

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

**Amendment No. 5 to  
FORM S-1  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933**

**Kaltura, 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)  
**250 Park Avenue South  
10th Floor  
New York, New York 10003**

**20-8128326**  
(I.R.S. Employer  
Identification No.)

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

**Ron Yekutiel  
Chairman and Chief Executive Officer  
Kaltura, Inc.  
250 Park Avenue South  
10th Floor  
New York, New York 10003  
(646) 290-5445**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

**Copies to:**

**Marc D. Jaffe, Esq.  
Joshua G. Kiernan, Esq.  
Benjamin J. Cohen, Esq.  
Latham & Watkins LLP  
1271 Avenue of the Americas  
New York, New York 10020  
Telephone: (212) 906-1200  
Fax: (212) 751-4864**

**Nitzan Hirsch-Falk  
Yuval Oren  
Yoav Meer  
H-F & Co.  
Rubinstein House,  
20 Lincoln St.  
10th Floor  
Tel Aviv, Israel  
Telephone: +972 (3) 794-4888  
Fax: +972 (3) 794-4878**

**Byron Kahr, Esq.  
General Counsel  
Kaltura, Inc.  
250 Park Avenue South  
10th Floor  
New York, New York 10003  
Telephone: (646) 290-5445**

**Michael Kaplan, Esq.  
Emily Roberts, Esq.  
Davis Polk & Wardwell LLP  
450 Lexington Avenue  
New York, New York 10017  
Telephone: (212) 450-4000  
Fax: (212) 701-5800**

**Shachar Hadar  
Elad Ziv  
Meitar | Law Offices  
16 Abba Hillel Road  
Ramat Gan 5250608, Israel  
+972 (3)-610-3100**

**Approximate date of commencement of proposed sale to the public:  
As soon as practicable after the effective date of this Registration Statement.**

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

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

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

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

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

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

**CALCULATION OF REGISTRATION FEE**

Title of Each Class of Securities To Be Registered	Amount to be Registered <sup>(1)</sup>	Proposed Maximum Aggregate Offering Price per Share <sup>(2)</sup>	Proposed Maximum Aggregate Offering Price <sup>(1)(2)</sup>	Amount of Registration Fee <sup>(3)</sup>
Common stock, \$0.0001 par value per share	17,250,000	\$11.00	\$189,750,000	\$20,702

(1) Includes an additional 2,250,000 shares that the underwriters have the option to purchase.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(a) under the Securities Act of 1933, as amended.

(3) The Registrant previously paid this amount in connection with a prior filing of this Registration Statement.

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

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

**Subject to Completion**  
**Preliminary Prospectus dated July 12, 2021**

PRELIMINARY PROSPECTUS

15,000,000 Shares



Kaltura, Inc.

Common Stock

This is Kaltura, Inc.'s initial public offering. We are selling 15,000,000 shares of our common stock.

We expect the initial public offering price to be between \$9.00 and \$11.00 per share. Currently, no public market exists for the shares. After pricing of the offering, we expect that the shares will trade on the Nasdaq Global Select Market under the symbol "KLTR."

**We are an "emerging growth company" under the federal securities laws and are subject to reduced public company disclosure standards. See "Prospectus Summary—Implications of Being an Emerging Growth Company."**

Investing in our common stock involves risks that are described in the "[Risk Factors](#)" section beginning on page 22 of this prospectus.

	<u>Per Share</u>	<u>Total</u>
Initial public offering price	\$	\$
Underwriting discounts and commissions <sup>(1)</sup>	\$	\$
Proceeds to us, before expenses	\$	\$

(1) We have agreed to reimburse the underwriters for certain expenses. We refer you to "Underwriting (Conflict of Interest)" beginning on page 183 for additional information regarding underwriting compensation.

The underwriters may also exercise their option to purchase up to an additional 2,250,000 shares from us, at the initial public offering price, less underwriting discounts and commissions, for 30 days after the date of this prospectus.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The shares will be ready for delivery on or about \_\_\_\_\_, 2021 through the book-entry facilities of the Depository Trust Company.

Goldman Sachs & Co. LLC  
Wells Fargo Securities

BofA Securities  
Deutsche Bank Securities

Canaccord Genuity    JMP Securities    KeyBanc Capital Markets    Needham & Company    Oppenheimer & Co.

The date of this prospectus is \_\_\_\_\_, 2021



kaltura

Our Mission:  
**To Power Any Video  
Experience for Any  
Organization**

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**1,000**  
customers

**100M**  
media assets

**15M**  
authenticated  
users

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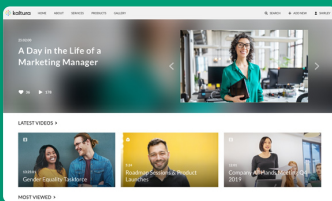


Note: Number of customers and media assets as of March 31, 2021; number of authenticated users for the year ended December 31, 2020.

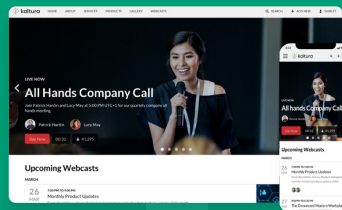


# The Kaltura Video Experience Cloud

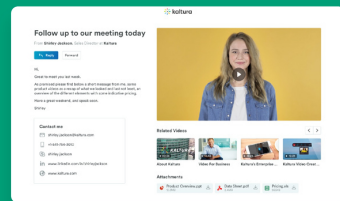
Powering Live, Real-Time and On-Demand Video Experiences



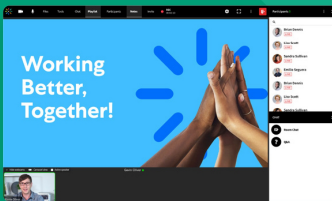
Video Portal



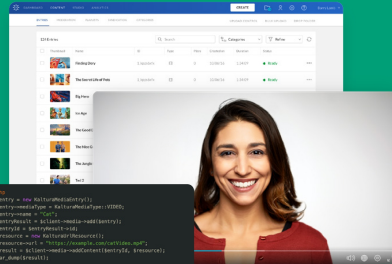
Town Halls



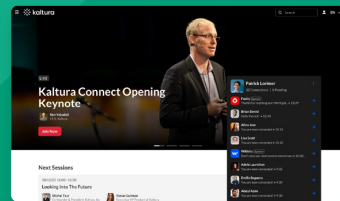
Video Messaging



Webinars



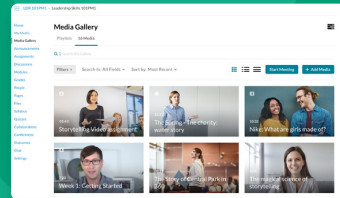
Media Services



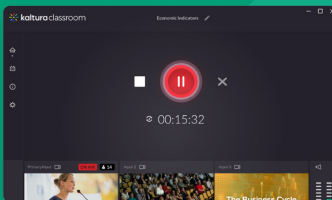
Virtual Events



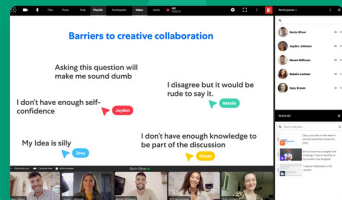
Meetings



LMS Video



Lecture Capture



Virtual Classroom



TV Solution





**\$120M**

2020 Revenue

**5x ▸ 7x ▸ 11x**

LTV:CAC in 2018-2020

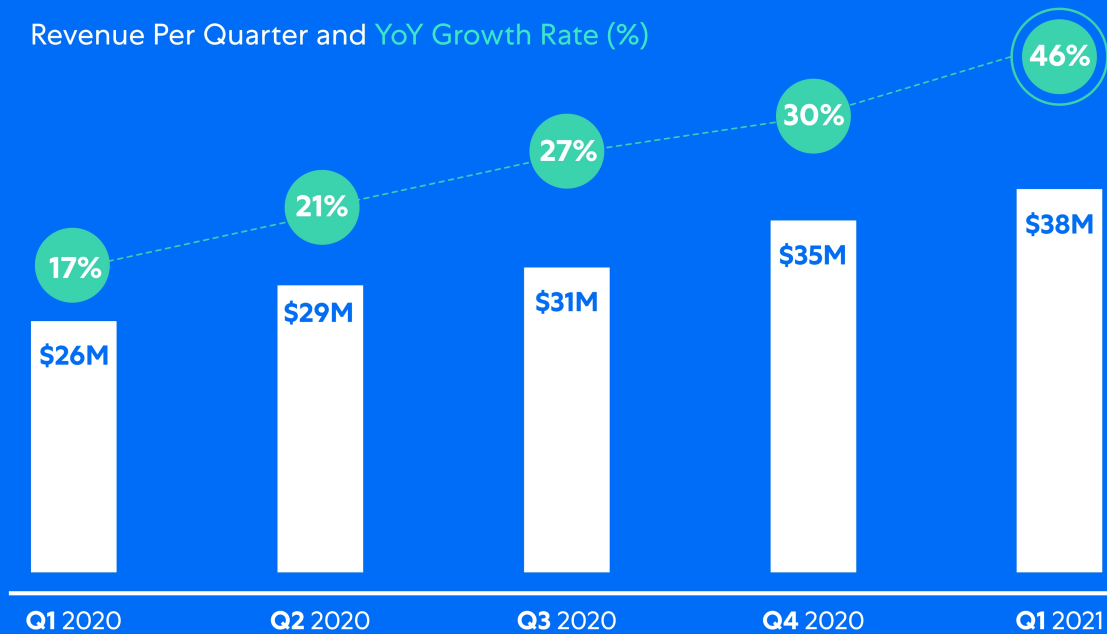
**Positive Adjusted  
EBITDA\***

in 2019 & 2020

**\$55B\*\***

Total Addressable Market

Revenue Per Quarter and YoY Growth Rate (%)



We had an operating loss of \$3.9 million and a net loss of \$5.0 million for the quarter ended March 31, 2020, an operating profit of \$1.1 million and a net loss of \$11.0 million for the quarter ended June 30, 2020, an operating loss of \$4.4 million and a net loss of \$6.4 million for the quarter ended September 30, 2020, an operating loss of \$1.3 million and a net loss of \$36.3 million for the quarter ended December 31, 2020, and an operating loss of \$8.6 million and a net loss of \$15.6 million for the quarter ended March 31, 2021.

\* Adjusted EBITDA is neither defined by, nor presented in accordance with, accounting principles generally accepted in the United States (“GAAP”). See “Prospectus Summary—Summary Historical Consolidated Financial and Other Data” for a discussion of the limitations of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net loss, the most directly comparable GAAP financial performance measure.

\*\* See “Business—Our Opportunity” for a discussion regarding our market opportunity, including the methodology we use to estimate our total addressable market.

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We and the underwriters have not authorized any other person to provide you with information different from that contained in this prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred or to make any representations other than those contained in this prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We and the underwriters take no 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 of common stock offered hereby, and only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus or in any applicable free writing prospectus is current only as of its date, regardless of its time of delivery or any sale of shares of our common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

**For investors outside the United States:** We and the underwriters have not done anything that would permit this offering or the 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 common stock and the distribution of this prospectus outside the United States.

## BASIS OF PRESENTATION

Certain amounts in this prospectus may not total due to rounding. All percentages have been calculated using unrounded amounts.

As used in this prospectus, unless otherwise noted or the context otherwise requires, references to “we,” “us,” “our,” the “Company” and “Kaltura” refer to Kaltura, Inc., together with its consolidated subsidiaries as a combined entity.

In addition, the number of “authenticated users” disclosed in this prospectus for any specified time period refers to the total number of unique users that logged in and performed some action recorded by our platform during the applicable period of time.

Certain financial measures presented in this prospectus are not recognized terms under accounting principles generally accepted in the United States (“GAAP”). We define these financial measures as follows:

- “EBITDA” is defined as net profit (loss) before interest expense, net, provision for income taxes and depreciation and amortization expense.
- “Adjusted EBITDA” is defined as EBITDA, adjusted for the impact of certain non-cash and other items that we believe are not indicative of our core operating performance, such as non-cash stock-based compensation expense.
- “Adjusted EBITDA margin” is defined as Adjusted EBITDA divided by total revenues.

See “Prospectus Summary—Summary Historical Consolidated Financial and Other Data” for a discussion regarding our use of EBITDA, Adjusted EBITDA and Adjusted EBITDA margin, including their limitations, and a reconciliation to the most directly comparable GAAP financial measures.

Throughout this prospectus, we also provide a number of key business metrics used by management and typically used by companies in our industry. These and other key financial and operating metrics are discussed in more detail in the section of this prospectus titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Financial and Operating Metrics.”

## TRADEMARKS, TRADE NAMES AND SERVICE MARKS

This prospectus includes our trademarks, trade names and service marks, including, without limitation, “Kaltura®” and our logo, which are protected under applicable intellectual property laws and are our property. This prospectus also contains trademarks, trade names and service marks of other companies, which are the property of their respective owners. Solely for convenience, trademarks, trade names and service marks referred to in this prospectus may appear without the ®, ™ or SM symbols, but such references are not intended to indicate, in any way, that we or the applicable owner will not assert, to the fullest extent permitted under applicable law, our or its rights or the right of any applicable licensor to these trademarks, trade names and service marks. We do not intend our use or display of other parties’ trademarks, trade names or service marks to imply, and such use or display should not be construed to imply, a relationship with, or endorsement or sponsorship of us by, these other parties.

## INDUSTRY AND MARKET DATA

Unless otherwise indicated, information contained in this prospectus concerning our industry and the markets in which we operate is based on information from independent industry and research organizations, other third-party sources and management estimates. Certain of these publications, studies and reports were published before the COVID-19 pandemic and therefore do not reflect any impact of COVID-19 on any specific market or globally. Management estimates are derived from publicly available information released by independent industry analysts and third-party sources, as well as data from our internal research, and are based on assumptions made by us upon reviewing such data and our knowledge of such industry and markets, which we believe to be reasonable. Although we believe the data from these third-party sources is reliable, we have not independently verified any third-party information. In addition, projections, assumptions and estimates of the future performance of the industry in which we operate and our future performance are necessarily subject to uncertainty and risk due to a variety of factors, including those described in “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements.” These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

In particular, certain information identified in this prospectus is contained in the following independent industry publications or reports by Forrester Research, Inc. (“Forrester”) and Gartner, Inc. (“Gartner”):

- Forrester, *The Forrester Wave™: Enterprise Video Platforms and Webcasting*, Q1 2015.
- Forrester, *The Forrester Wave™: Online Video Platforms for Sales and Marketing*, Q4 2016.
- Gartner, *Market Guide for Enterprise Video Content Management*, September 2020.
- Gartner, *Magic Quadrant for Enterprise Video Content Management*, September 2013, October 2014, November 2015, November 2016 and November 2018.
- Gartner, *Critical Capabilities for Enterprise Video Content Management*, March 2019.
- Gartner, *Magic Quadrant for Meeting Solutions*, October 2020.

Magic Quadrant and Critical Capabilities references are provided for historical purposes only and do not reflect current market recognition. Gartner does not endorse any vendor, product or service depicted in its research publications and does not advise technology users to select only those vendors with the highest ratings or other designation. Gartner research publications consist of the opinions of Gartner’s research organization and should not be construed as statements of fact. Gartner disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.

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## PROSPECTUS SUMMARY

*This summary highlights information contained elsewhere in this prospectus and may not contain all of the information you should consider before investing in our common stock. Before making an investment decision, you should read this entire prospectus, including our consolidated financial statements and the related notes included elsewhere herein. You should also carefully consider the information set forth under “Risk Factors” beginning on page 22. In addition, certain statements in this prospectus include forward-looking information that is subject to risks and uncertainties. See “Cautionary Note Regarding Forward-Looking Statements.”*

*In this prospectus, unless the context otherwise requires or where otherwise indicated, the terms “we,” “us,” “our,” the “Company” and “Kaltura” refer to Kaltura, Inc., together with its consolidated subsidiaries as a combined entity.*

### Overview

Our mission is to power any video experience, for any organization. Our Video Experience Cloud offers live, real-time, and on-demand video products including Video Portal, Town Halls, Video Messaging, Webinars, Virtual Events and Meetings. We also offer specialized industry solutions, including LMS Video (Learning Management System), Lecture Capture and Virtual Classroom for educational institutions, as well as a TV Solution for media and telecom companies. Underlying our products and solutions is a broad set of live, real-time, and on-demand Media Services consisting of Application Programming Interfaces (“APIs”), Software Development Kits (“SDKs”), and Experience Components, as well as our Video and TV Content Management Systems. Our Media Services are also used by other cloud platforms and companies to power video experiences and workflows for their own products. Our Video Experience Cloud is used by leading brands across all industries, reaching millions of users, at home, at school and at work, for communication, collaboration, training, marketing, sales, customer care, teaching, learning, and entertainment experiences. With our flexible offerings, customers can experience the benefits of video across a wide range of use cases, while customizing their deployments to meet their individual, dynamic needs.

Video is everywhere. It has become a driving force for online interactions and engagement, and has revolutionized how we communicate, work, learn, and entertain. According to Cisco’s Visual Networking Index, 82% of the world’s internet protocol (“IP”) traffic will be IP video by 2022. For businesses, video sits at the heart of digital transformation, with organizations increasingly embracing video solutions to better engage with customers and employees. Video adoption has been further fueled by the availability of broadband, increased penetration of smartphones, rise of over-the-top streaming (“OTT”) and cloud technologies, consumerization of enterprise technology, elevation of video to strategic and mission-critical use cases, the entry of younger professionals into the workforce and the growth in remote and distributed workforces. Furthermore, we believe the COVID-19 pandemic has accelerated the use and adoption of video.

Our vision and technology are differentiated in the market, addressing video as a unique data type that can, and should be, handled by a unified horizontal technology stack that powers all live, real-time, and on-demand video use cases while avoiding silos and disjointed workflows, and maximizing engagement, interactivity and the collection of data. To do so, we developed a wide array of Media Services that empower the building of any live, real-time and on-demand video experiences, and assembled with them our broad portfolio of video products for communication, collaboration, training, sales, marketing, and customer care, as well as our specialized industry solutions, currently for education and media and telecom companies.

During the year ended December 31, 2020, more than 15 million authenticated users interacted with our products and solutions at home, at work and at school. As of March 31, 2021, we had grown our repository of media assets to over 100 million.

Our Video Experience Cloud powers a wide array of video applications across industries and use cases. Our core offerings consist of various Software-as-a-Service (“SaaS”) products and solutions and a Platform-as-a-Service (“PaaS”) offering, including:

- **Video Products** – Video Portal, Town Halls, Video Messaging, Webinars, Virtual Events and Meetings. Customers leverage these products for video-based communication, collaboration, training, and customer experience (marketing, sales, and customer care).
- **Video Industry Solutions** – LMS Video (Learning Management System), Lecture Capture and Virtual Classroom for educational institutions to support and enhance in-class and remote teaching and learning. We also offer a TV Solution for media companies and telecom operators, allowing them to provide OTT advertising and subscription-based live and on-demand TV services for entertainment experiences.
- **Media Services** – Live, real-time, and on-demand video APIs, SDKs, and Experience Components as well as Video and TV Content Management Systems that govern the entire lifecycle of video, enabling customers to build any video experience and workflow. Our Media Services also serve as a foundation for our products and industry solutions. Our APIs, SDKs and Experience Components include live, real-time and on-demand video ingestion, transcoding, management, search, security, distribution, publishing, engagement, monetization and analytics.

As of March 31, 2021, we had over 1,000 customers from a wide range of industries, including financial services, high technology, healthcare, education, public sector, media and telecommunications. Among our customers are 25 of the US Fortune 100, more than 50% of U.S. R1 educational institutions, including seven of the eight Ivy League schools and some of the largest global media companies and telecom operators. Most of our top customers leverage several Kaltura products for a range of use cases across their organization.

We were recognized as a Representative Vendor in the 2020 Gartner Market Guide for Enterprise Video Content Management. We have been included in Gartner research reports on this since 2013, where we were listed as a Leader for 5 consecutive times in the Magic Quadrant for Enterprise Video Content Management report and ranked highest in all Use Cases in the last-published Critical Capabilities for Enterprise Video Content Management report. Gartner discontinued publication of this Magic Quadrant report in 2018 and of this Critical Capabilities report in 2019. We were also recognized in the 2020 Gartner Magic Quadrant for Meeting Solutions, after having only entered the market earlier that year. As of January 25, 2021, we ranked 4.6/5 for Meeting Solutions and 4.4/5 for Enterprise Video Content Management by customers on Gartner Peer Insights, based on 43 and 26 reviews, respectively. In 2016, Forrester cited Kaltura as a Leader in their report, The Forrester Wave™: Online Video Platforms for Sales and Marketing, Q4, 2016.

To date, we have invested primarily in increasing the scope and depth of our offerings. At the same time, we have accelerated our year-over-year revenue growth from 12% in 2018 to 18% in 2019 and 24% in 2020, and from 17% in the first quarter of 2020 (unaudited) to 46% in the first quarter of 2021 (unaudited). We accomplished this growth without materially increasing our sales and marketing spend over 2019 and 2020. In the fourth quarter of 2020, we began investing significantly in sales and marketing expenses to drive revenue growth, and we expect this trend to continue for the foreseeable future. Additionally, for the years ended December 31, 2019 and 2020, we generated net losses of \$15.6 million and \$58.8 million, respectively, and had Adjusted EBITDA of \$4.0 million and \$4.3 million, respectively, following negative Adjusted EBITDA in both 2017 and 2018. For the three months ended March 31, 2020 and 2021, we generated net losses of \$5.0 million and \$15.6 million, respectively, and had Adjusted EBITDA of \$(2.3) million and \$(1.3) million, respectively. See “Prospectus Summary—Summary Historical Consolidated Financial and Other Data” for a discussion of the limitations of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net loss, the most directly comparable GAAP performance measure. We have also demonstrated attractive unit economics. We estimate that for the years ended December 31, 2018, 2019 and 2020 and the three months ended March 31, 2021, the lifetime value of our

customers exceeded five, seven, eleven and eleven times the cost of acquiring them, respectively. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Overview” for additional information on how we calculate the lifetime value of our customers and the cost of acquiring them.

