first day of each calendar quarter beginning July 1, 2022. Interest was payable quarterly and the additional basis points were due on the maturity date of August 1, 2023. Pursuant to the unsecured credit agreement, the Unsecured Term Loan generally bore interest at a floating rate equal to either (i) an adjusted SOFR for a specified interest period plus an applicable margin of 9.50% per annum, or (ii) a base rate plus an applicable margin of 8.50% per annum, provided that, in each case, the applicable margin was to be increased by an additional 100 basis points per annum, and effective as of, the first day of each calendar quarter beginning July 1, 2022. Interest payable was in-kind and due on the maturity date of August 1, 2024. The adjusted SOFR was subject to a “floor” of 0.75% and the alternate base rate was subject to a floor of 1.75%. The alternate base rate for any day was a fluctuating rate per annum equal to the highest of (i) the greater of the federal funds effective rate in effect on such day and the overnight bank funding rate in effect on such day, plus 0.50%, (ii) the rate of interest for such day is published in the Wall Street Journal as the “prime rate” and (iii) the adjusted term SOFR for a one-month interest period, plus 1.00%. The initial interest rate on the Secured Term Loans and the Unsecured Term Loan was 4.50% and 10.25%, respectively. The effective interest rate on the Secured Term Loans and the Unsecured Term Loan was 5.31% and 11.84%, respectively.

The Secured Term Loans were secured by perfected first-priority pledges of and security interests in substantially all of the Company’s existing and future equity interests of its subsidiaries and substantially all of the Company’s tangible and intangible assets, subject to certain exceptions. The Secured Term Loans and the Unsecured Term Loan included restrictions on the Company’s ability to incur additional indebtedness, create or incur liens, engage in consolidations, mergers, liquidations or dissolutions, transfer, sell or otherwise dispose of assets, purchase or redeem capital stock and pay dividends or distributions. The Secured Term Loans and the Unsecured Term Loan included certain financial covenants that required the Company to maintain a minimum consolidated EBITDA amount as of each fiscal quarter end through the quarter ending July 31, 2023 and July 31, 2024, respectively, and maintain minimum cash on hand of at least \$50.0 million.

#### ***January 2023 Loan Facility***

In January 2023, the Company entered into a Senior Secured Loan Facility (“Loan Facility”) with Wells Fargo Bank, N.A., as administrative agent and collateral agent, and certain lenders, that consists of a term loan of \$180.0 million and a revolver facility of \$70.0 million. The Loan Facility contains standard and customary covenants for agreements of this type, including various reporting, affirmative and negative covenants. Among other things, these covenants set forth minimum revenue thresholds and maintenance of minimum liquidity and certain limits to the Company’s and its subsidiaries’ ability to: create or incur liens on assets, make acquisitions of or investments in businesses, engage in any material line of business substantially different from the Company’s current lines of business, incur additional indebtedness or contingent obligations, sell or dispose of assets, pay dividends and make loans or advances to employees.

The Loan Facility expires in January 2028. The Loan Facility bears interest at a floating rate which can be, at the Company’s option, (i) a term SOFR based rate for a specified interest period plus an applicable margin of 3.5% per annum or (ii) a base rate plus an applicable margin of 2.5% per annum. The term SOFR-based rate applicable to the Loan Facility is subject to a “floor” of 0.75%. The effective interest rate on the Loan Facility is 8.18%. The term loan amortizes at 1% annually and is payable quarterly with any remaining amount due at maturity. The revolver facility will incur a 0.5% annual fee for undrawn amounts. As of January 31, 2024, the full \$70.0 million of the revolver was available. The Company incurred a total of \$3.3 million in issuance costs, with \$2.4 million allocated to the term loan and \$0.9 million allocated to the



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revolver facility. The term loan issuance costs are deducted from the debt balance and are being amortized and recorded as interest expense over the term of the Loan Facility using the effective interest rate method through January 2028. The issuance costs for the revolver facility are recorded in "Other Assets" and are being amortized in interest expense over the term of the Loan Facility ratably through January 2028.

The Company was in compliance with all covenants as of January 31, 2023 and 2024.

Long-term debt comprised the following (in thousands):

	<u>As of January 31,</u>	
	<u>2023</u>	<u>2024</u>
Balance under the Loan Facility	\$180,000	\$178,650
Less unamortized debt issuance costs related to the Loan Facility	(2,413)	(2,272)
Less short-term portion	(1,350)	(1,800)
Long-term balance under the Loan Facility	<u>\$176,237</u>	<u>\$174,578</u>

The Company had unsecured letters of credit issued in the face amount of \$2.2 million outstanding as of January 31, 2023 and 2024.

## 8. Commitments and Contingencies

### *Noncancelable Commitments*

As of January 31, 2024, the Company has long-term noncancelable agreements related to its cloud hosting arrangements, marketing events and management consulting projects. The estimated payments by future period, which for certain cloud computing arrangements are based on estimated usage, are as follows (in thousands):

<u>Fiscal</u>	
2025	\$ 16,903
2026	30,292
2027	37,168
2028	46,623
2029	14,049
Total	<u>\$ 145,035</u>

### *Litigation*

During the ordinary course of business, the Company may become subject to legal proceedings, claims and litigation. Such matters are subject to many uncertainties and outcomes are not predictable with assurance. If the Company determines that it is probable that a loss has been incurred and the amount is reasonably estimable, the Company will record a liability.

As of January 31, 2024, the Company is not subject to any currently pending legal matters or claims that could have a material adverse effect on its financial position, results of operations, or cash flows should such litigation be resolved unfavorably.

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**Indemnifications**

In the ordinary course of business, the Company may provide indemnifications of varying scope and terms to customers, vendors, lessors, investors, directors, officers, employees and other parties with respect to certain matters, including, but not limited to, losses arising out of the Company's breach of such agreements, products or services to be provided by the Company, or from intellectual property infringement claims made by third parties. These indemnifications may survive termination of the underlying agreement and the maximum potential amount of future payments the Company could be required to make under these indemnification provisions may not be subject to maximum loss clauses. The maximum potential amount of future payments the Company could be required to make under these indemnification provisions is indeterminable. The Company is not subject to any material indemnification claims that are probable or reasonably possible, and has not made any cash payments under its indemnification agreements that had a material effect on the financial position, results of operations or cash flows of the Company.

**9. Leases**

The Company has operating leases for its corporate offices. The leases have remaining lease terms ranging from one to six years, with certain leases having various term extensions available. These options to extend have not been recognized as part of the Company's ROU assets and lease liabilities as it is not reasonably certain that the Company will exercise these options. The lease agreements do not contain any residual value guarantees or material restrictive covenants. The Company has lease agreements with lease and nonlease components, which the Company has elected to account for as single lease component for all assets. The lease costs are allocated within cost of revenue and operating expenses on the consolidated statements of operations.

Information related to the Company's leases is as follows (in thousands, except years and percentages):

	<b>As of January 31,</b>	
	<b>2023</b>	<b>2024</b>
<b>Assets</b>		
Operating lease right of use assets	\$ 48,721	\$ 43,270
<b>Liabilities</b>		
Current lease liabilities	\$ 8,419	\$ 11,005
Long-term lease liabilities	\$ 67,116	\$ 58,576
Weighted-average lease term (years)	6.8	5.8
Weighted-average discount rate	3.3%	3.6%
	<b>Fiscal</b>	
	<b>2023</b>	<b>2024</b>
<b>Lease costs</b>		
Operating lease costs	\$ 9,451	\$ 10,178
Short-term lease costs	1,463	1,269
Variable lease costs	190	378
	<u>\$ 11,104</u>	<u>\$ 11,825</u>

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In fiscal 2024, the Company recorded an impairment of \$1.1 million of an ROU asset (See Note 2).

Future minimum lease payments under noncancelable leases included in the calculation of lease liabilities as of January 31, 2024 were as follows (in thousands):

<b>Fiscal</b>	
2025	\$10,955
2026	13,507
2027	13,517
2028	12,551
2029	11,210
Thereafter	15,614
Total future minimum payments	<u>77,354</u>
Less: Interest	<u>(7,773)</u>
Total	<u>\$69,581</u>

Future minimum lease payments for fiscal 2025 is presented net of tenant improvement allowances of \$1.1 million.

There were no noncancelable leases executed, but which have not yet commenced as of January 31, 2024.

#### **10. Non-Convertible Preferred Stock and Warrants**

In October 2022, the Company issued 250,000 shares of non-voting non-convertible preferred stock (“NCPS”) and warrants to purchase 1,262,516 shares of common stock for \$0.01 per share. The total net proceeds received by the Company was \$249.2 million after \$0.8 million in costs associated with the issuance. The Company allocated \$174.5 million to the value of the NCPS and \$75.5 million of the value allocated to the warrants based on their estimated relative fair values. Under the terms of the Secured Loan, the Company was required to use the proceeds to repay a portion of the Secured Loan (see Note 7. Debt Arrangements). The warrants were exercised in October 2022.

The NCPS has an initial liquidation preference of \$1,000 per share. The holders are entitled to cumulative dividends at 10% per annum for the first five years and 15% per annum between the 5th and 6th anniversary. Dividends prior to the 6th anniversary are paid-in-kind (PIK) and are added to the NCPS liquidation preference. After the 6th anniversary, the holders are entitled to cash dividends, payable quarterly, at an annual rate of 20% the NCPS liquidation preference. The Company has the right to redeem the NCPS at any time. In the event of voluntary or involuntary liquidation or a deemed liquidation event, or an optional redemption by the Company, the holders of NCPS are entitled to be paid an amount per share equal to the greater of (i) 110% multiplied by the original issue price of \$1,000 per share, or (ii) the original issuance price plus the accrued dividends on such share that are unpaid as of such time. A deemed liquidation event includes a merger or consolidation, a sale, lease, transfer, exclusive license or other disposition of substantially all the assets or intellectual property of the Company or the sale or disposition of one or more subsidiaries of the Company if substantially all of the assets of intellectual property of the Company as a whole are held by such subsidiary or subsidiaries. Certain of these deemed liquidation event provisions are considered contingent redemption provisions because such events may not be solely within the control of the Company. The holders of the NCPS do not have any voting rights except that, after the sixth anniversary of the Issue Date, if the Company has not undertaken an IPO and at least 125,000 shares of NCPS remain outstanding, the holders of the NCPS are entitled to elect one director to the Board of Directors. The NCPS also contains various protective provisions that restrict the Company’s ability to liquidate, dissolve or wind-up the Company, amend the rights and preferences of the NCPS, issue shares of

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any additional class or series of capital stock senior to the NCPS, and incur indebtedness, among other provisions, without the approval of the holders of the requisite majority, as defined, of the holders of the NCPS.

As the Company expects to exercise its call right to redeem the NCPS prior to the increase in the dividend rate, the Company is accreting the NCPS from its initial value of \$174.5 million to its redemption amount at the date the Company expects to redeem the NCPS using a constant effective yield. The accretion includes the initial discount resulting from the issuance of the warrants and the expected cumulative dividends over the expected life of the NCPS of three years. Judgment is required to estimate the expected life of the NCPS. The Company considered various factors in estimating the expected life including the timing of additional fundraises or equity offerings. The Company recorded accretion of \$13.5 million and \$45.9 million for fiscal 2023 and 2024, respectively.

All shares of NCPS have been presented in the mezzanine section of the consolidated balance sheet.

**11. Redeemable Convertible Preferred Stock**

Between November 2022 and January 2023, the Company issued 5,604,318 shares of Series H redeemable convertible preferred stock at \$84.5712 per share for gross proceeds of \$474.0 million.

In July 2023, the Company issued 402,026 shares of Series H-1 redeemable convertible preferred stock at \$84.5712 per share for gross proceeds of \$34.0 million.

As of January 31, 2024, the Company is authorized to issue 42,465,855 shares of redeemable convertible preferred stock, respectively, which is comprised of Series A-1 redeemable convertible preferred stock, Series A-2 redeemable convertible preferred stock, Series A-3 redeemable convertible preferred stock, Series B redeemable convertible preferred stock, Series C redeemable convertible preferred stock, Series D redeemable convertible preferred stock, Series E redeemable convertible preferred stock, Series F redeemable convertible preferred stock, and Series G redeemable convertible preferred stock, Series H redeemable convertible preferred stock, and Series H-1 redeemable convertible preferred stock, (collectively, the “Preferred Stock”).

As of January 31, 2023, the Preferred Stock consisted of the following (in thousands, except share and per share data):

	Authorized Shares	Issued and Outstanding Shares	Original Issuance Price per Share	Liquidation Preference	Carrying Value
Series A-1 preferred stock	4,701,594	4,701,594	\$ 0.11	\$ 529	\$ 527
Series A-2 preferred stock	1,067,309	1,067,309	\$ 0.05	52	52
Series A-3 preferred stock	8,587,100	8,587,100	\$ 2.11	18,103	18,034
Series B preferred stock	5,774,623	5,774,623	\$ 6.06	35,000	34,911
Series C preferred stock	3,437,441	3,437,441	\$ 14.55	50,000	49,935
Series D preferred stock	5,704,551	5,704,551	\$ 26.29	150,000	149,821
Series E preferred stock	2,184,287	2,184,287	\$ 33.80	73,822	73,742
Series F preferred stock	2,795,266	2,795,266	\$ 107.32	299,997	299,831
Series G preferred stock	2,207,340	2,207,340	\$ 118.96	262,587	262,499
Series H preferred stock	8,277,049	5,604,318	\$ 84.57	473,964	472,935
	<u>44,736,560</u>	<u>42,063,829</u>		<u>\$ 1,364,054</u>	<u>\$ 1,362,287</u>

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As of January 31, 2024, the Preferred Stock consisted of the following (in thousands, except share and per share data):

	Authorized Shares	Issued and Outstanding Shares	Original Issuance Price per Share	Liquidation Preference	Carrying Value
Series A-1 preferred stock	4,701,594	4,701,594	\$ 0.11	\$ 529	\$ 527
Series A-2 preferred stock	1,067,309	1,067,309	\$ 0.05	52	52
Series A-3 preferred stock	8,587,100	8,587,100	\$ 2.11	18,103	18,034
Series B preferred stock	5,774,623	5,774,623	\$ 6.06	35,000	34,911
Series C preferred stock	3,437,441	3,437,441	\$ 14.55	50,000	49,935
Series D preferred stock	5,704,551	5,704,551	\$ 26.29	150,000	149,821
Series E preferred stock	2,184,287	2,184,287	\$ 33.80	73,822	73,742
Series F preferred stock	2,795,266	2,795,266	\$ 107.32	299,997	299,831
Series G preferred stock	2,207,340	2,207,340	\$ 118.96	262,587	262,499
Series H preferred stock	5,604,318	5,604,318	\$ 84.57	473,964	472,935
Series H-1 preferred stock	402,026	402,026	\$ 84.57	34,000	33,591
	<u>42,465,855</u>	<u>42,465,855</u>		<u>\$ 1,398,054</u>	<u>\$ 1,395,878</u>

The rights and preferences of the Preferred Stock as of January 31, 2024 are as follows:

#### **Conversion**

The Preferred Stock is convertible at any time at the option of the holder into such number of shares of common stock at the then effective conversion rate determined by dividing the original issue price by the conversion price. The conversion price is initially equal to the original issue price for each series of preferred stock and is subject to adjustment and certain anti-dilution provisions. The Preferred Stock automatically converts to common stock at the then effective conversion rate upon the closing of a firm commitment underwritten initial public offering of the Company's common stock resulting in aggregate gross proceeds to the Company of \$100.0 million. Each series of Preferred Stock also automatically converts upon the vote or consent of the majority of the outstanding shares of each such class at the then effective conversion rate, except the Series D redeemable convertible preferred stock automatically converts upon the vote or consent of 75% of the outstanding shares of such class and the Series G redeemable convertible preferred stock automatically converts upon the vote or consent of 66.66% of the outstanding shares of such class. As of January 31, 2024, each share of Preferred Stock was convertible into one share of common stock, except the Series F and Series G redeemable convertible preferred stock.

The Series F and Series G redeemable convertible preferred stock conversion ratios were adjusted in accordance with the broad-based weighted average anti-dilution provisions that were triggered as a result of the issuance of the Series H and Series H-1 redeemable convertible preferred stock at an issuance price lower than the original issuance prices of the Series F and Series G redeemable convertible preferred stock. As a result of the issuance of the Series H and Series H-1 redeemable convertible preferred stock, the conversion ratios of the Series F and Series G redeemable convertible preferred stock were adjusted such that each share of Series F redeemable convertible preferred stock converts into 1.02127 shares of common stock and each share of Series G redeemable convertible preferred stock converts into 1.02762 shares of common stock. The adjustment to the conversion prices did not result in a beneficial conversion feature because the adjusted effective conversion prices of the Series F and Series G redeemable convertible preferred stock were greater than the commitment date fair value of the Company's common stock into which the Series F and Series G redeemable convertible preferred stock convert.

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With respect to the Series H redeemable convertible preferred stock, if the Company's IPO occurs before May 22, 2024 (the 18-month anniversary of the Series H redeemable preferred stock original issuance date) and is priced lower than the conversion price of the Series H redeemable convertible preferred stock of \$84.5712 per share, then the conversion price of the Series H redeemable convertible preferred stock is reduced to the IPO price. If the Company's IPO occurs after May 22, 2024 and is priced less than the conversion price of the Series H redeemable convertible preferred stock accruing at 11% per annum, accruing daily and compounding quarterly from and after May 22, 2024 (the "Ratchet Adjustment Denominator") then the conversion price of the Series H redeemable convertible preferred stock is reduced to an amount equal to the product of (a) the IPO price, multiplied by (b) \$84.5712 divided by the Ratchet Adjustment Denominator.

#### ***Dividends***

The preferred stockholders are entitled to receive noncumulative dividends only when, as and if declared by the Board of Directors prior to payment of any dividends on the common stock. The annual dividend rate is (i) \$0.0090 per share for the Series A-1 redeemable convertible preferred stock, (ii) \$0.0039 per share for the Series A-2 redeemable convertible preferred stock, (iii) \$0.1686 per share for the Series A-3 redeemable convertible preferred stock, (iv) \$0.4849 per share for the Series B redeemable convertible preferred stock, (v) \$1.1637 per share for the Series C redeemable convertible preferred stock, (vi) \$2.1036 per share for the Series D redeemable convertible preferred stock, (vii) \$2.7038 per share for the Series E redeemable convertible preferred stock, (viii) \$8.5859 per share for the Series F redeemable convertible preferred stock, (ix) \$9.5169 per share for the Series G redeemable convertible preferred stock, (x) \$6.7657 per share for the Series H and Series H-1 redeemable convertible preferred stock (subject, in each case, to appropriate adjustment in the event of any stock dividend, stock split, combination, or other similar recapitalization). After payment of dividends on the Preferred Stock, any additional dividends are payable among the common stock and Preferred Stock, on an as-converted basis.

#### ***Liquidation Preference***

In the event of any voluntary or involuntary liquidation, dissolution, or winding up of the Company or a deemed liquidation event, as defined, after the payment of the NCPS liquidation preference, the holders of the Preferred Stock other than the Series H and Series H-1 redeemable convertible preferred stock are entitled to be paid prior to any payment to the common stockholders a liquidation preference per share equal to the greater of (i) the original issue price per share for such series of Preferred Stock, plus any dividends declared but unpaid thereon, or (ii) such amount per share as would have been payable had all shares of the Preferred Stock been converted into common stock immediately prior to such liquidation, dissolution, or winding up or deemed liquidation event. The Series H redeemable convertible preferred stock is entitled to be paid the greater of (i) the original issue price accruing at a rate of eight percent (8%) per annum compounding annually, plus any dividends declared but unpaid thereon, or (ii) such amount per share as would have been payable had the Series H redeemable convertible preferred stock been converted into common stock immediately prior to such liquidation, dissolution, or winding up or deemed liquidation event. If the assets of the Company are insufficient to pay the holders of the Preferred Stock the full liquidation preference, then the holders of the Preferred Stock share ratably in any assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full. After payment of the liquidation preference to the holders of the Preferred Stock, any remaining assets available for distribution will be distributed to the common stockholders.

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Deemed liquidation events include a change in control of the Company and sale of substantially all of the assets of the Company. These deemed liquidation event provisions are considered contingent redemption provisions because such events may not be solely within the control of the Company. Therefore, all shares of Preferred Stock have been presented in the mezzanine section of the consolidated balance sheet.

***Voting Rights***

The holders of the Preferred Stock are entitled to the number of votes equal to the number of shares of common stock into which such shares of Preferred Stock are convertible. The holders of Preferred Stock and common stock vote together as a single class on all matters, except as provided by law or by the provisions of the Company's Amended and Restated Certificate of Incorporation.

***Other Provisions***

Under the terms of the Preferred Stock agreements, the Company is subject to other customary provisions including restrictions on its ability to liquidate, dissolve or wind-up the Company, amend the rights and preferences of the Preferred Stock, issue shares of any additional class or series of capital stock unless junior to the Preferred Stock, incur indebtedness and increase number of shares reserved for issuance under the Company's stock plan within a specified time period, among other provisions, without the approval of the holders of a majority of the then outstanding shares of Preferred Stock.

**12. Equity Incentive Plans**

The Company has granted stock-based awards under a 2007 Stock Plan and a 2015 Stock Plan. No shares of common stock remain available for issuance under the 2007 Stock Plan. As of January 31, 2024, there were 20,087,223 shares of common stock authorized and reserved for issuance under the 2015 Stock Plan. Additional shares of common stock may "roll over" to the 2015 Stock Plan in the event of the termination or lapse of stock options outstanding pursuant to the 2015 Stock Plan.

As of January 31, 2024, there were 1,826,467 shares of common stock available for future issuance under the 2015 Stock Plan. The Company's policy is to issue new shares upon exercise of stock options.

***Stock-based Compensation***

The stock-based compensation expense by line item in the consolidated statements of operations is summarized as follows (in thousands):

	Fiscal			
	2023	2024		
	Total	Option, RSU and RSA Grants	Tender Offer	Total
Platform cost of revenue	\$ 4,506	\$ 4,689	\$ 663	\$ 5,352
Professional services and other cost of revenue	3,711	3,809	371	4,180
Sales and marketing	13,817	18,535	2,330	20,865
Research and development	21,391	29,078	4,373	33,451
General and administrative	20,724	32,351	6,255	38,606
Total stock-based compensation expense	<u>\$64,149</u>	<u>\$ 88,462</u>	<u>\$13,992</u>	<u>\$102,454</u>

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***Tender Offer***

Concurrent with entering into the Series H-1 redeemable convertible preferred stock purchase agreement, the Company facilitated a tender offer whereby the Series H-1 redeemable convertible preferred stock investors purchased shares of the Company's common stock from current and former employees and consultants, and certain existing investors. The tender offer was completed in July 2023. As a result, Series H-1 redeemable convertible preferred stock investors purchased an aggregate of 1,942,709 shares of the Company's common stock at a purchase price of \$70.00 per share for proceeds to the selling stockholders of \$136.0 million. The purchase price in this tender offer transaction was in excess of the estimated fair value of the common stock of \$62.28 per share at the time of the transaction. As a result, during fiscal 2024, the Company recorded the excess of the purchase price over the fair value as stock-based compensation expense of \$14.0 million which is included in the table above for shares purchased from current and former employees and consultants.

***Stock Options***

The following table summarizes the assumptions used in the Black-Scholes option-pricing model and the Monte Carlo simulation model to estimate the fair value of stock options granted to employees and non-employees. There were no stock options granted in fiscal 2024. The weighted-average assumptions used by the Company for stock options granted were as follows:

	<b>Fiscal 2023</b>
Fair value of common stock	\$88.25
Estimated volatility	36.2%
Expected term (in year)	6.0
Risk-free interest rate	2.5%
Dividend yield	0.0%

The weighted average grant date fair value of options granted during fiscal 2023 was \$41.26 per share.

***Stock Options with Service-Only Conditions***

Options granted to purchase shares of the Company's common stock under the 2015 Stock Plan vest at varying rates, but generally over four years with 25% vesting upon completion of one year of service and the remainder vesting monthly thereafter. Activity for stock options that contain service-only vesting conditions was as follows:

	<b>Number of Options</b>	<b>Weighted Average Exercise Price</b>	<b>Weighted Average Remaining Contractual Life (years)</b>	<b>Intrinsic Value (in thousands)</b>
<b>Outstanding as of January 31, 2023</b>	8,270,065	\$ 17.44	7.15	\$358,177
Granted	—	\$ —		
Exercised	(849,938)	\$ 11.42		
Cancelled/Forfeited	(615,148)	\$ 33.98		
<b>Outstanding as of January 31, 2024</b>	<u>6,804,979</u>	\$ 16.70	6.21	\$313,097
<b>Exercisable as of January 31, 2024</b>	<u>5,787,640</u>	\$ 15.37	5.98	\$275,087



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Total unrecognized compensation cost related to stock options with service-only vesting conditions as of January 31, 2024 was \$30.8 million which is expected to be recognized over a remaining weighted average period of approximately 1.0 years. The total intrinsic value of options exercised was \$60.1 million and \$43.4 million for fiscal 2023 and fiscal 2024, respectively.

***Stock Options with Performance and Market Conditions***

Stock option activity for performance and market awards consisted of the following:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)	Intrinsic Value (in thousands)
<b>Outstanding as of January 31, 2023</b>	1,619,825	\$ 17.20	7.98	\$ 70,543
Granted	—	\$ —		
Exercised	—	\$ —		
Cancelled/Forfeited	(442,901)	\$ 23.30		
<b>Outstanding as of January 31, 2024</b>	<u>1,176,924</u>	\$ 14.90	6.96	\$ 56,492

As of January 31, 2024, the Company had 356,885 options outstanding, held by certain employees, to purchase shares of common stock that cliff vest upon the achievement of a performance condition of either (i) a revenue target provided that the target is met before the end of fiscal 2026 or (ii) at the discretion of the Audit Committee, a trailing 12 month revenue target commensurate with a specified annual recurring revenue threshold, and the employees providing continuous service to the Company through the date the performance condition is met. The grant date fair value of these options was \$17.1 million. During fiscal 2023, the Company did not recognize any stock-based compensation expense as the achievement of the revenue target was not deemed probable. During fiscal 2024, the Company concluded it was probable that it would attain the revenue target by the end of fiscal 2026 and therefore the Company recognized expense of \$10.1 million. The remaining \$7.0 million will be recognized ratably through January 31, 2026, assuming achievement of the performance condition remains probable of achievement.

As of January 31, 2023, the Company also had 681,352 options outstanding, held by certain employees, to purchase shares of common stock that vest upon the satisfaction of a service and performance condition. The service condition is satisfied over a four-year period. The performance condition is satisfied upon a liquidity event, including an IPO or a sale of the company and the awards expire ten years from issuance. Of the options to purchase 681,352 shares of common stock, options to purchase 340,676 shares of common stock were to be forfeited if a liquidity event did not occur by December 31, 2023 which did not occur and were therefore cancelled. The remaining 340,676 options with these performance conditions were outstanding as of January 31, 2024 and have a grant date fair value of \$1.4 million.

In addition, as of January 31, 2024, the Company had options outstanding, held by certain employees, to purchase 340,676 shares of common stock which vest upon the satisfaction of a service, performance and a market condition. The performance condition is satisfied upon a liquidity event including an IPO or sale of the company and the awards expire ten years from issuance. The market condition is satisfied upon the achievement of a specified average stock price over a six-month period after the Company becomes a public company, or the sale of the Company above such specified stock price. The employees are required to remain employed through the date of achieving the performance and market conditions and in the event of an IPO, the completion of two trading windows during which certain stockholders at the time of the grant can freely transact in the Company's equity securities on the public market. The grant date fair value of

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these options was \$1.5 million estimated using a Monte Carlo simulation model, which will be recognized as stock-based compensation expense commencing once it is probable that the performance condition will be achieved irrespective of whether the stock price threshold is met.

As of January 31, 2024, the Company also had options outstanding, held by certain employees, to purchase shares 128,687 of common stock that vest upon the satisfaction of both a service and performance condition. The performance condition is satisfied upon a liquidity event including an IPO or sale of the company. The service condition is satisfied one year from the date the performance condition is satisfied and the awards expire ten years from issuance. The grant date fair value of these options was \$6.5 million which will be recognized as stock-based compensation expense commencing once it is probable that the performance condition will be achieved.

Further, as of January 31, 2024, the Company had options outstanding, held by a consultant, to purchase 10,000 shares of common stock that vest upon the satisfaction of a performance condition. The performance condition is satisfied upon a liquidity event including an IPO or sale of the company provided the consultant continues to provide service to the Company through the date of the liquidity event and the award expires ten years from issuance. The grant date fair value of these options was \$0.5 million which will be recognized as stock-based compensation expense commencing once it is probable that the performance condition will be achieved.

During fiscal 2023 and fiscal 2024, the Company did not recognize any stock-based compensation expense associated with stock options containing a liquidity event-related performance condition as the achievement of such condition was not deemed probable.

***RSAs and RSUs with Service-Only Conditions***

RSAs and RSUs subject to service-only vesting condition requirements consisted of the following:

	Restricted Stock Awards	Restricted Stock Units	Weighted Average Grant Date Fair Value Per Share
<b>Unvested as of January 31, 2023</b>	205,967	2,218,910	\$ 71.04
Granted	—	1,776,690	\$ 62.26
Vested	(117,490)	(789,291)	\$ 71.32
Forfeited	—	(438,331)	\$ 76.13
<b>Unvested as of January 31, 2024</b>	<u>88,477</u>	<u>2,767,978</u>	\$ 66.85

RSUs granted under the 2015 Stock Plan vest at varying rates, but generally over four years with 25% vesting upon completion of one year of service and the remainder vesting quarterly thereafter. The weighted average grant date fair value per share of RSUs granted during fiscal 2023 and fiscal 2024 was \$79.57 and \$62.26, respectively. There were no RSAs granted during fiscal 2023 or fiscal 2024. The total fair value of RSUs vested during fiscal 2023 and fiscal 2024 was \$12.7 million and \$49.3 million, respectively. The total fair value of RSAs vested during fiscal 2023 and fiscal 2024 was \$12.2 million and \$7.3 million, respectively. Total unrecognized compensation cost related to RSUs and RSAs as of January 31, 2024 was \$196.8 million which is expected to be recognized over a remaining weighted average period of approximately 2.9 years.

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**RSUs with Performance Conditions**

RSU activity for performance and market awards consisted of the following:

	<b>Restricted Stock Units</b>	<b>Weighted Average Grant Date Fair Value Per Share</b>
<b>Unvested as of January 31, 2023</b>	25,220	\$ 75.71
Granted	553,431	\$ 62.28
Vested	—	\$ —
Forfeited	—	\$ —
<b>Unvested as of January 31, 2024</b>	<u>578,651</u>	\$ 62.87

During fiscal 2023, the Company granted 25,220 RSUs to certain employees that cliff vest upon the achievement of a performance condition of either (i) a revenue target provided that target is met before the end of fiscal 2026 or (ii) at the discretion of the Audit Committee, a trailing 12 month revenue target commensurate with a specified annual recurring revenue threshold, and the employees providing continuous service to the Company through the date the performance condition is met. The grant date fair value of these RSUs was \$1.9 million which will be recognized as stock-based compensation expense commencing once it is probable that the performance condition will be achieved.

During fiscal 2023, the Company did not recognize any stock-based compensation expense associated with these RSUs as the achievement of the revenue target performance condition was not probable. During fiscal 2024, the Company concluded it was deemed probable that the Company would attain the revenue target by the end of fiscal 2026 and therefore the Company recognized expense of \$0.9 million. The remaining \$1.0 million will be recognized ratably through January 31, 2026, assuming the performance condition remains probable of achievement.

During fiscal 2024, the Company granted 494,309 RSUs that vest upon the satisfaction of a performance and service condition, where the performance condition is satisfied upon a liquidity event including an IPO or sale of the Company, as defined, and the service condition is satisfied over a period of four years. In addition, the Company granted 59,122 RSUs that vest upon the satisfaction of a performance and service condition, where the performance condition is satisfied upon an IPO and the service condition is satisfied provided the recipient continues to provide service to the Company for one year subsequent to the IPO. These RSUs have a grant date fair value of \$34.5 million, which will be recognized as stock-based compensation expense once it is probable that the performance condition will be achieved for the portion of the awards that have met the service condition and over the remaining service period for the portion of the awards that require future service using a graded vesting model. These awards expire ten years from issuance. During fiscal 2024, the Company did not recognize any stock-based compensation expense for these RSUs as the achievement of the liquidity event performance condition was not deemed probable.

**Common Stock Subject to Repurchase**

Both the 2007 and 2015 Stock Plans allow certain option grants to be exercised prior to vesting. The Company has the right to repurchase, at the original purchase price, any issued but unvested common shares, upon termination of the service of an employee. The consideration received by the Company upon exercise of an unvested option is considered to be a deposit of the exercise price, and the related amount is recorded as a noncurrent liability. This liability is reclassified into stockholders' deficit as the award vests.