Our platform provides a differentiated and comprehensive value proposition for our customers. Additionally, we believe the demand for video offerings has reached an inflection point, with several trends driving strong demand for video applications. We intend to continue expanding our Video Experience Cloud with new Media Services, as well as new products and industry solutions. We also plan to increase our sales and marketing investment to capture the significant market opportunity ahead of us, including increasing the size and reach of our direct sales team, and investing in self-serve products and channel partnerships to expand our presence with smaller customers across all industries.

### **Key Trends Impacting the Video Market**

The nature of video consumption has transformed in recent years. Several major trends have played a role in this evolution:

- **Availability of Broadband:** The availability of internet-based services has increased in recent years, with global telecom operators increasing investment in next-generation mobile networks to reach previously underpenetrated regions and enhance performance in existing ones.
- **Broad Penetration of Smartphones:** Billions of people around the world use smartphones today, equipped with sophisticated technology which allow them to create, watch, and transmit video anytime and anywhere.
- **Rise of OTT and Cloud Technologies:** Television has left its original home within cable and satellite networks and TV set-top boxes and is now being delivered from the cloud as an internet-based service to any device.
- **Consumerization of Enterprise Technology:** Employees in today’s businesses expect consumer-like experiences with enterprise technology, expanding their use case of technology at work from simply exchanging information and data, to interacting, socializing, and learning.
- **Elevation of Video to Strategic and Mission-Critical Use Cases:** Video has transcended its initial use for entertainment to become a mission-critical tool leveraged by organizations across all industries. This includes companies adding video experiences to their own products and services.
- **Heightened Focus on Customer and Employee Engagement:** Businesses today are focused on finding new and creative ways to connect with their customers and employees. Management teams are pushing to develop new applications and services which maximize the use of data and analytics to create interactive, personalized solutions and drive engagement.
- **COVID-19 Pandemic Accelerating Preexisting Trends:** We believe the COVID-19 pandemic has accelerated the use of video for numerous use cases, including remote learning, remote work, virtual events, remote healthcare, consumer communication, e-commerce and online entertainment.

### **Limitations of Existing Video Solutions**

While various video solutions exist in the market today, we believe they are mostly discrete inflexible point solutions that suffer from a lack of modularity, extendibility, and interoperability; offer limited breadth and depth of functionality, data insights, and end-user engagement; and do not provide the required cloud-based enterprise-grade reliability, scalability, compliance, and security. As a result, these offerings



limit the ability of customers to maximize the benefits of video technology for their businesses and are also too costly and require significant time to value.

- **Discrete Point Solutions:** Most existing video solution providers lack a complete and unified platform for all video solutions across technologies (live, real-time and on-demand), devices, and use cases. As a result, businesses are faced with the complexity of working with multiple vendors to meet their video needs, often leading to a lack of cohesiveness across offerings, silos of content and disjointed workflows, and security and monitoring concerns. This further limits their applicability for use cases which would benefit from combined workflows.
- **Inflexible Offerings:** Many existing video solutions are turnkey applications that provide little by way of integration and customization. Their inflexible architecture often inhibits existing vendors' ability to innovate quickly and extend the offering to keep up with the rapidly growing and evolving needs for video. Additionally, existing vendors provide few tools for businesses to build their own advanced video workflows and products.
- **Limited Integration with Ecosystem:** Most existing video solution providers have few integrations with third-party platforms, and therefore offer limited interoperability and a non-streamlined and disjointed end-user experience.
- **Limited Analytics Capabilities:** Existing solutions often lack the robust analytics tools that enable interactivity and personalization. This limits the ability of businesses to make data-driven business decisions, further translating to limited end user engagement and a lower return on investment.
- **Not Optimized for End Users:** The interfaces of existing solutions are often not intuitive, and do not generate an immersive and engaging end-user experience across devices.
- **Not Built for the Cloud:** Many existing offerings are not cloud-native and instead rely on legacy on-premise deployments to deliver their solutions, limiting their ability to innovate quickly and provide video seamlessly across devices. This also creates operational complexities for customers managing multiple video solutions and limits their ability to leverage economies of scale.
- **Insufficient Support of Enterprise Standards:** Many existing offerings lack the scale, security, and compliance needed by today's enterprises, and also lack the development, contribution, and support for industry standards that promote openness, interoperability, and accessibility. This creates a growing risk for businesses that are using video for mission-critical use cases at scale.
- **Unnecessary Costs:** Existing solutions frequently require extensive implementation, hardware maintenance and custom integrations with other video solutions and adjacent tools, often resulting in excess costs for the customer.

#### **Kaltura's Video Experience Cloud**

Our Video Experience Cloud powers all types of video experiences: live, real-time, and on-demand. We designed it from the ground up using API-based building blocks which govern the entire video lifecycle and provide the foundation for our video applications. We believe our Video Experience Cloud is differentiated by the following characteristics:

- **Single Platform for All Video Experiences:** Our horizontal Video Experience Cloud acts as a "one stop shop" for video experiences across multiple use cases and industries, enabling our customers to increase agility, reduce operational complexity, and avoid the content and data silos generated by having several fragmented and disjointed point solutions. This allows us to consolidate the market for video-based applications, and lead the convergence of experiences across live, real-time, and on-demand video.

- **Open, Flexible Architecture:** Our products and solutions are interoperable and can be easily customized, extended and connected to other platforms and third-party offerings, allowing our customers to leverage external innovation as well. This also allows us to innovate efficiently and quickly and be a pioneer in the industry with many features, products and solutions.
- **Ecosystem:** We have built a rich ecosystem of over 125 technology partners, extending our experiences with AI, video creation, and network optimization, among others. We make our partners' solutions available to our customers through our marketplace, complete with a variety of plugins and out-of-the-box integrations with our platform.
- **Analytics:** Our platform offers powerful analytics across multiple dimensions, including insights related to engagement, time and seasonality comparisons, bottleneck identification, and congestion detection. These features help companies maximize the use of the data they are gathering across video channels, and better guide workflows associated with subscription.
- **Significant Benefits to End Users:** Our customers' use of our offerings provides several benefits to their end users at home, at work, and at school, including:
  - immersive, interactive and engaging experiences;
  - intuitive and consistent user interface across devices;
  - personalization driven by insightful and rich analytics;
  - customization and integration with other workflows enabling consolidated and seamless user experiences;
  - quality of service, security, and compliance; and
  - flexibility for developers to build customized solutions incorporating video technology.
- **Cloud-Agnostic:** While most of our customers use our public cloud products and solutions, our solutions can be deployed across any private, public, or hybrid cloud environment, as well as on-premise, providing our customers with complete flexibility around their deployment.
- **Enterprise-Grade:** Our platform offers enterprise-grade reliability, security, and scalability, allowing us to support mission-critical workflows for experiences of any scale. We also offer proactive monitoring and various tiers of customer support. For customers that rely on Kaltura to power TV experiences, we offer service availability commitments of up to 99.995%, the highest industry benchmark required by major media and telecom customers.
- **Cost Efficiency:** Our horizontal flexible, scalable, and extendable platform is cost-efficient to deploy, operate, maintain, and to keep abreast of emerging trends and needs.

#### **Our Opportunity**

We address a global market which includes on-demand, live, and real-time video experiences. We estimate that our total addressable market in 2020 is approximately \$55 billion, including approximately \$39 billion from the real-time-conferencing market, which we entered in 2020 with the addition of real-time-conferencing capabilities into our Media Services and the launch of our Webinars, Virtual Events and Meetings products and our Virtual Classroom industry solution.

We believe we have developed leading offerings for the on-demand and live markets and, with our planned increase in sales and marketing spend, that we are well-positioned to increase our relatively small share within each of these markets. Moreover, we entered the real-time conferencing market in 2020 with a differentiated set of offerings and have seen strong traction to date. We believe that the on-

demand, live, and real-time conferencing markets are converging, and that this is a trend that we are well positioned to capitalize on given the breadth of our platform.

Over time, we expect our market opportunity to grow, driven by increased global spend on video software solutions and our expansion into additional technologies and industries, such as telehealth, retail, smart cities, and government.

### **Growth Strategies**

We intend to drive significant growth by executing on the following key strategies:

- **Acquire New Customers:** We believe we have a significant opportunity to expand our presence with Fortune Global 2000 companies and other global enterprises. Going forward, we plan to increase our investment in sales and marketing to capitalize on our significant market opportunity and on the strong sales efficiency unit economics that we have demonstrated. We intend to grow our base of field sales representatives and customer success managers, which we believe will drive both geographic and vertical expansion. Additionally, we are investing for the first time in inside sales, self-serve offerings, and distribution channels.
- **Extend Product Leadership:** We believe our platform is ideally suited for expansion across products, solutions, industries, and use cases. We will continue to invest in new technologies and harness existing ones. We intend to continue to invest in our solutions across multiple dimensions:
  - **Recent Product and Solution Introductions:** In 2020, we entered the real-time-conferencing market with the introduction of our Webinars and Meetings products, as well as our Virtual Classroom industry solution, focused on learning, training, and marketing. We believe these products present a significant long-term opportunity, and we intend to harness our growing presence with them, among other recently introduced offerings such as our Virtual Events product and our TV Solution.
  - New Offerings, including:
    - **Products:** We will continue to invest in new video products for training, communication and collaboration, marketing, sales and customer care.
    - **Industry Solutions:** We believe there is a significant opportunity to extend our platform into more industries. Following the success of our media and telecom and education applications, we intend to launch applications for industries such as telehealth, retail, government, and smart cities, among others.
    - **Media Services:** We intend to enhance our Media Services offerings with additional core capabilities and invest in areas such as content creation, personalization and interactivity, content aggregation and syndication, AI and smart monetization. We also intend to add these capabilities into our existing and new products and industry solutions.
- **Increase Revenue from Existing Customers:** We plan to continue to increase sales within our existing customer base through increased usage of our platform and the cross-selling of additional products and solutions.
- **Augment our Platform Offering through Partnerships and Opportunistic M&A:** We plan to increase the breadth of partnerships with our technology partners, further allowing us to provide the most comprehensive video solutions to our customers. Additionally, we intend to continue to explore potential transactions that could enhance our capabilities or increase the scope of our technology footprint.

## Preliminary Financial Results for the Three Months Ended June 30, 2021

We are currently finalizing our financial results for the three months ended June 30, 2021. While complete financial information and operating data are not yet available, set forth below are certain preliminary estimates of the results of operations that we expect to report for our second quarter of 2021. Our actual results may differ materially from these estimates due to the completion of our financial closing procedures, final adjustments and other developments that may arise between now and the time our financial results for the three months ended June 30, 2021 are finalized. The preliminary financial data included in this prospectus has been prepared by, and is the responsibility of, our management. Our independent registered public accounting firm, Kost Forer Gabbay & Kasierer, a member of Ernst & Young Global, has not audited, reviewed, compiled, or applied agreed-upon procedures with respect to this preliminary financial data and, accordingly, does not express an opinion or any other form of assurance with respect thereto.

Set forth below are our preliminary estimates for the three months ended June 30, 2021. All percentage comparisons to the three months ended June 30, 2020 are measured to the midpoint of the range provided for the three months ended June 30, 2021.

	Three months ended		
	June 30, 2020 (Actual)	June 30, 2021 (Estimated Low End of Range)	June 30, 2021 (Estimated High End of Range)
(in millions)			
<b>Consolidated Statements of Operations Data:</b>			
<b>Revenues:</b>			
Subscription revenue	\$ 25.0	\$ 35.4	\$ 36.7
Professional services revenue	3.8	4.8	5.3
Total revenues	\$ 28.8	\$ 40.2	\$ 42.0
Net loss	\$ (11.0)	\$ (5.4)	\$ (2.4)
<b>Other Data:</b>			
Adjusted EBITDA	\$ 3.4	\$ (2.3)	\$ (0.6)

- Total revenues are expected to be between \$40.2 million and \$42.0 million, a 43% increase from \$28.8 million for the three months ended June 30, 2020. The estimated revenue growth is due to increased revenues from both new and existing customers.
  - Subscription revenue is expected to be between \$35.4 million and \$36.7 million, a 44% increase from \$25.0 million for the three months ended June 30, 2020.
  - Professional services revenue is expected to be between \$4.8 million and \$5.3 million, a 33% increase from \$3.8 million for the three months ended June 30, 2020.
- Net loss is expected to be between \$(5.4) million and \$(2.4) million, a (65)% decrease from \$(11.0) million for the three months ended June 30, 2020. The estimated decrease in net loss is primarily due to financial income driven by remeasurement of warrants to fair value and higher revenue, which was partially offset by an increase in compensation related mainly to higher headcount and stock-based compensation expense.
- Adjusted EBITDA is expected to be between \$(2.3) million and \$(0.6) million, a 143% decrease from \$3.4 million for the three months ended June 30, 2020.

The estimates above represent the most current information available to management and do not present all necessary information for an understanding of our financial condition as of and our results of operations for the three months ended June 30, 2021. We have provided ranges for the preliminary results described above primarily because our financial closing procedures for the three months ended

June 30, 2021 are not yet complete. As a result, while we currently expect that our final results will be within the ranges indicated above, it is possible that our final results will not be within the ranges we currently estimate. The estimates for the three months ended June 30, 2021 are not necessarily indicative of the results that may be expected for any future period and should be read together with "Risk Factors," "Cautionary Note Regarding Forward-Looking Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Selected Historical Consolidated Financial Data" and our financial statements and related notes included elsewhere in this prospectus.

Adjusted EBITDA is a non-GAAP financial measure and, as such, is subject to certain limitations. Accordingly, Adjusted EBITDA should not be considered in isolation, or as an alternative to or substitute for, GAAP financial measures such as net loss, or any other financial performance measure derived in accordance with GAAP. See "—Summary Historical Consolidated Financial and Other Data" for more information regarding our use of Adjusted EBITDA, including its limitations.

The following table provides a reconciliation of Adjusted EBITDA to net loss for the three months ended June 30, 2020 (actual) and the three months ended June 30, 2021 (estimated).

	Three months ended		
	June 30, 2020 (Actual)	June 30, 2021 (Estimated Low End of Range)	June 30, 2021 (Estimated High End of Range)
	(in millions)		
Net loss	\$ (11.0)	\$ (5.4)	\$ (2.4)
Financial expenses (income), net <sup>(a)</sup>	11.6	(3.4)	(4.4)
Provision for income taxes	0.6	1.5	1.4
Depreciation and amortization	1.1	0.7	0.6
EBITDA	\$ 2.3	\$ (6.6)	\$ (4.8)
Non-cash stock-based compensation expense	1.1	4.3	4.2
Adjusted EBITDA	\$ 3.4	\$ (2.3)	\$ (0.6)

(A) The three months ended June 30, 2020 and 2021 include \$10.6 million and an estimated \$(4.9) million to \$(5.9) million, respectively, of remeasurement of warrants to fair value.

We expect our closing procedures with respect to the three months ended June 30, 2021 to be completed in August 2021. Accordingly, our financial statements as of and for the three months ended June 30, 2021 will not be available until after this offering is completed.

### Summary Risk Factors

Our business is subject to a number of risks that you should be aware of before making an investment decision. You should carefully consider all of the information set forth in this prospectus and, in particular, should evaluate the specific factors set forth under "Risk Factors" in deciding whether to invest in our common stock. Among these important risks are the following:

- Our business and operations have experienced rapid growth, and if we do not appropriately manage this growth and any future growth, or if we are unable to improve our systems, processes and controls, our business, financial condition, results of operations and prospects will be adversely affected.
- Our recent growth may not be indicative of our future growth, and we may not be able to sustain our revenue growth rate in the future. Our growth also makes it difficult to evaluate our current business and future prospects and may increase the risk that we will not be successful.
- We have a history of losses and may not be able to achieve or maintain profitability.

- The ongoing COVID-19 outbreak could adversely affect our business, financial condition and results of operations.
- The markets for our offerings are new and evolving and may develop more slowly or differently than we expect. Our future success depends on the growth and expansion of these markets and our ability to adapt and respond effectively to evolving market conditions.
- Our results of operations are likely to fluctuate from quarter to quarter and year to year, which could adversely affect the trading price of our common stock.
- The loss of one or more of our significant customers, or any other reduction in the amount of revenue we derive from any such customer, would adversely affect our business, financial condition, results of operations and growth prospects.
- If we are not able to keep pace with technological and competitive developments and develop or otherwise introduce new products and solutions and enhancements to our existing offerings, our offerings may become less marketable, less competitive or obsolete, and our business, financial condition and results of operations may be adversely affected.
- If we do not maintain the interoperability of our offerings across devices, operating systems and third-party applications that we do not control, and if we are not able to maintain and expand our relationships with third-party technology partners to integrate our offerings with their products and solutions, our business, financial condition and results of operations may be adversely affected.
- A version of our Media Services is licensed to the public under an open source license, which could negatively affect our ability to monetize our offerings and protect our intellectual property rights.
- The markets in which we compete are nascent and highly fragmented, and we may not be able to compete successfully against current and future competitors, some of whom have greater financial, technical, and other resources than we do. If we do not compete successfully, our business, financial condition and results of operations could be harmed.
- If we are unable to increase sales of our subscriptions to new customers, expand the offerings to which our existing customers subscribe, or expand the value of our existing customers' subscriptions, our future revenue and results of operations will be adversely affected.
- If our existing customers do not renew their subscriptions, or if they renew on terms that are less economically beneficial to us, it could have an adverse effect on our business, financial condition and results of operations.
- We recognize a significant portion of revenue from subscriptions over the term of the relevant subscription period, and as a result, downturns or upturns in sales are not immediately reflected in full in our results of operations.
- We typically provide service-level commitments under our customer agreements. If we fail to meet these contractual commitments, we could be obligated to provide credits for future service, face contract termination with refunds of prepaid amounts or could experience a decrease in customer renewals in future periods, any of which would lower our revenue and adversely affect our business, financial condition and results of operations.
- We rely on third parties, including third parties outside the United States, for some of our software development, quality assurance, operations, and customer support.
- We depend on our management team and other key employees, and the loss of one or more of these employees or an inability to attract and retain highly skilled employees could adversely affect our business.

- If we are not able to maintain and enhance awareness of our brand, especially among developers and IT operators, our business, financial condition and results of operations may be adversely affected.
- Our corporate culture has contributed to our success, and if we cannot maintain this culture as we grow, we could lose the innovation, creativity, and entrepreneurial spirit we have worked to foster, which could adversely affect our business.
- Our failure to offer high quality customer support would have an adverse effect on our business, reputation and results of operations.
- The failure to effectively develop and expand our marketing and sales capabilities could harm our ability to increase our customer base and achieve broader market acceptance of our offerings.
- The sales prices of our offerings may change, which may reduce our revenue and gross profit and adversely affect our financial results.
- We expect our revenue mix to vary over time, which could negatively impact our gross margin and results of operations.
- The length of our sales cycle can be unpredictable, particularly with respect to sales to large customers, and our sales efforts may require considerable time and expense.
- Our international operations and expansion expose us to risk.
- If we are not successful in sustaining and expanding our international business, we may incur additional losses and our revenue growth could be adversely affected.
- Currency exchange rate fluctuations affect our results of operations, as reported in our financial statements.
- A portion of our revenue is generated by sales to government entities, which are subject to a number of challenges and risks.
- If we are unable to consummate acquisitions at our historical rate and at acceptable prices, and to enter into other strategic transactions and relationships that support our long-term strategy, our growth rate and the trading price of our common stock could be negatively affected. These transactions and relationships also subject us to certain risks.
- A real or perceived bug, defect, security vulnerability, error, or other performance failure involving our platform, products or solutions could cause us to lose revenue, damage our reputation, and expose us to liability.
- If we or our third-party service providers experience a security breach, data loss or other compromise, including if unauthorized parties obtain access to our customers' data, our reputation may be harmed, demand for our platform, products and solutions may be reduced, and we may incur significant liabilities.
- Failure to protect our proprietary technology, or to obtain, maintain, protect and enforce sufficiently broad intellectual property rights therein, could substantially harm our business, financial condition and results of operations.
- Our failure to raise additional capital or generate the significant capital necessary to expand our operations and invest in new offerings could reduce our ability to compete and could adversely affect our business.

- Changes in laws and regulations related to the internet, changes in the internet infrastructure itself, or increases in the cost of internet connectivity and network access may diminish the demand for our offerings and could harm our business.
- Political, economic and military conditions in Israel could materially and adversely affect our business.

### **Corporate History and Information**

Kaltura, Inc. was incorporated as a Delaware corporation in October 2006. Our corporate headquarters is located at 250 Park Avenue South, 10th Floor, New York, New York, and our telephone number is (646) 290-5445. Our website is [www.kaltura.com](http://www.kaltura.com). Information contained on or that can be accessed through our website is not incorporated by reference into this prospectus and does not constitute a part of this prospectus.

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

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

- we are required to have only two years of audited financial statements and only two years of related Management’s Discussion and Analysis of Financial Condition and Results of Operations disclosure;
- we are not required to engage an auditor to report on our internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”);
- we are not required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board (the “PCAOB”) regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements (i.e., an auditor discussion and analysis);
- we are not required to submit certain executive compensation matters to stockholder advisory votes, such as “say-on-pay,” “say-on-frequency” and “say-on-golden parachutes;” and
- we are not required to disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of the chief executive officer’s compensation to median employee compensation.

We may take advantage of these provisions until the last day of our fiscal year following the fifth anniversary of the closing of this offering or such earlier time that we are no longer an emerging growth company. We will cease to be an emerging growth company if (i) we have more than \$1.07 billion in annual revenue in any fiscal year, (ii) the market value of our common stock held by non-affiliates exceeds \$700 million as of the end of our most recently completed second fiscal quarter, or (iii) we issue more than \$1.0 billion of non-convertible debt over a three-year period. We have elected to take advantage of certain of the reduced reporting and other obligations described above in the registration statement of which this prospectus forms a part, and intend to take advantage of reduced reporting requirements in the future for so long as we are able to do so. As a result of this election, the information that we provide stockholders may be different than the information you might get from other public companies in which you hold equity. We cannot predict whether investors may find our common stock less attractive as a result. See “Risk Factors—Risks Related to this Offering and Ownership of Our Common Stock—We are an ‘emerging growth company’ and we cannot be certain if the reduced



disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors.”

The JOBS Act also permits an emerging growth company like us to take advantage of an extended transition period for complying with new or revised accounting standards applicable to public companies. In other words, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to use this extended transition period for complying with new or revised accounting standards until the earlier of the date we (x) are no longer an emerging growth company, or (y) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our consolidated financial statements and the reported results of operations contained therein may not be directly comparable to those of other public companies.

## THE OFFERING

Common stock offered by us	15,000,000 shares
Common stock to be outstanding after this offering	124,086,602 shares
Option to purchase additional shares	We have granted the underwriters a 30-day option to purchase up to 2,250,000 additional shares of our common stock from us at the initial public offering price less underwriting discounts and commissions.
Use of proceeds	We expect to receive net proceeds from this offering of approximately \$134.5 million (or approximately \$155.4 million if the underwriters' option to purchase additional shares of our common stock is exercised in full), assuming an initial public offering price of \$10.00 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated 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, research and development, sales and marketing activities, general administrative matters, operating expenses and capital expenditures. See "Use of Proceeds."
Risk factors	Investing in our common stock involves a high degree of risk. See "Risk Factors" beginning on page 22 and the other information in this prospectus for a discussion of the factors you should consider before you decide to invest in our common stock.
Conflict of interest	Special Situations Investing Group II, LLC is an affiliate of Goldman Sachs & Co. LLC, an underwriter of this offering, and beneficially owns 13.2% of our outstanding capital stock prior to the consummation of this offering. Therefore, Goldman Sachs & Co. LLC is deemed to have a "conflict of interest" within the meaning of Rule 5121 of the Financial Industry Regulatory Authority ("FINRA"). Accordingly, this offering is being conducted in accordance with FINRA Rule 5121. FINRA Rule 5121 prohibits Goldman Sachs & Co. LLC from making sales to discretionary accounts without the prior written approval of the account holder and requires that a "qualified independent underwriter," as defined in FINRA Rule 5121, participate in the preparation of the registration statement and exercise its usual standards of due diligence with respect thereto. BofA Securities, Inc. is acting as the "qualified independent underwriter" for this offering. See "Underwriting (Conflict of Interest)" for more information.

Dividend policy

We currently intend to retain all available funds and any future earnings for use in the operation of our business and to make payments on our outstanding debt, and therefore we do not currently expect to pay any cash dividends on our common stock in the foreseeable future. Any future determination to pay cash dividends to holders of common stock will be at the discretion of our board of directors and will depend upon many factors, including, among other things, our business prospects, financial condition, results of operations, current and anticipated cash needs and availability, industry trends and other factors that our board of directors may consider to be relevant. Furthermore, because we are a holding company, our ability to pay cash dividends on our common stock will depend on our receipt of cash distributions and dividends from our direct and indirect wholly owned subsidiaries. In addition, our ability to pay cash dividends is currently restricted by the terms of the agreement governing our Credit Facilities (as defined herein). Our ability to pay cash dividends on our common stock in the future may also be limited by the terms of any preferred securities we may issue or financial and other covenants in any instruments or agreements governing any additional indebtedness we may incur in the future. See "Dividend Policy."

Proposed Nasdaq Global Select Market symbol

"KLTR."

The number of shares of our common stock to be outstanding after this offering is based on 109,086,602 shares of our common stock outstanding as of March 31, 2021, after giving effect to the Preferred Stock Conversion and the Warrant Exercises (each as defined below), and excludes:

- 31,650,028 shares of our common stock issuable upon the exercise of options outstanding as of March 31, 2021, at a weighted-average exercise price of \$3.89 per share, of which 15,293,261 options were vested;
- 613,255 shares of our common stock issuable upon the exercise of a warrant issued to the former stockholders of Newrow, Inc. as partial consideration for our acquisition of all outstanding shares of capital stock of such entity, at an exercise price equal to the par value of such shares (the "Newrow Warrant");
- 67,954 additional shares of our common stock reserved for issuances under our existing equity plans, as further described elsewhere in this prospectus (together, the "Prior Plans"), as of March 31, 2021; and
- 8,500,000 shares of our common stock reserved for future issuance under our 2021 Incentive Award Plan (the "2021 Plan"), which will become effective upon the effectiveness of the registration statement of which this prospectus forms a part, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under our 2021 Plan.

Unless otherwise noted, the information in this prospectus reflects and assumes the following:

- the amendment and restatement of our certificate of incorporation to effect a 1-to-4.5 forward stock split effected on March 19, 2021, with all share, option, warrant and per share information for all periods presented in this prospectus adjusted to reflect such forward split on a retroactive basis;

- the automatic conversion of all outstanding shares of our convertible preferred stock into an aggregate of 76,262,952 shares of our common stock immediately prior to the closing of this offering (the “Preferred Stock Conversion”), which number includes 7,937,455 shares we expect to issue to Special Situations Investing Group II, LLC, an affiliate of Goldman Sachs & Co. LLC (sometimes referred to in this prospectus as “SSIG”), upon the conversion of our Series F convertible preferred stock;
- our issuance of 6,506,284 shares of common stock pursuant to the automatic cashless exercise, immediately prior to the closing of this offering, of a warrant held by SSIG (the “GS Warrant”), at an exercise price equal to the par value of such shares;
- the automatic cashless exercise, immediately prior to the closing of this offering, of a warrant to purchase shares of our Series D convertible preferred stock (the “Series D Warrant”) and warrants to purchase shares of our Series E convertible preferred stock (the “Series E Warrants”) which, after giving effect to the Preferred Stock Conversion, will result in the issuance of 223,282 and 338,133 shares of common stock, respectively, based on an assumed initial public offering price of \$10.00 per share, the midpoint of the price range set forth on the cover page of this prospectus (together with the GS Warrant Exercise, the “Warrant Exercises”) (a \$1.00 increase in the assumed initial public offering price of \$10.00 per share would increase the number of shares of our common stock issuable upon the automatic cashless exercise of the Series D Warrant and the Series E Warrants by an aggregate of 2,727 shares and 10,908 shares, respectively; a \$1.00 decrease in the assumed initial public offering price of \$10.00 per share would decrease the number of shares of our common stock issuable upon the automatic cashless exercise of the Series D Warrant and the Series E Warrants by an aggregate of 3,333 shares and 13,333 shares, respectively);
- the filing of our amended and restated certificate of incorporation (the “Post-IPO Certificate of Incorporation”) and the adoption of our amended and restated bylaws (the “Post-IPO Bylaws”), each of which will be in effect upon the closing of this offering;
- no exercise of outstanding options or warrants, except as described above; and
- no exercise of the underwriters’ option to purchase additional shares of our common stock.

As discussed elsewhere in this prospectus under the heading “Certain Relationships and Related Party Transactions—Transactions with Goldman, Sachs & Co. LLC and Affiliates,” pursuant to the terms of the GS Warrant and, in the case of our Series F convertible preferred stock, our certificate of incorporation, as currently in effect, we will be required to make certain cash payments to SSIG if the initial public offering price per share at which shares of our common stock are sold in this offering (the “Actual IPO Price”) is less than the price per share used to calculate the number of shares issuable upon the automatic cashless exercise of the GS Warrant or the conversion of our Series F convertible preferred stock, as the case may be (the “Estimated Price”). Conversely, if the Actual IPO Price is greater than the Estimated Price, SSIG will be required to make certain cash payments to us.

The following table sets forth the approximate amount of the aggregate cash payments we expect to be required to make to SSIG assuming an Actual IPO Price equal to the midpoint of the price range set forth on the cover page of this prospectus and at certain potential prices below such midpoint:

<b>Actual IPO Price</b>	<b>Potential Payment from us to SSIG</b>
\$10.00	\$1.6 million
\$9.00	\$10.6 million
\$8.00	\$19.6 million
\$7.00	\$28.0 million
\$6.00	\$36.3 million

For additional information regarding the transactions described above, as well as the aggregate cash payments we expect SSIG to be required to make to us if the Actual IPO Price is equal to certain potential prices above the midpoint of the price range set forth on the cover page of this prospectus, see “Certain Relationships and Related Party Transactions—Transactions with Goldman, Sachs & Co. LLC and Affiliates.”

### **SUMMARY HISTORICAL CONSOLIDATED FINANCIAL AND OTHER DATA**

Set forth below are our summary historical consolidated financial and other data for the periods ending on and as of the dates indicated.

The consolidated statements of operations data for the years ended December 31, 2019 and 2020 were derived from our audited consolidated financial statements included elsewhere in this prospectus. The consolidated statements of operations data for the three months ended March 31, 2020 and 2021, and the consolidated balance sheet data as of March 31, 2021, were derived from our unaudited consolidated financial statements included elsewhere in this prospectus. In our opinion, the unaudited consolidated financial statements have been prepared on a basis consistent with our audited consolidated financial statements and contain all adjustments, consisting only of normal and recurring adjustments, necessary for a fair statement of such financial information.

Our historical results are not necessarily indicative of our future results of operations, and our results for the three months ended March 31, 2021 are not necessarily indicative of the results that may be expected for the year ending December 31, 2021 or any other future year or period. The summary historical consolidated financial and other data set forth below should be read in conjunction with "Selected Historical Consolidated Financial Data," "Management's Discussion and Analysis of Financial

Condition and Results of Operations” and our historical consolidated financial statements and the notes thereto, included elsewhere in this prospectus.

	Year ended December 31,		Three months ended March 31,	
	2019	2020 <sup>(1)</sup>	2020	2021
	(Restated)		(unaudited)	
(dollar amounts in thousands except per share data)				
<b>Consolidated Statements of Operations Data:</b>				
Revenues:				
Subscription	\$ 84,725	\$ 104,064	\$ 23,204	\$ 32,342
Professional services	12,624	16,376	2,702	5,371
Total revenues	97,349	120,440	25,906	37,713
Cost of revenues:				
Subscription	18,669	28,486	5,684	9,876
Professional services	16,949	19,179	4,732	5,706
Total cost of revenues	35,618	47,665	10,416	15,582
Gross profit	61,731	72,775	15,490	22,131
Operating expenses:				
Research and development	24,216	29,567	6,779	10,899
Selling and marketing	25,515	29,475	8,279	10,162
General and administrative	14,779	22,222	4,355	7,947
Other operating expenses	—	—	—	1,724
Total operating expenses	64,510	81,264	19,413	30,732
Operating loss	2,779	8,489	3,923	8,601
Financial expenses (income), net	11,189	46,721	(291)	5,149
Loss before taxes on income	13,968	55,210	3,632	13,750
Provision for income taxes	1,604	3,553	1,352	1,806
Net loss	\$ 15,572	\$ 58,763	\$ 4,984	\$ 15,556
Net loss per share <sup>(2)</sup> :				
Basic and diluted	\$ 1.11	\$ 2.83	\$ 0.32	\$ 0.73
Weighted average shares of common stock used to compute net loss per share <sup>(1)</sup> :				
Basic and diluted	22,754,499	24,939,901	23,993,624	25,662,581
Pro forma net loss per share <sup>(2)</sup> :				
Basic and diluted		\$ 0.17		\$ 0.10
Weighted average shares of common stock used to compute pro forma net loss per share <sup>(2)</sup> :				
Basic and diluted		108,270,552		108,993,232
<b>Other Data:</b>				
Annualized Recurring Revenue <sup>(3)</sup>	\$ 91,135	\$ 116,643	\$ 93,741	\$ 128,586
Net Dollar Retention Rate <sup>(4)</sup>	105 %	107 %	110 %	116 %
Remaining Performance Obligations <sup>(5)</sup>	\$ 114,882	\$ 140,955	\$ 105,273	\$ 145,963
Gross margin <sup>(6)</sup>	63 %	60 %	60 %	59 %
Adjusted EBITDA <sup>(7)</sup>	\$ 4,033	\$ 4,302	\$ (2,259)	\$ (1,320)
Adjusted EBITDA margin <sup>(7)</sup>	4.1 %	3.6 %	(8.7)%	(3.5)%

As of March 31, 2021

	Actual <sup>(1)</sup> (unaudited)	Pro Forma <sup>(8)</sup> (unaudited) (in thousands)	Pro Forma As Adjusted <sup>(9)(10)</sup> (unaudited)
<b>Consolidated Balance Sheet Data:</b>			
Cash and cash equivalents <sup>(11)</sup>	\$ 19,018	\$ 19,018	\$ 153,518
Total assets	96,087	96,087	230,587
Total debt (including current portion of long-term debt) <sup>(12)</sup>	49,458	49,458	49,458
Warrants to purchase preferred and common stock	59,782	—	—
Convertible preferred stock	1,921	—	—
Redeemable convertible preferred stock	159,340	—	—
Total stockholders' (deficit) equity	(270,158)	(49,115)	85,385

- (1) Our consolidated financial statements have been restated. See Note 20 to our consolidated financial statements included elsewhere in this prospectus.
- (2) See Note 17 to our consolidated financial statements included elsewhere in this prospectus for an explanation of the method used to calculate our historical and pro forma basic and diluted net loss per share.
- (3) We use Annualized Recurring Revenue ("ARR") as a measure of our revenue trend and an indicator of our future revenue opportunity from existing recurring customer contracts. We calculate ARR by annualizing our recurring revenue for the most recently completed fiscal quarter. Recurring revenues are generated from SaaS and PaaS subscriptions, as well as term licenses for software installed on the customer's premises. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Financial and Operating Metrics—Annualized Recurring Revenue" for additional information on how we calculate ARR, which may differ from methods used by other companies to calculate similarly titled metrics.
- (4) We use Net Dollar Retention Rate to measure our success in retaining and growing recurring revenue from our existing customers. We calculate our Net Dollar Retention Rate for a given period as the recognized recurring revenue from the last reported fiscal quarter from the set of customers whose revenue existed in the reported fiscal quarter from the prior year (the numerator), divided by recognized recurring revenue from such customers for the same fiscal quarter in the prior year (denominator). For annual periods, we report Net Dollar Retention Rate as the arithmetic average of the Net Dollar Retention Rate for all fiscal quarters included in the period. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Financial and Operating Metrics—Net Dollar Retention Rate" for additional information on how we calculate our Net Dollar Retention Rate, which may differ from methods used by other companies to calculate similarly titled metrics.
- (5) Remaining Performance Obligations represent the amount of contracted future revenue that has not yet been delivered, including both subscription and professional services revenues. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Financial and Operating Metrics— Remaining Performance Obligations" for additional information on how we calculate Remaining Performance Obligations.
- (6) Gross margin is defined as gross profit divided by total revenue.
- (7) Adjusted EBITDA is defined as EBITDA (which is defined as net profit (loss) before interest expense, net, provision for income taxes and depreciation and amortization expense), adjusted for the impact of certain non-cash and other items that we believe are not indicative of our core operating performance, such as non-cash stock-based compensation expense.

Adjusted EBITDA margin is defined as Adjusted EBITDA divided by total revenues.

EBITDA, Adjusted EBITDA and Adjusted EBITDA margin are supplemental measures of our performance, are not defined by or presented in accordance with GAAP, and should not be considered in isolation or as an alternative to net profit (loss) or any other performance measure prepared in accordance with GAAP. Adjusted EBITDA and Adjusted EBITDA margin are presented because we believe that they provide useful supplemental information to investors and analysts regarding our operating performance and are frequently used by these parties in evaluating companies in our industry. By presenting Adjusted EBITDA and Adjusted EBITDA margin, we provide a basis for comparison of our business operations between periods by excluding items that we do not believe are indicative of our core operating performance. We believe that investors' understanding of our performance is enhanced by including these non-GAAP financial measures as a reasonable basis for comparing our ongoing results of operations. Additionally, our management uses Adjusted EBITDA and Adjusted EBITDA



margin as supplemental measures of our performance because they assist us in comparing the operating performance of our business on a consistent basis between periods, as described above.

Although we use EBITDA, Adjusted EBITDA and Adjusted EBITDA margin as described above, EBITDA, Adjusted EBITDA and Adjusted EBITDA margin have significant limitations as analytical tools. Some of these limitations include:

- such measures do not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments;
- such measures do not reflect changes in, or cash requirements for, our working capital needs;
- such measures do not reflect the interest expense, or the cash requirements necessary to service interest or principal payments on our debt;
- such measures do not reflect our tax expense or the cash requirements to pay our taxes;
- although depreciation and amortization expense and non-cash stock-based compensation expense are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future and such measures do not reflect any cash requirements for such replacements; and
- other companies in our industry may calculate such measures differently than we do, thereby further limiting their usefulness as comparative measures.

Due to these limitations, EBITDA, Adjusted EBITDA and Adjusted EBITDA margin should not be considered as measures of discretionary cash available to us to invest in the growth of our business. We compensate for these limitations by relying primarily on our GAAP results and using these non-GAAP measures only supplementally. As noted in the table below, Adjusted EBITDA includes an adjustment for non-cash stock-based compensation expense. It is reasonable to expect that this item will occur in future periods. However, we believe this adjustment is appropriate because the amount recognized can vary significantly from period to period, does not directly relate to the ongoing operations of our business and complicates comparisons of our internal operating results between periods and with the operating results of other companies over time. Each of the normal recurring adjustments and other adjustments described in this paragraph and in the reconciliation table below help to provide management with a measure of our core operating performance over time by removing items that are not related to day-to-day operations. Nevertheless, because of the limitations described above, management does not view EBITDA, Adjusted EBITDA or Adjusted EBITDA margin in isolation and also uses other measures, such as revenue, operating loss and net loss, to measure operating performance.

The following table reconciles EBITDA and Adjusted EBITDA to the most directly comparable GAAP financial performance measure, which is net loss:

	Year ended December 31,				Three months ended March 31,	
	2017	2018	2019	2020	2020	2021
				(Restated)	(unaudited)	
				(in thousands)		
Net loss	\$ (19,205)	\$ (11,914)	\$ (15,572)	\$ (58,763)	\$ (4,984)	\$ (15,556)
Financial expenses (income), net <sup>(a)</sup>	3,913	(59)	11,189	46,721	(291)	5,149
Provision for income taxes	1,160	3,642	1,604	3,553	1,352	1,806
Depreciation, amortization, impairment and abandonment costs <sup>(b)</sup>	5,316	4,446	4,490	7,677	1,002	597
EBITDA	(8,816)	(3,885)	1,711	(812)	(2,921)	(8,004)
Non-cash stock-based compensation expense	2,050	2,205	2,322	5,114	662	4,960
Other operating expenses <sup>(c)</sup>	—	—	—	—	—	1,724
Adjusted EBITDA	\$ (6,766)	\$ (1,680)	\$ 4,033	\$ 4,302	\$ (2,259)	\$ (1,320)

(a) 2018, 2019, 2020 and the three months ended March 31, 2021 include \$(4.4) million, \$5.3 million, \$41.5 million and \$4.2 million, respectively, of remeasurement of warrants to fair value.

(b) 2017 includes a \$0.5 million one-time expense related to impairment of intangible assets. 2020 includes a \$4.0 million one-time expense related to the abandonment of data center equipment in connection with our transition to a public cloud infrastructure.

- (c) The three months ended March 31, 2021 includes other operating expenses related to the forgiveness of loans to certain of our directors and executive officers in connection with the public filing of the registration statement of which this prospectus forms a part.
- (8) Reflects the Preferred Stock Conversion and the Warrant Exercises.
- (9) Reflects the pro forma adjustments described in footnote (8) above and the sale by us of 15,000,000 shares of common stock in this offering at the assumed initial public offering price of \$10.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.
- (10) Each \$1.00 increase (decrease) in the assumed initial public offering price of \$10.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, working capital, total assets and total stockholders' equity by approximately \$14.0 million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase (decrease) of 1.0 million shares in the number of shares offered by us at the assumed initial public offering price would increase (decrease) each of cash and cash equivalents, working capital, total assets and total stockholders' equity by approximately \$9.3 million, assuming the shares of our common stock offered by this prospectus are sold at the assumed initial public offering price of \$10.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. The pro forma information discussed above is illustrative only and will be adjusted based on the actual initial public offering price, the number of shares we sell and other terms of this offering that will be determined at pricing.
- (11) Does not reflect certain cash payments we will be required to make to Special Situations Investing Group II, LLC, an affiliate of Goldman Sachs & Co. LLC, if the actual initial public offering price is less than or equal to the midpoint of the price range set forth on the cover page of this prospectus (or, conversely, cash payments Special Situations Investing Group II, LLC will be required to make to us if the actual initial public offering price is greater than such midpoint). See "Certain Relationships and Related Party Transactions—Transactions with Goldman Sachs & Co. LLC and Affiliates."
- (12) Total debt as of March 31, 2021 consisted of approximately \$39.6 million of borrowings outstanding under our Term Loan Facility (net of \$0.4 million of unamortized issuance costs), and approximately \$9.9 million of borrowings outstanding under our Revolving Credit Facility (net of \$0.1 million of unamortized issuance costs). As of March 31, 2021, we had no additional borrowings available under our Revolving Credit Facility. In June 2021, we (i) entered into a First Amendment to our Credit Agreement which, among other things, increased commitments under the Revolving Credit Facility to \$35.0 million, and (ii) borrowed an additional \$12.5 million of debt under the Revolving Credit Facility in connection with such amendment. As of June 30, 2021, we had approximately \$22.4 million of borrowings outstanding under the Revolving Credit Facility (net of \$0.1 million of unamortized issuance costs) and approximately \$12.5 million of additional borrowings available thereunder. For additional information regarding our Term Loan Facility and our Revolving Credit Facility, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Credit Facilities." Also see our consolidated financial statements included elsewhere in this prospectus, which include all recorded liabilities.