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The Company has a liability of \$0.6 million included in other noncurrent liabilities related to 46,714 options that were early exercised but remained unvested as of January 31, 2024. During fiscal 2024, no stock options were early exercised.

***Stock Options Exercised Through Promissory Notes***

In March 2021, three executives issued to the Company fully secured recourse promissory notes for a total principal of \$11.7 million bearing annual interest at 0.68% to exercise stock options to purchase a total of 885,191 shares of common stock, of which 729,364 were early exercised (including options to purchase 224,075 shares of common stock that contain performance conditions) and for the payment of employee taxes for certain of the executives. The promissory notes matured in March 2022. The portion of the notes attributable to the payment of employee taxes of \$0.5 million was initially recorded in other current assets. The portion of the notes attributable to the exercise of the stock options of \$11.2 million was not recorded on the consolidated balance sheet until such time as the service vesting condition was met because the shares issued upon exercise of the options were subject to forfeiture through the cancellation of the notes in the event that the executive did not satisfy the service vesting. The shares issued upon the early exercise of options were legally issued and outstanding and are included in issued and outstanding shares. In March 2022, the executives repaid \$9.4 million of the secured full recourse promissory notes relating to the exercise of stock options and for the payment of employee taxes. The Company recorded \$2.3 million of the cash received upon the repayment of the notes receivable as a reduction of the notes receivable for the exercise of stock options recorded in stockholders' deficit and the remainder as a deposit liability in other noncurrent liabilities relating to unvested awards that will be reclassified to APIC as the awards vest. Additionally, promissory notes with a principal of \$2.3 million were cancelled and 195,354 early exercised unvested shares were returned to the Company relating to an executive's termination of employment. In December 2022, the Company repurchased 324,391 shares for \$4.6 million for options that had been early exercised but were unvested at the time of termination of one of the executives.

**13. Income Taxes**

The domestic and foreign components of income (loss) before income taxes consists of the following (in thousands):

	Fiscal	
	2023	2024
United States	\$(285,295)	\$(194,132)
Foreign	2,715	3,123
<b>Loss before income taxes</b>	<b><u>\$(282,580)</u></b>	<b><u>\$(191,009)</u></b>

**ServiceTitan, Inc.**  
**Notes to Consolidated Financial Statements**

The income tax provision consists of the following (in thousands, except percentages):

	Fiscal	
	2023	2024
<b>Current</b>		
U.S. Federal	\$ —	\$ —
State	194	42
Foreign	1,263	2,268
<b>Total—current</b>	<u>1,457</u>	<u>2,310</u>
<b>Deferred</b>		
U.S. Federal	(12,516)	1,357
State	(1,998)	909
Foreign	—	(440)
<b>Total—deferred</b>	<u>(14,514)</u>	<u>1,826</u>
<b>Provision for (benefit from) income taxes</b>	<u>\$ (13,057)</u>	<u>\$ 4,136</u>
<b>Effective income tax rate</b>	<u>4.62%</u>	<u>(2.17)%</u>

A reconciliation of the U.S. Federal statutory rate to the Company's effective tax rate is as follows (in thousands, except percentages):

	Fiscal	
	2023	2024
Loss before income taxes	<u>\$(282,580)</u>	<u>\$(191,009)</u>
Tax at federal statutory tax rate	(59,342)	(40,112)
State taxes (net of federal benefit of state deduction)	(20,045)	(7,334)
Change in valuation allowance	79,268	63,276
Uncertain tax positions	2,258	3,463
Non-deductible expenses	1,454	345
Equity compensation	(3,249)	4,451
Tax credits	(11,289)	(17,317)
Other	(2,112)	(2,636)
<b>Provision for (benefit from) income taxes</b>	<u>\$ (13,057)</u>	<u>\$ 4,136</u>
<b>Effective income tax rate</b>	<u>4.62%</u>	<u>(2.17)%</u>

**ServiceTitan, Inc.**  
**Notes to Consolidated Financial Statements**

The temporary differences, which give rise to the Company's deferred tax assets and liabilities consisted of the following (in thousands):

	<u>As of January 31,</u>	
	<u>2023</u>	<u>2024</u>
<b>Deferred tax assets:</b>		
Net operating loss carryforwards	\$ 93,245	\$ 108,355
Research and development and other tax credits	29,445	42,692
Lease liabilities	18,616	17,857
Stock-based compensation	11,650	15,304
Depreciable and amortizable assets	—	890
Other	7,854	15,708
Capitalized research and development	33,109	56,207
Interest expense carryforward	14,142	16,402
Deferred tax assets	<u>208,061</u>	<u>273,415</u>
Valuation allowance	<u>(179,296)</u>	<u>(242,572)</u>
Deferred tax assets, net	<u>\$ 28,765</u>	<u>\$ 30,843</u>
<b>Deferred tax liabilities:</b>		
Right-of-use assets	\$ (12,517)	\$ (10,830)
Deferred contract costs	(3,397)	(4,402)
Goodwill	(7,468)	(20,157)
Depreciable and amortizable assets	(8,103)	—
Deferred tax liabilities	<u>(31,485)</u>	<u>(35,389)</u>
Deferred tax liabilities, net	<u>\$ (2,720)</u>	<u>\$ (4,546)</u>

In determining the need for a valuation allowance, management reviewed all available positive and negative evidence, primarily the prior and forecasted losses of the Company, and determined its U.S. deferred tax assets are not realizable under the more-likely-than-not measurement, and as such, a full valuation allowance was recorded against U.S. deferred tax assets as of January 31, 2023 and 2024.

As a result of the Company's various acquisitions, the Company has generated indefinite-lived deferred tax liabilities from tax amortizable goodwill, which are not an available source of income for the realization of definite-lived deferred tax assets.

The following table summarizes the change in the Company's valuation allowance (in thousands):

	<u>Fiscal</u>	
	<u>2023</u>	<u>2024</u>
Balance at the beginning of the year	\$ 100,028	\$ 179,296
Increase recognized in income tax expense	79,268	63,276
Increase related to business combinations	—	—
Balance at the end of the year	<u>\$ 179,296</u>	<u>\$ 242,572</u>

As of January 31, 2024, the Company had cumulative U.S. net operating losses ("NOLs") consisting of carryforwards for federal income tax purposes of \$418.9 million. As of January 31, 2024, the Company had pre-2018 federal NOL carryforwards of \$35.1 million which will begin to expire in fiscal 2033; and post-

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**Notes to Consolidated Financial Statements**

2018 NOL carryforwards of \$383.8 million which have an indefinite carryforward period. As of January 31, 2024, the Company had cumulative state NOL carryforwards of \$292.4 million. State NOL carryforwards will begin to expire in fiscal 2033.

As of January 31, 2024, the Company has federal research tax credit carryforwards of \$25.9 million and state research tax credit carryforwards of \$14.7 million. The Company's federal research tax credit carryforwards will begin to expire in fiscal 2034, while its state research tax credit carryforwards will begin to expire in fiscal 2043. As of January 31, 2024, the Company has foreign tax credit carryforwards of \$0.1 million. The carryforwards will begin to expire in fiscal 2034. As of January 31, 2024, the Company has other state tax credit carryforwards of \$2.0 million. The carryforwards will begin to expire in fiscal 2025.

NOLs and tax credit carryforwards may become subject to an annual limitation in the event of certain cumulative changes in the ownership interest of significant stockholders over a three-year period in excess of 50%, as defined under Sections 382 and 383 of the Internal Revenue Code as well as similar state provisions. This could limit the amount of tax attributes that can be utilized annually to offset future taxable income or tax liabilities. The amount of the annual limitation is determined based on the value of the Company immediately prior to the ownership change. The Company conducted a formal study through June 30, 2021 that concluded that although there had been prior ownership changes, there were no actual limitations on the use of the Company's NOLs. The Company has not conducted another formal study to assess whether any additional ownership change has occurred. Similar provisions of state tax law may also apply to limit the use of the Company's state net operating loss carryforwards.

#### ***Uncertain Tax Benefits***

The Company has provided what it believes to be an appropriate amount of tax for items that involve interpretation of the tax law. However, events may occur in the future that will cause the Company to reevaluate its current reserves and may result in an adjustment to the reserve for taxes.

The following table summarizes the change in the Company's reserve for unrecognized tax benefits (in thousands):

	Fiscal	
	2023	2024
Balance at the beginning of the year	\$4,550	\$ 7,072
Increase due to new tax positions	264	3,163
Increase due to existing tax positions	2,258	300
Decrease due to existing tax positions	—	—
Increase due to acquired tax positions	—	—
Settlements, payments and statute closure	—	—
Balance at the end of the year	<u>\$7,072</u>	<u>\$10,535</u>

For fiscal 2023 and 2024, the Company recorded unrecognized tax benefits, all of which, if recognized, would not impact the effective rate due to the valuation allowance against its federal and state deferred taxes. The Company does not expect any significant changes in its unrecognized tax benefits within 12 months of the reporting date.

The Company files income tax returns in the U.S. federal jurisdiction and various state jurisdictions. No tax years for the Company are currently under examination by the IRS or state and local tax authorities for income tax purposes. Due to net operating loss and tax credit carryforwards, all years are open for examination and may become subject to examination in the future.

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The Company also files income tax returns in Armenia, starting in 2019. The Company's tax return for 2021, 2022, and 2023 are subject to regular audit by the Armenian tax authorities for income tax purposes in fiscal 2025.

The Company also files income tax returns in Canada, starting in 2023. No tax years for the Company are currently under examination by the Canadian tax authorities for income tax purposes. The Company's fiscal 2023 remains open for examination and assessment.

#### 14. Net Loss Per Share

The following table sets forth the computation of basic and diluted net loss per share attributable to common stockholders (in thousands, except share and per share data):

	Fiscal	
	2023	2024
Net loss	\$ (269,523)	\$ (195,145)
Accretion of non-convertible preferred stock	(13,478)	(45,873)
Net loss attributable to common stockholders	<u>\$ (283,001)</u>	<u>\$ (241,018)</u>
Weighted-average shares outstanding used in computing net loss per share, basic and diluted	<u>30,410,373</u>	<u>33,267,131</u>
Net loss per share, basic and diluted	<u>\$ (9.31)</u>	<u>\$ (7.24)</u>

The following potentially dilutive securities were excluded from the computation of diluted net loss per share attributable to common stockholders because including them would have been anti-dilutive:

	As of January 31,	
	2023	2024
Redeemable convertible preferred stock	42,178,818	42,465,855
Stock options with service-only conditions	8,270,065	6,804,979
Unvested restricted stock units with service-only conditions	2,218,910	2,767,978
Stock options with performance or market conditions	1,619,825	1,176,924
Unvested early exercise of options	415,173	46,714
Unvested restricted stock awards with service-only conditions	205,967	88,477
Acquisition indemnity shares withheld	74,647	—
Unvested restricted stock units with performance conditions	25,220	578,651

#### 15. Employee Benefit Plan

The Company has an employee savings and retirement plan (the "401(k) Plan") for its eligible employees. The 401(k) Plan is available to all U.S. employees and provides employees with tax-deferred salary deductions and alternative investment options. Employees may contribute up to the federal limitation for that year. For fiscal 2023 and 2024, the Company expensed \$7.4 million and \$8.4 million, respectively, for discretionary employer



**ServiceTitan, Inc.**  
**Notes to Consolidated Financial Statements**

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matching contributions, of which \$1.9 million and \$2.3 million was accrued for and included in accrued personnel-related expenses as of January 31, 2023 and 2024, respectively.

#### 16. Restructuring

In February 2023, the Company committed to a plan to align its investments more closely with its strategic priorities by reducing the Company's workforce by approximately 8%. The Company incurred total pre-tax charges of approximately \$8.2 million of employee-related costs which were paid in fiscal 2024, including severance and other termination benefits.

The restructuring charge by line item in the consolidated statements of operations is summarized as follows (in thousands):

	<u>Fiscal 2024</u>
Platform cost of revenue	\$ 1,217
Professional services cost of revenue	2,181
Sales and marketing	1,674
Research and development	1,546
General and administrative	1,564
Total restructuring costs	<u>\$ 8,182</u>

#### 17. Subsequent Events

The Company evaluated subsequent events through April 16, 2024, the date these consolidated financial statements were available to be issued.

Subsequent to fiscal 2024 and through the date these consolidated financial statements were available to be issued, the Company granted 338,056 RSUs vesting over four years and subject to service-only conditions and 20,694 RSUs that vest upon the satisfaction of a performance and service condition, where the performance condition is satisfied upon a liquidity event including an IPO or sale of the Company. The service condition is generally satisfied after one year from the liquidity event. The RSUs expire seven to ten years from grant date.

In March 2024, the Company ceased use of and determined to sublease for the remainder of the lease term certain office space at its corporate headquarters. The Company determined that the asset grouping, comprising primarily of a ROU asset, the related leasehold improvements and property and equipment, was impaired and recorded an impairment loss of \$20.1 million. The impairment loss was measured as the excess of the carrying value of the asset grouping over its fair value. The fair value was estimated using discounted cash flows which is a non-recurring fair value measurement based on Level 3 inputs. Key inputs used in this estimate include sublease income and a discount rate which reflects the risk associated with the cash flows.

On March 31, 2024, the Company entered into a definitive agreement to acquire Convex Labs Inc. ("Convex"). Convex provides tools to modernize the commercial services industry with data-driven solutions. The purchase price is payable primarily in shares of the Company's common stock. As a result, the Company expects to issue approximately 390,000 shares, subject to adjustment for closing cash, indebtedness, working capital and other adjustments as specified in the definitive agreement. Given timing of the acquisition it is not practicable to disclose information regarding the final purchase price, the purchase price allocation and other disclosures.



**ServiceTitan®**

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**PART II**

**INFORMATION NOT REQUIRED IN PROSPECTUS**

**Item 13. Other Expenses of Issuance and Distribution.**

The following table sets forth all expenses to be paid by us, other than underwriting discounts and commissions, upon completion of this offering. All amounts shown are estimates except for the SEC registration fee, the FINRA filing fee and the exchange listing fee.

	<b>Amount to be Paid</b>
SEC registration fee	\$ *
FINRA filing fee	*
Exchange listing fee	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Transfer agent and registrar fees	*
Miscellaneous expenses	*
Total	\$ *

\* To be filed by amendment.

**Item 14. Indemnification of Directors and Officers.**

Section 145 of the Delaware General Corporation Law authorizes a corporation's board of directors to grant, and authorizes a court to award, indemnity to officers, directors and other corporate agents.

We expect to adopt an amended and restated certificate of incorporation, which will become effective immediately prior to the completion of this offering, and which will contain provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by Delaware law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for the following:

- any breach of their duty of loyalty to our company or our 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 as provided in Section 174 of the Delaware General Corporation Law; or
- any transaction from which they derived an improper personal benefit.

Any amendment to, or repeal of, these provisions will not eliminate or reduce the effect of these provisions in respect of any act, omission or claim that occurred or arose prior to that amendment or repeal. If the Delaware General Corporation Law is amended to provide for further limitations on the personal liability of directors of corporations, then the personal liability of our directors will be further limited to the greatest extent permitted by the Delaware General Corporation Law.

In addition, we expect to adopt amended and restated bylaws, which will become effective immediately prior to the completion of this offering, and which will provide that we will indemnify, to the fullest extent permitted by law, any person who is or was a party or is threatened to be made a party to any action, suit or proceeding by reason of the fact that they are or were one of our directors or officers or is or was serving at our request as a

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director or officer of another corporation, partnership, joint venture, trust or other enterprise. Our amended and restated bylaws are expected to provide that we may indemnify to the fullest extent permitted by law any person who is or was a party or is threatened to be made a party to any action, suit or proceeding by reason of the fact that they are or were one of our employees or agents or is or was serving at our request as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise. Our amended and restated bylaws will also provide that we must advance expenses incurred by or on behalf of a director or officer in advance of the final disposition of any action or proceeding, subject to limited exceptions.

Further, we have entered into or will enter into indemnification agreements with each of our directors and executive officers that may be broader than the specific indemnification provisions contained in the Delaware General Corporation Law. These indemnification agreements require us, among other things, to indemnify our directors and executive officers against liabilities that may arise by reason of their status or service. These indemnification agreements also require us to advance all expenses incurred by the directors and executive officers in investigating or defending any such action, suit or proceeding. We believe that these agreements are necessary to attract and retain qualified individuals to serve as directors and executive officers.

The limitation of liability and indemnification provisions that are expected to be included in our amended and restated certificate of incorporation, amended and restated bylaws and the indemnification agreements that we have entered into or will enter into with our directors and executive officers may discourage stockholders from bringing a lawsuit against our directors and executive officers for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against our directors and executive 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 executive officers as required by these indemnification provisions. At present, we are not aware of any pending litigation or proceeding involving any person who is or was one of our directors, officers, employees or other agents or is or was serving at our request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, for which indemnification is sought, and we are not aware of any threatened litigation that may result in claims for indemnification.

We have obtained insurance policies under which, subject to the limitations of the policies, coverage is provided to our directors and executive officers against loss arising from claims made by reason of breach of fiduciary duty or other wrongful acts as a director or executive officer, including claims relating to public securities matters, and to us with respect to payments that may be made by us to these directors and executive officers pursuant to our indemnification obligations or otherwise as a matter of law.

Certain of our non-employee directors may, through their relationships with their employers, be insured or indemnified against certain liabilities incurred in their capacity as members of our board of directors.

The underwriting agreement to be filed as Exhibit 1.1 to this registration statement will provide for indemnification by the underwriters of us and our officers and directors for certain liabilities arising under the Securities Act or otherwise.

### **Item 15. Recent Sales of Unregistered Securities.**

Since February 1, 2021, we have issued the following unregistered securities:

#### ***Preferred Stock Issuances***

In July 2023, we sold an aggregate of 402,026 shares of our Series H-1 redeemable convertible preferred stock to four accredited investors at a purchase price of \$84.5712 per share, for an aggregate purchase price of \$33,999,821.

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In January 2023, we sold 665,711 shares of our Series H redeemable convertible preferred stock to an accredited investor at a purchase price of \$84.5712 per share, for an aggregate purchase price of \$56,299,978.

In December 2022, we sold an aggregate 620,777 shares of our Series H redeemable convertible preferred stock to two accredited investors at a purchase price of \$84.5712 per share, for an aggregate purchase price of \$52,499,856.

In November 2022, we sold an aggregate 4,317,830 shares of our Series H redeemable convertible preferred stock to eight accredited investors at a purchase price of \$84.5712 per share, for an aggregate purchase price of \$365,164,065.

In October 2022, we sold an aggregate of 250,000 shares of our non-convertible preferred stock to two accredited investors at a purchase price of \$1,000 per share, for an aggregate purchase price of \$250,000,000.

In June 2021, we sold an aggregate of 1,681,214 shares of our Series G redeemable convertible preferred stock to 20 accredited investors at a purchase price of \$118.9609 per share, for an aggregate purchase price of \$199,998,731.

In March 2021, we sold an aggregate of 2,795,266 shares of our Series F redeemable convertible preferred stock to 40 accredited investors at a purchase price of \$107.3234 per share, for an aggregate purchase price of \$299,997,451.

### ***Warrants***

In October 2022, we issued warrants to two accredited investors, in connection with the sale of non-convertible preferred stock, to purchase an aggregate of 1,262,516 shares of our common stock at an exercise price of \$0.01. In October 2022, the warrants were exercised to purchase 1,262,516 shares of our common stock. We received aggregate consideration of \$12,625.

### ***Option and RSU Issuances***

From February 1, 2021 through the filing date of this registration statement, we granted to our directors, officers, employees, consultants and other service providers options to purchase an aggregate of 4,206,180 shares of our common stock under our equity compensation plans at exercise prices ranging from \$10.70 to \$104.81 per share.

From February 1, 2021 through the filing date of this registration statement, we issued and sold to our directors, officers, employees, consultants and other service providers an aggregate of 5,075,528 shares of our common stock upon the exercise of stock options under our equity compensation plans, at exercise prices ranging from \$0.10 to \$63.55 per share, for a weighted-average exercise price of \$8.40.

From February 1, 2021 through the filing date of this registration statement, we granted to our directors, officers, employees, consultants and other service providers an aggregate of 5,214,511 RSUs to be settled in shares of our common stock under our equity compensation plans.

### ***Shares Issued in Connection with Acquisitions***

From February 1, 2021 through the filing date of this registration statement, we issued an aggregate of 955,154 shares of our common stock and 526,126 shares of our Series G redeemable convertible preferred stock in connection with our acquisitions of privately-held companies and as consideration to accredited investors.

From February 1, 2021 through the filing date of this registration statement, we issued an aggregate of 134,388 shares of our common stock subject to RSUs that were issued in connection with our acquisition of privately held companies and as consideration to accredited investors.

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None of the foregoing transactions involved any underwriters, underwriting discounts or commissions, or any public offering. We believe the offers, sales and issuances of the above securities were exempt from registration under the Securities Act (or Regulation D or Regulation S promulgated thereunder) by virtue of Section 4(a)(2) of the Securities Act because the issuance of securities to the recipients did not involve a public offering, or in reliance on Rule 701 because the transactions were pursuant to compensatory benefit plans or contracts relating to compensation as provided under such rule. 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 upon the stock 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***

See the Exhibit Index immediately preceding the signature page hereto for a list of exhibits filed as part of this registration statement on Form S-1, which Exhibit Index is incorporated herein by reference.

#### ***(b) Financial Statement Schedules***

All financial statement schedules are omitted because the information called for is not required or is shown either in the consolidated financial statements or in 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 of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the 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 of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act of 1933, 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.

**EXHIBIT INDEX**

<b>Exhibit Number</b>	<b>Description</b>
1.1*	Form of Underwriting Agreement.
3.1**	Amended and Restated Certificate of Incorporation of the registrant.
3.2*	Form of Amended and Restated Certificate of Incorporation of the registrant, to be in effect upon the completion of this offering.
3.3**	Amended and Restated Bylaws of the registrant.
3.4*	Form of Amended and Restated Bylaws of the registrant, to be in effect upon the completion of this offering.
4.1*	Form of Common Stock Certificate of the registrant.
4.2**	Amended and Restated Investors' Rights Agreement, by and among the registrant and certain holders of its capital stock, dated as of July 27, 2023.
5.1*	Opinion of Latham & Watkins LLP.
10.1+*	Form of Indemnification Agreement between the registrant and each of its directors and executive officers.
10.2+*	ServiceTitan, Inc. 2024 Incentive Award Plan and related form agreements.
10.3+*	ServiceTitan, Inc. 2024 Employee Stock Purchase Plan and related form agreements.
10.4+	ServiceTitan, Inc. 2015 Stock Plan and related form agreements.
10.5+**	ServiceTitan, Inc. 2007 Stock Plan and related form agreements.
10.6**	Office Lease, by and between the registrant and BRE Brand Central Holdings L.L.C. (as succeeded by SPUS8 Glendale, LP), dated as of June 30, 2015, as amended April 17, 2017, November 9, 2017, March 19, 2018 and June 11, 2020.
10.7**	Office Lease, by and between the registrant and BCSP 800 North Brand Property LLC, dated as of January 10, 2019, as amended April 24, 2019, October 18, 2019, January 1, 2020, January 17, 2020, January 22, 2020, April 5, 2021, September 9, 2021 and December 20, 2021.
10.8**	Credit Agreement, by and among the registrant, Wells Fargo Bank, National Association, as administrative agent and collateral agent, each lender from time to time party thereto, each swing line lender and each letter of credit issuer from time to time party thereto, dated as of January 23, 2023.
21.1**	List of subsidiaries of the registrant.
23.1*	Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm.
23.2*	Consent of Latham & Watkins LLP (included in Exhibit 5.1).
24.1*	Power of Attorney (included on page II-6).
107*	Filing Fee Table.

\* To be filed by amendment.

\*\* Previously filed.

+ Indicates management contract or compensatory plan.

**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in Glendale, California, on the \_\_\_\_\_ day of \_\_\_\_\_.

**SERVICETITAN, INC.**

By: \_\_\_\_\_  
Ara Mahdessian  
Chief Executive Officer

**POWER OF ATTORNEY**

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Ara Mahdessian, Vahe Kuzoyan and Dave Sherry, and each one of them, as their true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for them 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 they might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their 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 on Form S-1 has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
_____ Ara Mahdessian	Chief Executive Officer and Director <i>(Principal Executive Officer)</i>	
_____ Dave Sherry	Chief Financial Officer <i>(Principal Financial Officer)</i>	
_____ Michele O'Connor	Chief Accounting Officer <i>(Principal Accounting Officer)</i>	
_____ Vahe Kuzoyan	President and Director	
_____ Nina Achadjian	Director	
_____ Michael Brown	Director	
_____ Tim Cabral	Director	



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Byron Deeter	Director
Sameer Dholakia	Director
Ilya Golubovich	Director
William Griffith	Director
William Hsu	Director
Diya Jolly	Director

**SERVICETITAN, INC.**

**2015 STOCK PLAN**

**ADOPTED ON MAY 6, 2015**  
**AMENDED NOVEMBER 22, 2016**  
**AMENDED OCTOBER 16, 2017**  
**AMENDED FEBRUARY 23, 2018**  
**AMENDED NOVEMBER 9, 2018**  
**AMENDED APRIL 23, 2020**  
**AMENDED DECEMBER 9, 2020**  
**AMENDED MARCH 3, 2021**  
**AMENDED MARCH 25, 2021**  
**AMENDED JUNE 28, 2021**  
**AMENDED MAY 24, 2022**  
**AMENDED OCTOBER 17, 2022**

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**SERVICETITAN, INC. 2015 STOCK PLAN**

**ESTABLISHMENT AND PURPOSE.**

The purpose of this Plan is to offer persons selected by the Company an opportunity to acquire a proprietary interest in the success of the Company, or to increase such interest, by acquiring Shares of the Company's Stock. The Plan provides for the direct award or sale of Shares, the grant of Options to purchase Shares and the grant of Restricted Stock Units to acquire Shares. Options granted under the Plan may be ISOs intended to qualify under Code Section 422 or NSOs which are not intended to so qualify.

Capitalized terms are defined in Section 12.

**ADMINISTRATION.**

**Committees of the Board of Directors.** The Plan may be administered by one or more Committees. Each Committee shall consist, as required by applicable law, of one or more members of the Board of Directors who have been appointed by the Board of Directors. Each Committee shall have such authority and be responsible for such functions as the Board of Directors has assigned to it. If no Committee has been appointed, the entire Board of Directors shall administer the Plan. Any reference to the Board of Directors in the Plan or an Award Agreement shall be construed as a reference to the Committee (if any) to whom the Board of Directors has assigned a particular function.

**Authority of the Board of Directors.** Subject to the provisions of the Plan, the Board of Directors shall have full authority and discretion to take any actions it deems necessary or advisable for the administration of the Plan. Notwithstanding anything to the contrary in the Plan, with respect to the terms and conditions of awards granted to Participants outside the United States, the Board of Directors may vary from the provisions of the Plan to the extent it determines it necessary and appropriate to do so; provided that it may not vary from those Plan terms requiring stockholder approval pursuant to Section 11(d) below. All decisions, interpretations and other actions of the Board of Directors shall be final and binding on all Participants and all persons deriving their rights from a Participant.

**ELIGIBILITY.**

**General Rule.** Only Employees, Outside Directors and Consultants shall be eligible for the grant of NSOs, the direct award or sale of Shares, and the grant of Restricted Stock Units. Only Employees shall be eligible for the grant of ISOs.

**Ten-Percent Stockholders.** A person who owns more than 10% of the total combined voting power of all classes of outstanding stock of the Company, its Parent or any of its Subsidiaries shall not be eligible for the grant of an ISO unless (i) the Exercise Price is at least 110% of the Fair Market Value of a Share on the Date of Grant and (ii) such ISO by its terms is not exercisable after the expiration of five years from the Date of Grant. For purposes of this Subsection (b), in determining stock ownership, the attribution rules of Code Section 424(d) shall be applied.

## STOCK SUBJECT TO PLAN.

**Basic Limitation** . Not more than 1,366,500 Shares may be issued under the Plan, subject to Subsection (b) below and Section 8(a).<sup>1</sup> All of these Shares may be issued upon the exercise of ISOs. The number of Shares that are subject to Options or other rights outstanding at any time under the Plan may not exceed the number of Shares that then remain available for issuance under the Plan. The Company, during the term of the Plan, shall at all times reserve and keep available sufficient Shares to satisfy the requirements of the Plan. Shares offered under the Plan may be authorized but unissued Shares or treasury Shares.

**Additional Shares.** In the event that Shares previously issued under the Plan are reacquired by the Company, such Shares shall be added to the number of Shares then available for issuance under the Plan. In the event that Shares that otherwise would have been issuable under the Plan are withheld by the Company in payment of the Purchase Price, Exercise Price or withholding taxes, such Shares shall remain available for issuance under the Plan. In the event that an outstanding Option, Restricted Stock Unit or other right for any reason expires or is canceled, the Shares allocable to the unexercised or unsettled portion of such Option, Restricted Stock Unit or other right shall be added to the number of Shares then available for issuance under the Plan. Further, in the event that any Award (as defined in the Company's 2007 Stock Plan) outstanding under the Company's 2007 Stock Plan for any reason expires or is canceled, or the shares issued pursuant to any Award are repurchased by the Company, the shares of Company Common Stock allocable to the unexercised portion of such Award or other right, or the shares reacquired by the Company, respectively, shall be added to the number of Shares then available for issuance under the Plan.

## TERMS AND CONDITIONS OF AWARDS OR SALES .

**Stock Grant or Purchase Agreement.** Each award of Shares under the Plan shall be evidenced by a Stock Grant Agreement between the Grantee and the Company. Each sale of Shares under the Plan (other than upon exercise of an Option) shall be evidenced by a Stock Purchase Agreement between the Purchaser and the Company. Such award or sale shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions which are not inconsistent with the Plan and which the Board of Directors deems appropriate for inclusion in a Stock Grant Agreement or Stock Purchase Agreement. The provisions of the various Stock Grant Agreements and Stock Purchase Agreements entered into under the Plan need not be identical.

**Duration of Offers and Nontransferability of Rights.** Any right to purchase Shares under the Plan (other than an Option) shall automatically expire if not exercised by the Purchaser within 30 days (or such other period as may be specified in the Award Agreement) after the grant of such right was communicated to the Purchaser by the Company. Such right is not transferable and may be exercised only by the Purchaser to whom such right was granted.

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<sup>1</sup> Please refer to Exhibit A for a schedule of the initial share reserve and any subsequent increases in the reserve.

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**Purchase Price.** The Board of Directors shall determine the Purchase Price of Shares to be offered under the Plan at its sole discretion. The Purchase Price shall be payable in a form described in Section 7.

### **TERMS AND CONDITIONS OF OPTIONS.**

**Stock Option Agreement.** Each grant of an Option under the Plan shall be evidenced by a Stock Option Agreement between the Optionee and the Company. The Option shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions that are not inconsistent with the Plan and that the Board of Directors deems appropriate for inclusion in a Stock Option Agreement. The provisions of the various Stock Option Agreements entered into under the Plan need not be identical.

**Number of Shares.** Each Stock Option Agreement shall specify the number of Shares that are subject to the Option and shall provide for the adjustment of such number in accordance with Section 8. The Stock Option Agreement shall also specify whether the Option is an ISO or an NSO.

**Exercise Price.** Each Stock Option Agreement shall specify the Exercise Price. The Exercise Price of an Option shall not be less than 100% of the Fair Market Value of a Share on the Date of Grant, and in the case of an ISO a higher percentage may be required by Section 3(b). Subject to the preceding sentence, the Exercise Price shall be determined by the Board of Directors at its sole discretion. The Exercise Price shall be payable in a form described in Section 7. This Subsection (c) shall not apply to an Option granted pursuant to an assumption of, or substitution for, another option in a manner that complies with Code Section 424(a) (whether or not the Option is an ISO).

**Exercisability.** Each Stock Option Agreement shall specify the date when all or any installment of the Option is to become exercisable. No Option shall be exercisable unless the Optionee (i) has delivered an executed copy of the Stock Option Agreement to the Company or (ii) otherwise agrees to be bound by the terms of the Stock Option Agreement. The Board of Directors shall determine the exercisability provisions of the Stock Option Agreement at its sole discretion.

**Basic Term.** The Stock Option Agreement shall specify the term of the Option. The term shall not exceed 10 years from the Date of Grant, and in the case of an ISO, a shorter term may be required by Section 3(b). Subject to the preceding sentence, the Board of Directors at its sole discretion shall determine when an Option is to expire.

**Termination of Service (Except by Death).** If an Optionee's Service terminates for any reason other than the Optionee's death, then the Optionee's Options shall expire on the earliest of the following dates:

(i) The expiration date determined pursuant to Subsection (e) above;

(ii) The date three months after the termination of the Optionee's Service for any reason other than Disability, or such earlier or later date as the Board of Directors may determine (but in no event earlier than 30 days after the termination of the Optionee's Service); or

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(iii) The date six months after the termination of the Optionee's Service by reason of Disability, or such later date as the Board of Directors may determine.