## RISK FACTORS

*A description of the risks and uncertainties associated with our business and ownership of our common stock is set forth below. 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 Result of Operations" and our consolidated financial statements and the related notes thereto, before making a decision to invest in our common stock. Our business, financial condition, results of operations and prospects could also be harmed by risks and uncertainties that are not presently known to us or that we currently believe are not material. If any of these risks actually occur, our business, financial condition, results of operations and prospects could be materially and adversely affected. In that event, the market price of our common stock could decline and you could lose all or part of your investment.*

### **Risks Related to Our Business and Industry**

***Our business and operations have experienced rapid growth, and if we do not appropriately manage this growth and any future growth, or if we are unable to improve our systems, processes and controls, our business, financial condition, results of operations and prospects will be adversely affected.***

We have experienced rapid growth and increased demand for our offerings in recent periods, including in response to the COVID-19 pandemic, and we plan to make continued investments in the growth and expansion of our business and customer base. The growth and expansion of our business places a continuous and significant strain on our management, operational, financial and other resources. In addition, as customers adopt our offerings for an increasing number of use cases, we have had to support more complex commercial relationships. In order to manage our growth effectively, we must continue to improve and expand our information technology and financial infrastructure, our security and compliance requirements, our operating and administrative systems, our customer service and support capabilities, our relationships with various partners and other third parties, and our ability to manage headcount and processes in an efficient manner.

We may not be able to sustain the pace of improvements to our platform, products and solutions, or the development and introduction of new offerings, successfully, or implement systems, processes, and controls in an efficient or timely manner or in a manner that does not negatively affect our results of operations. Our failure to improve our systems, processes, and controls, or their failure to operate in the intended manner, may result in our inability to manage the growth of our business and to forecast our revenue, expenses, and earnings accurately, or to prevent losses.

As we continue to expand our business and operate as a public company, we may find it difficult to maintain our corporate culture while managing our employee growth. Any failure to manage our anticipated growth and related organizational changes in a manner that preserves our culture could negatively impact future growth and achievement of our business objectives. Additionally, our productivity and the quality of our offerings may be adversely affected if we do not integrate and train our new employees quickly and effectively. These challenges have been, and likely will continue to be, heightened due to the ongoing COVID-19 pandemic and the related stay-at-home, travel and other restrictions instituted by governments around the world. Failure to manage our growth to date and any future growth effectively could result in increased costs, negatively affect customer satisfaction and adversely affect our business, financial condition, results of operations and growth prospects.

***Our recent growth may not be indicative of our future growth, and we may not be able to sustain our revenue growth rate in the future. Our growth also makes it difficult to evaluate our current business and future prospects and may increase the risk that we will not be successful.***

Our total revenue for the years ended December 31, 2019 and 2020 was \$97.3 million and \$120.4 million, respectively, representing an annual growth rate of 24%. Our total revenue for the three months ended March 31, 2020 and 2021 was \$25.9 million and \$37.7 million, respectively, representing year-

over-year growth of 46%. You should not rely on the revenue growth of any prior period as an indication of our future performance. As we operate in new and rapidly changing markets, widespread adoption and use of our platform, products and solutions is critical to our future growth and success. We believe our revenue growth will depend on a number of factors, including, among other things, our ability to:

- attract new customers and maintain our relationships with, and increase revenue from, our existing customers;
- provide excellent customer and end user experiences;
- maintain the security and reliability of our platform, products and solutions;
- introduce and grow adoption of our offerings in new markets outside the United States;
- hire, integrate, train and retain skilled personnel;
- adequately expand our sales force and distribution channels;
- continually enhance and improve our platform, products and solutions, including the features, integrations and capabilities we offer, and develop or otherwise introduce new products and solutions;
- obtain, maintain, protect and enforce intellectual property protection for our platform and technologies;
- expand into new technologies, industries and use cases;
- expand and maintain our partner ecosystem;
- comply with existing and new applicable laws and regulations, including those related to data privacy and security;
- price our offerings effectively and determine appropriate contract terms;
- determine the most appropriate investments for our limited resources;
- successfully compete against established companies and new market entrants; and
- increase awareness of our brand on a global basis.

If we are unable to accomplish any of these objectives, our revenue growth will be impaired, and even if our revenue continues to increase, we expect that our revenue growth rate will decline in future periods. Many factors may contribute to declines in our growth rate, including greater market penetration, increased competition, slowing demand for our offerings, a failure by us to continue capitalizing on growth opportunities, the maturation of our business, and global economic downturns, among others. Additionally, it is difficult to estimate the extent to which our recent growth has benefited from the effects of the COVID-19 pandemic, which increased demand from new and existing customers across all of our offerings beginning in the second quarter of 2020 and contributed to an acceleration in our revenue growth when compared to prior periods. While market demand for our offerings was growing at a robust rate prior to the pandemic, we are unable to predict the duration, degree or volatility of our recent or any future growth with any degree of certainty. If our growth rate declines as a result of this or any of the other factors described above, investors' perceptions of our business and the market price of our common stock could be adversely affected.

In addition, our rapid growth may make it difficult to evaluate our current business and future prospects. Our ability to forecast our future results of operations is subject to a number of uncertainties, including our ability to effectively plan for and model future growth. We have encountered in the past, and may encounter in the future, risks and uncertainties frequently experienced by growing companies in

rapidly changing industries that may prevent us from achieving the objectives outlined above. If we fail to achieve the necessary level of efficiency in our organization as it grows, or if we are not able to accurately forecast future growth, our business would be adversely affected. Moreover, if the assumptions that we use to plan our business are incorrect or change in reaction to changes in our market, or if we are unable to maintain consistent revenue or revenue growth, the market price of our common stock could be volatile, and it may be difficult to achieve and maintain profitability.

***We have a history of losses and may not be able to achieve or maintain profitability.***

We have incurred losses in each year since our incorporation in 2006, including net losses of \$15.6 million and \$58.8 million in the years ended December 31, 2019 and 2020, respectively, and net losses of \$5.0 million and \$15.6 million during the three months ended March 31, 2020 and 2021, respectively. As a result, we had an accumulated deficit of \$(278.8) million as of March 31, 2021. We intend to continue to expend substantial financial and other resources on, among other things:

- growing our base of field sales representatives and customer success managers, introducing inside sales and self-serve offerings and distribution channels, and expanding our customer base;
- extending our product leadership by investing in our Webinars and Meetings products, as well as our Virtual Classroom industry solution, our Virtual Events product, our TV Solution and other recently introduced offerings, as well as by developing new products, expanding our platform into additional industries and enhancing our Media Services offerings with additional core capabilities and technologies;
- increasing sales within our existing customer base through increased usage of our platform and the cross-selling of additional products and solutions;
- augmenting our current offerings by increasing the breadth of our technology partnerships and exploring potential transactions that may enhance our capabilities or increase the scope of our technology footprint;
- continuing to grow our international operations; and
- general administration, including legal, accounting, and other expenses related to our transition to being a new public company.

These efforts may prove more expensive than we currently anticipate, and we may not succeed in increasing our revenue sufficiently, or at all, to offset these higher expenses. In addition, to the extent we are successful in increasing our customer base, we may also incur increased losses because the costs associated with acquiring customers are generally incurred up front, while the subscription revenue is generally recognized ratably over the subscription term. This will be particularly true as we acquire new customers for our Virtual Events product and TV Solution, which entail significant non-recurring up-front costs as compared to our other offerings, and because we expect to significantly increase our sales and marketing spend in anticipation of future revenue growth. If our revenue does not increase to offset the expected increases in our operating expenses, we will not achieve profitability in future periods and our net losses may increase. Revenue growth may slow or revenue may decline for a number of possible reasons, many of which are beyond our control, including slowing demand for our platform, products or solutions, increasing competition, or any of the other factors discussed in this Risk Factors section. Any failure to increase our revenue as we grow our business could prevent us from achieving profitability at all or on a consistent basis, which would cause our business, financial condition and results of operations to suffer and the market price of our common stock to decline.

***The ongoing COVID-19 outbreak could adversely affect our business, financial condition and results of operations.***

In December 2019, an outbreak of a novel coronavirus disease (“COVID-19”) was first identified and began to spread across the globe and, in March 2020, the World Health Organization declared it a pandemic. This contagious disease has spread across the globe and is impacting economic activity and financial markets worldwide, including countries in which our end users and customers are located, as well as the United States and Israel where we have business operations. As a result of the COVID-19 pandemic, government authorities around the world have ordered schools and businesses to close, imposed restrictions on non-essential activities and required people to remain at home while imposing significant restrictions on traveling and social gatherings.

In light of the uncertain and rapidly evolving situation relating to the spread of COVID-19, as well as government mandates, we took precautionary measures intended to minimize the risk of the virus to our employees, our customers, our partners and the communities in which we operate, which could negatively impact our business. In the first quarter of 2020, we temporarily closed all of our offices and enabled our entire work force to work remotely. We also suspended all travel worldwide for our employees for non-essential business. In the second quarter of 2020, we reopened selected offices, however most of our employees continued to work remotely, a majority of whom continue to do so as of the date of this prospectus. These changes could extend into future quarters.

While COVID-19 has not had a material adverse impact on our operations through the date of this prospectus, the impact of COVID-19 on our ability to attract, serve, retain or upsell customers is inherently uncertain and depends on the duration, severity and potential resurgence of the outbreak and its impact on end users, customers and the macroeconomic environment as a whole. Prior to the COVID-19 pandemic, our employees traveled frequently to establish and maintain relationships with one another, as well as our customers, partners, and investors. Although we continue to monitor the situation and may adjust our current policies as more information and public health guidance become available, continued limitations on travel and doing business in person may negatively affect our customer success efforts, sales and marketing efforts, challenge our ability to enter into customer contracts in a timely manner, slow down our recruiting efforts, or create operational or other challenges, any of which could adversely affect our business, financial condition and results of operations.

In addition, as a result of the increase in usage we experienced as a result of the pandemic, in the third quarter of 2020, we accelerated our existing plans to move from our own data centers to a public cloud infrastructure in order to provide required stability, reliability, scalability and elasticity. Though we do not believe our transition to a public cloud infrastructure will materially increase our cost of revenue over the long-term, our cost of revenue did increase in the third and fourth quarters of 2020, and we expect to incur additional costs related to this transition in 2021 as we continue the process of scaling our network infrastructure, which will exert downward pressure on our gross margin and results of operations. Our gross margin and results of operations have also been impacted by, and may continue to be impacted by, the increased usage of certain of our offerings, primarily in the education market, for which the terms of our customer agreements do not limit customer usage or increase pricing for usage above a certain amount. In addition, in connection with our transition to a public cloud infrastructure, we recorded a one-time expense during the third quarter of 2020 related to the abandonment of data center equipment. We also experienced an initial period of unstable service during the first few months of this transition, causing us to fall below the service-level commitments in our customer agreements, which could negatively impact customer renewals and, as a result, our Net Dollar Retention Rate, in future periods.

Furthermore, COVID-19 has disrupted and may continue to disrupt the operations of our customers and technology partners for an indefinite period of time, including as a result of travel restrictions and/or business shutdowns, all of which could negatively impact our business, financial condition and results of operations. More generally, the COVID-19 outbreak has adversely affected economies and financial markets globally, leading to an economic downturn, which could decrease technology spending and adversely affect demand for our offerings and harm our business, financial condition and results of

operations. Existing and potential customers may choose to reduce or delay technology investments in response to the COVID-19 pandemic, or attempt to renegotiate contracts and obtain concessions, which may materially and negatively impact our operating results, financial condition and prospects. For example, as a result of COVID-19, we have experienced and expect to continue to experience an increase in the average length of sales cycles to onboard new customers, delays in new projects, and requests by some customers for extension of payment obligations, all of which adversely affect and could materially and adversely impact our business, financial condition and results of operations in future periods. The COVID-19 pandemic has also resulted in, and may continue to result in, significant disruption of global financial markets, reducing our ability to access capital, which could in the future negatively affect our liquidity. It is also possible that continued widespread remote work arrangements may have a negative impact on our operations, the execution of our business plans, the productivity and availability of key personnel and other employees necessary to conduct our business, and on third-party service providers who perform critical services for us, or otherwise cause operational failures due to changes in our normal business practices necessitated by the outbreak and related governmental actions. If a natural disaster, power outage, connectivity issue, or other event occurred that impacted our employees' ability to work remotely, it may be difficult or, in certain cases, impossible, for us to continue our business for a substantial period of time. The increase in remote working may also result in privacy, data protection, data security, and fraud risks, and our understanding of applicable legal and regulatory requirements, as well as the latest guidance from regulatory authorities in connection with the COVID-19 pandemic, may be subject to legal or regulatory challenge, particularly as regulatory guidance evolves in response to future developments.

It is not possible at this time to estimate the long-term impact that COVID-19 could have on our business, financial condition and results of operations as the impact will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions to contain the virus or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. Even after the outbreak of COVID-19 has subsided, we may experience materially adverse impacts to our business as a result of its global economic impact, including any recession that has occurred or may occur in the future.

***The markets for our offerings are new and evolving and may develop more slowly or differently than we expect. Our future success depends on the growth and expansion of these markets and our ability to adapt and respond effectively to evolving market conditions.***

The markets in which we operate are relatively new and rapidly evolving. Accordingly, it is difficult to predict customer adoption, renewals and demand, the entry of new competitive products, the success of existing competitive products, and the future growth rate, expansion, longevity, and size of the markets for our platform, products and solutions. The expansion of these new and evolving markets depends on a number of factors, including the cost, performance, and perceived value associated with the technologies that we and others in our industry develop. If we or other companies in our industry experience security incidents, loss of customer data, or disruptions in delivery or service, the market for these applications as a whole, including the demand for our offerings, may be negatively affected. If video products and solutions such as ours do not continue to achieve market acceptance, or there is a reduction in demand caused by decreased customer acceptance, technological challenges, weakening economic conditions, privacy, data protection and data security concerns, governmental regulation, competing technologies and products, or decreases in information technology spending or otherwise, the market for our offerings might not continue to develop or might develop more slowly than we expect, which could adversely affect our business, financial condition, results of operations and growth prospects. Similarly, we do not know whether recent trends, such as the increased utilization of cloud-based live and real-time video experiences as an alternative to in-person experiences, which has accelerated during the COVID-19 pandemic, will continue in the future.

***Our results of operations are likely to fluctuate from quarter to quarter and year to year, which could adversely affect the trading price of our common stock.***

Our results of operations, including our revenue, cost of revenue, gross margin, operating expenses, cash flow, and deferred revenue, have fluctuated from quarter to quarter and year to year in the past and may continue to vary significantly in the future so that period-to-period comparisons of our results of operations may not be meaningful. Accordingly, our financial results in any one quarter should not be relied upon as indicative of future performance. Our quarterly financial results may fluctuate as a result of a variety of factors, many of which are outside of our control, may be difficult to predict, and may not fully reflect the underlying performance of our business. Factors that may cause fluctuations in our quarterly financial results include:

- our ability to attract new customers and increase revenue from our existing customers;
- the loss of existing customers;
- subscription renewals, and the timing and terms of such renewals;
- fluctuations in customer usage from period to period, including as a result of seasonality in our customers' underlying businesses, which create variability in our cost of revenue;
- customer satisfaction with our products, solutions, platform capabilities and customer support;
- mergers and acquisitions or other factors resulting in the consolidation of our customer base;
- mix of our revenue;
- our ability to gain new partners and retain existing partners;
- fluctuations in stock-based compensation expense;
- decisions by potential customers to purchase competing offerings or develop in-house technologies and solutions as alternatives to our offerings;
- changes in the spending patterns of our customers;
- the amount and timing of operating expenses related to the maintenance and expansion of our business and operations, including investments in research and development, sales and marketing, and general and administrative resources;
- our increasing reliance on a public cloud infrastructure, which will result in higher variable costs compared to our own data centers;
- network outages;
- developments or disputes concerning our intellectual property or proprietary rights, our platform, products or solutions, or third-party intellectual property or proprietary rights;
- negative publicity about our company, our offerings or our partners, including as a result of actual or perceived breaches of, or failures relating to, privacy, data protection or data security;
- the timing of expenses related to the development or acquisition of technologies or businesses and potential future charges for impairment of goodwill from acquired companies;
- general economic, industry, and market conditions;
- the impact of the ongoing COVID-19 pandemic, or any other pandemic, epidemic, outbreak of infectious disease or other global health crises on our business, the businesses of our customers and partners and general economic conditions;



- the impact of political uncertainty or unrest;
- changes in our pricing policies or those of our competitors;
- fluctuations in the growth rate of the markets that our offerings address;
- seasonality in the underlying businesses of our customers, including budgeting cycles, purchasing practices and usage patterns;
- the business strengths or weakness of our customers;
- our ability to collect timely on invoices or receivables;
- the cost and potential outcomes of future litigation or other disputes;
- future accounting pronouncements or changes in our accounting policies;
- our overall effective tax rate, including impacts caused by any reorganization in our corporate tax structure and any new legislation or regulatory developments;
- our ability to successfully expand our business in the United States and internationally;
- fluctuations in the mix of on-premise and SaaS/PaaS deployments;
- fluctuations in foreign currency exchange rates; and
- the timing and success of new products and solutions introduced by us or our competitors, or any other change in the competitive dynamics of our industry, including consolidation among competitors, customers or partners.

In particular, our cost of revenue is generally higher in periods during which we acquire new customers for our Virtual Events product and TV Solution, which entail significantly higher up-front costs compared to our other offerings. Historically, we have also experienced seasonality in bookings and collections from customers within the education market, with a pattern of higher sales and new academic customers in the second and third quarters of the year as a result of school procurement periods, resulting in lower sequential sales and customer growth in other quarters of the year. We also experience increased usage by these customers during periods when school is in session, leading to higher cost of revenue during the first and fourth quarters of the year. Because the agreements for certain of our solutions do not limit usage or increase pricing for usage in excess of a specified amount, these additional costs may not result in a corresponding increase in revenue.

In addition, beginning in the second quarter of 2020, we experienced a significant increase in the usage of our offerings due to the COVID-19 pandemic. As a result of this usage and increased demand from our customers, we have incurred and expect to continue to incur significant costs associated with upgrading our infrastructure and expanding our capacity, including the acceleration of our existing plans to move from our own data centers to a public cloud infrastructure. The transition to a public cloud infrastructure will also increase our variable costs, which may lead to higher overall costs, particularly in the near term as our usage scales.

The impact of one or more of the foregoing or other factors may cause our results of operations to vary significantly. Such fluctuations make forecasting more difficult and could cause us to fail to meet the expectations of investors and securities analysts, which could cause the trading price of our common stock to fall substantially, resulting in the loss of all or part of your investment, and subject us to costly lawsuits, including securities class action suits. Additionally, the rapid growth we have experienced in recent years may have masked the full effects of these seasonal factors on our business to date, and as such, these factors may have a greater effect on our results of operations in future periods.

***We have identified a material weakness in our internal control over financial reporting which, if not remediated, could cause us to fail to timely and accurately report our financial results and result in restatements of our consolidated financial statements. As a consequence, stockholders could lose confidence in our financial reporting and our stock price could suffer.***

Following the closing of this offering, we will be a public reporting company subject to the rules and regulations established from time to time by the SEC and Nasdaq. These rules and regulations will require, among other things, that we establish and periodically evaluate procedures with respect to our internal control over financial reporting. Reporting obligations as a public company are likely to place a considerable strain on our financial and management systems, processes and controls, as well as on our personnel.

In addition, as a public company, we will be required to document and test our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act so that our management can certify as to the effectiveness of our internal control over financial reporting. Though we will be required to disclose changes made to our internal controls and procedures on a quarterly basis, we will not be required to make our first annual assessment of our internal control over financial reporting pursuant to Section 404 until the year following our first annual report required to be filed with the SEC. Furthermore, as an emerging growth company, our independent registered public accounting firm will not be required to formally attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 until the later of our second annual report required to be filed with the SEC and our annual report for any fiscal year following such date that we are no longer an emerging growth company. This assessment will need to include disclosure of any material weaknesses identified in our internal control over financial reporting. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company's annual and interim financial statements will not be detected or prevented on a timely basis.

In connection with the preparation of the consolidated financial statements included elsewhere in this prospectus, we concluded that there was a material weakness in our internal control over financial reporting. In particular, we concluded that we did not have effective controls over the estimation of fair value in connection with stock-based compensation expenses and re-measurement of liabilities in connection with warrants to purchase preferred and common stock. As a result, we restated our consolidated financial statements. See Note 20 to our consolidated financial statements included elsewhere in this prospectus.

Our management and independent registered public accounting firm did not perform an evaluation of our internal control over financial reporting during any period in accordance with the provisions of Sarbanes-Oxley Act. Had we performed an evaluation and had our independent registered public accounting firm performed an audit of our internal control over financial reporting in accordance with the provisions of Sarbanes-Oxley Act, additional material weaknesses may have been identified. We are in the very early stages of the costly and challenging process of compiling the system and processing documentation necessary to perform the evaluation needed to comply with Section 404(a) of Sarbanes-Oxley Act and we are taking steps to remediate the material weakness.

Although we are in the process of remediating this material weakness, we have not yet been able to complete our remediation efforts. It will take additional time and expenditures to design, implement and test the controls and procedures required to enable our management to conclude that our internal control over financial reporting is effective. We cannot at this time estimate how long it will take to complete our remediation efforts, and we cannot assure you that measures we plan to take will be effective in mitigating or preventing significant deficiencies or material weaknesses in our internal control over financial reporting in the future. Any failure to maintain effective internal control over financial reporting could severely inhibit our ability to accurately report our financial condition or results of operations.