The Optionee may exercise all or part of the Optionee's Options at any time before the expiration of such Options under the preceding sentence, but only to the extent that such Options had become exercisable before the Optionee's Service terminated (or became exercisable as a result of the termination) and the underlying Shares had vested before the Optionee's Service terminated (or vested as a result of the termination). The balance of such Options shall lapse when the Optionee's Service terminates. In the event that the Optionee dies after the termination of the Optionee's Service but before the expiration of the Optionee's Options, all or part of such Options may be exercised (prior to expiration) by the executors or administrators of the Optionee's estate or by any person who has acquired such Options directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that such Options had become exercisable before the Optionee's Service terminated (or became exercisable as a result of the termination) and the underlying Shares had vested before the Optionee's Service terminated (or vested as a result of the termination).

**Leaves of Absence.** For purposes of Subsection (f) above, Service shall be deemed to continue while the Optionee is on a bona fide leave of absence, if such leave was approved by the Company in writing and if continued crediting of Service for this purpose is expressly required by the terms of such leave or by applicable law (as determined by the Company).

**Death of Optionee.** If an Optionee dies while the Optionee is in Service, then the Optionee's Options shall expire on the earlier of the following dates:

(i) The expiration date determined pursuant to Subsection (e) above; or

(ii) The date 12 months after the Optionee's death, or such earlier or later date as the Board of Directors may determine (but in no event earlier than six months after the Optionee's death).

All or part of the Optionee's Options may be exercised at any time before the expiration of such Options under the preceding sentence by the executors or administrators of the Optionee's estate or by any person who has acquired such Options directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that such Options had become exercisable before the Optionee's death (or became exercisable as a result of the death) and the underlying Shares had vested before the Optionee's death (or vested as a result of the Optionee's death). The balance of such Options shall lapse when the Optionee dies.

**Restrictions on Transfer of Options.** An Option shall be transferable by the Optionee, to the extent that it is vested, only by (i) a beneficiary designation, (ii) a will or (iii) the laws of descent and distribution, except as provided in the next sentence. If the applicable Stock Option Agreement so provides, an NSO, to the extent that it is vested, shall also be transferable by gift



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or domestic relations order to a Family Member of the Optionee. The Option transferee shall be required to agree, in writing, to the transfer restrictions described in this Section 6(i). An ISO may be exercised during the lifetime of the Optionee only by the Optionee or by the Optionee's guardian or legal representative. These transfer restrictions may be waived by the Company's Board of Directors upon the Company's public offering of its equity securities or its acquisition by an entity whose equity securities are traded on a public stock exchange.

**No Rights as a Stockholder.** An Optionee, or a transferee of an Optionee, shall have no rights as a stockholder with respect to any Shares covered by the Optionee's Option until such person files a notice of exercise, pays the Exercise Price and satisfies all applicable withholding taxes pursuant to the terms of such Option.

**Modification, Extension and Assumption of Options.** Within the limitations of the Plan, the Board of Directors may modify, extend or assume outstanding Options or may accept the cancellation of outstanding Options (whether granted by the Company or another issuer) in return for the grant of new Options or a different type of award for the same or a different number of Shares and at the same or a different Exercise Price (if applicable). The foregoing notwithstanding, no modification of an Option shall, without the consent of the Optionee, impair the Optionee's rights or increase the Optionee's obligations under such Option.

**Company's Right to Cancel Certain Options.** Any other provision of the Plan or a Stock Option Agreement notwithstanding, the Company shall have the right at any time to cancel an Option that was not granted in compliance with Rule 701 under the Securities Act. Prior to canceling such Option, the Company shall give the Optionee not less than 30 days' notice in writing. If the Company elects to cancel such Option, it shall deliver to the Optionee consideration with an aggregate Fair Market Value equal to the excess of (i) the Fair Market Value of the Shares subject to such Option as of the time of the cancellation over (ii) the Exercise Price of such Option. The consideration may be delivered in the form of cash or cash equivalents, in the form of Shares, or a combination of both. If the consideration would be a negative amount, such Option may be cancelled without the delivery of any consideration.

### **PAYMENT FOR SHARES.**

**General Rule.** The entire Purchase Price or Exercise Price of Shares issued under the Plan shall be payable in cash or cash equivalents at the time when such Shares are purchased, except as otherwise provided in this Section 7. In addition, the Board of Directors in its sole discretion may also permit payment through any of the methods described in (b) through (g) below.

**Services Rendered.** Shares may be awarded under the Plan in consideration of services rendered to the Company, a Parent or a Subsidiary prior to the award.

**Promissory Note.** All or a portion of the Purchase Price or Exercise Price (as the case may be) of Shares issued under the Plan may be paid with a full-recourse promissory note. The Shares shall be pledged as security for payment of the principal amount of the promissory note and interest thereon. The interest rate payable under the terms of the promissory note shall not be less than the minimum rate (if any) required to avoid the imputation of additional interest under the Code. Subject to the foregoing, the Board of Directors (at its sole discretion) shall specify the term, interest rate, amortization requirements (if any) and other provisions of such note.

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**Surrender of Stock.** All or any part of the Exercise Price may be paid by surrendering Shares that are already owned by the Optionee. Such Shares shall be surrendered to the Company in good form for transfer and shall be valued at their Fair Market Value as of the date when the Option is exercised.

**Exercise/Sale.** If the Stock is publicly traded, all or part of the Exercise Price and any withholding taxes may be paid by the delivery (on a form prescribed by the Company) of an irrevocable direction to a securities broker approved by the Company to sell Shares and to deliver all or part of the sales proceeds to the Company.

**Net Exercise.** An Option may permit exercise through a “net exercise” arrangement pursuant to which the Company will reduce the number of Shares issued upon exercise by the largest whole number of Shares having an aggregate Fair Market Value (determined by the Board of Directors as of the exercise date) that does not exceed the aggregate Exercise Price or the sum of the aggregate Exercise Price plus all or a portion of the minimum amount required to be withheld under applicable tax law (with the Company accepting from the Optionee payment of cash or cash equivalents to satisfy any remaining balance of the aggregate Exercise Price and, if applicable, any additional withholding obligation not satisfied through such reduction in Shares); *provided* that to the extent Shares subject to an Option are withheld in this manner, the number of Shares subject to the Option following the net exercise will be reduced by the sum of the number of Shares withheld and the number of Shares delivered to the Optionee as a result of the exercise.

(i) **Other Forms of Payment.** To the extent that an Award Agreement so provides or the Board of Directors agrees to accept such other form of Payment, the Purchase Price or Exercise Price of Shares issued under the Plan may be paid in any other form permitted by the Delaware General Corporation Law, as amended.

## **SECTION 8A TERMS AND CONDITIONS OF RESTRICTED STOCK UNITS**

**Restricted Stock Unit Agreement.** Each grant of Restricted Stock Units under the Plan shall be evidenced by a Restricted Stock Unit Agreement between the recipient and the Company. Such Restricted Stock Units shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions that are not inconsistent with the Plan and which the Board of Directors deems appropriate for inclusion in a Restricted Stock Unit Agreement. The provisions of the various Restricted Stock Unit Agreements entered into under the Plan need not be identical.

**Payment for Restricted Stock Units.** No cash consideration shall be required of the recipient in connection with the grant of Restricted Stock Units.

**Vesting Conditions.** Each Restricted Stock Unit Agreement shall specify the vesting requirements applicable to the Restricted Stock Units subject thereto, which the Board of Directors shall determine in its sole discretion.

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**Forfeiture.** Unless a Restricted Stock Unit Agreement provides otherwise, upon termination of the recipient's Service and upon such other times specified in the Restricted Stock Unit Agreement, any unvested Restricted Stock Units shall be forfeited to the Company.

**Voting and Dividend Rights.** The holders of Restricted Stock Units shall have no voting rights. Prior to settlement or forfeiture, any Restricted Stock Unit granted under the Plan may, at the discretion of the Board of Directors, carry with it a right to dividend equivalents. Such right entitles the holder to be credited with an amount equal to all cash dividends paid on one Share while the Restricted Stock Unit is outstanding. Dividend equivalents may be converted into additional Restricted Stock Units. Settlement of dividend equivalents may be made in the form of cash, in the form of Shares, or in a combination of both. Prior to distribution, any dividend equivalents that are not paid shall be subject to the same conditions and restrictions as the Restricted Stock Units to which they attach.

**Form and Time of Settlement of Restricted Stock Units.** Settlement of vested Restricted Stock Units may be made in the form of (i) cash, (ii) Shares or (iii) any combination of both, as determined by the Board of Directors. The actual number of Restricted Stock Units eligible for settlement may be larger or smaller than the number included in the original award, based on predetermined performance factors. Vested Restricted Stock Units shall be settled in such manner and at such time(s) as specified in the Restricted Stock Unit Agreement. Until Restricted Stock Units are settled, the number of Shares represented by such Restricted Stock Units shall be subject to adjustment pursuant to Section 9.

**Death of Recipient.** Any Restricted Stock Units that become distributable after the Participant's death shall be distributed to the Participant's estate or to any person who has acquired such Restricted Stock Units directly from the recipient by beneficiary designation, bequest or inheritance.

**Creditors' Rights.** A holder of Restricted Stock Units shall have no rights other than those of a general creditor of the Company. Restricted Stock Units represent an unfunded and unsecured obligation of the Company, subject to the terms and conditions of the applicable Restricted Stock Unit Agreement.

**Modification, Extension and Assumption of Restricted Stock Units.** Within the limitations of the Plan, the Board of Directors may modify, extend or assume outstanding restricted stock units (whether granted by the Company or a different issuer). The foregoing notwithstanding, no modification of a Restricted Stock Unit shall, without the consent of the Participant, impair the Participant's rights or increase the Participant's obligations under such Restricted Stock Unit.

**Restrictions on Transfer of Restricted Stock Units.** A Restricted Stock Unit shall be transferable by the Participant only by (i) a beneficiary designation, (ii) a will or (iii) the laws of descent and distribution, except as provided in the next sentence. In addition, if the Board of Directors so provides, in a Restricted Stock Unit Agreement or otherwise, a Restricted Stock Unit shall also be transferable to the extent permitted by Rule 701 under the Securities Act.

## **ADJUSTMENT OF SHARES.**

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**General.** In the event of a subdivision of the outstanding Stock, a declaration of a dividend payable in Shares, a combination or consolidation of the outstanding Stock into a lesser number of Shares, a reclassification, or any other increase or decrease in the number of issued shares of Stock effected without receipt of consideration by the Company, proportionate adjustments shall automatically be made in each of

- (i) the number and kind of Shares available for future grants under Section 4,
- (ii) the number and kind of Shares covered by each outstanding Option, Award of Restricted Stock Units and any outstanding and unexercised right to purchase Shares that has not yet expired pursuant to Section 5(b),
- (iii) the Exercise Price under each outstanding Option and the Purchase Price applicable to any unexercised stock purchase right described in clause (ii) above, and
- (iv) any repurchase price that applies to Shares granted under the Plan pursuant to the terms of a Company repurchase right under the applicable Award Agreement.

In the event of a declaration of an extraordinary dividend payable in a form other than Shares in an amount that has a material effect on the Fair Market Value of the Stock, a recapitalization, a spin-off, or a similar occurrence, the Board of Directors at its sole discretion may make appropriate adjustments in one or more of the items listed in clauses (i) through (iv) above; provided, however, that the Board of Directors shall in any event make such adjustments as may be required by Section 25102(o) of the California Corporations Code. No fractional Shares shall be issued under the Plan as a result of an adjustment under this Section 8(a), although the Board of Directors in its sole discretion may make a cash payment in lieu of fractional Shares.

**Corporate Transactions.** In the event that the Company is a party to a merger or consolidation, or in the event of a sale of all or substantially all of the Company's stock or assets, all Shares acquired under the Plan and all Awards outstanding on the effective date of the transaction shall be treated in the manner described in the definitive transaction agreement (or, in the event the transaction does not entail a definitive agreement to which the Company is party, in the manner determined by the Board of Directors in its capacity as administrator of the Plan, with such determination having final and binding effect on all parties), which agreement or determination need not treat all Awards (or all portions of an Award) in an identical manner. The treatment specified in the transaction agreement or as determined by the Board of Directors may include (without limitation) one or more of the following with respect to each outstanding Award:

- (i) Continuation of the Option or award by the Company (if the Company is the surviving corporation).
- (ii) Assumption of the Option by the surviving corporation or its parent in a manner that complies with Code Section 424(a) (whether or not the Option is an ISO).

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(iii) Substitution by the surviving corporation or its parent of a new option for the Option in a manner that complies with Code Section 424(a) (whether or not the Option is an ISO).

(iv) Cancellation of the Option and a payment to the Optionee with respect to each Share subject to the portion of the Option that is vested as of the transaction date equal to the excess of (A) the value, as determined by the Board of Directors in its absolute discretion, of the property (including cash) received by the holder of a share of Stock as a result of the transaction, over (B) the per-Share Exercise Price of the Option (such excess, the “**Spread**”). Such payment shall be made in the form of cash, cash equivalents, or securities of the surviving corporation or its parent having a value equal to the Spread. In addition, any escrow, holdback, earn-out or similar provisions in the transaction agreement may apply to such payment to the same extent and in the same manner as such provisions apply to the holders of Stock. If the Spread applicable to an Option is zero or a negative number, then the Option may be cancelled without making a payment to the Optionee.

(v) Cancellation of the Option without the payment of any consideration; provided that the Optionee shall be notified of such treatment and given an opportunity to exercise the Option (to the extent the Option is vested or becomes vested as of the effective date of the transaction) during a period of not less than five (5) business days preceding the effective date of the transaction, unless (A) a shorter period is required to permit a timely closing of the transaction and (B) such shorter period still offers the Optionee a reasonable opportunity to exercise the Option. Any exercise of the Option during such period may be contingent upon the closing of the transaction.

(vi) Suspension of the Optionee’s right to exercise the Option during a limited period of time preceding the closing of the transaction if such suspension is administratively necessary to permit the closing of the transaction.

(vii) Termination of any right the Optionee has to exercise the Option prior to vesting in the Shares subject to the Option (i.e., “early exercise”), such that following the closing of the transaction the Option may only be exercised to the extent it is vested.

For the avoidance of doubt, the Board of Directors has discretion to accelerate, in whole or part, the vesting and exercisability of an Option or other Plan award in connection with a corporate transaction covered by this Section 8(b).

**Reservation of Rights.** Except as provided in this Section 8, a Participant shall have no rights by reason of (i) any subdivision or consolidation of shares of stock of any class, (ii) the payment of any dividend or (iii) any other increase or decrease in the number of shares of stock of any class. Any issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number or Exercise Price of Shares subject to an Award. The grant of an Award pursuant to the Plan shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes of its capital or business structure, to merge or consolidate or to dissolve, liquidate, sell or transfer all or any part of its business or assets.

**MISCELLANEOUS PROVISIONS.**

**Securities Law Requirements.** Shares shall not be issued under the Plan unless, in the opinion of counsel acceptable to the Board of Directors, the issuance and delivery of such Shares comply with (or are exempt from) all applicable requirements of law, including (without limitation) the Securities Act, the rules and regulations promulgated thereunder, state securities laws and regulations, and the regulations of any stock exchange or other securities market on which the Company's securities may then be traded. The Company shall not be liable for a failure to issue Shares as a result of such requirements.

**Market Stand-Off.** In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act, including the Company's initial public offering, the Optionee or a transferee shall not directly or indirectly sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any option or other contract for the purchase of, purchase any option or other contract for the sale of, or otherwise dispose of or transfer, or agree to engage in any of the foregoing transactions with respect to, any Shares acquired under the Plan without the prior written consent of the Company or its managing underwriter. Such restriction (the "Market Stand-Off") shall be in effect for such period of time following the date of the final prospectus for the offering as may be requested by the Company or such underwriter. In no event, however, shall such period exceed 180 days plus such additional period as may reasonably be requested by the Company or such underwriter to accommodate regulatory restrictions on (i) the publication or other distribution of research reports or (ii) analyst recommendations and opinions, including (without limitation) the restrictions set forth in Rule 2711(f)(4) of the National Association of Securities Dealers and Rule 472(f)(4) of the New York Stock Exchange, as amended, or any similar successor rules. The Market Stand-Off shall in any event terminate two years after the date of the Company's initial public offering. In the event of the declaration of a stock dividend, a spin-off, a stock split, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company's outstanding securities without receipt of consideration, any new, substituted or additional securities which are by reason of such transaction distributed with respect to any Shares subject to the Market Stand-Off, or into which such Shares thereby become convertible, shall immediately be subject to the Market Stand-Off. In order to enforce the Market Stand-Off, the Company may impose stop-transfer instructions with respect to the Shares acquired under this Agreement until the end of the applicable stand-off period. The Company's underwriters shall be beneficiaries of the agreement set forth in this Subsection (b). The Company may impose an additional Market Stand-Off, for no more than 90 days, in the event of a secondary offering of the Company's equity securities that occurs within six months of the initial public offering. This Subsection (b) shall not apply to Shares registered in the public offering under the Securities Act.

**No Retention Rights.** Nothing in the Plan or in any right or Option granted under the Plan shall confer upon the Participant any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Parent or Subsidiary employing or retaining the Participant) or of the Participant, which rights are hereby expressly reserved by each, to terminate his or her Service at any time and for any reason, with or without cause.

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**Treatment as Compensation.** Any compensation that an individual earns or is deemed to earn under this Plan shall not be considered a part of his or her compensation for purposes of calculating contributions, accruals or benefits under any other plan or program that is maintained or funded by the Company, a Parent or a Subsidiary.

**Governing Law.** The Plan and all awards, sales and grants under the Plan shall be governed by, and construed in accordance with, the laws of the State of Delaware, as such laws are applied to contracts entered into and performed in such State.

**Conditions and Restrictions on Shares.** Shares issued under the Plan shall be subject to such forfeiture conditions, rights of repurchase, rights of first refusal, other transfer restrictions and such other terms and conditions as the Board of Directors may determine. Such conditions and restrictions shall be set forth in the applicable Award Agreement and shall apply in addition to any restrictions that may apply to holders of Shares generally. In addition, Shares issued under the Plan shall be subject to conditions and restrictions imposed either by the Company's Bylaws, by applicable law or by Company policy, as adopted from time to time, designed to ensure compliance with applicable law or laws with which the Company determines in its sole discretion to comply including in order to maintain any statutory, regulatory or tax advantage.

### **Tax Matters.**

(i) As a condition to the award, grant, issuance, vesting, purchase, exercise, settlement or transfer of any Award, or Shares issued pursuant to any Award, granted under this Plan, the Participant shall make such arrangements as the Board of Directors may require or permit for the satisfaction of any federal, state, local or foreign withholding tax obligations that may arise in connection with such event.

(ii) Unless otherwise expressly set forth in an Award Agreement, it is intended that Awards shall be exempt from Code Section 409A, and any ambiguity in the terms of an Award Agreement and the Plan shall be interpreted consistently with this intent. To the extent an Award is not exempt from Code Section 409A (any such award, a "**409A Award**"), any ambiguity in the terms of such Award and the Plan shall be interpreted in a manner that to the maximum extent permissible supports the Award's compliance with the requirements of that statute. Notwithstanding anything to the contrary permitted under the Plan, in no event shall a modification of an Award not already subject to Code Section 409A, or any subsequent action taken with respect to such Award, be given effect if such modification or action would cause the Award to become subject to Code Section 409A unless the parties explicitly acknowledge and consent to the modification or action as one having that effect. A 409A Award shall be subject to such additional rules and requirements as specified by the Board of Directors from time to time in order for it to comply with the requirements of Code Section 409A. In this regard, if any amount under a 409A Award is payable upon a "separation from service" to an individual who is considered a "specified employee" (as each term is defined under Code Section 409A), then no such payment shall be made prior to the date that is the earlier of (i) six months and one day after the Participant's separation from service or (ii) the Participant's death, but only to the extent such delay is necessary to prevent such payment from being subject to Section 409A(a)(1). In addition, if a transaction subject to Section 8(b) constitutes a payment event with respect to any 409A Award, then the transaction with respect to such award must also constitute a "change in control event" as defined in Treasury Regulation Section 1.409A-3(i)(5) to the extent required by Code Section 409A.

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(iii) Neither the Company nor any member of the Board of Directors shall have any liability to a Participant in the event an Award held by the Participant fails to achieve its intended characterization under applicable tax law.

### **DRAG-ALONG RIGHT.**

Shares acquired pursuant to Awards under the Plan shall be subject to the Drag-Along Right described in this Section 10 until immediately prior to the closing of an initial public offering of the Company's equity securities.

**Actions to be Taken.** In the event that the Board of Directors and the holders of a majority of the outstanding shares of Stock (the "**Requisite Parties**") approve a Sale of the Company, the Participant shall, with respect to all Shares issued under the Plan held by Participant:

(i) in the event such transaction is to be brought to a vote at a stockholder meeting, after receiving proper notice of any meeting of stockholders of the Company, to vote on the approval of a Sale of the Company, to be present, in person or by proxy, as a holder of shares of voting securities, at all such meetings and be counted for the purposes of determining the presence of a quorum at such meetings;

(ii) to vote (in person, by proxy or by action by written consent, as applicable) such shares of Stock issued under the Plan in favor of such Sale of the Company and in opposition to any and all other proposals that could reasonably be expected to delay or impair the ability of the Company to consummate such Sale of the Company;

(iii) to refrain from exercising any dissenters' rights or rights of appraisal under applicable law at any time with respect to such Sale of the Company;

(iv) to execute and deliver all related documentation and take such other action in support of the Sale of the Company as shall reasonably be requested by the Company or the Requisite Parties;

(v) if the Sale of the Company is structured as a Stock Sale, to sell the same proportion of such Participant's Shares issued under the Plan as are being sold by the Requisite Parties, and, except as permitted in Section 10(b) below, on the same terms and conditions as the Requisite Parties;

(vi) not to deposit, and to cause their affiliates not to deposit, except as provided in this Agreement, any Shares issued under the Plan and owned by such Participant in a voting trust or subject any such Shares issued under the Plan to any arrangement or agreement with respect to the voting of such Shares, unless specifically requested to do so by the acquirer in connection with the Sale of the Company.

If the consideration to be paid in exchange for the Shares pursuant to a transaction approved under this Section 10 includes any securities and due receipt thereof by the Participant



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would require under applicable law (i) the registration or qualification of such securities or of any person as a broker or dealer or agent with respect to such securities or (ii) the provision to the Participant of any information other than such information as a prudent issuer would generally furnish in an offering made solely to “accredited investors” as defined in Regulation D promulgated under the Securities Act, the Company may require the Participant to execute and deliver such instruments and documents as requested by the Company to cause to be paid to such Participant, in lieu thereof and against surrender of the Shares which would have otherwise been sold by such Participant, an amount in cash equal to the Fair Market Value of the securities which such Participant would otherwise receive as of the date of the issuance of such securities in exchange for the Shares.

**Exceptions.** Notwithstanding the foregoing, a Participant will not be required to comply with Section 10(a) in connection with any proposed Sale of the Company (the “**Proposed Sale**”) unless:

(i) any representations and warranties to be made by such Participant in connection with the Proposed Sale are limited to representations and warranties related to authority, ownership and the ability to convey title to such Participant’s Shares, including, without limitation, representations and warranties that (i) the Participant holds all right, title and interest in and to the Shares such Participant purports to hold, free and clear of all liens and encumbrances, (ii) the obligations of the Participant in connection with the transaction have been duly authorized, if applicable, (iii) the documents to be entered into by the Participant have been duly executed and delivered by the Participant and are enforceable against the Participant in accordance with their respective terms and (iv) neither the execution and delivery of documents to be entered into in connection with the transaction, nor the performance of the Participant’s obligations thereunder, will cause a breach or violation of the terms of any agreement, law or judgment, order or decree of any court or governmental agency by which such Participant is subject or bound;

(ii) the Participant shall not be liable for the inaccuracy of any representation or warranty made by any other person in connection with the Proposed Sale, other than the Company (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Company as well as breach by any stockholder of any identical representations, warranties and covenants provided by all stockholders);

(iii) the liability for indemnification, if any, of such Participant in the Proposed Sale and for the inaccuracy of any representations and warranties made by the Company in connection with such Proposed Sale, is several and not joint with any other person (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties and covenants of the Company as well as breach by any stockholder of any identical representations, warranties and covenants provided by all stockholders), and is pro rata in proportion to the amount of consideration paid to such Participant in connection with such Proposed Sale;

(iv) liability shall be limited to such Participant’s applicable share (determined based on the respective proceeds payable to each stockholder of the Company in

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connection with such Proposed Sale) of a negotiated aggregate indemnification amount that applies equally to all stockholders but that in no event exceeds the amount of consideration otherwise payable to such Participant in connection with such Proposed Sale, except with respect to claims related to fraud by such Participant, the liability for which need not be limited as to such Participant; and

(v) upon the consummation of the Proposed Sale, (i) each holder of each class or series of the Company's stock will receive the same form of consideration for their shares of such class or series as is received by other holders in respect of their shares of such same class or series of stock.

### **DURATION AND AMENDMENTS; STOCKHOLDER APPROVAL .**

**Term of the Plan.** The Plan, as set forth herein, shall become effective on the date of its adoption by the Board of Directors, subject to approval of the Company's stockholders under Subsection (d) below. The Plan shall terminate automatically 10 years after the later of (i) the date when the Board of Directors adopted the Plan or (ii) the date when the Board of Directors approved the most recent increase in the number of Shares reserved under Section 4 that was also approved by the Company's stockholders. The Plan may be terminated on any earlier date pursuant to Subsection (b) below.

**Right to Amend or Terminate the Plan.** Subject to Subsection (d) below, the Board of

Directors may amend, suspend or terminate the Plan at any time and for any reason.

**Effect of Amendment or Termination.** No Shares shall be issued or sold and no Award granted under the Plan after the termination thereof, except upon exercise or settlement of an Award granted under the Plan prior to such termination. Except as expressly provided in Section 6(k) above, the termination of the Plan, or any amendment thereof, shall not affect any Share previously issued or any Award previously granted under the Plan.

**Stockholder Approval.** To the extent required by applicable law, the Plan will be subject to approval of the Company's stockholders within 12 months of its adoption date. To the extent required by applicable law, any amendment of the Plan will be subject to the approval of the Company's stockholders within 12 months of the amendment date if it (i) increases the number of Shares available for issuance under the Plan (except as provided in Section 8), or (ii) materially changes the class of persons who are eligible for the grant of ISOs. In addition, an amendment effecting any other material change to the Plan terms will be subject to approval of the Company's stockholder only if required by applicable law. Stockholder approval shall not be required for any other amendment of the Plan.

### **DEFINITIONS.**

(a) "**Award**" means any award granted under the Plan, including as an Option, an award of Restricted Stock Units or the grant or sale of Shares pursuant to Section 5 of the Plan.

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(b) “**Award Agreement**” means a Restricted Stock Unit Agreement, Stock Grant Agreement, Stock Option Agreement or Stock Purchase Agreement or such other agreement evidencing an Award under the Plan.

(c) “**Board of Directors**” means the Board of Directors of the Company, as constituted from time to time.

(d) “**Code**” means the Internal Revenue Code of 1986, as amended.

(e) “**Committee**” means a committee of the Board of Directors, as described in Section 2(a).

(f) “**Company**” means ServiceTitan, Inc., a Delaware corporation.

(g) “**Consultant**” means a person, excluding Employees and Outside Directors, who performs bona fide services for the Company, a Parent<sup>2</sup> or a Subsidiary as a consultant or advisor and who qualifies as a consultant or advisor under Rule 701(c)(1) of the Securities Act or under Instruction A.1.(a)(1) of Form S-8 under the Securities Act.

(h) “**Date of Grant**” means the date of grant specified in the Award Agreement, which date shall be the later of (i) the date on which the Board of Directors resolved to grant the Award or (ii) the first day of the Participant’s Service.

(i) “**Disability**” means that the Optionee is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment.

(j) “**Employee**” means any individual who is a common-law employee of the Company, a Parent<sup>3</sup> or a Subsidiary.

(k) “**Exchange Act**” means the Securities Exchange Act of 1934, as amended. (l) “**Exercise Price**” means the amount for which one Share may be purchased upon exercise of an Option, as specified by the Board of Directors in the applicable Stock Option Agreement.

(m) “**Fair Market Value**” means the fair market value of a Share, as determined by the Board of Directors in good faith. Such determination shall be conclusive and binding on all persons.

(n) “**Family Member**” means (i) any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, including adoptive relationships, (ii) any person sharing the Optionee’s household (other than a tenant or employee), (iii) a trust in which persons described in Clause (i) or (ii) have more than 50% of the beneficial interest, (iv) a foundation in which persons described in Clause (i) or (ii) or the Optionee control the management of assets and (v) any other entity in which persons described in Clause (i) or (ii) or the Optionee own more than 50% of the voting interests.

<sup>2</sup> Note that special considerations apply if the Company proposes to grant awards to consultant or advisor of a Parent company.

<sup>3</sup> Note that special considerations apply if the Company proposes to grant awards to an Employee of a Parent company.

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(o) “**Grantee**” means a person to whom the Board of Directors has awarded Shares under the Plan.

(p) “**ISO**” means an Option that qualifies as an incentive stock option as described in Code Section 422(b). Notwithstanding its designation as an ISO, an Option that does not qualify as an ISO under applicable law shall be treated for all purposes as an NSO.

(q) “**NSO**” means an Option that does not qualify as an incentive stock option as described in Code Section 422(b) or 423(b).

(r) “**Option**” means an ISO or NSO granted under the Plan and entitling the holder to purchase Shares.

(s) “**Optionee**” means a person who holds an Option.

(t) “**Outside Director**” means a member of the Board of Directors who is not an Employee.

(u) “**Parent**” means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company, if each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Parent on a date after the adoption of the Plan shall be considered a Parent commencing as of such date.

(v) “**Participant**” means the holder of an outstanding Award. (w) “**Plan**” means this ServiceTitan, Inc. 2015 Stock Plan.

(x) “**Purchase Price**” means the consideration for which one Share may be acquired under the Plan (other than upon exercise of an Option), as specified by the Board of Directors.

(y) “**Purchaser**” means a person to whom the Board of Directors has offered the right to purchase Shares under the Plan (other than upon exercise of an Option).

(z) “**Restricted Stock Unit**” means a bookkeeping entry representing the equivalent of one Share, as awarded under the Plan.

(aa) “**Restricted Stock Unit Agreement**” means the agreement between the Company and the recipient of a Restricted Stock Unit that contains the terms, conditions and restrictions pertaining to such Restricted Stock Unit.

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(bb) “**Sale of the Company**” shall mean either: (a) a Stock Sale or (b) the closing of the sale, transfer, exclusive license or other disposition of all or substantially all of the Company’s assets, (c) the consummation of the merger or consolidation of the Company with or into another entity (except a merger or consolidation in which the holders of capital stock of the Company immediately prior to such merger or consolidation continue to hold greater than 50% of the voting power of the capital stock of the Company or the surviving or acquiring entity), or (d) a liquidation, dissolution or winding up of the Company; provided, however, that a transaction shall not constitute a Sale of the Company if its sole purpose is to change the state of the Company’s incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company’s securities immediately prior to such transaction.

(cc) “**Securities Act**” means the Securities Act of 1933, as amended.

(dd) “**Service**” means service as an Employee, Outside Director or Consultant. (ee) “**Share**” means one share of Stock, as adjusted in accordance with Section 8 (if applicable).

(ff) “**Stock**” means the Common Stock of the Company.

(gg) “**Stock Grant Agreement**” means the agreement between the Company and a Grantee who is awarded Shares under the Plan that contains the terms, conditions and restrictions pertaining to the award of such Shares.

(hh) “**Stock Option Agreement**” means the agreement between the Company and an Optionee that contains the terms, conditions and restrictions pertaining to the Optionee’s Option.

(ii) “**Stock Purchase Agreement**” means the agreement between the Company and a Purchaser who purchases Shares under the Plan that contains the terms, conditions and restrictions pertaining to the purchase of such Shares.

(jj) “**Stock Sale**” means a transaction or series of related transactions in which a person, or a group of related persons, acquires from stockholders of the Company shares representing more than fifty percent (50%) of the outstanding voting power of the Company.

(kk) “**Subsidiary**” means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Subsidiary on a date after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

**EXHIBIT A****SCHEDULE OF SHARES RESERVED FOR ISSUANCE UNDER THE PLAN**

<b>Date of Board Approval</b>	<b>Date of Stockholder Approval</b>	<b>Number of Shares Added</b>	<b>Cumulative Number of Shares</b>
		Not Applicable	
November 22, 2016	November 22, 2016	393,000	1,759,500 <sup>4*</sup>
September 24, 2017	September 26, 2017	<Stock Split, see below>	4,398,750*
February 23, 2018	February 23, 2018	2,068,560	6,467,310
November 9, 2019	November 9, 2018	2,555,000	9,022,310
April 23, 2020	April 23, 2020	3,119,394	12,141,704
December 9, 2020	December 10, 2020	2,625,000	14,766,704
March 3, 2021	March 8, 2021	1,368,775	16,135,479
March 25, 2021	March 25, 2021	2,034,655	18,170,134
May 24, 2022	June 14, 2022	750,000	18,920,134
October 17, 2022	October 18, 2022	1,167,089	20,087,223

**SUMMARY OF MODIFICATIONS AND AMENDMENTS TO THE PLAN**

The following is a summary of material modifications made to the Plan:

- 1) On October 16, 2017, the Company effected a two-and-one-half for one forward split of its Common Stock. As a result, the shares subject to this Plan and awards outstanding pursuant to this Plan were increased proportionally, and the exercise prices of awards outstanding pursuant to the terms of this Plan were decreased proportionally.

<sup>4\*</sup> plus additional shares that have returned or otherwise would return to the Company's 2007 Stock Plan as a result of the termination and forfeiture of outstanding options under the 2007 Stock Plan

SERVICETITAN, INC. 2015 STOCK PLAN

NOTICE OF STOCK OPTION GRANT (EARLY EXERCISE)

The Optionee has been granted the following option to purchase shares of the Common Stock of ServiceTitan, Inc.:

Name of Optionee:	«Name»
Total Number of Shares:	«TotalShares»
Type of Option:	«ISO» Incentive Stock Option (ISO) «NSO» Nonstatutory Stock Option (NSO)
Exercise Price per Share:	\$«PricePerShare»
Date of Grant:	«DateGrant»
Date Exercisable:	Subject to any restrictions set forth in the Stock Option Agreement (Early Exercise) attached hereto, this option may be exercised at any time after the Date of Grant for all or any part of the Shares subject to this option, provided that Shares subject to the option that have not become vested in accordance with the Vesting Schedule set forth below shall not be exercisable (i) as of the date that Optionee's Service terminates and (ii) upon an Initial Public Offering (as defined in the Stock Option Agreement (Early Exercise)).
Vesting Schedule:	The Right of Repurchase shall lapse, and the Shares subject to the option shall vest, with respect to the first «Percent»% of the Shares subject to this option when the Optionee completes «CliffPeriod» months of continuous Service beginning with the Vesting Commencement Date set forth below. The Right of Repurchase shall lapse, and the Shares subject to the option shall vest, with respect to an additional «Fraction»% of the Shares subject to this option when the Optionee completes each month of continuous Service thereafter.
Vesting Commencement Date:	«VestComDate»
Expiration Date:	«ExpDate». This option expires earlier if the Optionee's Service terminates earlier, as provided in Section 6 of the Stock Option Agreement, or if the Company engages in certain corporate transactions, as provided in Section 8(b) of the Plan.

By signing below, the Optionee and the Company agree that this option is granted under, and governed by the terms and conditions of, the 2015 Stock Plan and the Stock Option Agreement. Both of these documents are attached to, and made a part of, this Notice of Stock Option Grant. **Section 14 of the Stock Option Agreement includes important acknowledgements of the Optionee.**

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**OPTIONEE:**

\_\_\_\_\_

**SERVICETITAN, INC.**

By: \_\_\_\_\_

Title: \_\_\_\_\_



**THE OPTION GRANTED PURSUANT TO THIS AGREEMENT AND THE SHARES ISSUABLE UPON THE EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, PLEDGED, OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR AN OPINION OF COUNSEL, SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED.**

**SERVICE TITAN, INC. 2015 STOCK PLAN:  
STOCK OPTION AGREEMENT (EARLY EXERCISE)**

**SECTION 1. GRANT OF OPTION.**

**(a) Option.** On the terms and conditions set forth in the Notice of Stock Option Grant and this Agreement, the Company grants to the Optionee on the Date of Grant the option to purchase at the Exercise Price the number of Shares set forth in the Notice of Stock Option Grant. The Exercise Price is agreed to be at least 100% of the Fair Market Value per Share on the Date of Grant (110% of Fair Market Value if this option is designated as an ISO in the Notice of Stock Option Grant and Section 3(b) of the Plan applies). This option is intended to be an ISO or an NSO, as provided in the Notice of Stock Option Grant.

**(b) \$100,000 Limitation.** Even if this option is designated as an ISO in the Notice of Stock Option Grant, it shall be deemed to be an NSO to the extent (and only to the extent) required by the \$100,000 annual limitation under Section 422(d) of the Code.

**(c) Stock Plan and Defined Terms.** This option is granted pursuant to the Plan, a copy of which the Optionee acknowledges having received. The provisions of the Plan are incorporated into this Agreement by this reference. Except as otherwise defined in this Agreement (including without limitation Section 16 hereof), capitalized terms shall have the meaning ascribed to such terms in the Plan.

**SECTION 2. RIGHT TO EXERCISE.**

**(a) Exercisability.** Subject to Subsection (b) below and the other conditions set forth in this Agreement, all or part of this option may be exercised prior to its expiration at the time or times set forth in the Notice of Stock Option Grant. Shares purchased by exercising this option may be subject to the Right of Repurchase under Section 7.

**(b) Stockholder Approval.** Any other provision of this Agreement notwithstanding, no portion of this option shall be exercisable at any time prior to the approval of the Plan by the Company's stockholders.

**SECTION 3. NO TRANSFER OR ASSIGNMENT OF OPTION.**

Except as otherwise provided in this Agreement, this option and the rights and privileges conferred hereby shall not be sold, pledged or otherwise transferred (whether by operation of law or otherwise) and shall not be subject to sale under execution, attachment, levy or similar process.

**SECTION 4. EXERCISE PROCEDURES.**

**(a) Notice of Exercise.** The Optionee or the Optionee's representative may exercise this option by: (i) signing and delivering written notice to the Company pursuant to Section 13(c) specifying the election to exercise this option, the number of Shares for which it is being exercised and the form of payment and (ii) delivering payment, in a form permissible under Section 5, for the full amount of the Purchase Price (together with any applicable withholding taxes under Subsection (b)). In the event that this option is being exercised by the representative of the Optionee, the notice shall be accompanied by proof (satisfactory to the Company) of the representative's right to exercise this option. In the event of a partial exercise of this option, Shares shall be deemed to have been purchased in the order in which they vest in accordance with the Notice of Stock Option Grant.

**(b) Withholding Taxes.** In the event that the Company determines that it is required to withhold any tax (including without limitation any income tax, social insurance contributions, payroll tax, payment on account or other tax-related items arising in connection with the Optionee's participation in the Plan and legally applicable to the Optionee (the "**Tax-Related Items**")) as a result of the grant, vesting or exercise of this option, or as a result of the transfer of shares acquired upon exercise of this option, the Optionee, as a condition of this option, shall make arrangements satisfactory to the Company to enable it to satisfy all Tax-Related Items. The Optionee acknowledges that the responsibility for all Tax-Related Items is the Optionee's and may exceed the amount actually withheld by the Company (or its affiliate or agent).

**(c) Issuance of Shares.** After satisfying all requirements for exercise of this option, the Company shall cause to be issued one or more certificates evidencing the Shares for which this option has been exercised. Such Shares shall be registered (i) in the name of the person exercising this option, (ii) in the names of such person and his or her spouse as community property or as joint tenants with the right of survivorship or (iii) with the Company's consent, in the name of a revocable trust. Until the issuance of the Shares has been entered into the books and records of the Company or a duly authorized transfer agent of the Company, no right to vote, receive dividends or any other right as a stockholder will exist with respect to such Shares. The Company shall cause such certificates to be delivered to or upon the order of the person exercising this option. In the case of Restricted Shares, the Company shall cause such certificates to be deposited in escrow under Section 7(c).

**SECTION 5. PAYMENT FOR STOCK.**

(a) **Cash.** All or part of the Purchase Price may be paid in cash or cash equivalents.

(b) **Surrender of Stock; Other Property or Forms of Consideration.** At the discretion of the Board of Directors, all or any part of the Purchase Price may be paid by surrendering Shares that are already owned by the Optionee. Such Shares shall be surrendered to the Company in good form for transfer and shall be valued at their Fair Market Value as of the date when this option is exercised. The Board of Directors may, but shall not be obligated to, accept other property or consideration for the Purchase Price, with such other property or consideration valued at its Fair Market Value, as determined by the Board as of the date when this option is exercised.

(c) **Exercise/Sale.** All or part of the Purchase Price and any withholding taxes may be paid by the delivery (on a form prescribed by the Company) of an irrevocable direction to a securities broker approved by the Company to sell Shares and to deliver all or part of the sales proceeds to the Company. However, payment pursuant to this Subsection (c) shall be permitted only if (i) Stock then is publicly traded and (ii) such payment does not violate applicable law.

**SECTION 6. TERM AND EXPIRATION.**

(a) **Basic Term.** This option shall in any event expire on the expiration date set forth in the Notice of Stock Option Grant, which date is 10 years after the Date of Grant (five years after the Date of Grant if this option is designated as an ISO in the Notice of Stock Option Grant and Section 3(b) of the Plan applies).

(b) **Termination of Service (Except by Death).** If the Optionee's Service terminates for any reason other than death, then this option shall expire on the earliest of the following occasions:

- (i) The expiration date determined pursuant to Subsection (a) above;
- (ii) The date three months after the termination of the Optionee's Service for any reason other than Disability; or
- (iii) The date six months after the termination of the Optionee's Service by reason of Disability.

The Optionee may exercise all or part of this option at any time before its expiration under the preceding sentence, but only to the extent that this option had become exercisable for vested Shares on or before the Optionee's Service terminated. When the Optionee's Service terminates, this option shall expire immediately with respect to the number of Shares for which this option is not yet vested and with respect to any Restricted Shares. In the event that the Optionee dies after termination of Service but before the expiration of this option, all or part of this option may be exercised (prior to expiration) by the executors or administrators of the Optionee's estate or by any person who has acquired this option directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that this option had become exercisable for vested Shares before the Optionee's Service terminated. Once this option (or portion thereof) has terminated, the Optionee shall have no further rights with respect to the option (or portion thereof) or to the underlying Shares.

(c) **Death of the Optionee.** If the Optionee dies while in Service, then this option shall expire on the earlier of the following dates:

- (i) The expiration date determined pursuant to Subsection (a) above; or
- (ii) The date 12 months after the Optionee's death.

All or part of this option may be exercised at any time before its expiration under the preceding sentence by the executors or administrators of the Optionee's estate or by any person who has acquired this option directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that this option had become exercisable for vested Shares before the Optionee's death. When the Optionee dies, this option shall expire immediately with respect to the number of Shares for which this option is not yet vested and with respect to any Restricted Shares. Once this option (or portion thereof) has terminated, the Optionee shall have no further rights with respect to the option (or portion thereof) or to the underlying Shares.

(d) **Extension of Post-Termination Exercise Periods.** Following the date on which the Company's Stock is first listed for trading on an established securities market, if during any part of the exercise period described in Subsections 6(b)(ii) or (iii) or Subsection 6(c)(ii) above the exercise of this option would be prohibited solely because the issuance of Shares upon such exercise would violate the registration requirements under the Securities Act or a similar provision of other applicable law, then instead of terminating at the end of such prescribed period, the then-vested portion of this option will instead remain outstanding and not expire until the earlier of (i) the expiration date determined pursuant to Section 6(a) above or (ii) the date on which the then-vested portion of this option has been exercisable without violation of applicable law for the aggregate period (which need not be consecutive) after termination of the Optionee's Service specified in the applicable Subsection above.

(e) **Part-Time Employment and Leaves of Absence.** If the Optionee commences working on a part-time basis, then the Company may adjust the vesting schedule set forth in the Notice of Stock Option Grant. If the Optionee goes on a leave of absence, then the Company may adjust the vesting schedule set forth in the Notice of Stock Option Grant in accordance with the Company's leave of absence policy or the terms of such leave. Except as provided in the preceding sentence, Service shall be deemed to continue for any purpose under this Agreement while the Optionee is on a *bona fide* leave of absence, if (i) such leave was approved by the Company in writing and (ii) continued crediting of Service for such purpose is expressly required by the terms of such leave or by applicable law (as determined by the Company). Service shall be deemed to terminate when such leave ends, unless the Optionee immediately returns to active work.

(f) **Notice Concerning ISO Treatment.** Even if this option is designated as an ISO in the Notice of Stock Option Grant, it ceases to qualify for favorable tax treatment as an ISO to the extent that it is exercised:

(i) More than three months after the date when the Optionee ceases to be an Employee for any reason other than death or permanent and total disability (as defined in Section 22(e)(3) of the Code);

(ii) More than 12 months after the date when the Optionee ceases to be an Employee by reason of permanent and total disability (as defined in Section 22(e)(3) of the Code); or

(iii) More than three months after the date when the Optionee has been on a leave of absence for three months, unless the Optionee's reemployment rights following such leave were guaranteed by statute or by contract.

## **SECTION 7. RIGHT OF REPURCHASE.**

(a) **Scope of Repurchase Right.** Until they vest in accordance with the Notice of Stock Option Grant and Subsection (b) below, the Shares acquired under this Agreement shall be Restricted Shares and shall be subject to the Company's Right of Repurchase. The Company, however, may decline to exercise its Right of Repurchase or may choose to exercise its Right of Repurchase only with respect to a portion of the Restricted Shares. The Company may exercise its Right of Repurchase only during the Repurchase Period following the termination of the Optionee's Service, but the Right of Repurchase may be exercised automatically under Subsection (d) below. If the Right of Repurchase is exercised, the Company shall pay the Optionee an amount equal to the lower of (i) the Exercise Price of each Restricted Share being repurchased or (ii) the Fair Market Value of such Restricted Share at the time the Right of Repurchase is exercised.

**(b) Lapse of Repurchase Right.** The Right of Repurchase shall lapse with respect to the Restricted Shares in accordance with the vesting schedule set forth in the Notice of Stock Option Grant.

**(c) Escrow.** Upon issuance, the certificate(s) for Restricted Shares shall be deposited in escrow with the Company to be held in accordance with the provisions of this Agreement. Any additional or exchanged securities or other property described in Subsection (f) below shall immediately be delivered to the Company to be held in escrow. All ordinary cash dividends on Restricted Shares (or on other securities held in escrow) shall be paid directly to the Optionee and shall not be held in escrow. Restricted Shares, together with any other assets held in escrow under this Agreement, shall be (i) surrendered to the Company for repurchase upon exercise of the Right of Repurchase or the Right of First Refusal or (ii) released to the Optionee upon his or her request to the extent that the Shares have ceased to be Restricted Shares (but not more frequently than once every six months). In any event, all Shares that have ceased to be Restricted Shares, together with any other vested assets held in escrow under this Agreement, shall be released within 90 days after the earlier of (i) the termination of the Optionee's Service or (ii) the lapse of the Right of First Refusal.

**(d) Exercise of Repurchase Right.** The Company shall be deemed to have exercised its Right of Repurchase automatically for all Restricted Shares as of the commencement of the Repurchase Period, unless the Company during the Repurchase Period notifies the holder of the Restricted Shares pursuant to Section 13(c) that it will not exercise its Right of Repurchase for some or all of the Restricted Shares. The Company shall pay to the holder of the Restricted Shares the purchase price determined under Subsection (a) above for the Restricted Shares being repurchased. Payment shall be made in cash or cash equivalents and/or by canceling indebtedness to the Company incurred by the Optionee in the purchase of the Restricted Shares. The certificate(s) representing the Restricted Shares being repurchased shall be delivered to the Company.

**(e) Termination of Rights as Stockholder.** If the Right of Repurchase is exercised in accordance with this Section 7 and the Company makes available the consideration for the Restricted Shares being repurchased, then the person from whom the Restricted Shares are repurchased shall no longer have any rights as a holder of the Restricted Shares (other than the right to receive payment of such consideration). Such Restricted Shares shall be deemed to have been repurchased pursuant to this Section 7, whether or not the certificate(s) for such Restricted Shares have been delivered to the Company or the consideration for such Restricted Shares has been accepted.

**(f) Additional or Exchanged Securities and Property.** In the event of a merger or consolidation of the Company, a sale of all or substantially all of the Company's stock or assets, any other corporate reorganization, a stock split, the declaration of a stock dividend, the declaration of an extraordinary dividend payable in a form other than stock, a spin-off, an adjustment in conversion ratio, a recapitalization or a similar transaction

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affecting the Company's outstanding securities, any securities or other property (including cash or cash equivalents) that are by reason of such transaction exchanged for, or distributed with respect to, any Restricted Shares shall immediately be subject to the Right of Repurchase. Appropriate adjustments to reflect the exchange or distribution of such securities or property shall be made to the number and/or class of the Restricted Shares. Appropriate adjustments shall also be made to the price per share to be paid upon the exercise of the Right of Repurchase, provided that the aggregate purchase price payable for the Restricted Shares shall remain the same. In the event of a merger or consolidation of the Company with or into another entity or any other corporate reorganization, the Right of Repurchase may be exercised by the Company's successor.

**(g) Transfer of Restricted Shares.** The Optionee shall not transfer, assign, encumber or otherwise dispose of any Restricted Shares without the Company's written consent, except as provided in the following sentence. The Optionee may transfer Restricted Shares to one or more members of the Optionee's Immediate Family or to a trust established by the Optionee for the benefit of the Optionee and/or one or more members of the Optionee's Immediate Family, provided in either case that the Transferee agrees in writing on a form prescribed by the Company to be bound by all provisions of this Agreement. If the Optionee transfers any Restricted Shares, then this Agreement shall apply to the Transferee to the same extent as to the Optionee.

**(h) Assignment of Repurchase Right.** The Board of Directors may freely assign the Company's Right of Repurchase, in whole or in part. Any person who accepts an assignment of the Right of Repurchase from the Company shall assume all of the Company's rights and obligations under this Section 7.

### **SECTION 8. RIGHT OF FIRST REFUSAL.**

**(a) Right of First Refusal.** In the event that the Optionee proposes to sell, pledge or otherwise transfer to a third party any Shares acquired under this Agreement, or any interest in such Shares, the Company shall have the Right of First Refusal with respect to all (and not less than all) of such Shares. If the Optionee desires to transfer Shares acquired under this Agreement, the Optionee shall give a written Transfer Notice to the Company describing fully the proposed transfer, including the number of Shares proposed to be transferred, the proposed transfer price, the name and address of the proposed Transferee and proof satisfactory to the Company that the proposed sale or transfer will not violate any applicable federal, State or foreign securities laws. The Transfer Notice shall be signed both by the Optionee and by the proposed Transferee and must constitute a binding commitment of both parties to the transfer of the Shares. The Company shall have the right to purchase all, and not less than all, of the Shares on the terms of the proposal described in the Transfer Notice (subject, however, to any change in such terms permitted under Subsection (b) below) by delivery of a notice of exercise of the Right of First Refusal within 30 days after the date when the Transfer Notice was received by the Company.

(b) **Transfer of Shares.** If the Company fails to exercise its Right of First Refusal within 30 days after the date when it received the Transfer Notice, the Optionee may, not later than 90 days following receipt of the Transfer Notice by the Company, conclude a transfer of the Shares subject to the Transfer Notice on the terms and conditions described in the Transfer Notice, provided that any such sale is made in compliance with applicable federal, State and foreign securities laws and not in violation of any other contractual restrictions to which the Optionee is bound. Any proposed transfer on terms and conditions different from those described in the Transfer Notice, as well as any subsequent proposed transfer by the Optionee, shall again be subject to the Right of First Refusal and shall require compliance with the procedure described in Subsection (a) above. If the Company exercises its Right of First Refusal, the parties shall consummate the sale of the Shares on the terms set forth in the Transfer Notice within 60 days after the date when the Company received the Transfer Notice (or within such longer period as may have been specified in the Transfer Notice); provided, however, that in the event the Transfer Notice provided that payment for the Shares was to be made in a form other than cash or cash equivalents paid at the time of transfer, the Company shall have the option of paying for the Shares with cash or cash equivalents equal to the present value of the consideration described in the Transfer Notice.

(c) **Additional or Exchanged Securities and Property.** In the event of a merger or consolidation of the Company, a sale of all or substantially all of the Company's stock or assets, any other corporate reorganization, a stock split, the declaration of a stock dividend, the declaration of an extraordinary dividend payable in a form other than stock, a spin-off, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company's outstanding securities, any securities or other property (including cash or cash equivalents) that are by reason of such transaction exchanged for, or distributed with respect to, any Shares subject to this Section 8 shall immediately be subject to the Right of First Refusal. Appropriate adjustments to reflect the exchange or distribution of such securities or property shall be made to the number and/or class of the Shares subject to this Section 8.

(d) **Termination of Right of First Refusal.** Any other provision of this Section 8 notwithstanding, in the event that the Stock is readily tradable on an established securities market when the Optionee desires to transfer Shares, the Company shall have no Right of First Refusal, and the Optionee shall have no obligation to comply with the procedures prescribed by Subsections (a) and (b) above.

(e) **Permitted Transfers.** This Section 8 shall not apply to (i) a transfer by beneficiary designation, will or intestate succession or (ii) a transfer to one or more members of the Optionee's Immediate Family or to a trust established by the Optionee for the benefit of the Optionee and/or one or more members of the Optionee's Immediate Family, provided in either case that the Transferee agrees in writing on a form prescribed by the Company to be bound by all provisions of this Agreement. If the Optionee transfers any Shares acquired under this Agreement, either under this Subsection (e) or after the Company has failed to exercise the Right of First Refusal, then this Agreement shall apply to the Transferee to the same extent as to the Optionee.



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(f) **Termination of Rights as Stockholder.** If the Company makes available, at the time and place and in the amount and form provided in this Agreement, the consideration for the Shares to be purchased in accordance with this Section 8, then after such time the person from whom such Shares are to be purchased shall no longer have any rights as a holder of such Shares (other than the right to receive payment of such consideration in accordance with this Agreement). Such Shares shall be deemed to have been purchased in accordance with the applicable provisions hereof, whether or not the certificate(s) therefor have been delivered as required by this Agreement.

(g) **Assignment of Right of First Refusal.** The Board of Directors may freely assign the Company's Right of First Refusal, in whole or in part. Any person who accepts an assignment of the Right of First Refusal from the Company shall assume all of the Company's rights and obligations under this Section 8.

### **SECTION 9. LEGALITY OF INITIAL ISSUANCE.**

No Shares shall be issued upon the exercise of this option unless and until the Company has determined that:

(a) It and the Optionee have taken any actions required to register the Shares under the Securities Act or to perfect an exemption from the registration requirements thereof;

(b) Any applicable listing requirement of any stock exchange or other securities market on which Stock is listed has been satisfied; and

(c) Any other applicable provision of federal, State or foreign law has been satisfied.

### **SECTION 10. NO REGISTRATION RIGHTS.**

The Company may, but shall not be obligated to, register or qualify the sale of Shares under the Securities Act or any other applicable law. The Company shall not be obligated to take any affirmative action in order to cause the sale of Shares under this Agreement to comply with any law.

## SECTION 11. RESTRICTIONS ON TRANSFER OF SHARES.

**(a) Securities Law Restrictions.** Regardless of whether the offer and sale of Shares under the Plan have been registered under the Securities Act or have been registered or qualified under the securities laws of any State or other relevant jurisdiction, the Company at its discretion may impose restrictions upon the sale, pledge or other transfer of such Shares (including the placement of appropriate legends on the stock certificates (or electronic equivalent) or the imposition of stop-transfer instructions) and may refuse (or may be required to refuse) to transfer Shares acquired hereunder (or Shares proposed to be transferred in a subsequent transfer) if, in the judgment of the Company, such restrictions, legends or refusal are necessary or appropriate to achieve compliance with the Securities Act or other relevant securities or other laws, including without limitation under Regulation S of the Securities Act or pursuant to another available exemption from registration.

**(b) Market Stand-Off.** In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act, including the Company's initial public offering, the Optionee or a Transferee shall not directly or indirectly sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any option or other contract for the purchase of, purchase any option or other contract for the sale of, or otherwise dispose of or transfer, or agree to engage in any of the foregoing transactions with respect to, any Shares acquired under this Agreement without the prior written consent of the Company or its managing underwriter. Such restriction (the "Market Stand-Off") shall be in effect for such period of time following the date of the final prospectus for the offering as may be requested by the Company or such underwriter. In no event, however, shall such period exceed 180 days plus such additional period as may reasonably be requested by the Company or such underwriter to accommodate regulatory restrictions on (i) the publication or other distribution of research reports or (ii) analyst recommendations and opinions, including (without limitation) the restrictions set forth in Rule 2711(f)(4) of the National Association of Securities Dealers and Rule 472(f)(4) of the New York Stock Exchange, as amended, or any similar successor rules. The Market Stand-Off shall in any event terminate two years after the date of the Company's initial public offering. In the event of the declaration of a stock dividend, a spin off, a stock split, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company's outstanding securities without receipt of consideration, any new, substituted or additional securities which are by reason of such transaction distributed with respect to any Shares subject to the Market Stand-Off, or into which such Shares thereby become convertible, shall immediately be subject to the Market Stand-Off. In order to enforce the Market Stand-Off, the Company may impose stop-transfer instructions with respect to the Shares acquired under this Agreement until the end of the applicable stand-off period. The Company's underwriters shall be beneficiaries of the agreement set forth in this Subsection (b). This Subsection (b) shall not apply to Shares registered in the public offering under the Securities Act.

**(c) Investment Intent at Grant.** The Optionee represents and agrees that the Shares to be acquired upon exercising this option will be acquired for investment, and not with a view to the sale or distribution thereof.

**(d) Investment Intent at Exercise.** In the event that the sale of Shares under the Plan is not registered under the Securities Act but an exemption is available that requires an investment representation or other representation, the Optionee shall represent and agree at the time of exercise that the Shares being acquired upon exercising this option are being acquired for investment, and not with a view to the sale or distribution thereof, and shall make such other representations as are deemed necessary or appropriate by the Company and its counsel, including (if applicable because the Company is relying on Regulation S under the Securities Act) that as of the date of exercise the Optionee is (i) not a U.S. Person; (ii) not acquiring the Shares on behalf, or for the account or benefit, of a U.S. Person; and (iii) is not exercising the option in the United States.

**(e) Legends.** All certificates evidencing Shares purchased under this Agreement shall bear the following legend:

“THE SHARES REPRESENTED HEREBY MAY NOT BE SOLD, ASSIGNED, TRANSFERRED, ENCUMBERED OR IN ANY MANNER DISPOSED OF, EXCEPT IN COMPLIANCE WITH THE TERMS OF A WRITTEN AGREEMENT BETWEEN THE COMPANY AND THE REGISTERED HOLDER OF THE SHARES (OR THE PREDECESSOR IN INTEREST TO THE SHARES). SUCH AGREEMENT GRANTS TO THE COMPANY CERTAIN RIGHTS OF FIRST REFUSAL UPON AN ATTEMPTED TRANSFER OF THE SHARES AND CERTAIN REPURCHASE RIGHTS UPON TERMINATION OF SERVICE WITH THE COMPANY IN ADDITION, THE SHARES ARE SUBJECT TO RESTRICTIONS ON TRANSFER FOR A LIMITED PERIOD FOLLOWING THE EFFECTIVE DATE OF THE UNDERWRITTEN PUBLIC OFFERING OF THE COMPANY’S SECURITIES AND MAY NOT BE SOLD OR OTHERWISE DISPOSED OF BY THE HOLDER WITHOUT THE CONSENT OF THE COMPANY OR THE MANAGING UNDERWRITER. THE SECRETARY OF THE COMPANY WILL UPON WRITTEN REQUEST FURNISH A COPY OF SUCH AGREEMENT TO THE HOLDER HEREOF WITHOUT CHARGE.”

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All certificates evidencing Shares purchased under this Agreement in an unregistered transaction shall bear the following legend (and such other restrictive legends as are required or deemed advisable under the provisions of any applicable law):

“THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”) OR ANY SECURITIES LAWS OF ANY U.S. STATE, AND MAY NOT BE SOLD, REOFFERED, PLEDGED, ASSIGNED, ENCUMBERED OR OTHERWISE TRANSFERRED OR DISPOSED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR AN OPINION OF COUNSEL, SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED. IN THE ABSENCE OF REGISTRATION OR THE AVAILABILITY (CONFIRMED BY OPINION OF COUNSEL) OF AN ALTERNATIVE EXEMPTION FROM REGISTRATION UNDER THE ACT (INCLUDING WITHOUT LIMITATION IN ACCORDANCE WITH REGULATIONS UNDER THE ACT), THESE SHARES MAY NOT BE SOLD, REOFFERED, PLEDGED, ASSIGNED, ENCUMBERED OR OTHERWISE TRANSFERRED OR DISPOSED OF. HEDGING TRANSACTIONS INVOLVING THESE SHARES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE ACT.”

**(f) Removal of Legends.** If, in the opinion of the Company and its counsel, any legend placed on a stock certificate representing Shares sold under this Agreement is no longer required, the holder of such certificate shall be entitled to exchange such certificate for a certificate representing the same number of Shares but without such legend.

**(g) Administration.** Any determination by the Company and its counsel in connection with any of the matters set forth in this Section 11 shall be conclusive and binding on the Optionee and all other persons.

## **SECTION 12. ADJUSTMENT OF SHARES.**

In the event of any transaction described in Section 8(a) of the Plan, the terms of this option (including, without limitation, the number and kind of Shares subject to this option and the Exercise Price) shall be adjusted as set forth in Section 8(a) of the Plan. In the event that the Company is a party to a merger or consolidation or in the event of a sale of all or substantially all of the Company’s stock or assets, this option shall be subject to the treatment provided by the Board of Directors in its sole discretion, as provided in Section 8(b) of the Plan.

**SECTION 13. MISCELLANEOUS PROVISIONS.**

**(a) Rights as a Stockholder.** Neither the Optionee nor the Optionee's representative shall have any rights as a stockholder with respect to any Shares subject to this option until the Optionee or the Optionee's representative becomes entitled to receive such Shares by filing a notice of exercise and paying the Purchase Price pursuant to Sections 4 and 5.

**(b) No Retention Rights.** Nothing in this option or in the Plan shall confer upon the Optionee any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Parent or Subsidiary employing or retaining the Optionee) or of the Optionee, which rights are hereby expressly reserved by each, to terminate his or her Service at any time and for any reason, with or without cause.

**(c) Notice.** Subject to Section 14(b) of this Agreement, any notice required by the terms of this Agreement shall be given in writing. It shall be deemed effective upon (i) personal delivery, (ii) deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid, (iii) deposit with Federal Express Corporation, with shipping charges prepaid or (iv) deposit with any internationally recognized express mail courier service. Notice shall be addressed to the Company at its principal executive office and to the Optionee at the address that he or she most recently provided to the Company in accordance with this Subsection (c).

**(d) Modifications and Waivers.** No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by the Optionee and by an authorized officer of the Company (other than the Optionee). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

**(e) Entire Agreement.** The Notice of Stock Option Grant, this Agreement and the Plan constitute the entire contract between the parties hereto with regard to the subject matter hereof. They supersede any other agreements, representations or understandings (whether oral or written and whether express or implied) that relate to the subject matter hereof.

**(f) Choice of Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, as such laws are applied to contracts entered into and performed in such State.

**SECTION 14. ACKNOWLEDGEMENTS OF THE OPTIONEE.**

In addition to the other terms, conditions and restrictions imposed on this option and the Shares issuable under this option pursuant to this Agreement and the Plan, the Optionee expressly acknowledges being subject to Sections 7 (Right of Repurchase), 8 (Right of First Refusal), 9 (Legality of Initial Issuance) and 11 (Restrictions on Transfer of Shares, including without limitation the Market Stand-Off), as well as the following provisions:

**(a) Tax Consequences (No Liability for Discounted Options).** The Optionee agrees that the Company does not have a duty to design or administer the Plan or its other compensation programs in a manner that minimizes the Optionee's tax liabilities. The Optionee shall not make any claim against the Company or its Board of Directors, officers or employees related to tax liabilities arising from this option or the Optionee's other compensation. In particular, any Optionee subject to U.S. taxation acknowledges that this option is exempt from Section 409A of the Code only if the Exercise Price is at least equal to the Fair Market Value per Share on the Date of Grant. Since Shares are not traded on an established securities market, the determination of their Fair Market Value is made by the Board of Directors or by an independent valuation firm retained by the Company. The Optionee acknowledges that there is no guarantee in either case that the Internal Revenue Service will agree with the valuation, and the Optionee shall not make any claim against the Company or its Board of Directors, officers or employees in the event that the Internal Revenue Service asserts that the valuation was too low.

**(b) Electronic Delivery of Documents.** The Optionee agrees to accept by email all documents relating to the Company, the Plan or this option and all other documents that the Company is required to deliver to its security holders (including, without limitation, disclosures that may be required by the Securities and Exchange Commission). The Optionee also agrees that the Company may deliver these documents by posting them on a website maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a website, it shall notify the Optionee by email of their availability. The Optionee acknowledges that he or she may incur costs in connection with electronic delivery, including the cost of accessing the internet and printing fees, and that an interruption of internet access may interfere with his or her ability to access the documents. This consent shall remain in effect until this option expires or until the Optionee gives the Company written notice that it should deliver paper documents.