If we fail to remediate this material weakness or identify new material weaknesses by the time we have to issue our first Section 404(a) assessment on the effectiveness of our internal control over

financial reporting, we will not be able to conclude that our internal control over financial reporting is effective, which may cause investors to lose confidence in our financial statements, and the trading price of our common stock may decline. If we fail to remedy any material weakness, our financial statements may be inaccurate, we could be subject to litigation from investors and stockholders, we could be subject to sanctions or investigations by the SEC, Nasdaq or other regulatory authorities, our access to the capital markets may be restricted and the trading price of our common stock may suffer.

***The loss of one or more of our significant customers, or any other reduction in the amount of revenue we derive from any such customer, would adversely affect our business, financial condition, results of operations and growth prospects.***

Our future success is dependent on our ability to establish and maintain successful relationships with a diverse set of customers. We currently derive a significant portion of our revenue from a limited number of customers. For the years ended December 31, 2019 and 2020, Vodafone accounted for approximately 12% of our revenue in each such year, and our top ten customers in the aggregate accounted for approximately 27% and 29% of our revenue in such years, respectively. For the three months ended March 31, 2020 and 2021, Vodafone accounted for approximately 14% and 10% of our revenue, respectively, and, for the three months ended March 31, 2021, Amazon accounted for approximately 10% of our revenue. Our top ten customers in the aggregate accounted for approximately 30% and 34% of our revenue in such periods, respectively. Although the identity of the customers may vary from period to period, it is likely that we will continue to derive a significant portion of our revenue from a limited number of customers in the future and, in some cases, the portion of our revenue attributable to individual customers may increase. The loss of one or more significant customers or a reduction in the amount of revenue we derive from any such customer could significantly and adversely affect our business, financial condition and results of operations. Customers may choose not to renew their subscriptions or may otherwise reduce the breadth of the offerings to which they subscribe for any number of reasons. See “—If our existing customers do not renew their subscriptions, or if they renew on terms that are less economically beneficial to us, it could have an adverse effect on our business, financial condition and results of operations.” We are also subject to the risk that any such customer will experience financial difficulties that prevent them from making payments to us on a timely basis or at all.

***If we are not able to keep pace with technological and competitive developments and develop or otherwise introduce new products and solutions and enhancements to our existing offerings, our offerings may become less marketable, less competitive or obsolete, and our business, financial condition and results of operations may be adversely affected.***

The markets in which we compete are characterized by rapid technological change, frequent introductions of new products, services, features and capabilities, and evolving industry standards and regulatory requirements. Our ability to grow our customer base and increase our revenue will depend in significant part on our ability to develop or otherwise introduce new products and solutions; develop or otherwise introduce new features, integrations, capabilities and other enhancements to our existing offerings on a timely basis; and interoperate across an increasing range of devices, operating systems and third-party applications. The success of any new products or solutions, or enhancements to our existing offerings, will depend on a number of factors including, but not limited to, the timeliness and effectiveness of our research and product development activities and go-to-market strategy, our ability to anticipate customer needs and achieve market acceptance, our ability to manage the risks associated with new product releases, the effective management of development and other spending in connection with the product development process, and the availability of other newly developed products and technologies by our competitors.

In addition, in connection with our product development efforts, we may introduce significant changes to our existing products or solutions, or develop or otherwise introduce new and unproven products or solutions, including technologies with which we have little or no prior development or operating experience. These new products, solutions and updates may not perform as expected, may fail to engage our customer base or other end users of our products, or may otherwise create a lag in adoption of such

new products. New products 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. We have in the past experienced bugs, errors, or other defects or deficiencies in new products and product updates and delays in releasing new products, deployment options, and product enhancements and may have similar experiences in the future. As a result, some of our customers may either defer purchasing our offerings until the next upgrade is released or switch to a competitor if we are not able to keep up with technological developments. To keep pace with technological and competitive developments we have in the past invested, and may in the future invest, in the acquisition of complementary businesses, technologies, services, products, and other assets that expand our offerings. We may make these investments without being certain that they will result in products or enhancements that will be accepted by existing or prospective customers or that will achieve market acceptance. The short- and long-term impact of any major change to our offerings, or the introduction of new products or solutions, is particularly difficult to predict. If new or enhanced offerings fail to engage our customer base or other end users of our products, or do not perform as expected, we may fail to generate sufficient revenue, operating margin, or other value to justify our investments in such products, any of which may adversely affect our reputation and negatively affect our business in the short-term, long-term, or both. If we are unable to successfully enhance our existing offerings to meet evolving customer requirements, increase adoption and use cases of our offerings, develop or otherwise introduce new products and solutions and quickly resolve security vulnerabilities or other errors or defects, or if our efforts in any of these areas are more expensive than we expect, our business, financial condition and results of operations would be adversely affected.

***If we do not maintain the interoperability of our offerings across devices, operating systems and third-party applications that we do not control, and if we are not able to maintain and expand our relationships with third-party technology partners to integrate our offerings with their products and solutions, our business, financial condition and results of operations may be adversely affected.***

Our success depends in part on our ability to integrate our platform, products and solutions with a variety of network, hardware and software platforms, and we need to continuously modify and enhance our offerings to adapt to changes in hardware, software, networking, browser and database technologies. Several of our competitors own, develop, operate or distribute operating systems, application stores, cloud hosting services and other software applications, and/or have material business relationships with companies that own, develop, operate or distribute operating systems, application stores, cloud hosting services and other software that our offerings rely on to operate. Moreover, some of these competitors have inherent advantages developing products and services that more tightly integrate with their software and hardware platforms or those of their business partners.

Third-party products and services are constantly evolving, and we may not be able to modify our offerings to ensure their compatibility with those of other third parties following development changes. In addition, some of our competitors may be able to disrupt the operations or compatibility of our offerings with their products or services, or exert strong business influence on our ability to, and terms on which we, operate and distribute our offerings. For example, certain of our offerings directly compete with several large technology companies that we rely on to ensure the interoperability of our offerings with their products or services. As our respective products evolve, we expect this level of competition to increase. Should any of our competitors modify their products or standards in a manner that degrades the functionality of our offerings or gives preferential treatment to competitive products or services, whether to enhance their competitive position or for any other reason, we may not be able to offer the functionality that our customers need, which would negatively impact our ability to generate revenue and adversely affect our business. Furthermore, any losses or shifts in the market position of the providers of these third-party products and services could require us to identify and develop integrations with new third-party technologies. Such changes could consume substantial resources and may not be effective. Any expansion into new geographies may also require us to integrate our offerings with new third-party technologies, products and services and invest in developing new relationships with these providers. If we are unable to respond to changes in a cost-effective manner, our offerings may become less marketable,

less competitive, or obsolete, and our business, financial condition and results of operations may be negatively impacted.

In addition, a significant percentage of our customers choose to integrate our platform, products and solutions with certain capabilities of third-party publishers and software providers using application programming interfaces, or APIs. The functionality and popularity of our platform, products and solutions depends, in part, on their ability to integrate with a wide variety of third-party applications and software. Third-party providers of applications may change the features of their applications and software, restrict our access to their applications and software or alter the terms governing use of their applications and access to those applications and software in an adverse manner. Such changes could functionally limit or eliminate our ability to use these third-party applications and software in conjunction with our offerings, which could negatively impact customer demand, our competitive position and adversely affect our business.

Further, we have created mobile applications and mobile versions of our offerings to respond to the increasing number of people who access the internet and cloud-based software applications through mobile devices, including smartphones and handheld tablets or laptop computers. If these mobile applications do not perform well, our business may suffer. We are also dependent on third-party application stores that may prevent us from timely updating our offerings, building new features, integrations, capabilities or other enhancements, or charging for access. Certain of these companies are now, or may in the future become, competitors of ours, and could stop allowing or supporting access to our offerings, could allow access for us only at an unsustainable cost, or could make changes to the terms of access in order to make our offerings less desirable or harder to access, for competitive reasons, which would also have a negative impact on our business.

***A version of our Media Services is licensed to the public under an open source license, which could negatively affect our ability to monetize our offerings and protect our intellectual property rights.***

We make a version of our Media Services, Kaltura Community Edition (“Kaltura CE”), available to the public at no charge under an open source license, the Affero General Public License version 3.0 (“AGPL”). Although Kaltura CE does not include many widely used Kaltura applications, it can be used on a self-hosted basis as a standalone video platform. The AGPL grants licensees broad freedom to view, use, copy, modify, and redistribute the source code of Kaltura CE. Anyone can download a free copy of this version of our platform from the internet, and we neither know who all of our AGPL licensees are, nor have visibility into how Kaltura CE is being used by licensees, so our ability to detect violations of the open source license is extremely limited. Additionally, even if we become aware of any violations, open source licenses—including AGPL—have not been widely interpreted by courts, leading to uncertainty surrounding any ability to enforce such licenses.

The AGPL is a “copyleft” license, requiring that any redistribution by licensees of Kaltura CE, or any modifications or adaptations to Kaltura CE, be made pursuant to the AGPL as well. This leads some commercial enterprises to consider AGPL-licensed software to be unsuitable for commercial use. However, the AGPL would not prevent a commercial licensee from taking this open source version of our platform under AGPL and using it for internal purposes for free. AGPL also would not prevent a commercial licensee from taking this open source version of our platform under AGPL and using it to compete in our markets by providing it to others for free.

This competition can develop without the degree of overhead and lead time required by traditional proprietary software companies, due to the permissions allowed under AGPL. It is also possible for competitors to develop their own software based on Kaltura CE. Although this software would also need to be made available for free under the AGPL, it could reduce the demand for and put pricing pressure on our offerings. We cannot guarantee that we will be able to compete successfully against current and future competitors, some of which may have greater resources than we have, or that competitive pressure or the availability of new open source software will not result in price reductions, reduced operating

margins, and loss of market share. Any of the foregoing could harm our business, financial condition, results of operations and cash flows.

***The markets in which we compete are nascent and highly fragmented, and we may not be able to compete successfully against current and future competitors, some of whom have greater financial, technical, and other resources than we do. If we do not compete successfully, our business, financial condition and results of operations could be harmed.***

Our Video Experience Cloud consists of our Media Services offerings and multiple products and solutions, and we compete in each product or solution category as well as on the platform level as a whole. The market for our offerings is highly fragmented, quickly evolving, and subject to rapid changes in technology. We believe that our ability to compete successfully depends upon many factors both within and beyond our control, including the following:

- breadth and scale of products, solutions and Media Services;
- ability to provide a cross-organization video platform with multiple interoperable video solutions;
- ability to support converging experiences across live, real-time and on-demand video;
- flexibility to build and support custom workflows using video technology;
- ease of customization and integration with other products;
- quality of service and customer satisfaction;
- flexibility of deployment options;
- ability to innovate quickly;
- data capabilities, including advanced analytics and AI;
- enterprise-grade reliability, security and scalability;
- cost of implementation and ongoing use;
- brand recognition; and
- corporate culture.

Our key competitors vary based on market and industry, and include:

- Microsoft/Azure Media Services, Amazon/AWS Media Services and Twilio for our Media Services;
- Microsoft/Teams and Cisco (through their partnership with Vbrick) for Video Portal, Town Halls and Video Messaging;
- Zoom, Cisco/Webex and Adobe/Connect for Meetings and Webinars;
- Intrado and Hopin for Virtual Events;
- Zoom, Microsoft/Teams and Cisco/Webex for our education solutions; and
- Synamedia (formerly under Cisco), MediaKind (formerly under Ericsson) and Comcast Technology Solutions for our Media & Telecom Solution.

Additionally, we compete with home-grown, start-up, and open source technologies across the categories described above. With the rise in travel restrictions and shelter-in-place policies resulting from

the COVID-19 pandemic, as well as the passage of time, the introduction of new technologies and the entrance of new market participants, competition has intensified, and we expect it to continue to intensify in the future. Established companies are also developing their own video platforms, products and solutions within their own core product lines, and may continue to do so in the future. Established companies may also acquire or establish product integration, distribution or other cooperative relationships with our current competitors. New competitors or alliances among competitors may emerge from time to time and rapidly acquire significant market share due to various factors such as their greater brand name recognition, larger existing user or customer base, consumer preferences for their offerings, a larger or more effective sales organization and greater financial, technical, marketing and other resources and experience. Furthermore, with the recent increase in large merger and acquisition transactions in the technology industry, particularly transactions involving cloud-based technologies, there is a greater likelihood that we will compete with other larger technology companies in the future. Companies resulting from these potential consolidations may create more compelling product offerings and be able to offer more attractive pricing options, making it more difficult for us to compete effectively.

Many of our competitors have, and some of our potential competitors may have, greater financial, technical, and other resources, longer operating histories, greater brand recognition, larger sales forces and marketing budgets, broader distribution networks, more diverse product and services offerings, larger and more mature intellectual property portfolios, more established relationships in the industry and with customers, lower cost structures and greater customer experience resources. These competitors may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards and customer requirements. They may be able to leverage these resources to gain business in a manner that discourages customers from purchasing our offerings, including through selling at zero or negative margins, product bundling, forced product migrations, auto-installation of applications, or closed technology platforms. Potential customers may also prefer to purchase from companies with which they have an existing relationship rather than a new supplier, regardless of product performance or features. Furthermore, we expect that our industry will continue to attract new companies, including smaller emerging companies, which could introduce new offerings. We may also expand into new markets and encounter additional competitors in such markets. These competitive pressures in the markets in which we operate, or our failure to compete effectively, may result in price reductions, fewer customers, reduced revenue, gross profit and gross margins, increased net losses and loss of market share. Any failure to effectively address these factors could significantly and adversely affect our business, financial condition and results of operations.

***If we are unable to increase sales of our subscriptions to new customers, expand the offerings to which our existing customers subscribe, or expand the value of our existing customers' subscriptions, our future revenue and results of operations will be adversely affected.***

Our success depends on our ability to sell our subscriptions to new customers and to expand within our existing customer base by selling subscriptions for additional offerings to our existing customers and expanding the value of existing customers' subscriptions, and to do so in a cost-effective manner. Our ability to sell new subscriptions and expand the number and value of existing subscriptions depends on a number of factors, including the prices of our offerings and their functionality, the prices of products offered by our competitors, and the budgets of our customers. We serve customer needs with multiple tiers of subscriptions that differ based on product depth and functionality. We also offer an initial trial period for certain of our offerings. To the extent prospective customers utilize this trial period without becoming, or lead others not to become, paying customers, our expenses may increase as a result of associated hosting costs, and our ability to grow our business may be adversely affected. We also offer an open source version of our Media Services called Kaltura CE. Our open source version is intended to increase the visibility and familiarity of our platform among the developer communities. We invest in developers and developer communities through multiple channels, including the introduction of new open source projects. There is no guarantee that such events will translate into new customers, or that open source users will convert to paying subscribers.

In addition, a significant aspect of our sales and marketing focus is to expand deployments within existing customers. The rate at which our customers purchase subscriptions for additional offerings and expand the value of their existing subscriptions depends on a number of factors, including, among other things, customers' level of satisfaction with our offerings and customer support, the nature and size of the deployments, the desire to address additional use cases, and the availability of, and customers' awareness of and perceived need for, additional features, integrations, capabilities or other enhancements, as well as general economic conditions. If our customers do not recognize the potential of our offerings, our business would be materially and adversely affected.

***If our existing customers do not renew their subscriptions, or if they renew on terms that are less economically beneficial to us, it could have an adverse effect on our business, financial condition and results of operations.***

We expect to derive a significant portion of our revenue from renewals of existing subscriptions. Our customers have no contractual obligation to renew their subscriptions after the completion of their subscription term. Subscriptions for most of our offerings are offered on either an annual or multi-year basis. Our subscriptions also generally include committed usage amounts. As a result, we cannot provide assurance that customers will renew their subscriptions for a similar contract period or with the same or greater product depth, number of users, functionality or other terms that are equally or more economically beneficial to us, if they renew at all.

Our customers' renewals may decline or fluctuate as a result of a number of factors, including their satisfaction with our products and our customer support, the frequency and severity of product outages, our product uptime or latency, the pricing of our offering in relation to competing offerings, additional new features, integrations, capabilities or other enhancements that we offer, updates to our products as a result of updates by technology partners, and customers or users no longer having a need for our offerings (including customers or users acquired during the COVID-19 pandemic that may subsequently reduce or discontinue their use after the impact of the pandemic has subsided). Renewal rates may also be impacted by general economic conditions or other factors that reduce customers' spending levels. For example, many educational institutions and other customers in the public sector depend substantially on government funding, and any general decrease, delay or other change in the availability of such funding could cause current and prospective customers to decide not to renew their subscriptions or to reduce the scope of their subscriptions at the end of the applicable subscription term, any of which could cause us to lose customers and revenue. If our customers do not renew their subscriptions or renew on terms less economically favorable to us, our revenue may decline or grow less quickly than anticipated, which would adversely affect our business, financial condition and results of operations.

***We recognize a significant portion of revenue from subscriptions over the term of the relevant subscription period, and as a result, downturns or upturns in sales are not immediately reflected in full in our results of operations.***

The majority of our revenues are derived from SaaS and PaaS subscriptions, and we recognize a significant portion of our subscription revenue over the term of the relevant subscription period. As a result, much of the subscription revenue we report each fiscal quarter is the recognition of deferred revenue from subscription contracts entered into during previous fiscal quarters. Consequently, a decline in new or renewed subscriptions in any one fiscal quarter will not be fully or immediately reflected in revenue in that fiscal quarter and will negatively affect our revenue in future fiscal quarters. Accordingly, the effect of significant downturns in new or renewed sales of our subscriptions is not reflected in full in our results of operations until future periods.



***If we fail to meet contractual commitments under our customer agreements, we could be subject to contractual penalties, litigation and other liabilities, and could experience an increase in contract terminations or decrease in contract renewals in future periods, which would lower our revenue, increase our costs and otherwise adversely affect our business, financial condition and results of operations.***

Our customer agreements typically contain service-level commitments. If we are unable to meet the stated service-level commitments, including failure to meet the uptime and response time requirements under our customer agreements, we may be contractually obligated to provide these customers with service credits, or customers could elect to terminate and receive refunds for prepaid amounts related to unused subscriptions, either of which could significantly affect our revenue in the periods in which the failure occurs and the credits are applied or refunds paid out. In addition, customer terminations or any reduction in renewals resulting from service-level failures could significantly affect both our current and future revenue. For example, during the third quarter of 2020, we experienced an initial period of service instability in connection with the acceleration of our existing plans to transition our technology to a public cloud infrastructure, causing us to fall below the service-level commitments in our customer agreements for the first few months of this transition. Though this did not result in a significant increase in customer terminations and we have not seen a material decrease in customer renewals to date, we cannot guarantee that we will not experience a material decrease in customer renewals in future periods as additional customers cycle through their subscription terms.

In addition, the agreements we enter into with our TV Solution customers typically provide for committed delivery schedules and milestones with which we are required to comply in connection with the deployment of our offerings. The deployment process for our TV Solution offerings is often complex, and our ability to comply with our obligations under these agreements depends on a variety of factors both within and outside of our control, including the timely performance of front-end software developers and other third-parties. If we fail to meet our committed delivery schedules and milestones, we could be subject to contractual penalties, including liquidated damages, as well as breach of contract claims, which could result in litigation and cause us to incur additional costs, including in the form of additional damages or settlement payments. Affected customers may also elect to terminate their agreements with us.

Furthermore, any service-level failures or failure to meet committed delivery schedules and milestones could also create negative publicity and damage our reputation, which may discourage prospective customers from adopting our offerings. In addition, if we modify the terms of our contractual commitments in future customer agreements in a manner customers perceive to be unfavorable, demand for our offerings could be reduced. The occurrence of these or any of the events discussed above could have a significant adverse effect on our business, financial condition, results of operations and cash flow, as well as our ability to grow our business.

***We rely on third parties, including third parties outside the United States, for some of our software development, quality assurance, operations, and customer support.***

We currently depend on various third parties for some of our software development efforts, quality assurance, operations, and customer support services. Specifically, we outsource some of our software development and design, quality assurance, and operations activities to third-party contractors that have employees and consultants located in Russia and Belarus. Our dependence on third-party contractors creates a number of risks, in particular, the risk that we may not maintain development quality, control, or effective management with respect to these business operations. In addition, poor relations between the United States and Russia, and sanctions by the United States and the European Union ("EU") against Russia could have an adverse impact on our third-party software development in Russia. We anticipate that we will continue to depend on these and other third-party relationships in order to grow our business for the foreseeable future. If we are unsuccessful in maintaining existing and, if needed, establishing new relationships with third parties, our ability to efficiently operate existing services or develop new services and provide adequate customer support could be impaired, and, as a result, our competitive position or our results of operations could suffer.

***We depend on our management team and other key employees, and the loss of one or more of these employees or an inability to attract and retain highly skilled employees could adversely affect our business.***

Our future success depends, in part, on our ability to continue to attract and retain highly skilled personnel. The loss of the services of any of our key personnel, the inability to attract or retain qualified personnel, or delays in hiring required personnel, particularly in engineering and sales, may seriously and adversely affect our business, financial condition and results of operations. Although we have entered into employment offer letters with our key personnel, their employment is for no specific duration and constitutes at-will employment. We are also substantially dependent on the continued service of our existing engineering personnel because of the complexity of our products.

Our future performance also depends on the continued services and continuing contributions of our senior management team, which includes Ron Yekutieli, our co-founder and Chief Executive Officer, to execute on our business plan and to identify and pursue new opportunities and product innovations. The loss of services of our senior management team, particularly our Chief Executive Officer, could significantly delay or prevent the achievement of our development and strategic objectives, which could adversely affect our business, financial condition and results of operations.