**(c) No Notice of Expiration Date.** The Optionee agrees that the Company and its officers, employees, attorneys and agents do not have any obligation to notify him or her prior to the expiration of this option pursuant to Section 6, regardless of whether this option will expire at the end of its full term or on an earlier date related to the termination of the Optionee's Service. The Optionee further agrees that he or she has the sole responsibility for monitoring the expiration of this option and for exercising this option, if at all, before it expires. This Subsection (c) shall supersede any contrary representation that may have been made, orally or in writing, by the Company or by an officer, employee, attorney or agent of the Company.

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(d) **Waiver of Statutory Information Rights.** The Optionee acknowledges and agrees that, upon exercise of this option and until the first sale of the Company's Stock to the general public pursuant to a registration statement filed under the Securities Act, he or she will be deemed to have waived any rights the Optionee might otherwise have had under Section 220 of the Delaware General Corporation Law (or under similar rights under other applicable law) to inspect for any proper purpose and to make copies and extracts from the Company's stock ledger, a list of its stockholders and its other books and records or the books and records of any subsidiary. This waiver applies only in the Optionee's capacity as a stockholder and does not affect any other inspection rights the Optionee may have under other law or pursuant to a written agreement with the Company.

(e) **Plan Discretionary.** The Optionee understands and acknowledges that (i) the Plan is entirely discretionary, (ii) the Company and the Optionee's employer have reserved the right to amend, suspend or terminate the Plan at any time, (iii) the grant of an option does not in any way create any contractual or other right to receive additional grants of options (or benefits in lieu of options) at any time or in any amount and (iv) all determinations with respect to any additional grants, including (without limitation) the times when options will be granted, the number of Shares offered, the Exercise Price and the vesting schedule, will be at the sole discretion of the Company.

(f) **Termination of Service.** The Optionee understands and acknowledges that participation in the Plan ceases upon termination of his or her Service for any reason, except as may explicitly be provided otherwise in the Plan or this Agreement.

(g) **Extraordinary Compensation.** The value of this option shall be an extraordinary item of compensation outside the scope of the Optionee's employment contract, if any, and shall not be considered a part of his or her normal or expected compensation for any purpose including calculating severance, resignation, redundancy or end-of-service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.

(h) **Authorization to Disclose.** The Optionee hereby authorizes and directs the Optionee's employer to disclose to the Company or any Subsidiary any information regarding the Optionee's employment, the nature and amount of the Optionee's compensation and the fact and conditions of the Optionee's participation in the Plan, as the Optionee's employer deems necessary or appropriate to facilitate the administration of the Plan.

(i) **Personal Data Authorization.** The Optionee consents to the collection, use and transfer of personal data as described in this Subsection (i). The Optionee understands and acknowledges that the Company, the Optionee's employer and the Company's other Subsidiaries hold certain personal information regarding the Optionee for the purpose of managing and administering the Plan, including (without limitation) the Optionee's name, home address, telephone number, date of birth, social insurance number, salary, nationality, job title, any Shares or directorships held in the Company and details of all options or any other entitlements to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Optionee's favor (the "Data"). The Optionee further understands and acknowledges that the Company and/or its Subsidiaries will transfer Data among themselves as necessary for the purpose of implementation, administration and management of the Optionee's participation in the Plan and that the Company and/or any Subsidiary may each further transfer Data to any third party assisting the Company in the implementation, administration and management of the Plan. The Optionee understands and acknowledges that the recipients of Data may be located in the United States or elsewhere. The Optionee authorizes such recipients to receive, possess, use, retain and transfer Data, in electronic or other form, for the purpose of administering the Optionee's participation in the Plan, including a transfer to any broker or other third party with whom the Optionee elects to deposit Shares acquired under the Plan of such Data as may be required for the administration of the Plan and/or the subsequent holding of Shares on the Optionee's behalf. The Optionee may, at any time, view the Data, require any necessary modifications of Data or withdraw the consents set forth in this Subsection (i) by contacting the Company in writing. ***If the Optionee does not consent, or if the Optionee later seeks to revoke his or her consent, the Optionee's employment status or service and career with the Company will not be adversely affected; the only consequence of refusing or withdrawing consent is that the Company would not be able to grant the Optionee options or other equity awards or administer or maintain such awards.***

#### **SECTION 15. COUNTRY ADDENDUM.**

To the extent the Optionee provides Services to the Company or its Parent, Subsidiaries or affiliates in a country other than the United States, the option shall be subject to such additional or substitute terms as shall be set forth for such country in the Country Addendum attached hereto. If the Optionee relocates to one of the countries included in the Country Addendum during the life of the option, the Country Addendum, including the provisions for such country, shall apply to the Optionee and to the option, to the extent the Company determines that the application of such provisions is necessary or advisable in order to comply with applicable law or facilitate the administration of the Plan. In addition, the Company reserves the right to impose other requirements on the option, to the extent the Company determines it is necessary or advisable in order to comply with local laws or facilitate the administration of the Plan, and to require the Optionee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.



**SECTION 16. DEFINITIONS.**

- (a) “**Agreement**” shall mean this Stock Option Agreement.
- (b) “**Board of Directors**” shall mean the Board of Directors of the Company, as constituted from time to time or, if a Committee has been appointed, such Committee.
- (c) “**Company**” shall mean ServiceTitan, Inc., a Delaware corporation.
- (d) “**Immediate Family**” shall mean any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law and shall include adoptive relationships.
- (e) “**Initial Public Offering**” shall mean the first sale or resale of Shares (or other common equity securities of the Company) to the general public upon the closing of an underwritten public offering or on the second trading day after trading commences in connection with a direct listing, in each case (1) pursuant to an effective registration statement filed under the Securities Act and (2) immediately after which such securities (i.e., the Shares or other common equity securities of the Company) are registered on a national securities exchange (as defined under then-applicable United States federal securities laws and regulations).
- (f) “**Optionee**” shall mean the person named in the Notice of Stock Option Grant.
- (g) “**Plan**” shall mean the ServiceTitan, Inc. 2015 Stock Plan, as in effect on the Date of Grant.
- (h) “**Purchase Price**” shall mean the Exercise Price multiplied by the number of Shares with respect to which this option is being exercised.
- (i) “**Repurchase Period**” shall mean a period of 90 consecutive days commencing on the date when the Optionee’s Service terminates for any reason, including (without limitation) death or disability.
- (j) “**Restricted Share**” shall mean a Share that is subject to the Right of Repurchase.
- (k) “**Right of First Refusal**” shall mean the Company’s right of first refusal described in Section 8.
- (l) “**Right of Repurchase**” shall mean the Company’s right of repurchase described in Section 7.

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(m) “**Service**” means service as an Employee, Outside Director or Consultant.

(n) “**Transferee**” shall mean any person to whom the Optionee has directly or indirectly transferred any Share acquired under this Agreement.

(o) “**Transfer Notice**” shall mean the notice of a proposed transfer of Shares described in Section 8

(p) “**U.S. Person**” shall mean a person described in Rule 902(k) of Regulation S of the Securities Act (or any successor rule or provision), which generally defines a U.S. person as any natural person resident in the United States, any estate of which any executor or administrator is a U.S. Person, or any trust of which of any trustee is a U.S. Person.

**SERVICETITAN, INC.  
2015 STOCK PLAN  
STOCK OPTION AGREEMENT**

**COUNTRY ADDENDUM**

***TERMS AND CONDITIONS***

This Country Addendum includes additional terms and conditions that govern the option granted to the Optionee under the Plan if the Optionee works in one of the countries listed below. If the Optionee is a citizen or resident of a country (or is considered as such for local law purposes) other than the one in which he or she is currently working or if the Optionee relocates to another country after receiving the option, the Company will, in its discretion, determine the extent to which the terms and conditions contained herein will be applicable to the Optionee.

Certain capitalized terms used but not defined in this Country Addendum shall have the meanings set forth in the Plan, and/or the Agreement to which this Country Addendum is attached.

***NOTIFICATIONS***

This Country Addendum also includes notifications relating to exchange control and other issues of which the Optionee should be aware with respect to his or her participation in the Plan. The information is based on the exchange control, securities and other laws in effect in the countries listed in this Country Addendum, as of November 2019. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Optionee not rely on the notifications herein as the only source of information relating to the consequences of his or her participation in the Plan because the information may be outdated when the Optionee exercises the option and acquires Shares, or when the Optionee subsequently sell Shares acquired under the Plan.

In addition, the notifications are general in nature and may not apply to the Optionee's particular situation, and the Company is not in a position to assure the Optionee of any particular result. Accordingly, the Optionee is advised to seek appropriate professional advice as to how the relevant laws in the Optionee's country may apply to the Optionee's situation.

Finally, if the Optionee is a citizen or resident of a country other than the one in which the Optionee is currently working (or is considered as such for local law purposes) or if the Optionee moves to another country after receiving the option, the information contained herein may not be applicable to the Optionee.

**Optionees are advised to seek appropriate professional advice as to how the relevant exchange control and tax laws in their country may apply to their individual situation.**

**I. GLOBAL PROVISIONS APPLICABLE TO OPTIONEES IN ALL COUNTRIES OTHER THAN THE UNITED STATES**

1. Foreign Exchange Considerations. The Optionee understands and agrees that neither the Company nor any Parent or Subsidiary shall be liable for any foreign exchange rate fluctuation between the Optionee's local currency and the U.S. dollar that may affect the value of the option granted to the Optionee under the Plan, or of any amounts due to the Optionee under the Plan or as a result of exercising the option and/or the subsequent sale of any Shares acquired under the Plan. The Optionee agrees and acknowledges that he or she will bear any and all risk associated with the exchange or fluctuation of currency associated with his or her participation in the Plan. The Optionee acknowledges and agrees that he or she may be responsible for reporting inbound transactions or fund transfers that exceed a certain amount. The Optionee is advised to seek appropriate professional advice as to how the exchange control regulations apply to the option and the Optionee's specific situation and understands that the relevant laws and regulations can change frequently and occasionally on a retroactive basis.

2. Translated Documents. If the Optionee received this Agreement or any other document related to the Plan translated into a language other than English, the Optionee understands that such translated documents were provided for convenience only, and that if the meaning of the translated version is different than the English version, the English version will control, subject to applicable laws.

3. Additional Optionee Acknowledgements. By accepting the grant, the Optionee acknowledges, understands and agrees that:

(a) the grant of the option under the Plan shall not be interpreted as forming an employment or Service contract with the Company or any Parent, Subsidiary or affiliate, and shall not interfere with the ability of the Company or any Parent, Subsidiary or affiliate, as applicable, to terminate the Optionee's Service;

(b) the Optionee is voluntarily participating in the Plan;

(c) the option granted under the Plan and the income and value of same, are not intended to replace any pension rights or compensation;

(d) the future value of the option granted under the Plan is unknown, indeterminable and cannot be predicted with certainty, and may be greater or less than the value on the date hereof and/or the relevant vesting/exercise dates;

(e) no claim or entitlement to compensation or damages shall arise from the forfeiture of all or any portion of the option granted to the Optionee under the Plan as a result of the termination of the Optionee's status as an eligible participant (for any reason whatsoever, and whether or not later found to be invalid or in breach of applicable laws in the jurisdiction where the Optionee is providing Service or the terms of the Optionee's employment agreement or Service

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contract, if any) and, in consideration of the grant of the option under the Plan to which the Optionee is otherwise not entitled, the Optionee irrevocably agrees (I) never to institute a claim against the Company or any Parent, Subsidiary or affiliate, (II) to waive the Optionee's ability, if any, to bring such claim, and (III) to release the Company or any Parent, Subsidiary or affiliate from any such claim that may arise; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, the Optionee shall be deemed irrevocably to have agreed to not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim;

(f) in the event the Optionee is not an employee of the Company, the Optionee understands and agrees that neither the offer to participate in the Plan, nor his or her participation in the Plan, will be interpreted to form an employment contract or relationship with the Company or any Parent, Subsidiary or affiliate, and furthermore, nothing in the Plan, the Agreement nor the Optionee's participation in the Plan will be interpreted to form an employment contract with the Company or any Parent, Subsidiary or affiliate; in the event of the termination of the Optionee's status as an eligible participant (for any reason whatsoever, whether or not later found to be invalid or in breach of applicable laws in the jurisdiction where the Optionee is providing Service or the terms of his or her employment agreement or Service contract, if any), the Optionee's right to participate in the Plan and all or any portion of the option granted under the Plan, if any, will terminate effective as of the date that the Optionee is no longer actively providing service to the Company or any Parent, Subsidiary or affiliate of the Company, and, in any event, will not be extended by any notice period mandated under applicable laws in the jurisdiction in which the Optionee is providing Service or the terms of his or her employment agreement or Service contract, if any (e.g., active Service would not include a period of "garden leave" or similar period pursuant to applicable laws in the jurisdiction in which the Optionee is providing Service or the terms of his or her employment agreement or Service contract, if any); the Company shall have the exclusive discretion to determine when the Optionee is no longer actively providing Service for purposes of participation in the Plan (including whether the Optionee may still be considered to be actively providing Service while on a leave of absence).

4. Tax Withholding Considerations. The Optionee acknowledges and agrees that, regardless of any action taken by the Company, any Parent, Subsidiary or affiliate, with respect to any or all income tax, social security, social insurances, national insurance contributions, social insurance contributions, payroll tax, fringe benefit, or other tax-related items related to your participation in the Plan and legally applicable to the Optionee including, without limitation, in connection with the grant of the option, the acquisition or sale of Shares acquired under the Plan and/or the receipt of any dividends on such Shares ("Tax-Related Items"), the ultimate liability for all Tax-Related Items is and remains the Optionee's responsibility and may exceed the amount actually withheld by the Company, or any Parent, Subsidiary or affiliate. Furthermore, the Optionee acknowledges that the Company and/or any Parent, Subsidiary or affiliate (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the option or other benefits under the Plan and (b) do not commit to and are under no obligation to structure the terms of the option, other benefits or any aspect of the

Optionee's participation in the Plan to reduce or eliminate the Optionee's liability for Tax-Related Items or achieve any particular tax result. Further, if the Optionee becomes subject to tax in more than one jurisdiction, or changes his or her jurisdiction of primary residence or Service between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable, the Optionee acknowledges that the Company and/or any Parent, Subsidiary or affiliate (or former Service recipient, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction. Prior to exercising the option under the Plan or any other relevant taxable or tax withholding event, as applicable, the Optionee agrees to make adequate arrangements satisfactory to the Company to satisfy all Tax-Related Items. In this regard, the Optionee authorizes the Company and/or any Parent, Subsidiary or affiliate, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following: (I) withholding from the Optionee's wages or other compensation paid to the Optionee or (II) withholding from proceeds of the sale of the Shares acquired under the Plan either through a voluntary sale or through a mandatory sale arranged by the Company (on the Optionee's behalf pursuant to this authorization). Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering maximum applicable withholding rates, in which case the Optionee will receive a refund of any over-withheld amount in cash and will have no entitlement to the Share equivalent. Finally, the Optionee agrees to pay to the Company or any applicable Parent, Subsidiary or affiliate any amount of Tax-Related Items that the Company or any Parent, Subsidiary or affiliate may be required to withhold as a result of his or her participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares if the Optionee fails to comply with his or her obligations in connection with the Tax-Related Items.

5. **Data Privacy.** *The Optionee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Optionee's personal data as described in this Agreement and any other option grant materials by and among, as applicable, his or her employer or other Service recipient, the Company and any Parent, Subsidiary or affiliate for the exclusive purpose of implementing, administering and managing the Optionee's participation in the Plan.*

*The Optionee understands that the Company and the Optionee's employer or Service recipient, if different, may hold certain personal information about the Optionee, including, but not limited to, the Optionee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all options or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Optionee's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.*

*The Optionee understands that Data will be transferred to a third-party stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration, and management of the Plan and such third party, together with its affiliates, successors and assigns, will receive, possess, use and transfer the Data as contemplated hereby. The Optionee understands that the Company's current third-party stock plan service provider is Carta, Inc. The Optionee understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country of operation (e.g., the United States) may have different including less stringent data privacy laws and protections than the Optionee's country. The Optionee understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. The Optionee authorizes the Company, any third-party stock plan service provider selected by the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan. The Optionee understands that Data will be held only as long as is necessary to implement, administer and manage the Optionee's participation in the Plan. The Optionee understands if he or she resides outside the United States, he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, the Optionee understands that he or she is providing the consents herein on a purely voluntary basis. If the Optionee does not consent, or if the Optionee later seeks to revoke his or her consent, the Optionee's employment status or service and career with the Company will not be adversely affected; the only consequence of refusing or withdrawing consent is that the Company would not be able to grant the Optionee options or other equity awards or administer or maintain such awards. Therefore, the Optionee understands that refusing or withdrawing his or her consent may affect the Optionee's ability to participate in the Plan. For more information on the consequences of the Optionee's refusal to consent or withdrawal of consent, the Optionee understands that he or she may contact his or her local human resources representative.*

## II. COUNTRY SPECIFIC PROVISIONS APPLICABLE TO OPTIONEES WHO PROVIDE SERVICES IN THE IDENTIFIED COUNTRIES

### ARMENIA

#### Exchange Control Notification

There are no exchange control requirements that are applicable to the grant or exercise of stock options in Armenia. However, if the subsequent sale of Shares occurs in the territory of Armenia, the sale must be in Armenian drams (AMD).

### CANADA

#### Authorization to Release Necessary Personal Information

Optionee hereby authorizes the Company (including any Parent, Subsidiary or affiliate) and the Company's (including its parent's or subsidiary's or affiliate's) representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. Optionee further authorizes the Company and any Parent, Subsidiary or affiliate and the Company's designated Plan broker(s) or third-party stock plan service provider to disclose and discuss the Plan with their advisors. Optionee further authorizes his or her employer to record such information and to keep such information in Optionee's employee file.

#### English Language Provisions for Optionees in Quebec

I hereby provide my consent to receive Plan information in English through my enrollment in the Plan and entrance into this Option Agreement. Specifically, I acknowledge as follows:

It is my express wish that this Option Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, including the Plan, be drawn up in English.

#### Disposition relative à l'utilisation de la langue anglaise

*Par la présente, j'accepte de recevoir les informations relatives au Plan, l'Option et l'achat d'actions en anglais par le biais de mon inscription au Plan et l'entrée dans la Option Agreement. Particulièrement, j'accepte comme suit:*

*Il est la volonté expresse du moi que cette Award Agreement, ainsi que tous les documents, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à la présente convention, y compris le Plan, être rédigés en anglais*

#### No Promissory Note or Other Shares

Notwithstanding the provisions of section 6(b)(ii) of the Plan, the exercise price may not be paid by way of a promissory note or surrendering other shares of Company Common Stock.



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### Option Payable Only in Shares

The grant of the Option does not give Optionee any right to receive a cash payment, and the Option may be settled only in Shares.

### Tax Reporting Obligation

Foreign property (including the Options granted under the Plan and the underlying Shares) held by Canadian participants must be reported annually on Form T1135 (Foreign Income Verification Statement) if the total value of such foreign property exceeds C\$100,000 at any time during the year. The form must be filed by April 30th of the following year.

## **REPUBLIC OF NORTH MACEDONIA**

No country-specific provisions.

## **POLAND**

### Exchange Control Information

Optionee understands that if he or she holds foreign securities (including Shares) and maintains accounts abroad, then it is Optionee's responsibility to report information to the National Bank of Poland on transactions and balances of the securities and cash deposited in such accounts if the value of such securities and cash (when combined with all other assets held abroad) exceeds PLN7,000,000. If required, the reports are due on a quarterly basis on special forms available on the website of the National Bank of Poland.

Further, any transfer or settlement of funds in excess of a specified threshold (currently €15,000) must be effected through an authorized bank, authorized payment institution or authorized e-money institution.

By accepting the Option, Optionee acknowledges and agrees that it is Optionee's obligation to maintain evidence of such foreign exchange transactions for five years, in case of a request for their production by the National Bank of Poland.

## RUSSIA

### General

This offer is being made from the United States and neither this Agreement nor any materials related to the Plan shall be construed to constitute advertising or offering of securities in Russia. The Shares have not been and will not be registered in Russia.

### Financial Reporting Requirements

The Optionee is required to notify the applicable Russian tax authorities of any actions with respect to the opening, closing or changing the essential details of bank accounts outside Russia, and must complete various reporting requirements with respect to his or her financial transactions, including declaring profits earned in connection with the option and the Shares. The Optionee is solely responsible for declaring any taxable income arising from this Agreement and the Shares, including, but not limited to, any dividend payments or other distributions, as well as any proceeds received in connection with the disposition of Shares, and the Optionee is solely responsible for payment of all respective taxes that may arise under Russian law in connection therewith.

### Foreign Exchange<sup>1</sup>

The proceeds from the sale of any Shares acquired before January 1, 2018 may only be transferred to a bank account opened in the territory of Russia. The proceeds of the sale of Shares obtained on or after January 1, 2018, may be transferred to the Optionee's bank account opened in a bank located in OECD and FATF member countries.

### Approvals

The Optionee acknowledges and agrees that it is the Optionee's responsibility to obtain any consents or approvals from any third party that may be required from time-to-time by any then applicable Russian law for the disposal of any Shares.

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<sup>1</sup> The current situation may impact participants' ability to transfer funds in and out of Russia.

**SERVICETITAN, INC. 2015 STOCK PLAN  
NOTICE OF STOCK OPTION EXERCISE (EARLY EXERCISE)**

*You must sign this Notice on Page 3 before submitting it to the Company.*

**OPTIONEE INFORMATION:**

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

Social Security Number: \_\_\_\_\_  
Employee Number: \_\_\_\_\_

**OPTION INFORMATION:**

Date of Grant: \_\_\_\_\_, 20\_\_  
Exercise Price per Share: \$ \_\_\_\_\_  
Total number of shares of Common Stock of ServiceTitan, Inc. (the  
"Company") covered by the option: \_\_\_\_\_

Type of Stock Option:  
 Nonstatutory (NSO)  
 Incentive (ISO)

**EXERCISE INFORMATION:**

Number of shares of Common Stock of the Company for which the option is being exercised now: \_\_\_\_\_. (These shares are referred to below as the "Purchased Shares.")

Total Exercise Price for the Purchased Shares: \$ \_\_\_\_\_

Form of payment enclosed *[check all that apply]*:

- Check for \$ \_\_\_\_\_, payable to "ServiceTitan, Inc."
- Certificate(s) for \_\_\_\_\_ shares of Common Stock of the Company. These shares will be valued as of the date this notice is received by the Company. *[Requires Company consent.]*
- Attestation Form covering \_\_\_\_\_ shares of Common Stock of the Company. These shares will be valued as of the date this notice is received by the Company. *[Requires Company consent.]*

Name(s) in which the Purchased Shares should be registered *[please review the attached explanation of the available forms of ownership, and then check one box]*:

- In my name only

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- |                          |   |  |
|--------------------------|---|--|
| <input type="checkbox"/> | In the names of my spouse and myself as community property                                | My spouse's name (if applicable):                              |
| <input type="checkbox"/> | In the names of my spouse and myself as community property with the right of survivorship | _____  |
| <input type="checkbox"/> | In the names of my spouse and myself as joint tenants with the right of survivorship      |  |
| <input type="checkbox"/> | In the name of an eligible revocable trust <i>[requires Stock Transfer Agreement]</i>     | Full legal name of revocable trust:<br>_____<br>_____<br>_____ |

The certificate for the Purchased Shares should be sent to the following address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**REPRESENTATIONS AND ACKNOWLEDGEMENTS OF THE OPTIONEE:**

1. I represent and warrant to the Company that I am acquiring and will hold the Purchased Shares for investment for my account only, and not with a view to, or for resale in connection with, any "distribution" of the Purchased Shares within the meaning of the Securities Act of 1933, as amended (the "Securities Act").
2. I understand that my purchase of the Purchased Shares has not been registered under the Securities Act by reason of a specific exemption therefrom and that the Purchased Shares must be held indefinitely, unless they are subsequently registered under the Securities Act or I obtain an opinion of counsel (in form and substance satisfactory to the Company and its counsel) that registration is not required.
3. I acknowledge that the Company is under no obligation to register the Purchased Shares or any sale or transfer thereof.
4. I am aware of Rule 144 under the Securities Act, which permits limited public resales of securities acquired in a non-public offering, subject to the satisfaction of certain conditions. These conditions may include (without limitation) that certain current public information about the issuer be available, that the resale occur only after a holding period required by Rule 144 has been satisfied, that the sale occur through an unsolicited "broker's transaction" and that the amount of securities being sold during any three-month period not exceed specified limitations. I understand that the conditions for resale set forth in Rule 144 have not been satisfied as of the date set forth below, and that the Company is not required to take action to satisfy any conditions applicable to it.
5. I will not sell, transfer or otherwise dispose of the Purchased Shares in violation of the Securities Act, the Securities Exchange Act of 1934, or the rules promulgated thereunder, including Rule 144 under the Securities Act.
6. I acknowledge that I have received and had access to such information as I consider necessary or appropriate for deciding whether to invest in the Purchased Shares and that I had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the issuance of the Purchased Shares.

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7. I am aware that my investment in the Company is a speculative investment that has limited liquidity and is subject to the risk of complete loss. I am able, without impairing my financial condition, to hold the Purchased Shares for an indefinite period and to suffer a complete loss of my investment in the Purchased Shares.
8. I acknowledge that the Purchased Shares remain subject to the Company's right of repurchase, right of first refusal and the market stand-off (sometimes referred to as the "lock-up"), all in accordance with the applicable Notice of Stock Option Grant and Stock Option Agreement.
9. I acknowledge that I am acquiring the Purchased Shares subject to all other terms of the Notice of Stock Option Grant and Stock Option Agreement.
10. I acknowledge that I have received a copy of the Company's explanation of the forms of ownership available for my Purchased Shares. I acknowledge that the Company has encouraged me to consult my own adviser to determine the form of ownership that is appropriate for me. In the event that I choose to transfer my Purchased Shares to a trust, I agree to sign a Stock Transfer Agreement. In the event that I choose to transfer my Purchased Shares to a trust that does not satisfy the requirements described in the attached explanation (i.e., a trust that is not an eligible revocable trust), I also acknowledge that the transfer will be treated as a "disposition" for tax purposes. As a result, the favorable ISO tax treatment will be unavailable and other unfavorable tax consequences may occur.
11. I acknowledge that I have received a copy of the Company's explanation of the federal income tax consequences of an option exercise and the tax election under section 83(b) of the Internal Revenue Code. In the event that I choose to make a section 83(b) election, I acknowledge that it is my responsibility—and not the Company's responsibility—to file the election in a timely manner, even if I ask the Company or its agents to make the filing on my behalf. I acknowledge that the Company has encouraged me to consult my own adviser to determine the tax consequences of acquiring the Purchased Shares at this time.
12. I agree that the Company does not have a duty to design or administer the 2015 Stock Plan or its other compensation programs in a manner that minimizes my tax liabilities. I will not make any claim against the Company or its Board of Directors, officers or employees related to tax liabilities arising from my options or my other compensation. In particular, I acknowledge that my options are exempt from section 409A of the Internal Revenue Code only if the exercise price per share is at least equal to the fair market value per share of the Company's Common Stock at the time the option was granted by the Company's Board of Directors. Since shares of the Company's Common Stock are not traded on an established securities market, the determination of their fair market value was made by the Company's Board of Directors or by an independent valuation firm retained by the Company. I acknowledge that there is no guarantee in either case that the Internal Revenue Service will agree with the valuation, and I will not make any claim against the Company or its Board of Directors, officers or employees in the event that the Internal Revenue Service asserts that the valuation was too low.
13. I agree to seek the consent of my spouse to the extent required by the Company to enforce the foregoing.

**SIGNATURE:**

**DATE:**

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## EXPLANATION OF FORMS OF STOCK OWNERSHIP

### PURPOSE OF THIS EXPLANATION

The purpose of this explanation is to provide you with a brief summary of the forms of legal ownership available for the shares that you are purchasing (the “Purchased Shares”). For a number of reasons, this explanation is no substitute for personal legal advice:

- To make the explanation short and readable, only the highlights are covered. Some legal rules are not addressed, even though they may be important in particular cases.
- While the summary attempts to deal with the most common situations, your own situation may well be different from the norm.
- The law may change, and the Company is not responsible for updating this summary.
- The form in which you own your shares may have a *substantial* impact on the estate tax treatment that applies to those shares when you die or the income tax treatment that applies when your survivors sell the shares after your death.

**FOR THESE REASONS, THE COMPANY STRONGLY ENCOURAGES YOU TO CONSULT YOUR OWN ADVISER BEFORE EXERCISING YOUR OPTION AND BEFORE MAKING A DECISION ABOUT THE FORM OF OWNERSHIP FOR YOUR SHARES.**

### OVERVIEW

The Notice of Stock Option Exercise offers five forms of taking title to the Purchased Shares:

- In your name only,
- In your name and the name of your spouse as community property,
- In your name and the name of your spouse as community property with the right of survivorship,
- In your name and the name of your spouse as joint tenants with the right of survivorship, or
- In the name of an eligible revocable trust.

Title in the Purchased Shares depends upon (a) your marital status, (b) the marital property laws of your state of residence and (c) any agreement with your spouse altering the existing marital property laws of your state of residence. If you are not married, you generally will take title in your name alone. If you are married, title depends upon the marital property laws of your state of residence. In general, states are classified either as “community property” states or as “common-law property” states. (But individual state law may vary within these classifications.)

## COMMUNITY PROPERTY AND JOINT TENANCY

Community property states include California, Texas, Washington, Arizona, Nevada, New Mexico, Idaho, Louisiana and Wisconsin. In a community property state, property acquired during marriage by either spouse is presumed to be one-half owned by each spouse. All other property is classified as the separate property of the spouse who acquires the property. While either spouse has equal management and control over the community property and may sell, spend or encumber all community property, neither spouse may gift community property or partition his/her one-half interest without the consent of the other spouse. Upon divorce, all community property is divided equally among the spouses and each spouse is entitled to retain all of his/her separate property. Upon the death of a spouse, one-half of the community property (and all of the decedent spouse's separate property) will pass to the decedent spouse's heirs. The other one-half of the community property remains the property of the surviving spouse.

Other states are common-law property states. In a common-law property state, each spouse is generally deemed to own whatever he/she earns or acquires.

A married couple may elect to alter the marital property rules by mutually agreeing to take title to property in other forms. For example, a couple residing in a community property state may generally enter into an agreement and transform what otherwise would be community property into the separate property of the spouse who earns or acquires the property.

In addition, many community property and common-law property states allow married couples to take joint title in property acquired during marriage. For example, California allows a married couple to take title in a joint tenancy with the right of survivorship. In a joint tenancy, each spouse owns a one-half interest in the property as separate property. This means that each spouse may transfer or sell his/her one-half interest in the property while he/she is alive. However, unlike traditional separate property, a spouse cannot transfer his/her one-half interest to heirs at death. Instead, the surviving spouse *automatically* receives the decedent spouse's one-half interest and becomes the full owner of the property. (This is called the "right of survivorship.") Both spouses must consent to taking property in a joint tenancy in lieu of having the community property laws apply.

California also allows a married couple to take title in the shares as community property with the right of survivorship. This means that the shares are treated like community property while both spouses are alive. However, if one spouse dies, then the other spouse automatically receives the decedent spouse's one-half interest and becomes the full owner of the shares. In other words, the decedent spouse's will or trust does *not* control the disposition of the shares.

If you have the Purchased Shares issued in a form other than those described above, then the transfer will be treated as a "disposition" for tax purposes. This means that the effect, for tax purposes, will be the same as selling the Purchased Shares. Please refer to the attached tax summary for additional information.

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### TRUSTS

A transfer to a trust generally should not be treated as a “disposition” of the Purchased Shares for tax purposes if the trust satisfies each of the following conditions:

- You are the sole grantor of the trust,
- You are the sole trustee, or you and your spouse are the sole co-trustees,
- The trustee or trustees are not required to distribute the income of the trust to any person other than you and/or your spouse while you are alive, and
- The trust permits you to revoke all or part of the trust and to have the trust’s assets returned to you, without the consent of any other person (including your spouse).

If you have the Purchased Shares issued to a trust that does not meet these requirements, then the transfer will be treated as a “disposition” for tax purposes. This means that the effect, for tax purposes, will be the same as selling the Purchased Shares. Please refer to the attached tax summary for additional information.

If you have the Purchased Shares issued to any trust, you will be required to sign a Stock Transfer Agreement in your capacity as trustee. Under the Stock Transfer Agreement, the Purchased Shares remain subject to the Company’s right of first refusal and may remain subject to the Company’s right of repurchase, all in accordance with the applicable Notice of Stock Option Grant and Stock Option Agreement.

**THE COMPANY WILL NOT CHECK TO DETERMINE WHETHER THE FORM OF OWNERSHIP THAT YOU ELECT IN YOUR NOTICE OF STOCK OPTION EXERCISE IS APPROPRIATE. YOU SHOULD CONSULT YOUR OWN ADVISERS ON THIS SUBJECT. IF AN INAPPROPRIATE ELECTION IS MADE, THE FORM OF OWNERSHIP MAY NOT WITHSTAND LEGAL SCRUTINY OR MAY HAVE ADVERSE TAX CONSEQUENCES.**



**EXPLANATION OF U.S. FEDERAL INCOME TAX CONSEQUENCES AND  
SECTION 83(b) ELECTION  
(Current as of August 2020)**

**PURPOSE OF THIS EXPLANATION**

The purpose of this explanation is to provide you with a brief summary of the tax consequences of exercising your option. For a number of reasons, this explanation is no substitute for personal tax advice:

- To make the explanation short and readable, only the highlights are covered. Some tax rules are not addressed, even though they may be important in particular cases.
- While the summary attempts to deal with the most common situations, your own tax situation may well be different from the norm.
- State and foreign income taxes are not addressed at all, even though they could have a significant impact on your tax planning. Likewise, federal gift and estate taxes and state inheritance taxes are not discussed.
- Tax planning involving incentive stock options is exceedingly complex, in part because of the possible application of the alternative minimum tax.
- The explanation assumes that you are paying the exercise price of your option in cash (or, only if specifically permitted in limited cases, in the form of a full-recourse promissory note with an interest rate that meets IRS requirements). If you are paying the exercise price in the form of stock, you become subject to special rules that are not addressed here.
- This explanation assumes that your option is not subject to section 409A of the Internal Revenue Code. However, the Company cannot be certain that section 409A is inapplicable to your option. (Please refer to the last segment of this summary for more information about section 409A.)
- The tax rules change often, and the Company is not responsible for updating this summary. (Please refer to the date at the top of this page.)

**FOR THESE REASONS, THE COMPANY STRONGLY ENCOURAGES YOU TO CONSULT YOUR OWN TAX ADVISER BEFORE EXERCISING YOUR OPTION AND BEFORE MAKING A DECISION ABOUT FILING OR NOT FILING A SECTION 83(b) ELECTION.**

**EXERCISE OF NSO TO PURCHASE VESTED SHARES**

The Notice of Stock Option Grant indicates whether your Purchased Shares are already vested. Vested shares are no longer subject to the Company's right to repurchase them, although they are still subject to the Company's right of first refusal. If you know that your Purchased Shares are already vested, there is no need to file a section 83(b) election.

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If you are exercising an NSO to purchase vested shares, you will be taxed at the time of exercise. You will recognize ordinary income in an amount equal to the excess of (a) the fair market value of the Purchased Shares on the date of exercise over (b) the exercise price you are paying. If you are an employee or former employee of the Company, this amount is subject to withholding for income and payroll taxes. Your tax basis in the Purchased Shares (to calculate capital gain when you sell the shares) is equal to the sum of the exercise price you paid for the Purchased Shares plus any additional amount you recognized as income on the exercise date.

### **EXERCISE OF NSO TO PURCHASE NON-VESTED SHARES**

If you are exercising an NSO to purchase non-vested shares, and if you do not file a timely election under section 83(b) of the Internal Revenue Code, then you will not be taxed at the time of exercise. Instead, you will be taxed whenever a set of Purchased Shares vests—in other words, when the Company no longer has the right to repurchase those shares. The Notice of Stock Option Grant indicates when this occurs, generally over a period of several years. Whenever an increment of Purchased Shares vests, you will recognize ordinary income in an amount equal to the excess of (a) the fair market value of those Purchased Shares on the date of vesting over (b) the exercise price you are paying for those Purchased Shares. If you are an employee or former employee of the Company, this amount will be subject to withholding for income and payroll taxes. Your tax basis in the Purchased Shares (to calculate capital gain when you sell the shares) will be equal to the sum of the exercise price you paid for the Purchased Shares plus any additional amount you recognized as income on each vesting date.

If you are exercising an NSO to purchase non-vested shares, and if you file a timely election under section 83(b) of the Internal Revenue Code, then you will be taxed at the time of exercise. You will recognize ordinary income in an amount equal to the excess of (a) the fair market value of the Purchased Shares on the date of exercise over (b) the exercise price you are paying. If you are an employee or former employee of the Company, this amount is subject to withholding for income and payroll taxes. Your tax basis in the Purchased Shares (used to calculate capital gain when you sell the shares) is equal to the sum of the exercise price you paid for the Purchased Shares plus any additional amount you recognized as income as a result of filing the section 83(b) election. Even if the fair market value of the Purchased Shares on the date of exercise equals the exercise price (and thus no tax is payable), the section 83(b) election must be made in order to avoid having any subsequent appreciation taxed as ordinary income at the time of vesting.

**YOU MUST FILE A SECTION 83(b) ELECTION WITH THE INTERNAL REVENUE SERVICE WITHIN 30 DAYS AFTER THE NOTICE OF STOCK OPTION EXERCISE IS SIGNED.** The 30-day filing period cannot be extended. If you miss the deadline, you will be taxed as the Purchased Shares vest, based on the value of the shares at that time. (See above.) The form for making the 83(b) election is attached. Additional copies of the form must be filed with the Company.

## DISPOSITION OF NSO SHARES

When you dispose of the Purchased Shares, you will recognize a capital gain equal to the excess of (a) the sale proceeds over (b) your tax basis in the Purchased Shares. If the sale proceeds are less than your tax basis, you will recognize a capital loss. The capital gain or loss will be long-term if you held the Purchased Shares for more than 12 months. The holding period normally starts when you exercise your NSO. In general, the maximum marginal federal income tax rate on long-term capital gains is 20% under current law, but lower long-term capital gain rates may apply to taxpayers in the 15% and 10% marginal federal income tax brackets.

Effective January 1, 2013, as a result of the Health Care and Education Reconciliation Act of 2010, an additional Medicare contribution tax is imposed at a rate of 3.8% on the “net investment income” of individuals with adjusted gross incomes in excess of \$200,000 (\$250,000 in the case of a joint return, and \$125,000 in the case of a married taxpayer filing separately). “Net investment income” includes income from interest, dividends, and capital gains, reduced by the deductions properly allocated to such income.

Depending on the level of your adjusted gross income, the additional Medicare contribution tax may be imposed on any short-term and long-term capital gain income and can increase your marginal tax rate.

## LIMIT ON ISO TREATMENT

The Notice of Stock Option Grant indicates whether your option is a nonstatutory stock option (NSO) or an incentive stock option (ISO). The favorable tax treatment for ISOs is limited, regardless of what the Notice of Stock Option Grant indicates. Of the options that become exercisable in any calendar year, only options covering the first \$100,000 of stock are eligible for ISO treatment. The excess over \$100,000 automatically receives NSO treatment. For this purpose, stock is valued at the time of grant. This means that the value is generally equal to the exercise price.

For example, assume that you hold an option to buy 60,000 shares for \$8 per share. Assume further that the entire option becomes exercisable in four equal annual installments. Only the first 50,000 shares qualify for ISO treatment. (12,500 times \$8 equals \$100,000.) The remaining 10,000 shares will be treated as if they had been acquired by exercising an NSO. This is true regardless of when the option is *actually* exercised; what matters is when it first *could* have been exercised.

## EXERCISE OF ISO AND ISO HOLDING PERIODS

If you are exercising an ISO, you will not be taxed under the *regular* tax rules until you dispose of the Purchased Shares.<sup>1</sup> (The alternative minimum tax rules are described below.) The tax treatment at the time of disposition depends on how long you hold the shares. You will satisfy the ISO holding periods if you hold the Purchased Shares until the *later* of the following dates:

- More than two years after the ISO was granted, and
- More than one year after the ISO is exercised.

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<sup>1</sup> Generally, a “disposition” of shares purchased under an ISO encompasses any transfer of legal title, such as a transfer by sale, exchange or gift. It generally does not include a transfer to your spouse, a transfer into joint ownership with right of survivorship (if you remain one of the joint owners), a pledge, a transfer by bequest or inheritance, or certain tax-free exchanges permitted under the Internal Revenue Code. A transfer to a trust is a “disposition” unless the trust is an eligible revocable trust, as described in the attached explanation.

## DISPOSITION OF ISO SHARES

If you dispose of the Purchased Shares after satisfying *both* of the ISO holding periods, then you will recognize only a long-term capital gain at the time of disposition. The amount of the capital gain is equal to the excess of (a) the sale proceeds over (b) the exercise price. In general, the maximum marginal federal income tax rate on long-term capital gains is 20% under current law, but lower long-term capital gain rates may apply to taxpayers in the 15% and 10% marginal federal income tax brackets.

Effective January 1, 2013, as a result of the Health Care and Education Reconciliation Act of 2010, an additional Medicare contribution tax is imposed at a rate of 3.8% on the “net investment income” of individuals with adjusted gross incomes in excess of \$200,000 (\$250,000 in the case of a joint return, and \$125,000 in the case of a married taxpayer filing separately). “Net investment income” includes income from interest, dividends, and capital gains, reduced by the deductions properly allocated to such income.

If you dispose of the Purchased Shares before either or both of the ISO holding periods are met, then you will recognize ordinary income at the time of disposition. The calculation of the ordinary income amount depends on whether the shares are vested at the time of exercise.

- **Shares Vested.** If the shares are vested at the time of exercise, the amount of ordinary income will be equal to the excess of (a) the fair market value of the Purchased Shares on the date of exercise over (b) the exercise price. But if the disposition is an arm’s length sale to an unrelated party, the amount of ordinary income will not exceed the total gain from the sale. Under current IRS rules, the ordinary income amount will not be subject to withholding for income or payroll taxes. Your tax basis in the Purchased Shares will be equal to the sum of the exercise price you paid for the Purchased Shares plus any additional amount you recognized as ordinary income. Any gain in excess of your basis will be taxed as a capital gain—either long-term or short-term, depending on how long you held the Purchased Shares after the date of exercise.
- **Shares Not Vested.** If the Purchased Shares are not vested at the time of exercise, then the amount of ordinary income will be equal to the excess of (a) the fair market value of the Purchased Shares on the date of *vesting* over (b) the exercise price. But if the disposition is an arm’s length sale to an unrelated party, the amount of ordinary income will not exceed the total gain from the sale. Under current IRS rules, the ordinary income amount will not be subject to withholding for income or payroll taxes. Your tax basis in the Purchased Shares

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will be equal to the sum of the exercise price you paid for the Purchased Shares plus any additional amount you recognized as ordinary income. Any gain in excess of your basis will be taxed as a capital gain—either long-term or short-term, depending on how long you held the Purchased Shares after the date of vesting. Please note that it makes no difference under the *regular* tax rules whether or not you filed a section 83(b) election at the time you exercised your ISO. In either case, your regular taxable income is measured as of the time of vesting rather than the time of exercise.

### SUMMARY OF ALTERNATIVE MINIMUM TAX

The alternative minimum tax (AMT) must be paid to the extent that it exceeds your regular federal income tax for the year. For 2020, the first \$197,900 (\$98,950 for a married taxpayer filing a separate return) of your alternative minimum taxable income for the year over the allowable exemption amount (see below) is subject to alternative minimum taxation at the rate of 26%. The balance of your alternative minimum taxable income is subject to alternative minimum taxation at the rate of 28%. The dollar thresholds dividing the 26% and 28% rates are indexed for inflation in future years. Your alternative minimum tax base is equal to your alternative minimum taxable income (AMTI) minus your exemption amount.

- **Alternative Minimum Taxable Income.** Your AMTI is equal to your regular taxable income, subject to certain adjustments and increased by items of tax preference. Among the many adjustments made in computing AMTI are the following:
  - State and local income and property taxes are not allowed as a deduction.
  - Miscellaneous itemized deductions are not allowed.
  - Certain interest deductions are not allowed.
  - The standard deduction and personal exemptions are not allowed.
  - When an ISO is exercised, the spread is added to income for AMT purposes. (See discussion below.)
- **Exemption Amount.** Before AMT is calculated, AMTI is reduced by the exemption amount. Under current law, the exemption amount is as follows:

Year: <sup>2</sup>	Joint Returns:	Single Returns:	Separate Returns:
2020 <sup>3</sup>	\$113,400	\$72,900	\$56,700

<sup>2</sup> Amounts are indexed for inflation in future years.

<sup>3</sup> Amounts are indexed for inflation in future years.

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The allowable exemption amount is reduced by \$0.25 for each \$1.00 by which alternative minimum taxable income for the year exceeds the following amounts:

Year:	Joint Returns:	Single Returns:	Separate Returns:
2020 <sup>4</sup>	\$1,063,800	\$518,400	\$518,400

This means, for example, in 2020, the \$113,400 exemption amount is phased out completely for married individuals filing joint returns when their alternative minimum taxable income reaches \$1,517,400  $[(\$113,400 \div \$0.25) + \$113,400]$ .

### APPLICATION OF AMT WHEN ISO IS EXERCISED

As noted above, when an ISO is exercised, the spread is included in AMTI at the time of exercise, unless the Purchased Shares are not yet vested at the time of exercise. If the Purchased Shares are not yet vested, the value of the shares minus the exercise price is included in AMTI when the shares vest. However, if you make an election under section 83(b) within 30 days after exercise, then the spread is included in AMTI at the time of exercise. **YOU MUST FILE AN 83(b) ELECTION WITH THE INTERNAL REVENUE SERVICE WITHIN 30 DAYS AFTER THE NOTICE OF STOCK OPTION EXERCISE IS SIGNED.** The 30-day filing period cannot be extended.

A special rule applies if you dispose of the Purchased Shares in the same year in which you exercised the ISO. If the amount you realize on the sale is less than the value of the stock at the time of exercise, then the amount includible in AMTI on account of the ISO exercise is limited to the gain realized on the sale.<sup>5</sup>

To the extent that your AMT is attributable to the spread on exercising an ISO (and certain other items), you may be able to apply the AMT that you paid as a credit against your income tax liability in future years. But the rules on calculating the available tax credits were amended frequently in recent years and have become extraordinarily complex. On this issue in particular, you must consult your own tax adviser.

When Purchased Shares are sold, your basis for purposes of computing the capital gain or loss under the AMT system is increased by the option spread that exists at the time of exercise. Again, an ISO is treated under the AMT system much like an NSO is treated under the regular tax system. But your basis in the ISO shares for purposes of computing gain or loss under the regular tax system does *not* reflect any AMT that you pay on the spread at exercise. Therefore, if you pay AMT in the year of the ISO exercise and regular income tax in the year of selling the Purchased Shares, you could pay tax twice on the same gain (except to the extent that you can use the AMT credit described above).

### SECTION 409A OF THE INTERNAL REVENUE CODE

The preceding summary assumes that section 409A of the Internal Revenue Code does not apply to your option. In general, your option is exempt from section 409A if the exercise price per share is at least equal to the fair market value per share of the Company's Common Stock at the time the option was granted by the Board of Directors. Since shares of Common Stock are not traded on an established securities market, the determination of their fair market value generally is made by the Board of Directors or by an independent appraisal firm retained by the Company. In either case, there is no guarantee that the Internal Revenue Service will agree with the valuation.

<sup>4</sup> Amounts are indexed for inflation in future years.

<sup>5</sup> This is similar to the rule that applies under the regular tax system in the event of a disqualifying disposition of ISO stock. The amount of ordinary income that must be recognized in that case generally does not exceed the amount of the gain realized in the disposition.

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If your option were found to be subject to section 409A, then you would be required to recognize ordinary income as early as the year in which the option (or portion thereof) vests. This amount would also be subject to a 20% federal tax *in addition to* the federal income tax at your usual marginal rate for ordinary income. Additional state income taxes may apply in some states.

**DISCLAIMER UNDER IRS CIRCULAR 230**

To ensure compliance with requirements imposed by U.S. tax authorities, we inform you that any U.S. tax advice contained in the foregoing summary is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding United States federal, state or local tax penalties, or (ii) promoting, marketing or recommending to another party any matters addressed herein (including any attachments).

**SECTION 83(b) ELECTION**

The undersigned taxpayer hereby elects, pursuant to Sections 55 and 83(b) of the Internal Revenue Code of 1986, as amended, and pursuant to Treasury Regulations Section 1.83-2, to include in gross income as compensation for services the excess (if any) of the fair market value of the shares described below over an amount paid for those shares.

- (A) The taxpayer who performed the services is:  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Social Security No.: \_\_\_\_\_
- (B) The property with respect to which the election is made is \_\_\_\_\_ shares of the common stock of ServiceTitan, Inc.
- (C) The property was transferred to the taxpayer on \_\_\_\_\_, \_\_\_\_.
- (D) The taxable year for which the election is made is the calendar year \_\_\_\_.
- (E) The property is subject to a repurchase right pursuant to which the issuer has the right to acquire the property if for any reason taxpayer's service with the issuer terminates.
- (F) The fair market value of such property at the time of transfer (determined without regard to any restriction other than a restriction that by its terms will never lapse) is \$\_\_\_\_\_ per share x \_\_\_\_\_ shares = \$\_\_\_\_\_.
- (G) For the property transferred, the taxpayer paid \$\_\_\_\_\_ per share x \_\_\_\_\_ shares = \$\_\_\_\_\_.
- (H) The amount to include in gross income is \$\_\_\_\_\_. *[The amount in Item F less the amount in Item G]*
- (I) This statement is executed on \_\_\_\_\_, \_\_\_\_.

\_\_\_\_\_  
Signature of Spouse (if any)

\_\_\_\_\_  
Signature of Taxpayer

***Within 30 days after the date of transfer of the property, this election must be filed with the Internal Revenue Service office where the taxpayer files his or her annual federal income tax return. The filing should be made by registered or certified mail, return receipt requested. The taxpayer must deliver a copy of the completed form to the Company.***



SERVICE TITAN, INC. 2015 STOCK PLAN

NOTICE OF STOCK OPTION GRANT (INSTALLMENT EXERCISE)

The Optionee has been granted the following option to purchase shares of the Common Stock of ServiceTitan, Inc.:

Name of Optionee:	«Name»
Total Number of Shares:	«TotalShares»
Type of Option:	«ISO» Incentive Stock Option (ISO) «NSO» Nonstatutory Stock Option (NSO)
Exercise Price per Share:	\$«PricePerShare»
Date of Grant:	«DateGrant»
Date Exercisable:	This option may be exercised with respect to the first «Percent»% of the Shares subject to this option when the Optionee completes «CliffPeriod» months of continuous Service beginning with the Vesting Commencement Date set forth below. This option may be exercised with respect to an additional «Fraction»% of the Shares subject to this option when the Optionee completes each month of continuous Service thereafter.
Vesting Commencement Date:	«VestComDate»
Expiration Date:	«ExpDate». This option expires earlier if the Optionee's Service terminates earlier, as provided in Section 6 of the Stock Option Agreement, or if the Company engages in certain corporate transactions, as provided in Section 8(b) of the Plan.

By signing below, the Optionee and the Company agree that this option is granted under, and governed by the terms and conditions of, the 2015 Stock Plan and the Stock Option Agreement. Both of these documents are attached to, and made a part of, this Notice of Stock Option Grant. **Section 13 of the Stock Option Agreement includes important acknowledgements of the Optionee.**

**OPTIONEE:**

\_\_\_\_\_

**SERVICETITAN, INC.**

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**THE OPTION GRANTED PURSUANT TO THIS AGREEMENT AND THE SHARES ISSUABLE UPON THE EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE SOLD, PLEDGED, OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR AN OPINION OF COUNSEL, SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED.**

**SERVICETITAN, INC. 2015 STOCK PLAN:  
STOCK OPTION AGREEMENT (INSTALLMENT EXERCISE)**

**SECTION 1. GRANT OF OPTION.**

(a) **Option.** On the terms and conditions set forth in the Notice of Stock Option Grant and this Agreement, the Company grants to the Optionee on the Date of Grant the option to purchase at the Exercise Price the number of Shares set forth in the Notice of Stock Option Grant. The Exercise Price is agreed to be at least 100% of the Fair Market Value per Share on the Date of Grant (110% of Fair Market Value if this option is designated as an ISO in the Notice of Stock Option Grant and Section 3(b) of the Plan applies). This option is intended to be an ISO or an NSO, as provided in the Notice of Stock Option Grant.

(b) **\$100,000 Limitation.** Even if this option is designated as an ISO in the Notice of Stock Option Grant, it shall be deemed to be an NSO to the extent (and only to the extent) required by the \$100,000 annual limitation under Section 422(d) of the Code.

(c) **Stock Plan and Defined Terms.** This option is granted pursuant to the Plan, a copy of which the Optionee acknowledges having received. The provisions of the Plan are incorporated into this Agreement by this reference. Except as otherwise defined in this Agreement (including without limitation Section 14 hereof), capitalized terms shall have the meaning ascribed to such terms in the Plan.

**SECTION 2. RIGHT TO EXERCISE.**

(a) **Exercisability.** Subject to Subsection (b) below and the other conditions set forth in this Agreement, all or part of this option may be exercised prior to its expiration at the time or times set forth in the Notice of Stock Option Grant.

(b) **Stockholder Approval.** Any other provision of this Agreement notwithstanding, no portion of this option shall be exercisable at any time prior to the approval of the Plan by the Company's stockholders.

**SECTION 3. NO TRANSFER OR ASSIGNMENT OF OPTION.**

Except as otherwise provided in this Agreement, this option and the rights and privileges conferred hereby shall not be sold, pledged or otherwise transferred (whether by operation of law or otherwise) and shall not be subject to sale under execution, attachment, levy or similar process.

**SECTION 4. EXERCISE PROCEDURES.**

(a) **Notice of Exercise.** The Optionee or the Optionee's representative may exercise this option by: (i) signing and delivering written notice to the Company pursuant to Section 12(c) specifying the election to exercise this option, the number of Shares for which it is being exercised and the form of payment and (ii) delivering payment, in a form permissible under Section 5, for the full amount of the Purchase Price (together with any applicable withholding taxes under Subsection (b)). In the event that this option is being exercised by the representative of the Optionee, the notice shall be accompanied by proof (satisfactory to the Company) of the representative's right to exercise this option.

(b) **Withholding Taxes.** In the event that the Company determines that it is required to withhold any tax (including without limitation any income tax, social insurance contributions, payroll tax, payment on account or other tax-related items arising in connection with the Optionee's participation in the Plan and legally applicable to the Optionee (the "**Tax-Related Items**")) as a result of the grant, vesting or exercise of this option, or as a result of the transfer of shares acquired upon exercise of this option, the Optionee, as a condition of this option, shall make arrangements satisfactory to the Company to enable it to satisfy all Tax-Related Items. The Optionee acknowledges that the responsibility for all Tax-Related Items is the Optionee's and may exceed the amount actually withheld by the Company (or its affiliate or agent).

(c) **Issuance of Shares.** After satisfying all requirements for exercise of this option, the Company shall cause to be issued one or more certificates evidencing the Shares for which this option has been exercised. Such Shares shall be registered (i) in the name of the person exercising this option, (ii) in the names of such person and his or her spouse as community property or as joint tenants with the right of survivorship or (iii) with the Company's consent, in the name of a revocable trust. Until the issuance of the Shares has been entered into the books and records of the Company or a duly authorized transfer agent of the Company, no right to vote, receive dividends or any other right as a stockholder will exist with respect to such Shares. The Company shall cause such certificates to be delivered to or upon the order of the person exercising this option.

**SECTION 5. PAYMENT FOR STOCK.**

(a) **Cash.** All or part of the Purchase Price may be paid in cash or cash equivalents.

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(b) **Surrender of Stock; Other Property or Forms of Consideration.** At the discretion of the Board of Directors, all or any part of the Purchase Price may be paid by surrendering Shares that are already owned by the Optionee. Such Shares shall be surrendered to the Company in good form for transfer and shall be valued at their Fair Market Value as of the date when this option is exercised. The Board of Directors may, but shall not be obligated to, accept other property or consideration for the Purchase Price, with such other property or consideration valued at its Fair Market Value, as determined by the Board as of the date when this option is exercised.

(c) **Exercise/Sale.** All or part of the Purchase Price and any withholding taxes may be paid by the delivery (on a form prescribed by the Company) of an irrevocable direction to a securities broker approved by the Company to sell Shares and to deliver all or part of the sales proceeds to the Company. However, payment pursuant to this Subsection (c) shall be permitted only if (i) Stock then is publicly traded and (ii) such payment does not violate applicable law.

### **SECTION 6. TERM AND EXPIRATION.**

(a) **Basic Term.** This option shall in any event expire on the expiration date set forth in the Notice of Stock Option Grant, which date is 10 years after the Date of Grant (five years after the Date of Grant if this option is designated as an ISO in the Notice of Stock Option Grant and Section 3(b) of the Plan applies).

(b) **Termination of Service (Except by Death).** If the Optionee's Service terminates for any reason other than death, then this option shall expire on the earliest of the following occasions:

- (i) The expiration date determined pursuant to Subsection (a) above;
- (ii) The date three months after the termination of the Optionee's Service for any reason other than Disability; or
- (iii) The date six months after the termination of the Optionee's Service by reason of Disability.

The Optionee may exercise all or part of this option at any time before its expiration under the preceding sentence, but only to the extent that this option had become exercisable before the Optionee's Service terminated. When the Optionee's Service terminates, this option shall expire immediately with respect to the number of Shares for which this option is not yet exercisable. In the event that the Optionee dies after termination of Service but before the expiration of this option, all or part of this option may be exercised (prior to expiration) by the executors or administrators of the Optionee's estate or by any person who has acquired this option directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that this option had become exercisable before the Optionee's Service terminated. Once this option (or portion thereof) has terminated, the Optionee shall have no further rights with respect to the option (or portion thereof) or to the underlying Shares.

(c) **Death of the Optionee.** If the Optionee dies while in Service, then this option shall expire on the earlier of the following dates:

- (i) The expiration date determined pursuant to Subsection (a) above; or
- (ii) The date 12 months after the Optionee's death.

All or part of this option may be exercised at any time before its expiration under the preceding sentence by the executors or administrators of the Optionee's estate or by any person who has acquired this option directly from the Optionee by beneficiary designation, bequest or inheritance, but only to the extent that this option had become exercisable before the Optionee's death. When the Optionee dies, this option shall expire immediately with respect to the number of Shares for which this option is not yet exercisable. Once this option (or portion thereof) has terminated, the Optionee shall have no further rights with respect to the option (or portion thereof) or to the underlying Shares.

(d) **Extension of Post-Termination Exercise Periods.** Following the date on which the Company's Stock is first listed for trading on an established securities market, if during any part of the exercise period described in Subsections (b)(ii) or (iii) or Subsection (c)(ii) above the exercise of this option would be prohibited solely because the issuance of Shares upon such exercise would violate the registration requirements under the Securities Act or a similar provision of other applicable law, then instead of terminating at the end of such prescribed period, the then-vested portion of this option will instead remain outstanding and not expire until the earlier of (i) the expiration date determined pursuant to Section 6(a) above or (ii) the date on which the then-vested portion of this option has been exercisable without violation of applicable law for the aggregate period (which need not be consecutive) after termination of the Optionee's Service specified in the applicable Subsection above.

(e) **Part-Time Employment and Leaves of Absence.** If the Optionee commences working on a part-time basis, then the Company may adjust the vesting schedule set forth in the Notice of Stock Option Grant. If the Optionee goes on a leave of absence, then the Company may adjust the vesting schedule set forth in the Notice of Stock Option Grant in accordance with the Company's leave of absence policy or the terms of such leave. Except as provided in the preceding sentence, Service shall be deemed to continue for any purpose under this Agreement while the Optionee is on a *bona fide* leave of absence, if (i) such leave was approved by the Company in writing and (ii) continued crediting of Service for such purpose is expressly required by the terms of such leave or by applicable law (as determined by the Company). Service shall be deemed to terminate when such leave ends, unless the Optionee immediately returns to active work.

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(f) **Notice Concerning ISO Treatment.** Even if this option is designated as an ISO in the Notice of Stock Option Grant, it ceases to qualify for favorable tax treatment as an ISO to the extent that it is exercised:

(i) More than three months after the date when the Optionee ceases to be an Employee for any reason other than death or permanent and total disability (as defined in Section 22(e)(3) of the Code);

(ii) More than 12 months after the date when the Optionee ceases to be an Employee by reason of permanent and total disability (as defined in Section 22(e)(3) of the Code); or

(iii) More than three months after the date when the Optionee has been on a leave of absence for three months, unless the Optionee's reemployment rights following such leave were guaranteed by statute or by contract.

### **SECTION 7. RIGHT OF FIRST REFUSAL.**

(a) **Right of First Refusal.** In the event that the Optionee proposes to sell, pledge or otherwise transfer to a third party any Shares acquired under this Agreement, or any interest in such Shares, the Company shall have the Right of First Refusal with respect to all (and not less than all) of such Shares. If the Optionee desires to transfer Shares acquired under this Agreement, the Optionee shall give a written Transfer Notice to the Company describing fully the proposed transfer, including the number of Shares proposed to be transferred, the proposed transfer price, the name and address of the proposed Transferee and proof satisfactory to the Company that the proposed sale or transfer will not violate any applicable federal, State or foreign securities laws. The Transfer Notice shall be signed both by the Optionee and by the proposed Transferee and must constitute a binding commitment of both parties to the transfer of the Shares. The Company shall have the right to purchase all, and not less than all, of the Shares on the terms of the proposal described in the Transfer Notice (subject, however, to any change in such terms permitted under Subsection (b) below) by delivery of a notice of exercise of the Right of First Refusal within 30 days after the date when the Transfer Notice was received by the Company.

(b) **Transfer of Shares.** If the Company fails to exercise its Right of First Refusal within 30 days after the date when it received the Transfer Notice, the Optionee may, not later than 90 days following receipt of the Transfer Notice by the Company, conclude a transfer of the Shares subject to the Transfer Notice on the terms and conditions described in the Transfer Notice, provided that any such sale is made in compliance with applicable federal, State and foreign securities laws and not in violation of any other contractual restrictions to which the Optionee is bound. Any proposed transfer on terms and conditions different from those described in the Transfer Notice, as well as any subsequent proposed transfer by the Optionee, shall again be subject to the Right of First Refusal and shall require compliance with the procedure described in Subsection (a) above. If the Company exercises its Right of First Refusal, the parties shall consummate the sale of the Shares on the terms set forth in the Transfer

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Notice within 60 days after the date when the Company received the Transfer Notice (or within such longer period as may have been specified in the Transfer Notice); provided, however, that in the event the Transfer Notice provided that payment for the Shares was to be made in a form other than cash or cash equivalents paid at the time of transfer, the Company shall have the option of paying for the Shares with cash or cash equivalents equal to the present value of the consideration described in the Transfer Notice.

(c) **Additional or Exchanged Securities and Property.** In the event of a merger or consolidation of the Company, a sale of all or substantially all of the Company's stock or assets, any other corporate reorganization, a stock split, the declaration of a stock dividend, the declaration of an extraordinary dividend payable in a form other than stock, a spin-off, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company's outstanding securities, any securities or other property (including cash or cash equivalents) that are by reason of such transaction exchanged for, or distributed with respect to, any Shares subject to this Section 7 shall immediately be subject to the Right of First Refusal. Appropriate adjustments to reflect the exchange or distribution of such securities or property shall be made to the number and/or class of the Shares subject to this Section 7.

(d) **Termination of Right of First Refusal.** Any other provision of this Section 7 notwithstanding, in the event that the Stock is readily tradable on an established securities market when the Optionee desires to transfer Shares, the Company shall have no Right of First Refusal, and the Optionee shall have no obligation to comply with the procedures prescribed by Subsections (a) and (b) above.

(e) **Permitted Transfers.** This Section 7 shall not apply to (i) a transfer by beneficiary designation, will or intestate succession or (ii) a transfer to one or more members of the Optionee's Immediate Family or to a trust established by the Optionee for the benefit of the Optionee and/or one or more members of the Optionee's Immediate Family, provided in either case that the Transferee agrees in writing on a form prescribed by the Company to be bound by all provisions of this Agreement. If the Optionee transfers any Shares acquired under this Agreement, either under this Subsection (e) or after the Company has failed to exercise the Right of First Refusal, then this Agreement shall apply to the Transferee to the same extent as to the Optionee.

(f) **Termination of Rights as Stockholder.** If the Company makes available, at the time and place and in the amount and form provided in this Agreement, the consideration for the Shares to be purchased in accordance with this Section 7, then after such time the person from whom such Shares are to be purchased shall no longer have any rights as a holder of such Shares (other than the right to receive payment of such consideration in accordance with this Agreement). Such Shares shall be deemed to have been purchased in accordance with the applicable provisions hereof, whether or not the certificate(s) therefor have been delivered as required by this Agreement.

(g) **Assignment of Right of First Refusal.** The Board of Directors may freely assign the Company's Right of First Refusal, in whole or in part. Any person who accepts an assignment of the Right of First Refusal from the Company shall assume all of the Company's rights and obligations under this Section 7.