Additionally, the industry in which we operate is generally characterized by significant competition for skilled personnel, as well as high employee attrition. There is currently a high demand for experienced software industry personnel, particularly for engineering, research and development, sales and support positions, and we may not be successful in attracting, integrating and retaining qualified personnel to fulfill our current and future needs. This intense competition has resulted in increasing wages, especially in Israel, where most of our research and development positions are located, and in New York, where our headquarters is located, which may make it more difficult for us to attract and retain qualified personnel, as many of the companies against which we compete for personnel have greater financial resources than we do. These competitors may also actively seek to hire our existing personnel away from us, even if such employee has entered into a non-compete agreement. We may be unable to enforce these agreements under the laws of the jurisdictions in which our employees work. For example, Israeli labor courts have required employers seeking to enforce non-compete undertakings of a former employee to demonstrate that the competitive activities of the former employee will harm one of a limited number of material interests of the employer that have been recognized by the courts, such as the protection of a company's confidential information or other intellectual property, taking into account, among other things, the employee's tenure, position, and the degree to which the non-compete undertaking limits the employee's freedom of occupation. We may not be able to make such a demonstration. Also, to the extent we hire personnel from competitors, we may be subject to allegations that they have been improperly solicited or that they have divulged their former employers' proprietary or other confidential information or incorporated such information into our products, which could include claims that such former employers therefore own or otherwise have rights to their inventions or other work product developed while employed by us.

In addition, in making employment decisions, particularly in the internet and high-technology industries, job candidates often consider the value of the equity they are to receive in connection with their employment. Employees may be more likely to leave us if the shares they own or the shares underlying their equity incentive awards have significantly appreciated or significantly reduced in value. Many of our employees may receive significant proceeds from sales of our equity in the public markets after this offering, which may reduce their motivation to continue to work for us and could lead to employee attrition. If we fail to attract new personnel, or fail to retain and motivate our current personnel, our business, financial condition, results of operations and growth prospects could be adversely affected.

***If we are not able to maintain and enhance awareness of our brand, especially among developers and IT operators, our business, financial condition and results of operations may be adversely affected.***

We believe that developing and maintaining widespread awareness of our brand, especially with developers and IT operators, is critical to achieving widespread acceptance of our platform, products and solutions and attracting new users and customers. Brand promotion activities may not generate user or customer awareness or increase revenue, and even if they do, any increase in revenue may not offset the expenses we incur in building our brand. If we fail to successfully promote and maintain our brand, we may fail to attract and retain users and customers necessary to realize a sufficient return on our brand-building efforts, and may fail to achieve the widespread brand awareness that is critical for broad customer adoption of our offerings.

***Our corporate culture has contributed to our success, and if we cannot maintain this culture as we grow, we could lose the innovation, creativity, and entrepreneurial spirit we have worked to foster, which could adversely affect our business.***

We believe that our corporate culture, which is based on openness, flexibility, and collaboration, has been and will continue to be a key contributor to our success. We expect to continue to hire aggressively as we expand. If we do not continue to maintain our corporate culture as we grow, we may be unable to foster the innovation, creativity, and entrepreneurial spirit we believe we need to support our growth. The growth and expansion of our business and our transition from a private company to a public company may result in changes to our corporate culture, which could adversely affect our business, including our ability to recruit and retain qualified personnel.

***Our failure to offer high quality customer support would have an adverse effect on our business, reputation and results of operations.***

Our customers depend on our customer success managers to resolve issues and realize the full benefits relating to our platform, products and solutions. If we do not succeed in helping our customers quickly resolve post-deployment issues or provide effective ongoing support and education, our ability to renew subscriptions with, or sell subscriptions for additional offerings to, existing customers, or expand the value of existing customers' subscriptions, would be adversely affected and our reputation with potential customers could be damaged. In addition, most of our existing customers are large enterprises with complex information technology environments and, as a result, require significant levels of support. If we fail to meet the requirements of these customers, it may be more difficult to grow sales or maintain our relationships with them.

Additionally, while growing our base of customer success managers is a key component of our growth strategy, it can take several months to recruit, hire and train qualified engineering-level customer support employees, and we may not be able to hire such resources fast enough to keep up with demand. To the extent that we are unsuccessful in hiring, training and retaining adequate support resources, our ability to provide adequate and timely support to our customers, and our customers' satisfaction with our platform, products and solutions, will be adversely affected. Any failure by us to provide and maintain high-quality customer support services would have an adverse effect on our business, reputation and results of operations.

***The failure to effectively develop and expand our marketing and sales capabilities could harm our ability to increase our customer base and achieve broader market acceptance of our offerings.***

Our ability to increase our customer base and achieve broader market acceptance of our platform, products and solutions will depend to a significant extent on our ability to expand our sales and marketing operations. As part of our growth strategy, we plan to continue to invest in growing our base of field sales representatives. If we are unable to hire a sufficient number of qualified sales personnel in the near term, our business and growth prospects will be adversely impacted. Identifying and recruiting qualified sales representatives and training them is time-consuming and resource-intensive, and they may not be fully

trained and productive for a significant amount of time. We also plan to continue to dedicate significant resources to our marketing programs. All of these efforts will require us to invest significant financial and other resources. Our business will be harmed if our efforts do not generate a correspondingly significant increase in revenue. We will not achieve anticipated revenue growth from expanding our sales force if we are unable to hire, develop, and retain talented sales personnel, if our new sales personnel are unable to achieve desired productivity levels in a reasonable period of time, or if our sales and marketing programs are not effective. In addition, because we rely primarily on a direct sales model, our customer acquisition costs are higher than those of organizations that rely primarily on a self-service model, which may limit our ability to cut costs in response to changing economic and competitive conditions.

In addition to our direct sales force, we also leverage reseller relationships to help market and sell our offerings to customers around the world, particularly in areas in which we have a limited presence. Though we expect that we will need to maintain and expand our network of resellers as we continue to expand our presence in international markets, these relationships subject us to certain risks. Our resellers may prioritize selling their own offerings that compete with ours, or one of our competitors may be effective in causing a reseller or potential reseller to favor that competitor's offerings or otherwise prevent or reduce sales of our offerings. In addition, recruiting and retaining qualified resellers and training them in our technology and offerings requires significant time and resources. If we decide to further develop and expand our indirect sales channels, we must continue to scale and improve our processes and procedures to support these channels, including investing in systems and training. Many resellers may not be willing to invest the time and resources required to train their staff to effectively market and sell our offerings.

In addition, though most of our sales are, and have historically been, made through our direct sales organization, we recently launched the option to purchase certain of our offerings directly from our website, which we believe will allow us to reduce our cost of customer acquisition, drive additional opportunities to our direct sales team, reach smaller customers, and broaden our target market. This self-service model requires us to incur selling and marketing expenses often prior to generating corresponding revenue. We cannot guarantee, however, that this model will succeed in generating revenue in excess of the corresponding selling and marketing expenses, or that it will be effective in helping us achieve our other objectives, any of which would adversely affect our business, financial condition and results of operations.

***The sales prices of our offerings may change, which may reduce our revenue and gross profit and adversely affect our financial results.***

The sales prices for our offerings may be subject to change for a variety of reasons, including competitive pricing pressures, discounts, anticipation of the introduction of new products, promotional programs, general economic conditions, or our marketing, user acquisition and technology costs and, as a result, we anticipate that we will need to change our pricing model from time to time. In the past, including in connection with the COVID-19 pandemic, we have sometimes adjusted our prices for individual customers in certain situations, and expect to continue to do so in the future. Moreover, demand for our offerings is price-sensitive. Competition continues to increase in the market segments in which we operate, and we expect competition to further increase in the future, thereby leading to increased pricing pressures. Larger competitors with more diverse offerings may reduce the price of offerings that compete with ours or may bundle them with other offerings and provide for free. Similarly, certain competitors may use marketing strategies that enable them to acquire users more rapidly or at a lower cost than us, or both, and we may be unable to attract new customers or grow and retain our customer base based on our historical pricing. Additionally, currency fluctuations in certain countries and regions may negatively impact actual prices that customers and resellers are willing to pay in those countries and regions. As we develop and introduce new offerings, as well as features, integrations, capabilities and other enhancements, we may need to, or choose to, revise our pricing. There can be no assurance that we will not be forced to engage in price-cutting initiatives or to increase our marketing and other expenses to attract customers in response to competitive or other pressures. Any decrease in the sales prices for our products, without a corresponding decrease in costs, increase in volume or increase

in revenue from our other offerings, would adversely affect our revenue and gross profit. This is particularly true with respect to our Virtual Events product and TV Solution, which generally entail significantly higher up-front costs compared to our other offerings. We cannot assure you that we will be able to maintain our prices and gross profits at levels that will allow us to achieve and maintain profitability.

***We expect our revenue mix to vary over time, which could negatively impact our gross margin and results of operations.***

We expect our revenue mix to vary over time due to a number of factors. Our gross margins and results of operations could be negatively impacted by changes in revenue mix and costs resulting from any number of factors, including entry into new markets; growth in lower margin markets, such as the markets for our Virtual Events product and TV Solution, and the timing and aggregate usage of our solutions by such customers; entry into markets with different pricing and cost structures; increased usage of certain products and solutions that we offer to customers without usage caps; pricing discounts; and increased price competition. Any one of these factors or the cumulative effects of certain of these factors may result in significant fluctuations in our gross margin and results of operations. This variability and unpredictability could result in our failure to meet internal expectations or those of securities analysts or investors for a particular period. If we fail to meet or exceed such expectations for these or any other reasons, the market price of our common stock could decline.

***The length of our sales cycle can be unpredictable, particularly with respect to sales to large customers, and our sales efforts may require considerable time and expense.***

Our results of operations may fluctuate, in part, because of the length and variability of the sales cycle of our subscriptions and the difficulty in making short-term adjustments to our operating expenses. Our results of operations depend in part on sales to new large customers and increasing sales to our existing customers, which are primarily large organizations. The length of our sales cycle, from initial contact with a prospective customer to subscribing to one or more of our offerings, can vary substantially from customer to customer for a number of reasons, including deal complexity (particularly for customers that rely on Kaltura to power TV experiences), setup time and our customers' needs to satisfy their own internal requirements and processes. As a result, it can be difficult to predict exactly when, or even if, we will make a sale to a potential customer, or when and if we can increase sales to our existing customers. As a result, large individual sales have, in some cases, occurred in quarters subsequent to those we anticipated, or have not occurred at all. Because a substantial proportion of our expenses are relatively fixed in the short-term, our results of operations will suffer if revenue falls below our expectations in a particular quarter, which could cause the market price of our common stock to decline.

***Our international operations and expansion expose us to risk.***

Our platform, products and solutions address the needs of customers and end users around the world, and we see continued international expansion as a significant opportunity. For the years ended December 31, 2019 and 2020, we generated approximately 44% and 43% of our revenue, respectively, from customers outside the United States and, for the three months ended March 31, 2020 and 2021, we generated approximately 45% and 41% of our revenue, respectively, from customers outside the United States. Our customers, end users, employees and partners are located in a number of different jurisdictions worldwide, and we expect our operations will become increasingly global as our business continues to grow. Our current international operations involve, and future initiatives will also involve, a variety of risks, including:

- unexpected changes in practices, tariffs, export quotas, custom duties, trade disputes, tax laws and treaties, particularly due to economic tensions and trade negotiations or other trade restrictions;

- different labor regulations, especially in the European Union, where labor laws are generally more advantageous to employees as compared to the United States, including deemed hourly wage and overtime regulations in these locations;
- exposure to many evolving stringent and potentially inconsistent laws and regulations relating to privacy, data protection, and information security, particularly in the European Union;
- changes in a specific country's or region's political or economic conditions;
- risks resulting from the ongoing COVID-19 pandemic, or any other pandemic, epidemic or outbreak of infectious disease, including uncertainty regarding what measures the U.S. or foreign governments will take in response;
- risks resulting from changes in currency exchange rates;
- challenges inherent to efficiently managing an increased number of employees over large geographic distances, including the need to implement appropriate systems, policies, benefits and compliance programs;
- difficulties in maintaining our corporate culture with a dispersed workforce;
- risks relating to the implementation of exchange controls, including restrictions promulgated by the United States Department of the Treasury's Office of Foreign Assets Control ("OFAC"), and other similar trade protection regulations and measures in the United States or in other jurisdictions;
- reduced ability to timely collect amounts owed to us by our customers in countries where our recourse may be more limited;
- slower than anticipated availability and adoption of cloud infrastructures by international businesses, which would increase our on-premise deployments;
- limitations on our ability to reinvest earnings from operations derived from one country to fund the capital needs of our operations in other countries;
- potential changes in laws, regulations, and costs affecting our U.K. operations and personnel due to Brexit;
- limited or unfavorable—including greater difficulty in enforcing—intellectual property protection; and
- exposure to liabilities under anti-corruption and anti-money laundering laws, including the U.S. Foreign Corrupt Practices Act of 1977, as amended, and similar applicable laws and regulations in other jurisdictions.

If we are unable to address these difficulties and challenges or other problems encountered in connection with our international operations and expansion, we might incur unanticipated liabilities or we might otherwise suffer harm to our business generally.

***If we are not successful in sustaining and expanding our international business, we may incur additional losses and our revenue growth could be adversely affected.***

Our future results depend, in part, on our ability to sustain and expand our penetration of the international markets in which we currently operate and to expand into additional international markets. Our ability to expand internationally will depend upon our ability to deliver functionality and foreign language translations that reflect the needs of the international customers that we target and to successfully navigate the risks inherent in operating a business internationally, as discussed above. While we will need to invest significant resources in such expansion, it is possible that returns on such

investments will not be achieved in the near future or at all in these less familiar competitive environments. In addition, we currently leverage reseller relationships to assist with marketing and selling our offerings, particularly in jurisdictions in which we have a limited presence. If we are unable to identify resellers or other partners or negotiate favorable terms, our international growth may be limited or more costly than we anticipate.

***Currency exchange rate fluctuations affect our results of operations, as reported in our financial statements.***

We report our financial results in U.S. dollars. We collect our revenue primarily in U.S. dollars and in euros. A portion of the cost of revenue, research and development, selling and marketing and general and administrative expenses of our Israeli operations are incurred in New Israeli Shekel ("NIS"). As a result, we are exposed to exchange rate risks that may materially and adversely affect our financial results. If the NIS appreciates against the U.S. dollar or the euro, or if the value of the NIS declines against the U.S. dollar or the euro, at a time when the rate of inflation in the cost of Israeli goods and services exceeds the rate of decline in the relative value of the NIS, then the U.S. dollar-denominated cost of our operations in Israel would increase and our results of operations could be materially and adversely affected. We cannot predict any future trends in the rate of inflation in Israel or the rate of depreciation (if any) of the NIS against the U.S. dollar or the euro, and our ability to hedge our exposure to currency exchange rate fluctuations may be limited.

***A portion of our revenue is generated by sales to government entities, which are subject to a number of challenges and risks.***

Sales to government entities are subject to a number of risks. Selling to government entities can be highly competitive, expensive, and time-consuming, often requiring significant upfront time and expense without any assurance that these efforts will generate a sale. Government certification requirements for products like ours may change, thereby restricting our ability to sell into the U.S. federal government, U.S. state governments, or non-U.S. government sectors until we have attained the revised certification. Government demand and payment for our offerings may be affected by public sector budgetary cycles and funding authorizations, with funding reductions or delays adversely affecting public sector demand for our products. Additionally, any actual or perceived privacy, data protection, or data security incident, or even any perceived defect with regard to our practices or measures in these areas, may negatively impact public sector demand for our products.

Additionally, we rely on certain partners to provide technical support services to certain of our government entity customers to resolve any issues relating to our products. If our partners do not effectively assist our government entity customers in deploying our products, succeed in helping our government entity customers quickly resolve post-deployment issues, or provide effective ongoing support, our ability to sell additional products to new and existing government entity customers would be adversely affected and our reputation could be damaged.

Government entities may have statutory, contractual, or other legal rights to terminate contracts with us for convenience or due to a default, and any such termination may adversely affect our future results of operations. Governments routinely investigate and audit government contractors' administrative processes, and any unfavorable audit could result in the government refusing to continue buying our subscriptions, a reduction of revenue, or fines or civil or criminal liability if the audit uncovers improper or illegal activities, which could adversely affect our results of operations in a material way.

***If we are unable to consummate acquisitions at our historical rate and at acceptable prices, and to enter into other strategic transactions and relationships that support our long-term strategy, our growth rate and the trading price of our common stock could be negatively affected. These transactions and relationships also subject us to certain risks.***

As part of our business strategy, we may acquire or make investments in complementary companies, products or technologies, and enter into other strategic transactions and relationships in the ordinary

course. Our ability to grow our revenues, earnings and cash flow at or above our historic rates depends in part upon our ability to identify and successfully acquire and integrate businesses at acceptable prices, realize anticipated synergies and make appropriate investments that support our long-term strategy. We may not be able to consummate acquisitions at rates similar to the past, which could adversely impact our growth rate and the trading price of our common stock. Promising acquisitions, investments and other strategic transactions are difficult to identify and complete for a number of reasons, including high valuations, competition among prospective buyers, the availability of affordable funding in the capital markets and the need to satisfy applicable closing conditions and obtain applicable antitrust and other regulatory approvals on acceptable terms. In addition, competition for acquisitions, investments and other strategic transactions may result in higher purchase prices or other terms less economically favorable to us. Changes in accounting or regulatory requirements or instability in the credit markets could also adversely impact our ability to consummate these transactions on acceptable terms or at all.

In addition, even if we are able to consummate acquisitions and enter into other strategic transactions and relationships, these transactions and relationships involve a number of financial, accounting, managerial, operational, legal, compliance and other risks and challenges, including the following, any of which could negatively affect our growth rate and the trading price of our common stock, and may have a material adverse effect on our business, financial condition and results of operations:

- Any business, technology, product or solution that we acquire or invest in could under-perform relative to our expectations and the price that we paid or not perform in accordance with our anticipated timetable, or we could fail to operate any such business or deploy any such technology, product or solution profitably.
- We may incur or assume significant debt in connection with our acquisitions and other strategic transactions and relationships, which could also cause a deterioration of our credit ratings, result in increased borrowing costs and interest expense and diminish our future access to the capital markets.
- Acquisitions and other strategic transactions and relationships could cause our financial results to differ from our own or the investment community's expectations in any given period, or over the long-term.
- Pre-closing and post-closing earnings charges could adversely impact operating results in any given period, and the impact may be substantially different from period to period.
- Acquisitions and other strategic transactions and relationships could create demands on our management, operational resources and financial and internal control systems that we are unable to effectively address.
- We could experience difficulty in integrating personnel, operations and financial and other controls and systems and retaining key employees and customers.
- We may be unable to achieve cost savings or other synergies anticipated in connection with an acquisition or other strategic transaction or relationship.
- We may assume unknown liabilities, known contingent liabilities that become realized, known liabilities that prove greater than anticipated, internal control deficiencies or exposure to regulatory sanctions resulting from the acquired company's or investee's activities and the realization of any of these liabilities or deficiencies may increase our expenses, adversely affect our financial position and/or cause us to fail to meet our public financial reporting obligations.
- In connection with acquisitions and other strategic transactions and relationships, we often enter into post-closing financial arrangements such as purchase price adjustments, earn-out obligations and indemnification obligations, which may have unpredictable financial results.



- As a result of our acquisitions, we have recorded significant goodwill and other assets on our balance sheet and if we are not able to realize the value of these assets, or if the fair value of our investments declines, we may be required to incur impairment charges.
- We may have interests that diverge from those of our strategic partners and we may not be able to direct the management and operations of the strategic relationship in the manner we believe is most appropriate, exposing us to additional risk.
- Investing in or making loans to early-stage companies often entails a high degree of risk, and we may not achieve the strategic, technological, financial or commercial benefits we anticipate; we may lose our investment or fail to recoup our loan; or our investment may be illiquid for a greater-than-expected period of time.

#### **Risks Related to Information Technology, Intellectual Property and Data Security and Privacy**

***A real or perceived bug, defect, security vulnerability, error, or other performance failure involving our platform, products or solutions could cause us to lose revenue, damage our reputation, and expose us to liability.***

Our platform, products and solutions are inherently complex and, despite extensive testing and quality control, have in the past and may in the future contain bugs, defects, security vulnerabilities, errors, or other performance failures, especially when first introduced, or otherwise not perform as intended. Any such bug, defect, security vulnerability, error, or other performance failure could cause damage to our reputation, loss of customers or revenue, order cancellations, service terminations, and lack of market acceptance of our offerings. As the use of our offerings among new and existing customers expands, particularly to more sensitive, secure, or mission critical uses, we may be subject to increased scrutiny, potential reputational risk, or potential liability should our offerings fail to perform as contemplated in such deployments. We have in the past and may in the future need to issue corrective releases of our software to fix these defects, errors or performance failures, which could require us to allocate significant research and development and customer support resources to address these problems. Despite our efforts, such corrections may take longer to develop and release than we or our customers anticipate and expect.

Any limitation of liability provision contained in an agreement with a customer, user, third-party vendor, service provider, or partner may not be enforceable, adequate or effective as a result of existing or future applicable law or judicial decisions, and may not function to limit our liability arising from regulatory enforcement or other specific circumstances. The sale and support of our offerings entail the risk of liability claims, which could be substantial in light of the use of our offerings in enterprise-wide environments. In addition, our insurance against any such liability may not be adequate to cover a potential claim, and may be subject to exclusions, or subject us to the risk that the insurer will deny coverage as to any future claim or exclude from our coverage such claims in policy renewals, increase our fees or deductibles or impose co-insurance requirements. Any such bugs, defects, security vulnerabilities, errors, or other performance failures in our platform, products or solutions, including as a result of denial of claims by our insurer or the successful assertion of claims by others against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including increases or the imposition of large deductible or co-insurance requirements, could have a material adverse effect on our business, including our financial condition, results of operations and reputation.