**SECTION 8. LEGALITY OF INITIAL ISSUANCE.**

No Shares shall be issued upon the exercise of this option unless and until the Company has determined that:

- (a) It and the Optionee have taken any actions required to register the Shares under the Securities Act or to perfect an exemption from the registration requirements thereof;
  - (b) Any applicable listing requirement of any stock exchange or other securities market on which Stock is listed has been satisfied;
- and
- (c) Any other applicable provision of federal, State or foreign law has been satisfied.

**SECTION 9. NO REGISTRATION RIGHTS.**

The Company may, but shall not be obligated to, register or qualify the sale of Shares under the Securities Act or any other applicable law. The Company shall not be obligated to take any affirmative action in order to cause the sale of Shares under this Agreement to comply with any law.

**SECTION 10. RESTRICTIONS ON TRANSFER OF SHARES.**

(a) **Securities Law Restrictions.** Regardless of whether the offer and sale of Shares under the Plan have been registered under the Securities Act or have been registered or qualified under the securities laws of any State or other relevant jurisdiction, the Company at its discretion may impose restrictions upon the sale, pledge or other transfer of such Shares (including the placement of appropriate legends on the stock certificates (or electronic equivalent) or the imposition of stop-transfer instructions) and may refuse (or may be required to refuse) to transfer Shares acquired hereunder (or Shares proposed to be transferred in a subsequent transfer) if, in the judgment of the Company, such restrictions, legends or refusal are necessary or appropriate to achieve compliance with the Securities Act or other relevant securities or other laws, including without limitation under Regulation S of the Securities Act or pursuant to another available exemption from registration.

(b) **Market Stand-Off.** In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act, including the Company's initial public offering, the Optionee or a Transferee shall not directly or indirectly sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any option or other contract for the purchase of, purchase any option or other contract for the sale of, or otherwise dispose of or transfer, or agree to engage in any of the foregoing transactions with respect to, any Shares acquired under this Agreement without the prior written consent of the Company or its managing underwriter. Such restriction (the "**Market**

**Stand-Off**”) shall be in effect for such period of time following the date of the final prospectus for the offering as may be requested by the Company or such underwriter. In no event, however, shall such period exceed 180 days plus such additional period as may reasonably be requested by the Company or such underwriter to accommodate regulatory restrictions on (i) the publication or other distribution of research reports or (ii) analyst recommendations and opinions, including (without limitation) the restrictions set forth in Rule 2711(f)(4) of the National Association of Securities Dealers and Rule 472(f)(4) of the New York Stock Exchange, as amended, or any similar successor rules. The Market Stand-Off shall in any event terminate two years after the date of the Company’s initial public offering. In the event of the declaration of a stock dividend, a spin-off, a stock split, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company’s outstanding securities without receipt of consideration, any new, substituted or additional securities which are by reason of such transaction distributed with respect to any Shares subject to the Market Stand-Off, or into which such Shares thereby become convertible, shall immediately be subject to the Market Stand-Off. In order to enforce the Market Stand-Off, the Company may impose stop-transfer instructions with respect to the Shares acquired under this Agreement until the end of the applicable stand-off period. The Company’s underwriters shall be beneficiaries of the agreement set forth in this Subsection (b). This Subsection (b) shall not apply to Shares registered in the public offering under the Securities Act.

(c) **Investment Intent at Grant.** The Optionee represents and agrees that the Shares to be acquired upon exercising this option will be acquired for investment, and not with a view to the sale or distribution thereof.

(d) **Investment Intent at Exercise.** In the event that the sale of Shares under the Plan is not registered under the Securities Act but an exemption is available that requires an investment representation or other representation, the Optionee shall represent and agree at the time of exercise that the Shares being acquired upon exercising this option are being acquired for investment, and not with a view to the sale or distribution thereof, and shall make such other representations as are deemed necessary or appropriate by the Company and its counsel, including (if applicable because the Company is relying on Regulation S under the Securities Act) that as of the date of exercise the Optionee is (i) not a U.S. Person; (ii) not acquiring the Shares on behalf, or for the account or benefit, of a U.S. Person; and (iii) is not exercising the option in the United States.

(e) **Legends.** All certificates evidencing Shares purchased under this Agreement shall bear the following legend:

“THE SHARES REPRESENTED HEREBY MAY NOT BE SOLD, ASSIGNED, TRANSFERRED, ENCUMBERED OR IN ANY MANNER DISPOSED OF, EXCEPT IN COMPLIANCE WITH THE TERMS OF A WRITTEN AGREEMENT BETWEEN THE COMPANY AND THE REGISTERED HOLDER OF THE SHARES (OR THE PREDECESSOR IN INTEREST TO THE SHARES). SUCH AGREEMENT GRANTS TO THE COMPANY CERTAIN RIGHTS OF FIRST REFUSAL UPON AN ATTEMPTED TRANSFER OF THE SHARES. IN ADDITION, THE SHARES ARE SUBJECT TO RESTRICTIONS ON TRANSFER FOR A LIMITED PERIOD

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FOLLOWING THE EFFECTIVE DATE OF THE UNDERWRITTEN PUBLIC OFFERING OF THE COMPANY'S SECURITIES AND MAY NOT BE SOLD OR OTHERWISE DISPOSED OF BY THE HOLDER WITHOUT THE CONSENT OF THE COMPANY OR THE MANAGING UNDERWRITER. THE SECRETARY OF THE COMPANY WILL UPON WRITTEN REQUEST FURNISH A COPY OF SUCH AGREEMENT TO THE HOLDER HEREOF WITHOUT CHARGE."

All certificates evidencing Shares purchased under this Agreement in an unregistered transaction shall bear the following legend (and such other restrictive legends as are required or deemed advisable under the provisions of any applicable law):

"THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") OR ANY SECURITIES LAWS OF ANY U.S. STATE, AND MAY NOT BE SOLD, REOFFERED, PLEDGED, ASSIGNED, ENCUMBERED OR OTHERWISE TRANSFERRED OR DISPOSED WITHOUT AN EFFECTIVE REGISTRATION THEREOF UNDER SUCH ACT OR AN OPINION OF COUNSEL, SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED. IN THE ABSENCE OF REGISTRATION OR THE AVAILABILITY (CONFIRMED BY OPINION OF COUNSEL) OF AN ALTERNATIVE EXEMPTION FROM REGISTRATION UNDER THE ACT (INCLUDING WITHOUT LIMITATION IN ACCORDANCE WITH REGULATION S UNDER THE ACT), THESE SHARES MAY NOT BE SOLD, REOFFERED, PLEDGED, ASSIGNED, ENCUMBERED OR OTHERWISE TRANSFERRED OR DISPOSED OF. HEDGING TRANSACTIONS INVOLVING THESE SHARES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE ACT."

(f) **Removal of Legends.** If, in the opinion of the Company and its counsel, any legend placed on a stock certificate representing Shares sold under this Agreement is no longer required, the holder of such certificate shall be entitled to exchange such certificate for a certificate representing the same number of Shares but without such legend.

(g) **Administration.** Any determination by the Company and its counsel in connection with any of the matters set forth in this Section 10 shall be conclusive and binding on the Optionee and all other persons.

### **SECTION 11. ADJUSTMENT OF SHARES.**

In the event of any transaction described in Section 8(a) of the Plan, the terms of this option (including, without limitation, the number and kind of Shares subject to this option and the Exercise Price) shall be adjusted as set forth in Section 8(a) of the Plan. In the event that the Company is a party to a merger or consolidation or in the event of a sale of all or substantially all of the Company's stock or assets, this option shall be subject to the treatment provided by the Board of Directors in its sole discretion, as provided in Section 8(b) of the Plan.

**SECTION 12. MISCELLANEOUS PROVISIONS.**

(a) **Rights as a Stockholder.** Neither the Optionee nor the Optionee's representative shall have any rights as a stockholder with respect to any Shares subject to this option until the Optionee or the Optionee's representative becomes entitled to receive such Shares by filing a notice of exercise and paying the Purchase Price pursuant to Sections 4 and 5.

(b) **No Retention Rights.** Nothing in this option or in the Plan shall confer upon the Optionee any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Parent or Subsidiary employing or retaining the Optionee) or of the Optionee, which rights are hereby expressly reserved by each, to terminate his or her Service at any time and for any reason, with or without cause.

(c) **Notice.** Any notice required by the terms of this Agreement shall be given in writing. It shall be deemed effective upon (i) personal delivery, (ii) deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid, (iii) deposit with Federal Express Corporation, with shipping charges prepaid or (iv) deposit with any internationally recognized express mail courier service. Notice shall be addressed to the Company at its principal executive office and to the Optionee at the address that he or she most recently provided to the Company in accordance with this Subsection (c).

(d) **Modifications and Waivers.** No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by the Optionee and by an authorized officer of the Company (other than the Optionee). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(e) **Entire Agreement.** The Notice of Stock Option Grant, this Agreement and the Plan constitute the entire contract between the parties hereto with regard to the subject matter hereof. They supersede any other agreements, representations or understandings (whether oral or written and whether express or implied) that relate to the subject matter hereof.

(f) **Choice of Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, as such laws are applied to contracts entered into and performed in such State.

**SECTION 13. ACKNOWLEDGEMENTS OF THE OPTIONEE.**

In addition to the other terms, conditions and restrictions imposed on this option and the Shares issuable under this option pursuant to this Agreement and the Plan, the Optionee expressly acknowledges being subject to Sections 7 (Right of First Refusal), 8 (Legality of Initial Issuance) and 10 (Restrictions on Transfer of Shares, including without limitation the Market Stand-Off), as well as the following provisions:

(a) **Tax Consequences (No Liability for Discounted Options).** The Optionee agrees that the Company does not have a duty to design or administer the Plan or its other compensation programs in a manner that minimizes the Optionee's tax liabilities. The Optionee shall not make any claim against the Company or its Board of Directors, officers or employees related to tax liabilities arising from this option or the Optionee's other compensation. In particular, any Optionee subject to U.S. taxation acknowledges that this option is exempt from Section 409A of the Code only if the Exercise Price is at least equal to the Fair Market Value per Share on the Date of Grant. Since Shares are not traded on an established securities market, the determination of their Fair Market Value is made by the Board of Directors or by an independent valuation firm retained by the Company. The Optionee acknowledges that there is no guarantee in either case that the Internal Revenue Service will agree with the valuation, and the Optionee shall not make any claim against the Company or its Board of Directors, officers or employees in the event that the Internal Revenue Service asserts that the valuation was too low.

(b) **Electronic Delivery of Documents.** The Optionee agrees to accept by email all documents relating to the Company, the Plan or this option and all other documents that the Company is required to deliver to its security holders (including, without limitation, disclosures that may be required by the Securities and Exchange Commission). The Optionee also agrees that the Company may deliver these documents by posting them on a website maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a website, it shall notify the Optionee by email of their availability. The Optionee acknowledges that he or she may incur costs in connection with electronic delivery, including the cost of accessing the internet and printing fees, and that an interruption of internet access may interfere with his or her ability to access the documents. This consent shall remain in effect until this option expires or until the Optionee gives the Company written notice that it should deliver paper documents.

(c) **No Notice of Expiration Date.** The Optionee agrees that the Company and its officers, employees, attorneys and agents do not have any obligation to notify him or her prior to the expiration of this option pursuant to Section 6, regardless of whether this option will expire at the end of its full term or on an earlier date related to the termination of the Optionee's Service. The Optionee further agrees that he or she has the sole responsibility for monitoring the expiration of this option and for exercising this option, if at all, before it expires. This Subsection (c) shall supersede any contrary representation that may have been made, orally or in writing, by the Company or by an officer, employee, attorney or agent of the Company.

(d) **Waiver of Statutory Information Rights.** The Optionee acknowledges and agrees that, upon exercise of this option and until the first sale of the Company's Stock to the general public pursuant to a registration statement filed under the Securities Act, he or she will be deemed to have waived any rights the Optionee might otherwise have had under Section 220 of the Delaware General Corporation Law (or under similar rights under other applicable law) to inspect for any proper purpose and to make copies and extracts from the Company's stock ledger, a list of its stockholders and its other books and records or the books and records of any subsidiary. This waiver applies only in the Optionee's capacity as a stockholder and does not affect any other inspection rights the Optionee may have under other law or pursuant to a written agreement with the Company.

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(e) **Plan Discretionary.** The Optionee understands and acknowledges that (i) the Plan is entirely discretionary, (ii) the Company and the Optionee's employer have reserved the right to amend, suspend or terminate the Plan at any time, (iii) the grant of an option does not in any way create any contractual or other right to receive additional grants of options (or benefits in lieu of options) at any time or in any amount and (iv) all determinations with respect to any additional grants, including (without limitation) the times when options will be granted, the number of Shares offered, the Exercise Price and the vesting schedule, will be at the sole discretion of the Company.

(f) **Termination of Service.** The Optionee understands and acknowledges that participation in the Plan ceases upon termination of his or her Service for any reason, except as may explicitly be provided otherwise in the Plan or this Agreement.

(g) **Extraordinary Compensation.** The value of this option shall be an extraordinary item of compensation outside the scope of the Optionee's employment contract, if any, and shall not be considered a part of his or her normal or expected compensation for any purpose including calculating severance, resignation, redundancy or end-of-service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.

(h) **Authorization to Disclose.** The Optionee hereby authorizes and directs the Optionee's employer to disclose to the Company or any Subsidiary any information regarding the Optionee's employment, the nature and amount of the Optionee's compensation and the fact and conditions of the Optionee's participation in the Plan, as the Optionee's employer deems necessary or appropriate to facilitate the administration of the Plan.

### **SECTION 14. COUNTRY ADDENDUM.**

To the extent the Optionee provides Services to the Company or its Parent, Subsidiaries or affiliates in a country other than the United States, the option shall be subject to such additional or substitute terms as shall be set forth for such country in the Country Addendum attached hereto. If the Optionee relocates to one of the countries included in the Country Addendum during the life of the option, the Country Addendum, including the provisions for such country, shall apply to the Optionee and to the option, to the extent the Company determines that the application of such provisions is necessary or advisable in order to comply with applicable law or facilitate the administration of the Plan. In addition, the Company reserves the right to impose other requirements on the option, to the extent the Company determines it is necessary or advisable in order to comply with local laws or facilitate the administration of the Plan, and to require the Optionee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

**SECTION 15. DEFINITIONS.**

(a) “**Agreement**” shall mean this Stock Option Agreement.

(b) “**Board of Directors**” shall mean the Board of Directors of the Company, as constituted from time to time or, if a Committee has been appointed, such Committee.

(c) “**Company**” shall mean ServiceTitan, Inc., a Delaware corporation.

(d) “**Immediate Family**” shall mean any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law and shall include adoptive relationships.

(e) “**Optionee**” shall mean the person named in the Notice of Stock Option Grant.

(f) “**Plan**” shall mean the ServiceTitan, Inc. 2015 Stock Plan, as in effect on the Date of Grant.

(g) “**Purchase Price**” shall mean the Exercise Price multiplied by the number of Shares with respect to which this option is being exercised.

(h) “**Right of First Refusal**” shall mean the Company’s right of first refusal described in Section 7.

(i) “**Service**” means service as an Employee, Outside Director or Consultant.

(j) “**Transferee**” shall mean any person to whom the Optionee has directly or indirectly transferred any Share acquired under this Agreement.

(k) “**Transfer Notice**” shall mean the notice of a proposed transfer of Shares described in Section 7.

(l) “**U.S. Person**” shall mean a person described in Rule 902(k) of Regulation S of the Securities Act (or any successor rule or provision), which generally defines a U.S. person as any natural person resident in the United States, any estate of which any executor or administrator is a U.S. Person, or any trust of which of any trustee is a U.S. Person.

**SERVICETITAN, INC.  
2015 STOCK PLAN  
STOCK OPTION AGREEMENT**

**COUNTRY ADDENDUM**

***TERMS AND CONDITIONS***

This Country Addendum includes additional terms and conditions that govern the option granted to the Optionee under the Plan if the Optionee works in one of the countries listed below. If the Optionee is a citizen or resident of a country (or is considered as such for local law purposes) other than the one in which he or she is currently working or if the Optionee relocates to another country after receiving the option, the Company will, in its discretion, determine the extent to which the terms and conditions contained herein will be applicable to the Optionee.

Certain capitalized terms used but not defined in this Country Addendum shall have the meanings set forth in the Plan, and/or the Agreement to which this Country Addendum is attached.

***NOTIFICATIONS***

This Country Addendum also includes notifications relating to exchange control and other issues of which the Optionee should be aware with respect to his or her participation in the Plan. The information is based on the exchange control, securities and other laws in effect in the countries listed in this Country Addendum, as of November 2019. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Optionee not rely on the notifications herein as the only source of information relating to the consequences of his or her participation in the Plan because the information may be outdated when the Optionee exercises the option and acquires Shares, or when the Optionee subsequently sell Shares acquired under the Plan.

In addition, the notifications are general in nature and may not apply to the Optionee's particular situation, and the Company is not in a position to assure the Optionee of any particular result. Accordingly, the Optionee is advised to seek appropriate professional advice as to how the relevant laws in the Optionee's country may apply to the Optionee's situation.

Finally, if the Optionee is a citizen or resident of a country other than the one in which the Optionee is currently working (or is considered as such for local law purposes) or if the Optionee moves to another country after receiving the option, the information contained herein may not be applicable to the Optionee.

**Optionees are advised to seek appropriate professional advice as to how the relevant exchange control and tax laws in their country may apply to their individual situation.**



**I. GLOBAL PROVISIONS APPLICABLE TO OPTIONEES IN ALL COUNTRIES OTHER THAN THE UNITED STATES**

1. Foreign Exchange Considerations. The Optionee understands and agrees that neither the Company nor any Parent or Subsidiary shall be liable for any foreign exchange rate fluctuation between the Optionee's local currency and the U.S. dollar that may affect the value of the option granted to the Optionee under the Plan, or of any amounts due to the Optionee under the Plan or as a result of exercising the option and/or the subsequent sale of any Shares acquired under the Plan. The Optionee agrees and acknowledges that he or she will bear any and all risk associated with the exchange or fluctuation of currency associated with his or her participation in the Plan. The Optionee acknowledges and agrees that he or she may be responsible for reporting inbound transactions or fund transfers that exceed a certain amount. The Optionee is advised to seek appropriate professional advice as to how the exchange control regulations apply to the option and the Optionee's specific situation and understands that the relevant laws and regulations can change frequently and occasionally on a retroactive basis.

2. Translated Documents. If the Optionee received this Agreement or any other document related to the Plan translated into a language other than English, the Optionee understands that such translated documents were provided for convenience only, and that if the meaning of the translated version is different than the English version, the English version will control, subject to applicable laws.

3. Additional Optionee Acknowledgements. By accepting the grant, the Optionee acknowledges, understands and agrees that:

(a) the grant of the option under the Plan shall not be interpreted as forming an employment or Service contract with the Company or any Parent, Subsidiary or affiliate, and shall not interfere with the ability of the Company or any Parent, Subsidiary or affiliate, as applicable, to terminate the Optionee's Service;

(b) the Optionee is voluntarily participating in the Plan;

(c) the option granted under the Plan and the income and value of same, are not intended to replace any pension rights or compensation;

(d) the future value of the option granted under the Plan is unknown, indeterminable and cannot be predicted with certainty, and may be greater or less than the value on the date hereof and/or the relevant vesting/exercise dates;

(e) Section 7(b) of the Plan notwithstanding, past service is not a valid form of consideration.

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(f) no claim or entitlement to compensation or damages shall arise from the forfeiture of all or any portion of the option granted to the Optionee under the Plan as a result of the termination of the Optionee's status as an eligible participant (for any reason whatsoever, and whether or not later found to be invalid or in breach of applicable laws in the jurisdiction where the Optionee is providing Service or the terms of the Optionee's employment agreement or Service contract, if any) and, in consideration of the grant of the option under the Plan to which the Optionee is otherwise not entitled, the Optionee irrevocably agrees (I) never to institute a claim against the Company or any Parent, Subsidiary or affiliate, (II) to waive the Optionee's ability, if any, to bring such claim, and (III) to release the Company or any Parent, Subsidiary or affiliate from any such claim that may arise; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, the Optionee shall be deemed irrevocably to have agreed to not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim;

(g) in the event the Optionee is not an employee of the Company, the Optionee understands and agrees that neither the offer to participate in the Plan, nor his or her participation in the Plan, will be interpreted to form an employment contract or relationship with the Company or any Parent, Subsidiary or affiliate, and furthermore, nothing in the Plan, the Agreement nor the Optionee's participation in the Plan will be interpreted to form an employment contract with the Company or any Parent, Subsidiary or affiliate; and

(h) in the event of the termination of the Optionee's status as an eligible participant (for any reason whatsoever, whether or not later found to be invalid or in breach of applicable laws in the jurisdiction where the Optionee is providing Service or the terms of his or her employment agreement or Service contract, if any), the Optionee's right to participate in the Plan and all or any portion of the option granted under the Plan, if any, will terminate effective as of the date that the Optionee is no longer actively providing service to the Company or any Parent, Subsidiary or affiliate of the Company, and, in any event, will not be extended by any notice period mandated under applicable laws in the jurisdiction in which the Optionee is providing Service or the terms of his or her employment agreement or Service contract, if any (e.g., active Service would not include a period of "garden leave" or similar period pursuant to applicable laws in the jurisdiction in which the Optionee is providing Service or the terms of his or her employment agreement or Service contract, if any); the Company shall have the exclusive discretion to determine when the Optionee is no longer actively providing Service for purposes of participation in the Plan (including whether the Optionee may still be considered to be actively providing Service while on a leave of absence).

4. Tax Withholding Considerations. The Optionee acknowledges and agrees that, regardless of any action taken by the Company, any Parent, Subsidiary or affiliate, with respect to any or all income tax, social security, social insurances, national insurance contributions, social insurance contributions, payroll tax, fringe benefit, or other tax-related items related to your participation in the Plan and legally applicable to the Optionee including, without limitation, in connection with the grant of the option, the acquisition or sale of Shares acquired under the Plan and/or the receipt of any dividends on such Shares ("**Tax-Related Items**"), the ultimate liability for all Tax-Related Items is and remains the Optionee's responsibility and may exceed the amount actually withheld by the Company, or any Parent, Subsidiary or affiliate. Furthermore, the Optionee acknowledges that the Company and/or any Parent, Subsidiary or affiliate (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the option or other benefits under the Plan and (b) do not

commit to and are under no obligation to structure the terms of the option, other benefits or any aspect of the Optionee's participation in the Plan to reduce or eliminate the Optionee's liability for Tax-Related Items or achieve any particular tax result. Further, if the Optionee becomes subject to tax in more than one jurisdiction, or changes his or her jurisdiction of primary residence or Service between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable, the Optionee acknowledges that the Company and/or any Parent, Subsidiary or affiliate (or former Service recipient, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction. Prior to exercising the option under the Plan or any other relevant taxable or tax withholding event, as applicable, the Optionee agrees to make adequate arrangements satisfactory to the Company to satisfy all Tax-Related Items. In this regard, the Optionee authorizes the Company and/or any Parent, Subsidiary or affiliate, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following: (I) withholding from the Optionee's wages or other compensation paid to the Optionee or (II) withholding from proceeds of the sale of the Shares acquired under the Plan either through a voluntary sale or through a mandatory sale arranged by the Company (on the Optionee's behalf pursuant to this authorization). Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering maximum applicable withholding rates, in which case the Optionee will receive a refund of any over-withheld amount in cash and will have no entitlement to the Share equivalent. Finally, the Optionee agrees to pay to the Company or any applicable Parent, Subsidiary or affiliate any amount of Tax-Related Items that the Company or any Parent, Subsidiary or affiliate may be required to withhold as a result of his or her participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares if the Optionee fails to comply with his or her obligations in connection with the Tax-Related Items.

***4. Data Privacy. The Optionee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Optionee's personal data as described in this Agreement and any other option grant materials by and among, as applicable, his or her employer or other Service recipient, the Company and any Parent, Subsidiary or affiliate for the exclusive purpose of implementing, administering and managing the Optionee's participation in the Plan.***

***The Optionee understands that the Company and the Optionee's employer or Service recipient, if different, may hold certain personal information about the Optionee, including, but not limited to, the Optionee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all options or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Optionee's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan.***

*The Optionee understands that Data will be transferred to a third-party stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration, and management of the Plan and such third party, together with its affiliates, successors and assigns, will receive, possess, use and transfer the Data as contemplated hereby. The Optionee understands that the Company's current third-party stock plan service provider is Carta, Inc. The Optionee understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country of operation (e.g., the United States) may have different including less stringent data privacy laws and protections than the Optionee's country. The Optionee understands that if he or she resides outside the United States, he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. The Optionee authorizes the Company, any third-party stock plan service provider selected by the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan. The Optionee understands that Data will be held only as long as is necessary to implement, administer and manage the Optionee's participation in the Plan. The Optionee understands if he or she resides outside the United States, he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, the Optionee understands that he or she is providing the consents herein on a purely voluntary basis. If the Optionee does not consent, or if the Optionee later seeks to revoke his or her consent, the Optionee's employment status or service and career with the Company will not be adversely affected; the only consequence of refusing or withdrawing consent is that the Company would not be able to grant the Optionee options or other equity awards or administer or maintain such awards. Therefore, the Optionee understands that refusing or withdrawing his or her consent may affect the Optionee's ability to participate in the Plan. For more information on the consequences of the Optionee's refusal to consent or withdrawal of consent, the Optionee understands that he or she may contact his or her local human resources representative.*

## II. COUNTRY SPECIFIC PROVISIONS APPLICABLE TO OPTIONEES WHO PROVIDE SERVICES IN THE IDENTIFIED COUNTRIES

### ARMENIA

#### Exchange Control Notification

There are no exchange control requirements that are applicable to the grant or exercise of stock options in Armenia. However, if the subsequent sale of Shares occurs in the territory of Armenia, the sale must be in Armenian drams (AMD).

### CANADA

#### Authorization to Release Necessary Personal Information

Optionee hereby authorizes the Company (including any Parent, Subsidiary or affiliate) and the Company's (including its parent's or subsidiary's or affiliate's) representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. Optionee further authorizes the Company and any Parent, Subsidiary or affiliate and the Company's designated Plan broker(s) or third-party stock plan service provider to disclose and discuss the Plan with their advisors. Optionee further authorizes his or her employer to record such information and to keep such information in Optionee's employee file.

#### English Language Provisions for Optionees in Quebec

I hereby provide my consent to receive Plan information in English through my enrollment in the Plan and entrance into this Option Agreement. Specifically, I acknowledge as follows:

It is my express wish that this Option Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, including the Plan, be drawn up in English.

#### Disposition relative à l'utilisation de la langue anglaise

*Par la présente, j'accepte de recevoir les informations relatives au Plan, l'Option et l'achat d'actions en anglais par le biais de mon inscription au Plan et l'entrée dans la Option Agreement. Particulièrement, j'accepte comme suit:*

*Il est la volonté expresse du moi que cette Award Agreement, ainsi que tous les documents, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à la présente convention, y compris le Plan, être rédigés en anglais.*

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### No Promissory Note or Other Shares

Notwithstanding the provisions of section 6(b)(ii) of the Plan, the exercise price may not be paid by way of a promissory note or surrendering other shares of Company Common Stock.

### Option Payable Only in Shares

The grant of the Option does not give Optionee any right to receive a cash payment, and the Option may be settled only in Shares.

### Tax Reporting Obligation

Foreign property (including the Options granted under the Plan and the underlying Shares) held by Canadian participants must be reported annually on Form T1135 (Foreign Income Verification Statement) if the total value of such foreign property exceeds C\$100,000 at any time during the year. The form must be filed by April 30th of the following year.

## **REPUBLIC OF NORTH MACEDONIA**

No country-specific provisions.

## **POLAND**

### Exchange Control Information

Optionee understands that if he or she holds foreign securities (including Shares) and maintains accounts abroad, then it is Optionee's responsibility to report information to the National Bank of Poland on transactions and balances of the securities and cash deposited in such accounts if the value of such securities and cash (when combined with all other assets held abroad) exceeds PLN7,000,000. If required, the reports are due on a quarterly basis on special forms available on the website of the National Bank of Poland.

Further, any transfer or settlement of funds in excess of a specified threshold (currently €15,000) must be effected through an authorized bank, authorized payment institution or authorized e-money institution.

By accepting the Option, Optionee acknowledges and agrees that it is Optionee's obligation to maintain evidence of such foreign exchange transactions for five years, in case of a request for their production by the National Bank of Poland.

## **RUSSIA**

### General

This offer is being made from the United States and neither this Agreement nor any materials related to the Plan shall be construed to constitute advertising or offering of securities in Russia. The Shares have not been and will not be registered in Russia.

### Financial Reporting Requirements

The Optionee is required to notify the applicable Russian tax authorities of any actions with respect to the opening, closing or changing the essential details of bank accounts outside Russia, and must complete various reporting requirements with respect to his or her financial transactions, including declaring profits earned in connection with the option and the Shares. The Optionee is solely responsible for declaring any taxable income arising from this Agreement and the Shares, including, but not limited to, any dividend payments or other distributions, as well as any proceeds received in connection with the disposition of Shares, and the Optionee is solely responsible for payment of all respective taxes that may arise under Russian law in connection therewith.

### Foreign Exchange<sup>1</sup>

The proceeds from the sale of any Shares acquired before January 1, 2018 may only be transferred to a bank account opened in the territory of Russia. The proceeds of the sale of Shares obtained on or after January 1, 2018, may be transferred to the Optionee's bank account opened in a bank located in OECD and FATF member countries.

### Approvals

The Optionee acknowledges and agrees that it is the Optionee's responsibility to obtain any consents or approvals from any third party that may be required from time-to-time by any then applicable Russian law for the disposal of any Shares.

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<sup>1</sup> The current situation may impact participants' ability to transfer funds in and out of Russia.

**SERVICETITAN, INC. 2015 STOCK PLAN  
RESTRICTED STOCK UNIT AWARD AGREEMENT**

Unless otherwise defined herein, the terms defined in the ServiceTitan, Inc. 2015 Stock Plan (the “Plan”) shall have the same defined meanings in this Restricted Stock Unit Award Agreement and all appendices and exhibits attached thereto (all together, the “Award Agreement”).

**I. NOTICE OF GRANT OF RESTRICTED STOCK UNITS**

Participant Name:	«Refer to Carta»
Total Number of Shares:	«Refer to Carta»
Date of Grant:	«Refer to Carta»
Vesting Commencement Date:	«Refer to Carta»
Vesting Schedule:	«Refer to Carta»

On the date Participant’s Service terminates for any reason, any unvested Restricted Stock Units as of immediately prior to such date will be immediately forfeited to the Company at no cost to the Company, and Participant will receive no compensation for or benefit from such Restricted Stock Units.

By signing below, Participant and the Company agree that this Award is granted under, and governed by the terms and conditions of, the 2015 Stock Plan and Section II of this Restricted Stock Award Agreement. Both of these documents are attached to, and made a part of, this Notice of Grant of Restricted Stock Units. Section 15 of Section II includes important acknowledgements of the Participant.

**PARTICIPANT:**

**SERVICETITAN, INC.**

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_



## II. AGREEMENT

1. Grant of Restricted Stock Units. The Company hereby grants to the Participant named in the Notice of Grant of Restricted Stock Units in Part I of this Award Agreement (the “Notice of Grant”) a Restricted Stock Unit Award, subject to the terms and conditions of the Plan, which is incorporated herein by reference. Subject to Section 7A(i) and Sections 11(b) and (c) of the Plan, in the event of a conflict between the terms and conditions of the Plan and this Award Agreement, the terms and conditions of the Plan shall prevail.

2. Company’s Obligation to Pay. Each Restricted Stock Unit represents the right to receive a Share on the date it vests. Unless and until the Restricted Stock Units have vested in the manner set forth in Section 4, Participant will have no right to payment in settlement of any such Restricted Stock Units. Prior to actual payment in settlement of any vested Restricted Stock Units, such Restricted Stock Unit will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

3. Participant’s Representations. In the event that the issuance of Shares under the Plan is not registered under the Securities Act but an exemption is available that requires an investment representation or other representation, Participant shall represent and agree at the time of exercise that the Shares being acquired under this Award are being acquired for investment, and not with a view to the sale or distribution thereof, and shall make such other representations as are deemed necessary or appropriate by the Company and its counsel, including (if applicable because the Company is relying on Regulation S under the Securities Act) that as of the date of exercise the Participant is (i) not a U.S. Person as described in Rule 902(k) of Regulation S of the Securities Act; (ii) not acquiring the Shares on behalf, or for the account or benefit, of a U.S. Person; and (iii) is not receiving Shares in the United States.

4. Vesting Schedule. Subject to Sections 7 and 10, the Restricted Stock Units awarded by this Award Agreement will vest in accordance with the vesting schedule set forth in the Notice of Grant.

5. Market Stand-Off Period. In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act, including the Company’s initial public offering, Participant shall not directly or indirectly sell, make any short sale of, loan, hypothecate, pledge, offer, grant or sell any option or other contract for the purchase of, purchase any option or other contract for the sale of, or otherwise dispose of or transfer, or agree to engage in any of the foregoing transactions with respect to, any Shares acquired under this Agreement without the prior written consent of the Company or its managing underwriter. Such restriction (the “Market Stand-Off”) shall be in effect for such period of time following the date of the final prospectus for the offering as may be requested by the Company or such underwriter. In no event, however, shall such period exceed 180 days plus such additional period as may reasonably be requested by the Company or such underwriter to accommodate regulatory restrictions on (i) the publication or other distribution of research reports or (ii) analyst recommendations and opinions, including (without limitation) the restrictions set forth in Rule 2711(f)(4) of the National Association of Securities Dealers and Rule 472(f)(4) of the New York Stock Exchange, as amended, or any similar successor rules.

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The Market Stand-Off shall in any event terminate two years after the date of the Company's initial public offering. In the event of the declaration of a stock dividend, a spin off, a stock split, an adjustment in conversion ratio, a recapitalization or a similar transaction affecting the Company's outstanding securities without receipt of consideration, any new, substituted or additional securities which are by reason of such transaction distributed with respect to any Shares subject to the Market Stand-Off, or into which such Shares thereby become convertible, shall immediately be subject to the Market Stand-Off. In order to enforce the Market Stand-Off, the Company may impose stop-transfer instructions with respect to the Shares acquired under this Agreement until the end of the applicable stand-off period. The Company's underwriters shall be beneficiaries of the agreement set forth in this Section 5. This Section 5 shall not apply to Shares registered in the public offering under the Securities Act.

Participant agrees to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriter which are consistent with the foregoing or which are necessary to give further effect thereto. In addition, if requested by the Company or the representative of the underwriters of Stock (or other securities) of the Company, Participant shall provide, within 10 days of such request, such information as may be required by the Company or such representative in connection with the completion of any public offering of the Company's securities pursuant to a registration statement filed under the Securities Act. The obligations described in this Section 5 shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a Commission Rule 145 transaction on Form S-4 or similar forms that may be promulgated in the future.

Participant agrees that any transferee of this Award of Restricted Stock Units or Shares acquired pursuant to this Award of Restricted Stock Units shall be bound by this Section 5.

6. Payment after Vesting. Subject to Section 10, any Restricted Stock Units that vest will be paid to Participant (or in the event of Participant's death, to his or her properly designated beneficiary or estate) in whole Shares. Subject to the provisions of the next paragraph, such vested Restricted Stock Units shall be settled by payment in whole Shares within a reasonable period after vesting, but in each such case within the period ending no later than the 15<sup>th</sup> day of the 3<sup>rd</sup> month following the end of the calendar year, or if later, the end of the Company's tax year, in either case that includes the vesting date. In no event will Participant be permitted, directly or indirectly, to specify the taxable year of payment in settlement of any Restricted Stock Units under this Award Agreement.

Notwithstanding anything in the Plan or this Award Agreement to the contrary, if the vesting of the balance, or some lesser portion of the balance, of the Restricted Stock Units is accelerated in connection with the termination of Participant's Service (provided that such termination is a "separation from service" within the meaning of Section 409A (as defined below), as determined by the Company), other than due to death, and if (i) Participant is a "specified employee" within the meaning of Section 409A at the time of such termination of Service and (ii) the payment in settlement of such accelerated Restricted Stock Units will result in the imposition of additional tax under Section 409A if paid to Participant on or within the 6-month period following the termination of Participant's Service, then the payment in settlement of such accelerated Restricted Stock Units will not be made until the date 6 months and one day

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following the date of the termination of Participant's Service, unless the Participant dies following the termination of his or her Service, in which case, the Restricted Stock Units will be settled by payment in Shares to the Participant's estate as soon as practicable following his or her death. For purposes of this Award Agreement, "Section 409A" means Section 409A of the Code, and any proposed, temporary, or final Treasury Regulations and Internal Revenue Service guidance thereunder, as each may be amended from time to time. The Restricted Stock Units are intended to fall within the "short-term deferral" exemption from Section 409A, and any ambiguities herein will be interpreted accordingly. Notwithstanding anything to the contrary in the Plan or this Award Agreement, the Company reserves the right to revise this Award Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to avoid imposition of any additional tax or income recognition under Section 409A in connection with this Restricted Stock Unit Award. Nevertheless, Participant acknowledges that the Company cannot and has not guaranteed that the Internal Revenue Service (the "IRS") will agree in a later examination that the Award Agreement complies with Section 409A. Participant agrees that if the IRS determines that the Award Agreement does not comply with Section 409A, Participant shall be solely responsible for Participant's costs related to such a determination.

7. Forfeiture Upon Termination of Service in Certain Circumstances. Notwithstanding any contrary provision of this Award Agreement, if Participant's Service terminates for any reason, any unvested Restricted Stock Units awarded by this Award Agreement will terminate on the date of such termination. Upon a termination of one or more Restricted Stock Units pursuant to this Section 7, Participant will have no further rights with respect to such Restricted Stock Units.

8. Tax Consequences. Participant has reviewed with his or her own tax advisors the U.S. federal, state, local and foreign tax consequences of this investment and the transactions contemplated by this Award Agreement. With respect to such matters, Participant relies solely on such advisors and not on any statements or representations of the Company or any of its agents, written or oral. Participant understands that Participant (and not the Company) shall be responsible for Participant's own tax liability that may arise as a result of this investment or the transactions contemplated by this Award Agreement. Further, if Participant is subject to Tax-Related Items (as defined below) in more than one jurisdiction between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges that the Company and/or the Service recipient (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

9. Death of Participant. Any distribution or delivery to be made to Participant under this Award Agreement will, if Participant is then deceased, be made to Participant's designated beneficiary, or if no beneficiary survives Participant, the administrator or executor of Participant's estate. Any such transferee must furnish the Company with (i) written notice of his or her status as transferee and (ii) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations pertaining to said transfer.

10. Responsibility for Taxes and Tax Withholding.

(a) Participant acknowledges that, regardless of any action taken by the Company, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to Participant's participation in the Plan and legally applicable to Participant or deemed by the Company in its discretion to be an appropriate charge to Participant even if legally applicable to the Company ("Tax-Related Items") will be Participant's sole responsibility and may exceed the amount actually withheld by the Company.

(b) Prior to any relevant taxable or tax withholding event, as applicable, Participant agrees to make arrangements satisfactory to the Company and/or Parent or Subsidiary that directly employs Participant (the "Employer") to satisfy all Tax-Related Items. In this regard, Participant authorizes the Company or its agent to satisfy their withholding obligations with regard to all Tax-Related Items, if any, by any of the following means or by a combination of such means: (i) withholding from any compensation otherwise payable to Participant by the Company or the Employer; (ii) causing Participant to tender a cash payment (in U.S. dollars); (iii) entering on Participant's behalf (pursuant to this authorization without further consent) into a "same day sale" commitment with a broker dealer that is a member of the Financial Industry Regulatory Authority (a "FINRA Dealer") whereby Participant irrevocably elects to sell a portion of the shares to be delivered under the Award to satisfy the Tax-Related Items and whereby the FINRA Dealer irrevocably commits to forward the proceeds necessary to satisfy the Tax-Related Items directly to the Company and/or its Affiliates; or (iv) withholding Shares from the Shares issued or otherwise issuable to Participant in connection with the Award with a fair market value (measured as of the date Shares are issued to Participant or, if and as determined by the Company, the date on which the Tax-Related Items are required to be calculated) equal to the amount of such Tax-Related Items.

(c) Depending on the withholding method employed, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates, in which case Participant will receive a refund of any over-withheld amount in cash and will have no entitlement to the Stock equivalent. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, Participant will be deemed to have been issued the full number of Shares subject to the vested portion of the Award, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

(d) Finally, Participant agrees to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of Participant's participation in the Plan that cannot be satisfied by any of the means previously described. Notwithstanding any contrary provision of the Plan, the Notice of Grant or of this Award Agreement, if Participant fails to make satisfactory arrangements for the payment of any Tax-Related Items when due, Participant permanently will forfeit the Restricted Stock Units on which the Tax-Related Items were not satisfied and also will permanently forfeit any right to receive Shares thereunder. In that case, the Restricted Stock Units will be returned to the Company at no cost to the Company.

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11. Rights as Stockholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant. After such issuance, recordation, and delivery, Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

12. No Guarantee of Continued Service. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF THE RESTRICTED STOCK UNITS PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUOUS SERVICE BY THE PARTICIPANT AT THE WILL OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS RESTRICTED STOCK UNIT AWARD OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AWARD AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUOUS SERVICE FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE COMPANY (OR THE PARENT OR SUBSIDIARY EMPLOYING OR RETAINING PARTICIPANT) TO TERMINATE PARTICIPANT'S SERVICE AT ANY TIME, WITH OR WITHOUT CAUSE.

13. Company's Right of First Refusal. Before any Shares acquired pursuant to this Award of Restricted Stock Units that are held by Participant or any transferee (either being sometimes referred to herein as the "Holder") may be sold or otherwise transferred (including transfer by gift or operation of law), the Company or its assignee(s) shall have a right of first refusal to purchase the Shares on the terms and conditions set forth in this Section 13, subject to the terms of the Amended and Restated Stockholders' Agreement, as amended from time to time, by and among the Company and the stockholders of the Company named therein (the "Right of First Refusal").

(a) Notice of Proposed Transfer. The Holder of such Shares shall deliver to the Company a written notice (the "Notice") stating: (i) the Holder's bona fide intention to sell or otherwise transfer the Shares; (ii) the name of each proposed purchaser or other transferee ("Proposed Transferee"); (iii) the number of Shares to be transferred to each Proposed Transferee; and (iv) the bona fide cash price or other consideration for which the Holder proposes to transfer the Shares (the "Offered Price"), and the Holder shall offer the Shares at the Offered Price to the Company or its assignee(s).

(b) Exercise of Right of First Refusal. At any time within thirty (30) days after receipt of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to purchase all, but not less than all, of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the purchase price determined in accordance with subsection (c) below.

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(c) Purchase Price. The purchase price for the Shares purchased by the Company or its assignee(s) under this Section 13 (the "Purchase Price") shall be the Offered Price. If the Offered Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Board in good faith.

(d) Payment. Payment of the Purchase Price shall be made, at the option of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness of the Holder to the Company (or, in the case of repurchase by an assignee, to the assignee), or by any combination thereof within 60 days after receipt of the Notice or in the manner and at the times set forth in the Notice.

(e) Holder's Right to Transfer. If all of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or its assignee(s) as provided in this Section 13, then the Holder may sell or otherwise transfer such Shares to that Proposed Transferee at the Offered Price or at a higher price, *provided* that such sale or other transfer is consummated within 90 days after the date of the Notice, that any such sale or other transfer is effected in accordance with any applicable securities laws and that the Proposed Transferee agrees in writing that the provisions of this Section 13 shall continue to apply to the Shares in the hands of such Proposed Transferee. If the Shares described in the Notice are not transferred to the Proposed Transferee within such period, a new Notice shall be given to the Company, and the Company and/or its assignees shall again be offered the Right of First Refusal before any Shares held by the Holder may be sold or otherwise transferred.

(f) Exception for Certain Family Transfers. Anything to the contrary contained in this Section 13 notwithstanding, the transfer of any or all of the Shares during Participant's lifetime or on Participant's death by will or intestacy to Participant's immediate family or a trust for the benefit of Participant's immediate family shall be exempt from the provisions of this Section 13. "Immediate Family" as used herein shall mean spouse, lineal descendant or antecedent, father, mother, brother or sister. In such case, the transferee or other recipient shall receive and hold the Shares so transferred subject to the provisions of this Award Agreement (including, but not limited to, this Section 13), and there shall be no further transfer of such Shares except in accordance with the terms of this Section 13.

(g) Termination of Right of First Refusal. In the event that the Stock is readily tradable on an established securities market when the Participant desires to transfer Shares, the Company shall have no Right of First Refusal, and the Participant shall have no obligation to comply with the procedures prescribed by Subsections (a) and (b) above.

#### 14. Restrictive Legends and Stop-Transfer Orders.

(a) Legends. Participant understands and agrees that the Company shall cause the legends set forth below or legends substantially equivalent thereto, to be placed upon any certificate(s) evidencing ownership of the Shares acquired pursuant to this Award of Restricted Stock Units together with any other legends that may be required by the Company or by state or federal securities laws:

THIS SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT

BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES ACT OF 1933 (THE “ACT”) OR THE SECURITIES OR BLUE SKY LAWS OF ANY STATE AND ARE “RESTRICTED SECURITIES” AS THAT TERM IS DEFINED IN RULE 144 UNDER THE ACT. THE SHARES MAY NOT BE OFFERED, SOLD OR TRANSFERRED UNLESS REGISTERED AND QUALIFIED PURSUANT TO THE RELEVANT PROVISIONS OF FEDERAL AND STATE SECURITIES OR BLUE SKY LAWS OR IF AN EXEMPTION FROM SUCH REGISTRATION OR QUALIFICATION IS APPLICABLE.

THESE SHARES ARE SUBJECT TO THE TERMS AND CONDITIONS OF THE AMENDED AND RESTATED STOCKHOLDERS’ AGREEMENT, AS AMENDED FROM TIME TO TIME, BY AND AMONG THE COMPANY AND THE STOCKHOLDERS OF THE COMPANY NAMED THEREIN (THE “STOCKHOLDERS’ AGREEMENT”). A COPY OF SUCH STOCKHOLDERS’ AGREEMENT IS AVAILABLE FROM THE COMPANY UPON REQUEST. THE SALE, TRANSFER OR OTHER DISPOSITION OF THESE SHARES IS SUBJECT TO THE TERMS AND CONDITIONS (INCLUDING CERTAIN RESTRICTIONS ON TRANSFERABILITY AND RIGHT OF FIRST REFUSAL) OF THE STOCKHOLDERS’ AGREEMENT. ANY ATTEMPT TO SELL, TRANSFER OR OTHERWISE DISPOSE OF THESE SHARES OTHER THAN IN COMPLIANCE WITH THE STOCKHOLDERS’ AGREEMENT SHALL BE NULL AND VOID.

UPON THE REQUEST OF THE COMPANY OR THE UNDERWRITERS, THE SHARES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, SHORT SOLD, LOANED, MADE SUBJECT TO AN OPTION TO PURCHASE OR OTHERWISE DISPOSED OF FOR A PERIOD NOT TO EXCEED 180 DAYS FOLLOWING THE EFFECTIVE DATE OF A REGISTRATION STATEMENT FILED BY THE COMPANY FOR ITS INITIAL PUBLIC OFFERING, WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMPANY AND THE UNDERWRITERS.

(b) Stop-Transfer Notices. Participant agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate “stop transfer” instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) Refusal to Transfer. The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Award Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

15. Miscellaneous Provisions.

(a) Address for Notices. Any notice required by the terms of this Award Agreement shall be given in writing. It shall be deemed effective upon (i) personal delivery, (ii) deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid, (iii) deposit with Federal Express Corporation, with shipping charges prepaid or (iv) deposit with any internationally recognized express mail courier service. Notice shall be addressed to the Company at its principal executive office and to the Participant at the address that he or she most recently provided to the Company in accordance with this Section 15(a).

(b) Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to the Restricted Stock Units awarded under the Plan or future Restricted Stock Units that may be awarded under the Plan by electronic means or request Participant's consent to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or another third party designated by the Company.

(c) No Waiver. No provision of this Award Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by the Participant and by an authorized officer of the Company (other than the Participant). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(d) Successors and Assigns. The Company may assign any of its rights under this Award Agreement to single or multiple assignees, and this Award Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Award Agreement shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns. The rights and obligations of Participant under this Award Agreement may only be assigned with the prior written consent of the Company.

(e) Additional Conditions to Issuance of Stock. If at any time the Company will determine, in its discretion, that the listing, registration or qualification of the Shares upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to Participant (or his or her estate), such issuance will not occur unless and until such listing, registration, qualification, consent or approval will have been effected or obtained free of any conditions not acceptable to the Company. Where the Company determines that the delivery of Shares will violate federal securities laws or other applicable laws, the Company will defer delivery until the earliest date at which the Company reasonably anticipates that the delivery of Shares will no longer cause such violation. The Company will make all reasonable efforts to meet the requirements of any such state or federal law or securities exchange and to obtain any such consent or approval of any such governmental authority.



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(f) Waiver of Statutory Information Rights. Participant acknowledges and agrees that until the first sale of the Company's Stock to the general public pursuant to a registration statement filed under the Securities Act, he or she will be deemed to have waived any rights he or she might otherwise have had under Section 220 of the Delaware General Corporation Law (or under similar rights under other applicable law) to inspect for any proper purpose and to make copies and extracts from the Company's stock ledger, a list of its stockholders and its other books and records or the books and records of any subsidiary. This waiver applies only in the Participant's capacity as a stockholder and does not affect any other inspection rights the Participant's may have under other law or pursuant to a written agreement with the Company.

(g) Interpretation. Any dispute regarding the interpretation of this Award Agreement shall be submitted by Participant or by the Company forthwith to the Board or its designated committee (the "Administrator"), which shall review such dispute at its next regular meeting. The resolution of such a dispute by the Administrator shall be final and binding on all parties.

(h) Plan Discretionary. Participant understands and acknowledges that (i) the Plan is entirely discretionary, (ii) the Company has reserved the right to amend, suspend or terminate the Plan at any time, (iii) the grant of an Award does not in any way create any contractual or other right to receive additional grants of Awards (or benefits in lieu of Awards) at any time or in any amount and (iv) all determinations with respect to any additional grants, including (without limitation) the times when Awards will be granted, the number of Shares offered, and other terms, will be at the sole discretion of the Company.

(i) Termination of Service. Participant understands and acknowledges that participation in the Plan ceases upon termination of his or her Service for any reason, except as may explicitly be provided otherwise in the Plan or this Agreement.

(j) Extraordinary Compensation. The value of this Award shall be an extraordinary item of compensation outside the scope of the Participant's employment contract, if any, and shall not be considered a part of his or her normal or expected compensation for any purpose including, but not limited to, calculating severance, resignation, redundancy or end-of-service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.

(k) Authorization to Disclose. Participant hereby authorizes and directs the Participant's employer to disclose to the Company or any Subsidiary any information regarding Participant's employment, the nature and amount of the Participant's compensation and the fact and conditions of the Participant's participation in the Plan, as the Participant's employer deems necessary or appropriate to facilitate the administration of the Plan.

(l) Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, as such laws are applied to contracts entered into and performed in such State.

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(m) Entire Agreement. The Plan is incorporated herein by reference. The Plan and this Award Agreement (including the exhibits referenced herein) constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, and may not be modified adversely to the Participant's interest except by means of a writing signed by the Company and Participant.

16. Country Addendum. To the extent the Participant provides Services to the Company or its Parent, Subsidiaries or affiliates in a country other than the United States, the Award shall be subject to such additional or substitute terms as shall be set forth for such country in the Country Addendum attached hereto. If the Participant relocates to one of the countries included in the Country Addendum during the life of the Award, the Country Addendum, including the provisions for such country, shall apply to the Participant and to the Award, to the extent the Company determines that the application of such provisions is necessary or advisable in order to comply with applicable law or facilitate the administration of the Plan. In addition, the Company reserves the right to impose other requirements on the Award, to the extent the Company determines it is necessary or advisable in order to comply with local laws or facilitate the administration of the Plan, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

**SERVICETITAN, INC.**  
**2015 STOCK PLAN**  
**RESTRICTED STOCK UNIT AWARD AGREEMENT**  
**COUNTRY ADDENDUM**

*Terms and Conditions*

This Country Addendum includes additional terms and conditions that govern the Restricted Stock Units granted pursuant to the terms and conditions of the Plan and the Award Agreement to which this Country Addendum is attached to the extent Participant resides outside the United States and additional terms and conditions applicable to Participant's providing services to the Company or its Parent or Subsidiaries in one of the countries listed below. Capitalized terms not defined in this Country Addendum will have the same definition as provided in the Award Agreement or the Plan, as appropriate.

*Notifications*

This Country Addendum also includes notifications that contain information regarding securities laws, exchange controls, and certain other issues Participant should be aware with respect to participation in the Plan. The information is based on the securities, exchange control, and other laws in effect in the respective countries as of May 2022. Such laws are often complex and change frequently. As a result, the Company recommends that Participant not rely on the information in this Country Addendum as the only source of information relating to the consequences of participation in the Plan because the information included herein may be out of date at the time that Participant acquires Shares under the Plan or subsequently sell such Shares.

In addition, the information contained herein is general in nature and may not apply to a Participant's particular situation and the Company is not in a position to assure a Participant of any particular result. Accordingly, Participant is advised to seek appropriate professional advice as to how the relevant laws in their country may apply to his or her particular situation.

Finally, if a Participant is a citizen or resident of a country other than the one in which he or she is currently working (or if he or she is considered as such for local law purposes) or if he or she moves to another country after all or any portion of the Restricted Stock Units granted under the Plan, the information contained herein may not be applicable to such Participant.

**Participant acknowledges that Participant has been advised to seek appropriate professional advice as to how the relevant laws in Participant's country may apply to his or her individual situation.**

**I. GLOBAL PROVISIONS APPLICABLE TO PARTICIPANTS IN ALL COUNTRIES OTHER THAN THE UNITED STATES**

1. Foreign Exchange Considerations. Participant understands and agrees that neither the Company nor any Parent or Subsidiary shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the U.S. dollar that may affect the value of the Restricted Stock Units, or of any amounts due to Participant under the Plan or as a result of vesting in his or her Restricted Stock Units and/or the subsequent sale of any Shares acquired under the Plan. Participant agrees and acknowledges that Participant will bear any and all risk associated with the exchange or fluctuation of currency associated with his or her participation in the Plan. Participant acknowledges and agrees that Participant may be responsible for reporting inbound transactions or fund transfers that exceed a certain amount. Participant is advised to seek appropriate professional advice as to how the exchange control regulations apply to his or her Restricted Stock Units and Participant's specific situation and understands that the relevant laws and regulations can change frequently and occasionally on a retroactive basis.

Participant acknowledges that there may be certain foreign asset and/or account reporting requirements which may affect Participant's ability to acquire or hold Shares acquired under the Plan or cash received from participating in the Plan in a brokerage account outside his or her country. Participant may also be required to repatriate sale proceeds or other funds received as a result of participating in the Plan to his or her country through a designated bank or broker within a certain time after receipt. It is Participant's responsibility to be compliant with such regulations and Participant should speak with his or her personal advisor on this matter.

2. Additional Participant Acknowledgements. In accepting this Award of Restricted Stock Units, Participant acknowledges, understands, and agrees that:

- (a) the grant of the Restricted Stock Units is voluntary and occasional and does not create any contractual or other right to receive future grants of equity awards, or benefits in lieu of equity awards, even if equity awards have been granted in the past;
- (b) all decisions with respect to future Restricted Stock Units or other equity awards, if any, will be at the sole discretion of the Administrator;
- (c) Participant is voluntarily participating in the Plan;
- (d) the Restricted Stock Units and the Shares subject to the Restricted Stock Units are not intended to replace any pension rights or compensation;
- (e) the Restricted Stock Units and the Shares subject to the Restricted Stock Units, and the income and value of same, are not part of normal or expected compensation for any purpose, including calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;
- (f) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted;

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(g) for purposes of the Restricted Stock Units, Participant's status as a Service provider will be considered terminated as of the date Participant is no longer actively providing Service to the Company or any Parent or Subsidiary (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is providing Service or the terms of Participant's employment or Service agreement, if any), and unless otherwise expressly provided in this Award Agreement (including by reference in the Notice of Grant to other arrangements or contracts) or determined by the Administrator, Participant's right to vest in the Restricted Stock Units under the Plan, if any, will terminate as of such date and will not be extended by any notice period (e.g., Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any, unless Participant is providing bona fide services during such time); the Administrator shall have the exclusive discretion to determine when Participant is no longer actively providing services for purposes of the Restricted Stock Units grant (including whether Participant may still be considered to be providing services while on a leave of absence and consistent with local law);

(h) unless otherwise provided in the Plan or by the Administrator in its discretion, the Restricted Stock Units and the benefits evidenced by this Award Agreement do not create any entitlement to have the Restricted Stock Units or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares; and

(i) in the event Participant is not an employee of the Company, Participant understands and agrees that neither the offer to participate in the Plan, nor his or her participation in the Plan, will be interpreted to form an employment contract or relationship with the Company, and furthermore, nothing in the Plan, this Award Agreement nor Participant's participation in the Plan will be interpreted to form an employment or Service contract with the Company.

(j) no claim or entitlement to compensation or damages shall arise from forfeiture of the Restricted Stock Units resulting from the termination of Participant's status as a Service Provider (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and in consideration of the grant of the Restricted Stock Units to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against the Company, any Parent, Subsidiary, Affiliate or the Service Recipient, and waives his or her ability, if any, to bring any such claim, and releases the Company, any Parent, Subsidiary, affiliate or the Service Recipient from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim.

3. **Data Privacy.** *Participant understands that the Company may collect, where permissible under applicable law certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Restricted Stock Units granted under the Plan or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Data"), for the exclusive purpose of implementing, administering and managing the Plan. Participant understands that Company may transfer Participant's Data to the United States, which may have different, including less stringent, data protection laws than the laws in Participant's country. Participant understands that the Company will transfer Participant's Data to its third-party stock plan service provider eShares, Inc. d/b/a Carta, Inc., or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that a recipient's country of operation (e.g., the United States) may have different, including less stringent, data privacy laws that Participant's jurisdiction does not consider to be equivalent to the protections in Participant's country. Participant understands that he or she may request a list with the names and addresses of any potential recipients of the Data by contacting Participant's local human resources representative. Participant authorizes the Company, the Company's designated broker and any other possible recipients which may assist the Company with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing Participant's participation in the Plan. Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Plan. Participant understands that that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing Participant's local human resources representative. Further, Participant understands that he or she is providing the consent herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke Participant's consent, Participant's employment status or career with the Company will not be adversely affected; the only consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant Participant Restricted Stock Units under the Plan or other equity awards, or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing Participant's consent may affect Participant's ability to participate in the Plan. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact Participant's local human resources representative.*

*Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's personal data as described herein and any other Plan materials by and among, as applicable, the Company or any Parent or Subsidiary of the Company for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan. Participant understands that Participant's consent will be sought and obtained for any processing or transfer of Participant's data for any purpose other than as described in the enrollment form and any other Plan materials.*

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4. Recommendation Regarding External Advice. Participant understands and agrees that none of the Company or its Parents and Subsidiaries are providing any tax, legal or financial advice, nor is the Company or any Parent or Subsidiary making any recommendations or assessments regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares, or any subsequent disposal or retention of such Shares. Participant understands that he or she is hereby advised to consult with Participant's own personal tax, legal and financial advisors regarding Participant's participation in the Plan before taking any action related to the Plan.

5. Insider Trading Restrictions/Market Abuse Laws. Participant acknowledges that, depending on his or her country, Participant may be subject to insider trading restrictions and/or market abuse laws in applicable jurisdictions, which may affect his or her ability to directly or indirectly, accept, acquire, sell or attempt to sell or otherwise dispose of Shares or rights to the Shares, or rights linked to the value of Shares during such times as Participant is considered to have "inside information" regarding the Company (as defined by the laws and/or regulations in applicable jurisdictions or Participant's country). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders placed by Participant before possessing the inside information. Furthermore, Participant may be prohibited from (i) disclosing inside information to any third party, including fellow Service Providers (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them to otherwise buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. Participant acknowledges that it is Participant's responsibility to comply with any applicable restrictions, and Participant is advised to speak to his or her personal advisor on this matter.

## II. COUNTRY SPECIFIC PROVISIONS APPLICABLE TO PARTICIPANTS WHO PROVIDE SERVICES IN THE IDENTIFIED COUNTRIES

### ARMENIA

#### Exchange Control Notification

There are no exchange control requirements that are applicable to the grant or vesting of Restricted Stock Units in Armenia. However, if the subsequent sale of Shares occurs in the territory of Armenia, the sale must be in Armenian drams (AMD).

#### Modification to Award Agreement for Non-U.S. Taxpayers

The following is appended to the first paragraph of Section 6 of the Award Agreement:

Notwithstanding the foregoing, with respect to Restricted Stock Units that vest prior to the occurrence of a Liquidity Event and at a time when the Participant has never been and will not be a U.S. taxpayer with respect to any income from such Restricted Stock Units, the settlement of such vested Restricted Stock Units will be delayed until the occurrence of a Liquidity Event unless Participant makes a written request to the Company that all or any of Participant's vested Restricted Stock Units be settled prior to such occurrence in which case such vested Restricted Stock Units will be settled within a reasonable period after the Company's receipt of such written request. If Participant becomes a U.S. taxpayer with respect to the Restricted Stock Units after vesting and before settlement, the Company may settle such Restricted Stock Units if necessary to avoid the imposition of additional taxes under Section 409A.

For the purposes of this Section 6, the following definitions shall apply:

"Listing Event" means (i) (A) the effective date of a registration statement filed under the Securities Act in connection with an underwritten public offering or (B) the first sale or resale of Shares (or other common equity securities of the Company) to the general public in connection with a direct listing or otherwise pursuant to an effective registration statement filed under the Securities Act, in each case, immediately after which such securities (i.e., the Shares or other equity securities of the Company) are registered on a "national securities exchange" (as defined under then-applicable United States federal securities laws and regulations); provided, however, that a Listing Event on account of clauses (A) or (B) above shall also be deemed to have occurred if a sale of such securities to the general public shall have occurred based on the closing of an underwritten public offering or in connection with a direct listing if such sale shall have occurred pursuant to a valid qualification or filing that is substantially equivalent to an effective registration statement filed under the Securities Act, under the applicable laws of another jurisdiction under which such securities will be listed on an internationally-recognized stock/securities exchange (as determined by the Compensation Committee of the Board in its sole discretion) or (ii) the Company's completion of a merger or consolidation with a special purpose acquisition company or its subsidiary or a Sale of the Company, in each case, which the Shares (or similar securities) of the surviving or parent entity are listed on a "national securities exchange."



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“Liquidity Event” means the earlier of (a) two weeks after the last expiration date of all lock-up periods (including any Market Stand-Off, as defined in the Plan) that might apply to the Company or any Company equity (including stock, options, RSUs, or warrants) in connection with a Listing Event, or (b) the effective date of a Sale of the Company (as defined in the Plan).”

### CANADA

#### Authorization to Release Necessary Personal Information

Participant hereby authorizes the Company (including any Parent or Subsidiary) and the Company’s (including its Parent’s or Subsidiary’s) representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. Participant further authorizes the Company and any Parent or Subsidiary and the Company’s designated Plan broker(s) or third-party stock plan service provider to disclose and discuss the Plan with their advisors. Participant further authorizes his or her employer to record such information and to keep such information in Participant’s file.

#### English Language Provisions for Participants in Quebec

The following provisions will apply if Participant is a resident of Quebec:

The parties acknowledge that it is their express wish that the Award Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

*Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention (“Award Agreement”), ainsi que de tous documents 18xecutes, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement à la présente convention.*

#### Award Payable Only in Shares

The grant of the Restricted Stock Units does not give Participant any right to receive a cash payment, and the Restricted Stock Units may be settled only in Shares.

#### Tax Reporting Obligation

Foreign property (including the Restricted Stock Units granted under the Plan and the underlying Shares) held by Canadian Participants must be reported annually on Form T1135 (Foreign Income Verification Statement) if the total value of such foreign property exceeds C\$100,000 at any time during the year. The form must be filed by April 30th of the following year.

**REPUBLIC OF NORTH MACEDONIA**

No country-specific provisions.

**POLAND**

Exchange Control Information

Participant understands that if he or she holds foreign securities (including Shares) and maintains accounts abroad, then it is Participant's responsibility to report information to the National Bank of Poland on transactions and balances of the securities and cash deposited in such accounts if the value of such securities and cash (when combined with all other assets held abroad) exceeds PLN7,000,000. If required, the reports are due on a quarterly basis on special forms available on the website of the National Bank of Poland.

Further, any transfer or settlement of funds in excess of a specified threshold (currently €15,000) must be effected through an authorized bank, authorized payment institution or authorized e-money institution.

By accepting the Restricted Stock Units, Participant acknowledges and agrees that it is Participant's obligation to maintain evidence of such foreign exchange transactions for five years, in case of a request for their production by the National Bank of Poland.

**RUSSIA**

General

This offer is being made from the United States and neither this Award Agreement nor any materials related to the Plan shall be construed to constitute advertising or offering of securities in Russia. The Shares have not been and will not be registered in Russia.

Financial Reporting/Exchange Controls.

Effective March 1, 2022, Russian residents are prohibited from transferring foreign currency to their own accounts, with foreign banks or similar (including e-payment) financial institutions. Only Russian ruble transfers are permitted.

Given that the current exchange control regulations are subject to change often and without notice, Participant is encouraged to consult with his or her own personal tax and/or legal advisor to determine if and when Participant may sell the Shares acquired at vesting, and/or remit any sales proceeds into Russia.