***If we or our third-party service providers experience a security breach, data loss or other compromise, including if unauthorized parties obtain access to our customers' data, our reputation may be harmed, demand for our platform, products and solutions may be reduced, and we may incur significant liabilities.***

Our business platform, products and solutions involve the collection, storage, processing, transmission and other use of data, including certain confidential, sensitive, and personal information. Any security breach, data loss, or other compromise, including those resulting from a cybersecurity attack,

phishing attack, or any unauthorized access, unauthorized usage, virus or similar breach or disruption could result in the loss or destruction of or unauthorized access to, or use, alteration, disclosure, or acquisition of, data, damage to our reputation, litigation, regulatory investigations, or other liabilities. These attacks may come from individual hackers, criminal groups, and state-sponsored organizations. If our security measures are breached as a result of third-party action, employee error or negligence, a defect or bug in our offerings or those of our third-party service providers, malfeasance or otherwise and, as a result, someone obtains unauthorized access to any data, including our confidential, sensitive, or personal information or the confidential, sensitive, or personal information of our customers, or other persons, or any of these types of information is lost, destroyed, or used, altered, disclosed, or acquired without authorization, our reputation may be damaged, our business may suffer, and we could incur significant liability, including under applicable data privacy and security laws and regulations. Even the perception of inadequate security may damage our reputation and negatively impact our ability to win new customers and retain and receive timely payments from existing customers. Further, we could be required to expend significant capital and other resources to protect against and address any data security incident or breach, which may not be covered or fully covered by our insurance and which may involve payments for investigations, forensic analyses, regulatory compliance, breach notification, legal advice, public relations advice, system repair or replacement, or other services.

In addition, we do not directly control content that our customers store or use in our products. If our customers use our products for the transmission or storage of personal, confidential, sensitive, or other information about individuals and our security measures are or are believed to have been breached as a result of third-party action, employee error, malfeasance or otherwise, our reputation could be damaged, our business may suffer, and we could incur significant liability.

We engage third-party vendors and service providers to store and otherwise process some of our and our customers' data, including personal, confidential, sensitive, and other information about individuals. Our vendors and service providers may also be the targets of cyberattacks, malicious software, phishing schemes, and fraud. Our ability to monitor our vendors and service providers' data security is limited, and, in any event, third parties may be able to circumvent those security measures, resulting in the unauthorized access to, misuse, acquisition, disclosure, loss, alteration, or destruction of our and our customers' data, including confidential, sensitive, and other information about individuals.

Techniques used to sabotage or obtain unauthorized access to systems or networks are constantly evolving and, in some instances, are not identified until after they have been launched against a target. We and our service providers may be unable to anticipate these techniques, react in a timely manner, or implement adequate preventative and mitigating measures. If we are unable to efficiently and effectively maintain and upgrade our system safeguards, we may incur unexpected costs and certain of our systems may become more vulnerable to unauthorized access or disruption. Any of the foregoing could have a material adverse effect on our business, including our financial condition, results of operations and reputation.

***Incorrect implementation or use of, or our customers' failure to update, our software could result in customer dissatisfaction and negatively affect our business, financial condition, results of operations and growth prospects.***

Our platform, products and solutions are often operated in large-scale, complex information technology environments. Our customers require training and experience in the proper use of, and the benefits that can be derived from, our offerings in order to maximize their potential. If users of our offerings do not implement, use, or update them correctly or as intended, actual or perceived inadequate performance and/or security vulnerabilities may result. Because our customers rely on our software to manage a wide range of operations, the incorrect implementation or use of, or our customers' failure to update, our software, or our failure to train customers on how to use our software productively, may result in customer dissatisfaction and negative publicity, which may adversely affect our reputation and brand. Our failure to effectively provide training and implementation services to our customers could result in lost

opportunities for follow-on sales to these customers and decrease subscriptions by new customers, which would adversely affect our business, financial condition, results of operations and growth prospects.

***Insufficient investment in, or interruptions or performance problems associated with, our technology and infrastructure, including in connection with our ongoing transition to a public cloud infrastructure, and our reliance on technologies from third parties, may adversely affect our business operations and financial results.***

Customers of our offerings need to be able to access our platform at any time, without interruption or degradation of performance. As a result of the increase in usage we experienced as a result of the COVID-19 pandemic, in the third quarter of 2020, we accelerated our existing plans to move from our own data centers to a public cloud infrastructure with the goal of providing improved stability, reliability, scalability and elasticity for our offerings. This transition is complex and time-consuming and involves risks inherent in the conversion to a new system, including potential loss of information and disruption to our normal operations. We may discover deficiencies in our design, implementation or maintenance of our new cloud-based systems that could adversely affect our business, financial condition and results of operations. For example, we experienced an initial period of unstable service during the first few months of this transition, causing us to fall below the service-level commitments in our customer agreements. Though service has since stabilized, we cannot guarantee that we will not experience similar instability in the future. Furthermore, we cannot yet know the ultimate impact of this or any similar future event on our customer relationships, and it is possible customers may be less inclined to renew their subscriptions following the expiration of their current terms.

In addition, third-party cloud providers run their own platforms that we access, and we are, therefore, vulnerable to their service interruptions and any changes in their product offerings. Any limitation on the capacity of our third-party hosting services could impede our ability to onboard new customers or expand the usage of our existing customers, which could adversely affect our business, financial condition and results of operations. In addition, any incident affecting our third-party hosting services' infrastructure that may be caused by cyber-attacks, computer viruses, malware, systems failures or other technical malfunctions, natural disasters, fire, flood, severe storm, earthquake, power loss, telecommunications failures, terrorist or other attacks, protests or riots, and other similar events beyond our control could negatively affect our cloud-based offerings. It is also possible that our customers and regulators would seek to hold us accountable for any breach of security affecting a third-party cloud provider's infrastructure and we may incur significant liability in investigating such an incident and responding to any claims, investigations, or proceedings made or initiated by those customers, regulators, and other third parties. We may not be able to recover a material portion of such liabilities from any of our third-party cloud providers. It may also become increasingly difficult to maintain and improve our performance, especially during peak usage times, as our software becomes more complex and the usage of our software increases. Moreover, our insurance may not be adequate to cover such liability and may be subject to exclusions. Any of the above circumstances or events may adversely affect our business, financial condition and results of operations.

In addition, our website and internal technology infrastructure may experience performance issues due to a variety of factors, including infrastructure changes, human or software errors, website or third-party hosting disruptions, capacity constraints, technical failures, natural disasters, or fraud, denial-of-service, or other security attacks. Our use and distribution of open source software may increase this risk, as open source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the code, including with respect to security vulnerabilities or bugs. If our website is unavailable or our customers are unable to order subscriptions or services or download our offerings within a reasonable period of time or at all, our business could be adversely affected. We expect to continue to make significant investments to maintain and improve website performance and to enable rapid releases of new features, integrations, capabilities and other enhancements for our offerings. To the extent that we do not effectively upgrade our systems as needed and continually develop our technology to accommodate actual and anticipated changes in technology, our business, financial condition and results of operations may be adversely affected.

In the event that our service agreements with our third-party hosting services are terminated, or there is a lapse of service, elimination of services or features that we utilize, interruption of internet service provider connectivity or damage to our providers' facilities, we could experience interruptions in access to our platform as well as significant delays and additional expense in arranging or creating new facilities and services and/or re-architecting our cloud-based offerings for deployment on a different cloud infrastructure service provider, which could adversely affect our business, financial condition and results of operations. Upon the termination or expiration of such service agreements, we cannot guarantee that adequate third-party hosting services will be available to us on commercially acceptable terms or within adequate timelines from the same or different hosting services providers or at all.

We also rely on cloud technologies from third parties in order to operate critical functions of our business, including financial management services, relationship management services, and lead generation management services. If these services become unavailable due to extended outages or interruptions or because they are no longer available on commercially reasonable terms or prices, our expenses could increase, our ability to manage our finances could be interrupted, our processes for managing sales of our products and supporting our customers could be impaired, and our ability to generate and manage sales leads could be weakened until equivalent services are identified, obtained, and implemented. Even if such services are available, we may not be able to identify, obtain and implement such services in time to avoid disruption to our business, and such services may only be available on a more costly basis or otherwise less favorable terms. Any of the foregoing could have a material adverse effect on our business, including our financial condition, results of operations and reputation.

***Failure to protect our proprietary technology, or to obtain, maintain, protect and enforce sufficiently broad intellectual property rights therein, could substantially harm our business, financial condition and results of operations.***

Our success depends to a significant degree on our ability to protect our proprietary technology, methodologies, know-how, and brand. We rely on a combination of trademarks, copyrights, patents, trade secret laws, contractual restrictions, and other intellectual property laws and confidentiality procedures to establish and protect our proprietary rights. However, we make a version of our Media Services, Kaltura CE, available to the public at no charge under an open source license, contribute other source code to open source projects under open source licenses, and release internal software projects under open source licenses, and anticipate continuing to do so in the future. Because the source code for Kaltura CE and any other software we contribute to open source projects or distribute under open source licenses is publicly available, our ability to monetize and protect our intellectual property rights with respect to such source code may be limited or, in some cases, lost entirely. Our competitors or other third parties could access such source code and use it to create software and service offerings that compete with ours. While software can, in some cases, be protected under copyright law, in order to bring a copyright infringement lawsuit in the United States, the copyright must first be registered. We have chosen not to register any copyrights, and rely on trade secret protection in addition to unregistered copyrights to protect our proprietary software. Accordingly, the remedies and damages available to us for unauthorized use of our software may be limited.

Further, the steps we take to protect our intellectual property and proprietary rights may be inadequate. We may not be able to register our intellectual property rights in all jurisdictions where we conduct or anticipate conducting business, and may experience conflicts with third parties who contest our applications to register our intellectual property. Even if registered or issued, we cannot guarantee that our trademarks, patents, copyrights or other intellectual property or proprietary rights will be of sufficient scope or strength to provide us with any meaningful protection or commercial advantage. We will not be able to protect our intellectual property and proprietary rights if we are unable to enforce our rights or if we do not detect infringement, misappropriation, dilution or other unauthorized use or violation thereof. If we fail to defend and protect our intellectual property rights adequately, our competitors and other third parties may gain access to our proprietary technology, information and know-how, reverse-engineer our software, and infringe upon or dilute the value of our brand, and our business may be

harmed. In addition, obtaining, maintaining, defending, and enforcing our intellectual property rights might entail significant expense. Any patents, trademarks, copyrights, or other intellectual property rights that we have or may obtain may be challenged by others or invalidated through administrative process or litigation. Even if we continue to seek patent protection in the future, we may be unable to obtain further patent protection for our technology. In addition, any patents issued in the future may not provide us with competitive advantages, may be designed around by our competitors, or may be successfully challenged by third parties. Furthermore, legal standards relating to the validity, enforceability, and scope of protection of intellectual property rights are uncertain.

We may be unable to prevent third parties from acquiring domain names or trademarks that are similar to, infringe upon, dilute or diminish the value of our trademarks and other proprietary rights. Additionally, our trademarks may be opposed, otherwise challenged or declared invalid, unenforceable or generic, or determined to be infringing on or dilutive of other marks. We may not be able to protect our rights in these trademarks, which we need in order to build name recognition with customers. If third parties succeed in registering or developing common law rights in such trademarks and we are not successful in challenging such third-party rights, or if our trademark rights are successfully challenged, we may not be able to use our trademarks to commercialize our products in certain relevant jurisdictions.

Despite our precautions, it may be possible for unauthorized third parties to copy our products and use information that we regard as proprietary to create offerings that compete with ours. Effective patent, trademark, copyright, and trade secret protection may not be available to us in every country in which our products are available. The laws of some countries may not be as protective of intellectual property rights as those in the United States, and mechanisms for enforcement of intellectual property rights may be inadequate. As we continue to expand our international activities, our exposure to unauthorized copying and use of our products and proprietary information will likely increase. Accordingly, despite our efforts, we may be unable to prevent third parties from infringing upon, diluting, misappropriating or otherwise violating our intellectual property rights.

We have devoted substantial resources to the development of our technology, business operations and business plans. We attempt to protect our intellectual property and proprietary information, including trade secrets, by implementing administrative, technical and physical practices, including source code access controls, to secure our proprietary information. We also seek to enter into confidentiality, non-compete, proprietary, and inventions assignment agreements with our employees, consultants and contractors, and enter into confidentiality agreements with other parties, such as licensees and customers. However, such agreements may not be self-executing, and there can be no guarantee that all applicable parties have executed such agreements. No assurance can be given that these practices or agreements will be effective in controlling access to and distribution of our proprietary information, or in providing adequate remedies in the event of unauthorized access or distribution, especially in certain states and countries, including Israel, Russia and Belarus, that are less willing to enforce such agreements or otherwise provide protection for trade secrets. Further, these agreements may not prevent our competitors from independently developing technologies that are substantially equivalent or superior to our products, and in such cases we would not be able to assert trade secret rights against such parties. We also employ individuals who were previously employed at other companies in our field, and our efforts to ensure that such individuals do not use the proprietary information or know-how of others in their work for us may not prevent others from claiming that we or our employees or independent contractors have used or disclosed intellectual property, including trade secrets or other proprietary information, of a former employer or other third parties. Litigation may be necessary to defend against any such claims. If we are unsuccessful in defending against any such claims, we may be liable for damages or prevented from using certain intellectual property, which in turn could materially adversely affect our business, financial condition or results of operations; even if we are successful in defending against such claims, litigation could result in substantial costs and distract management and other employees.

In order to protect our intellectual property and proprietary rights and to monitor for and take action against any infringement, misappropriation or other violations thereof, we may be required to spend significant resources. Litigation may be necessary to enforce and protect our trade secrets and other

intellectual property and proprietary rights, which could be costly, time-consuming, and distracting to management, and could result in the impairment or loss of portions of our intellectual property. Further, our efforts to enforce our intellectual property and proprietary rights may be met with defenses, counterclaims, and countersuits attacking the ownership, scope, validity and enforceability of such rights. Our inability to protect our proprietary technology or our brand against unauthorized copying or use, as well as any costly litigation or diversion of our management's attention and resources, could delay further sales or the implementation of our offerings or impair their functionality, delay introductions of new offerings, result in our substituting inferior or more costly technologies into our offerings, or injure our reputation. Any of the foregoing could materially and adversely affect our business, financial condition, results of operations and growth prospects.

***We could incur substantial costs and otherwise suffer harm as a result of any claim of infringement, misappropriation or other violation of another party's intellectual property or proprietary rights.***

In recent years, there has been significant litigation involving patents and other intellectual property and proprietary rights in the software industry. We do not currently have a large patent portfolio, which could prevent us from deterring patent infringement claims, as we may not be able credibly to threaten patent infringement counter-claims. Our competitors and others may now and in the future have significantly larger and more mature patent portfolios than we have. Even a large patent portfolio may not serve as a deterrent to litigation by certain third parties, some of whose sole or primary business is to assert patent claims and some of whom have sent letters to and/or filed suit alleging infringement against us or some of our customers. We could incur substantial costs in prosecuting or defending any intellectual property litigation. If we sue to enforce our rights or are sued by a third party claiming that our offerings infringe, misappropriate or violate their rights, the litigation could be expensive and could divert management attention and resources away from our core business operations. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments, and if securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of our common stock.

Any intellectual property litigation to which we might become a party, or for which we are required to provide indemnification, may require us to do one or more of the following:

- cease selling or using offerings that incorporate or are otherwise covered by the intellectual property rights that we allegedly infringe, misappropriate or otherwise violate;
- make substantial payments for legal fees, settlement payments or other costs or damages, including potentially treble damages if we are found liable for willful infringement;
- obtain a license to sell or use the relevant technology, which may not be available on reasonable terms or at all, may be non-exclusive and thereby allow our competitors and other parties access to the same technology, and may require the payment of substantial licensing, royalty or other fees; or
- redesign the allegedly infringing offerings to avoid infringement, misappropriation or other violation, which could be costly, time-consuming or impossible.

If we are required to make substantial payments or undertake or suffer any of the other actions and consequences noted above as a result of any intellectual property infringement, misappropriation or violation claims against us or any obligation to indemnify our customers for such claims, such payments, actions and consequences could materially and adversely affect our business, financial condition, results of operations and growth prospects.

***We may become subject to claims for remuneration or royalties for assigned service invention rights by our employees and consultants, which could result in litigation and would adversely affect our business.***

A significant portion of our intellectual property has been developed by our employees and consultants in the course of their engagement with us. Under the Israeli Patent Law, 5727-1967 (the "Patent Law"), inventions conceived by an employee during the scope of his or her employment relationship with a company are regarded as "service inventions," which belong to the employer, absent a specific agreement stating otherwise. The Patent Law also provides that absent an agreement providing otherwise, the Israeli Compensation and Royalties Committee (the "Committee"), a body constituted under the Patent Law, shall determine whether the employee is entitled to remuneration for his or her inventions. Case law clarifies that the right to receive consideration for "service inventions" can be waived by the employee and that such waiver does not necessarily have to be explicit. The Committee will examine, on a case-by-case basis, the general contractual framework between the parties, using interpretation rules of the general Israeli contract laws. Further, the Committee has not yet determined one specific formula for calculating this remuneration, but rather uses the criteria specified in the Patent Law. Although we generally seek to enter into assignment-of-invention agreements with our employees and consultants pursuant to which such individuals assign to us all rights to any inventions created in the scope of their employment or engagement with us, we cannot guarantee that all such agreements are self-executing or have been entered into by all applicable individuals. Even when such agreements include provisions regarding the assignment and waiver of rights to additional compensation in respect of inventions created within the course of their employment or consulting relationship with us, including in respect of service inventions, we cannot guarantee that such provisions will be upheld by Israeli courts, as a result of uncertainty under Israeli law with respect to the efficacy of such provisions. We may face claims demanding remuneration in consideration for assigned inventions, which could require us to pay additional remuneration or royalties to our current and former employees and consultants, or be forced to litigate such claims, which could negatively affect our business.

***Indemnity provisions in various agreements potentially expose us to substantial liability for intellectual property infringement, misappropriation, violation, and other losses.***

Our agreements with customers and other third parties may include indemnification provisions under which we agree to indemnify them for losses suffered or incurred as a result of claims of intellectual property infringement, misappropriation or violation, damages caused by us to property or persons, or other liabilities relating to or arising from our software, services or other contractual obligations. Large indemnity payments could adversely affect our business, financial condition and results of operations. Although we normally seek to contractually limit our liability with respect to such indemnity obligations, we do not and may not in the future have a cap on our liability in certain agreements, which could result in substantial liability. Substantial indemnity payments under such agreements could harm our business, financial condition and results of operations. Any dispute with a customer or other third party with respect to such obligations could have adverse effects on our relationship with that customer, other existing customers and new customers, and other parties, and could harm our reputation, business, financial condition and results of operations.

***Our use of open source software could negatively affect our ability to sell our offerings and subject us to possible litigation.***

Our offerings incorporate open source software, and we expect to continue to incorporate open source software in our offerings in the future. Few of the licenses applicable to open source software have been interpreted by courts, and there is a risk that these licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our ability to commercialize our offerings. Some open source licenses may subject us to certain requirements, including requirements that we offer additional portions of our solutions for reduced or no cost, that we make publicly available at no charge the source code for modifications or derivative works we create based upon, incorporating, linking to or using the open source software (which could include valuable proprietary code), and that we license such

modifications or derivative works under the terms of applicable open source licenses. If an author or other third party that distributes such open source software were to allege that we had not complied with the conditions of one or more of these licenses, we could be required to incur significant legal expenses defending against such allegations and could be subject to significant damages, enjoined from the sale of our offerings that contain the open source software and required to comply with onerous conditions or restrictions on these offerings, which could disrupt the distribution and sale of these offerings. In addition, there have been claims challenging the ownership rights in open source software against companies that incorporate open source software into their products, and the licensors of such open source software provide no warranties or indemnities with respect to such claims. In any of these events, we and our customers could be required to seek licenses from third parties in order to continue offering our platform, products and solutions, which may not be available on reasonable terms or at all, and to re-engineer our offerings or discontinue the sale of our offerings in the event re-engineering cannot be accomplished on a timely basis or at all.

***We are subject to stringent and changing laws, regulations, standards, and contractual obligations related to privacy, data protection, and data security. Our actual or perceived failure to comply with such obligations could adversely affect our business.***

We receive, collect, store, process, transfer, and otherwise use personally identifiable and other sensitive information about individuals and other data relating to users of our offerings, our employees and contractors, and other persons. We have legal and contractual obligations regarding the protection of confidentiality and appropriate use of certain data, including personally identifiable and other sensitive information about individuals. We are subject to numerous federal, state, local, and international laws, directives, and regulations regarding privacy, data protection, and data security and the collection, storing, sharing, use, processing, transfer, disclosure, disposal and protection of information about individuals and other data, the scope of which are changing, subject to differing interpretations, and may be inconsistent among jurisdictions or conflict with other legal and regulatory requirements. We are also subject to certain contractual obligations to third parties related to privacy, data protection and data security. We strive to comply with our applicable data privacy and security policies, regulations, contractual obligations, and other legal obligations relating to privacy, data protection, and data security. However, the regulatory framework for privacy, data protection and data security worldwide is, and is likely to remain for the foreseeable future, uncertain and complex, and it is possible that these or other actual or alleged obligations may be interpreted and applied in a manner that we do not anticipate or that is inconsistent from one jurisdiction to another and may conflict with other legal obligations or our practices. Further, any significant change to applicable laws, regulations or industry practices regarding the collection, use, retention, security, processing, transfer or disclosure of data, or their interpretation, or any changes regarding the manner in which the consent of users or other data subjects for the collection, use, retention, security, processing, transfer or disclosure of such data must be obtained, could increase our costs and require us to modify our services and features, possibly in a material manner, which we may be unable to complete, and may limit our ability to receive, collect, store, process, transfer, and otherwise use user data or develop new services and features.

If we are found in violation of any applicable laws or regulations relating to privacy, data protection, or security, our business may be materially and adversely affected and we would likely have to change our business practices and potentially the services and features, integrations or other capabilities of our offerings. In addition, these laws and regulations could impose significant costs on us and could constrain our ability to use and process data in a commercially desirable manner. In addition, if a breach of data security were to occur or be alleged to have occurred, if any violation of laws and regulations relating to privacy, data protection or data security were to be alleged, or if we were to discover any actual or alleged defect in our safeguards or practices relating to privacy, data protection, or data security, our solutions may be perceived as less desirable and our business, financial condition, results of operations and growth prospects could be materially and adversely affected.

We also expect that there will continue to be new laws, regulations, and industry standards concerning privacy, data protection, and information security proposed and enacted in various



jurisdictions. For example, the California Consumer Privacy Act (“CCPA”), which came into force in 2020, provides new data privacy rights for California consumers and new operational requirements for covered companies. Specifically, the CCPA mandates that covered companies provide new disclosures to California consumers and afford such consumers new data privacy rights that include, among other things, the right to request a copy from a covered company of the personal information collected about them, the right to request deletion of such personal information, and the right to request to opt-out of certain sales of such personal information. The California Attorney General can enforce the CCPA, including seeking an injunction and civil penalties for violations. The CCPA also provides a private right of action for certain data breaches that is expected to increase data breach litigation. Additionally, a new privacy law, the California Privacy Rights Act (“CPRA”), was approved by California voters in the November 3, 2020 election. The CPRA generally takes effect on January 1, 2023 and significantly modifies the CCPA, including by expanding consumers’ rights with respect to certain personal information and creating a new state agency to oversee implementation and enforcement efforts, potentially resulting in further uncertainty and requiring us to incur additional costs and expenses in an effort to comply. Some observers have noted the CCPA and CPRA could mark the beginning of a trend toward more stringent privacy legislation in the United States, which could also increase our potential liability and adversely affect our business. For example, the CCPA has encouraged “copycat” or other similar laws to be considered and proposed in other states across the country, such as in Virginia, New Hampshire, Illinois and Nebraska. This legislation may add additional complexity, variation in requirements, restrictions and potential legal risk, require additional investment in resources to compliance programs, could impact strategies and availability of previously useful data and could result in increased compliance costs and/or changes in business practices and policies.

Various U.S. federal privacy laws are potentially relevant to our business, including the Federal Trade Commission Act, Controlling the Assault of Non-Solicited Pornography and Marketing Act, the Family Educational Rights and Privacy Act, the Children’s Online Privacy Protection Act, and the Telephone Consumer Protection Act. Any actual or perceived failure to comply with these laws could result in a costly investigation or litigation resulting in potentially significant liability, injunctions and other consequences, loss of trust by our users, and a material and adverse impact on our reputation and business.

In addition, the data protection landscape in the EU is continually evolving, resulting in possible significant operational costs for internal compliance and risks to our business. The EU adopted the General Data Protection Regulation (“GDPR”), which became effective in May 2018, and contains numerous requirements and changes from previously existing EU laws, including more robust obligations on data processors and heavier documentation requirements for data protection compliance programs by companies.

Among other requirements, the GDPR regulates the transfer of personal data subject to the GDPR to third countries that have not been found to provide adequate protection to such personal data, including the United States. Recent legal developments in Europe have created complexity and uncertainty regarding such transfers. For instance, on July 16, 2020, the Court of Justice of the European Union (the “CJEU”) invalidated the EU-U.S. Privacy Shield Framework (the “Privacy Shield”) under which personal data could be transferred from the European Economic Area to U.S. entities who had self-certified under the Privacy Shield scheme. While the CJEU upheld the adequacy of the standard contractual clauses (a standard form of contract approved by the European Commission as an adequate personal data transfer mechanism and potential alternative to the Privacy Shield), it made clear that reliance on such clauses alone may not necessarily be sufficient in all circumstances. Use of the standard contractual clauses must now be assessed on a case-by-case basis taking into account the legal regime applicable in the destination country, including, in particular, applicable surveillance laws and rights of individuals, and additional measures and/or contractual provisions may need to be put in place; however, the nature of these additional measures is currently uncertain. The CJEU also states that if a competent supervisory authority believes that the standard contractual clauses cannot be complied with in the destination

country and that the required level of protection cannot be secured by other means, such supervisory authority is under an obligation to suspend or prohibit that transfer.

Additionally, the GDPR greatly increased the European Commission's jurisdictional reach of its laws and added a broad array of requirements for handling personal data. EU member states are tasked under the GDPR to enact, and have enacted, certain implementing legislation that adds to and/or further interprets the GDPR requirements and potentially extends our obligations and potential liability for failing to meet such obligations. The GDPR, together with national legislation, regulations and guidelines of the EU member states governing the processing of personal data, impose strict obligations and restrictions on the ability to collect, use, retain, protect, disclose, transfer and otherwise process personal data. In particular, the GDPR includes obligations and restrictions concerning the consent and rights of individuals to whom the personal data relates, security breach notifications and the security and confidentiality of personal data.

Failure to comply with the GDPR could result in penalties for noncompliance (including possible fines of up to the greater of €20 million and 4% of our global annual turnover for the preceding financial year for the most serious violations, as well as the right to compensation for financial or non-financial damages claimed by individuals under Article 82 of the GDPR).

In addition to the GDPR, the European Commission has another draft regulation in the approval process that focuses on a person's right to conduct a private life. The proposed legislation, known as the Regulation of Privacy and Electronic Communications ("ePrivacy Regulation"), would replace the current ePrivacy Directive. While the text of the ePrivacy Regulation is still under development, a recent European court decision and regulators' recent guidance are driving increased attention to cookies and tracking technologies. If regulators start to enforce the strict approach in recent guidance, this could lead to substantial costs, require significant systems changes, limit the effectiveness of our marketing activities, divert the attention of our technology personnel, adversely affect our margins, increase costs and subject us to additional liabilities. Regulation of cookies and similar technologies may lead to broader restrictions on our marketing and personalization activities and may negatively impact our efforts to understand users.

Further, in March 2017, the United Kingdom formally notified the European Council of its intention to leave the EU pursuant to Article 50 of the Treaty on European Union ("Brexit"). The United Kingdom ceased to be an EU Member State on January 31, 2020, but enacted a Data Protection Act substantially implementing the GDPR ("U.K. GDPR"), effective in May 2018, which was further amended to align more substantially with the GDPR following Brexit. It is unclear how U.K. data protection laws or regulations will develop in the medium to longer term and how data transfers to and from the United Kingdom will be regulated. Some countries also are considering or have enacted legislation requiring local storage and processing of data that could increase the cost and complexity of delivering our services. Beginning in 2021 when the transitional period following Brexit expired, we are required to comply with both the GDPR and the U.K. GDPR, with each regime having the ability to fine up to the greater of €20 million (in the case of the GDPR) or £17 million (in the case of the U.K. GDPR) and 4% of total annual revenue. The relationship between the United Kingdom and the EU in relation to certain aspects of data protection law remains unclear, including, for example, how data transfers between EU member states and the United Kingdom will be treated and the role of the United Kingdom's Information Commissioner's Office following the end of the transitional period. These changes could lead to additional costs and increase our overall risk exposure.

In addition, failure to comply with the Israeli Privacy Protection Law 5741-1981, and its regulations as well as the guidelines of the Israeli Privacy Protection Authority, may expose us to administrative fines, civil claims (including class actions) and in certain cases criminal liability. Current pending legislation may result in a change of the current enforcement measures and sanctions.

Any failure or perceived failure by us to comply with our posted privacy policies, our privacy-related obligations to users or other third parties, or any other legal obligations or regulatory requirements relating

to privacy, data protection, or data security, may result in governmental investigations or enforcement actions, litigation, claims, or public statements against us by consumer advocacy groups, or others and could result in significant liability, cause our users to lose trust in us, and otherwise materially and adversely affect our reputation and business. Furthermore, the costs of compliance with, and other burdens imposed by, the laws, regulations, other obligations, and policies that are applicable to the businesses of our users may limit the adoption and use of, and reduce the overall demand for, our platform. Additionally, if third parties we work with violate applicable laws, regulations or contractual obligations, such violations may put our users' data at risk, could result in governmental investigations or enforcement actions, fines, litigation, claims, or public statements against us by consumer advocacy groups or others and could result in significant liability, cause our users to lose trust in us, and otherwise materially and adversely affect our reputation and business. Further, public scrutiny of, or complaints about, technology companies or their data handling or data protection practices, even if unrelated to our business, industry or operations, may lead to increased scrutiny of technology companies, including us, and may cause government agencies to enact additional regulatory requirements, or to modify their enforcement or investigation activities, which may increase our costs and risks. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

***We rely on software and services licensed from other parties. The loss of software or services from third parties could increase our costs and limit the features available in our platform, products and solutions.***

Components of our offerings include various types of software and services licensed from unaffiliated parties. If any of the software or services we license from others or functional equivalents thereof were either no longer available to us or no longer offered on commercially reasonable terms, we would be required to either redesign the offerings that include such software or services to function with software or services available from other parties or develop these components ourselves, which we may not be able to do without incurring increased costs, experiencing delays in our product launches and the release of new offerings, or at all. Furthermore, we might be forced to temporarily limit the features available in our current or future products and solutions. If we fail to maintain or renegotiate any of these software or service licenses, we could face significant delays and diversion of resources in attempting to license and integrate functional equivalents. We and our customers may also be subject to suits by parties claiming infringement, misappropriation or other violation of third-party intellectual property or proprietary rights due to the reliance by our solutions on such third-party software and services, such third-party software and services may contain bugs or other errors that cause our own offerings to malfunction, and our agreements with such third parties may not contain any, or adequate, warranties, indemnities or other protective provisions on our behalf. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

#### **Risks Related to our Debt, Liquidity and Capitalization**

***Our failure to raise additional capital or generate the significant capital necessary to expand our operations and invest in new offerings could reduce our ability to compete and could adversely affect our business.***

Historically, we have funded our operations and capital expenditures primarily through net cash provided by operating activities, equity issuances and borrowings under our long-term debt arrangements. Although we currently anticipate that our net cash provided by operating activities, cash on hand and availability under our Revolving Credit Facility will be adequate to meet our operating, investing and financing needs for at least the next twelve months, we may require additional financing. 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, operating performance, and condition of the capital markets at the time we seek financing. We cannot assure you that additional financing will be available to us on favorable terms when required, or at all. If we raise additional funds through the issuance of equity or equity-linked or debt securities, those securities may have rights, preferences or privileges senior to the rights of our common stock, and our stockholders may experience dilution.

If we need additional capital and cannot raise it on acceptable terms, we may not be able to, among other things:

- develop or enhance our platform, products or solutions;
- continue to expand our research and development and sales and marketing organizations;
- acquire complementary technologies, products or businesses;
- expand operations in the United States or internationally;
- hire, train, and retain employees; or
- respond to competitive pressures or unanticipated working capital requirements.

Our failure to have sufficient capital to do any of these things could adversely affect our business, financial condition and results of operations, and our ability to execute our growth strategy.

***Our indebtedness could adversely affect our ability to raise additional capital to fund operations, limit our ability to react to changes in the economy or our industry and prevent us from meeting our financial obligations.***

As of March 31, 2021, we had approximately \$49.5 million of debt outstanding, consisting of \$39.6 million of borrowings outstanding under our Term Loan Facility (net of \$0.4 million of unamortized issuance costs), and approximately \$9.9 million of borrowings outstanding under our Revolving Credit Facility (net of \$0.1 million of unamortized issuance costs), with no additional borrowings available thereunder. As of June 30, 2021, following the effectiveness of the First Amendment to our Credit Agreement (which, among other things, increased commitments under the Revolving Credit Facility to \$35.0 million) and our borrowing of an additional \$12.5 million of debt under the Revolving Credit Facility in connection with such amendment, we had approximately \$22.4 million of borrowings outstanding under the Revolving Credit Facility (net of \$0.1 million of unamortized issuance costs) and approximately \$12.5 million of additional borrowings available thereunder. If we cannot generate sufficient cash flow from operations to service our debt, we may need to further refinance our debt, dispose of assets or issue equity to obtain necessary funds. We do not know whether we will be able to do any of this on a timely basis, on terms satisfactory to us, or at all. Our indebtedness could have important consequences, including:

- our ability to obtain additional debt or equity financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes may be limited;
- a portion of our cash flows from operations will be dedicated to the payment of principal and interest on the indebtedness and will not be available for other purposes, including operations, capital expenditures and future business opportunities;
- certain of our borrowings are at variable rates of interest, exposing us to the risk of increased interest rates;
- our ability to adjust to changing market conditions may be limited and may place us at a competitive disadvantage compared to less-leveraged competitors; and
- we may be vulnerable during a downturn in general economic conditions or in our business, or may be unable to carry on capital spending that is important to our growth.

In addition, the agreement governing our Credit Facilities contains, and any agreements evidencing or governing other future indebtedness may also contain, certain restrictive covenants that limit or otherwise restrict our ability, among other things, to:

- create, issue, incur, assume, become liable in respect of or suffer to exist any debt or liens;

- consummate any merger, consolidation or amalgamation, or liquidate, wind up or dissolve, or dispose of all or substantially all of our or their respective property or business;
- dispose of property or, in the case of our subsidiaries, issue or sell any shares of such subsidiary's capital stock;
- repay, prepay, redeem, purchase, retire or defease subordinated debt;
- declare or pay dividends or make certain other restricted payments;
- make certain investments;
- enter into transactions with affiliates;
- enter into new lines of business; and
- make certain amendments to our or their respective organizational documents or certain material contracts.

The agreement governing our Credit Facilities also contains, and any agreements evidencing or governing other future indebtedness may also contain, certain financial covenants and financial reporting requirements, as described elsewhere in this prospectus under "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Credit Facilities." Our ability to comply with these covenants and restrictions may be affected by events and factors beyond our control. We may not be able to generate sufficient recurring revenue or cash flow or maintain sufficient liquidity to meet the financial covenants or pay the principal and interest under our Credit Facilities when required. If we fail to make payments under our Credit Facilities or otherwise experience an event of default thereunder, the lending banks would be permitted to take certain actions, including terminating all outstanding commitments and declaring all amounts due under our Credit Facilities to be immediately due and payable, including all outstanding borrowings, accrued and unpaid interest thereon, and prepayment premiums with respect to such borrowings and any terminated commitments. In addition, the lenders would have the right to proceed against the collateral we granted to them, which includes substantially all of our assets. The occurrence of any of these events could have a material adverse effect on our business, financial condition and results of operations. Furthermore, our future working capital, borrowings, or equity financing could be unavailable to repay or refinance the amounts outstanding under our Credit Facilities. In the event of a liquidation, our lenders would be repaid all outstanding principal and interest prior to distribution of assets to unsecured creditors, and the holders of our common stock would receive a portion of any liquidation proceeds only if all of our creditors, including our lenders, were first repaid in full.

#### **Risks Related to Other Legal, Regulatory and Tax Matters**

***Legal, political, and economic uncertainty surrounding the exit of the United Kingdom from the European Union may be a source of instability to international markets, create significant currency fluctuations, adversely affect our operations in the United Kingdom and pose additional risks to our business, financial condition and results of operations.***

In connection with Brexit, the United Kingdom formally withdrew from the European Union and ratified a trade and cooperation agreement governing its future relationship with the European Union. The agreement, which is being applied provisionally from January 1, 2021 until it is ratified by the European Parliament and the Council of the European Union, addresses trade, economic arrangements, law enforcement, judicial cooperation and a governance framework including procedures for dispute resolution, among other things. Because the agreement merely sets forth a framework in many respects and will require complex additional bilateral negotiations between the United Kingdom and the European Union as both parties continue to work on the rules for implementation, significant political and economic

uncertainty remains about how the precise terms of the relationship between the parties will differ from the terms before withdrawal.

These developments and the continued uncertainty regarding the terms of the relationship between the United Kingdom and the European Union post-Brexit have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and could significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Asset valuations, currency exchange rates and credit ratings have been and may continue to be subject to increased market volatility. Lack of clarity about future U.K. laws and regulations as the United Kingdom determines which EU laws to replace or replicate, including financial laws and regulations, tax and free trade agreements, tax and customs laws, intellectual property rights, environmental, health and safety laws and regulations, immigration laws, employment laws and transport laws could increase the costs of doing business in the United Kingdom and depress economic activity. Additionally, the need to comply with any applicable regulatory changes will likely increase costs for us and our existing and potential customers located in the United Kingdom, which could negatively affect demand for our offerings and the ability of customers to make payments under their agreements with us. Any of these factors could have a significant adverse effect on our business, financial condition, results of operations and prospects.

***We are subject to various governmental export control, trade sanctions, and import laws and regulations that could impair our ability to compete in international markets or subject us to liability if we violate these controls.***

In some cases, our software is subject to export control laws and regulations, including the Export Administration Regulations administered by the U.S. Department of Commerce, the Israeli Control of Products and Services Decree (Engagement in Encryption), 5735-1974, and the Israeli Law of Regulation of Security Exports, 5767-2007, and our activities may be subject to trade and economic sanctions, including those administered by OFAC (collectively, "Trade Controls"). As such, a license may be required to export or re-export our products, or provide related services, to certain countries and end users, as well as for certain end uses. Further, our offerings that incorporate encryption functionality may be subject to special controls applying to encryption items and/or certain reporting requirements.

While we have procedures in place designed to ensure our compliance with Trade Controls, we cannot guarantee that these procedures will be successfully followed, and failure to comply could subject us to both civil and criminal penalties, including substantial fines, possible incarceration of responsible individuals for willful violations, possible loss of our export or import privileges, and reputational harm. Further, the process for obtaining necessary licenses may be time-consuming or unsuccessful, potentially causing delays in sales or losses of sales opportunities. Trade Controls are complex and dynamic regimes, and monitoring and ensuring compliance can be challenging, particularly given that our offerings are widely distributed throughout the world and are available for download without registration. Although we have no knowledge that our activities have resulted in violations of Trade Controls, any failure by us or our partners to comply with applicable laws and regulations would have negative consequences for us, including reputational harm, government investigations, and penalties.

In addition, various countries regulate the import of certain encryption technology, including through import permit and license requirements, and have enacted laws that could limit our ability to distribute our offerings or the ability of our customers or end users to implement our offerings in those countries. Changes in our offerings or changes in export and import regulations in such countries may create delays in the introduction of our offerings into international markets, prevent our end-customers with international operations from deploying our offerings globally or, in some cases, prevent or delay the export or import of our offerings to certain countries, governments, or persons altogether. Any change in export or import laws or regulations, economic sanctions or related legislation, shift in the enforcement or scope of existing export, import or sanctions laws or regulations, or change in the countries, governments, persons, or technologies targeted by such export, import or sanctions laws or regulations, could result in decreased use of our offerings by, or in our decreased ability to export or sell our offerings to, existing or potential

customers with international operations. Any decreased use of our offerings or limitation on our ability to export to or sell our offerings in international markets could adversely affect our business, financial condition and results of operations, and our ability to execute our growth strategy.

***Changes in laws and regulations related to the internet, changes in the internet infrastructure itself, or increases in the cost of internet connectivity and network access may diminish the demand for our offerings and could harm our business.***

The future success of our business depends upon the continued use of the internet as a primary medium for commerce, communication, and business applications. Federal, state, or foreign governmental bodies or agencies have in the past adopted, and may in the future adopt, laws or regulations affecting the use of the internet as a commercial medium. The adoption of any laws or regulations that could reduce the growth, popularity, or use of the internet, including laws or practices limiting internet neutrality, could decrease the demand for our offerings, increase our cost of doing business, and adversely affect our results of operations. Changes in these laws or regulations could require us to modify our offerings, or certain aspects of our offerings, in order to comply with these changes. In addition, government agencies or private organizations have imposed and may impose additional taxes, fees, or other charges for accessing the internet or commerce conducted via the internet. These laws or charges could limit the growth of internet-related commerce or communications generally or result in reductions in the demand for internet-based products such as ours. In addition, the use of the internet as a business tool could be harmed due to delays in the development or adoption of new standards and protocols to handle increased demands of internet activity, security, reliability, cost, ease-of-use, accessibility, and quality of service. Further, our platform depends on the quality of our customers' and end users' access to the internet.

On June 11, 2018, the repeal of the Federal Communications Commission's (the "FCC"), "net neutrality" rules took effect and returned to a "light-touch" regulatory framework. The prior rules were designed to ensure that all online content is treated the same by internet service providers and other companies that provide broadband services. Additionally, on September 30, 2018, California enacted the California internet Consumer Protection and Net Neutrality Act of 2018, making California the fourth state to enact a state-level net neutrality law since the FCC repealed its nationwide regulations, mandating that all broadband services in California must be provided in accordance with state net neutrality requirements. The U.S. Department of Justice has sued to block the law going into effect, and California has agreed to delay enforcement until the resolution of the FCC's repeal of the federal rules. A number of other states are considering legislation or executive actions that would regulate the conduct of broadband providers. We cannot predict whether the FCC order or state initiatives will be modified, overturned, or vacated by legal action of the court, federal legislation or the FCC. With the repeal of net neutrality rules in effect, we could incur greater operating expenses, which could harm our results of operations.

As the internet continues to experience growth in the number of users, frequency of use, and amount of data transmitted, the internet infrastructure that we and our customers and end users rely on may be unable to support the demands placed upon it. The failure of the internet infrastructure that we or our customers and end users rely on, even for a short period of time, could adversely affect our business, financial condition and results of operations. In addition, the performance of the internet and its acceptance as a business tool has been harmed by "viruses," "worms" and similar malicious programs and the internet has experienced a variety of outages and other delays as a result of damage to portions of its infrastructure. If the use of the internet is adversely affected by these issues, demand for our offerings could decline.

Internet access is frequently provided by companies that have significant market power and the ability to take actions that degrade, disrupt, or increase the cost of user access to our offerings. As demand for online media increases, there can be no assurance that internet and network service providers will continue to price their network access services on reasonable terms. The distribution of online media requires delivery of digital content files and providers of network access and distribution may change their business models and increase their prices significantly, which could slow the widespread adoption of such

services. We could incur greater operating expenses and our customer acquisition and retention could be negatively impacted if network operators:

- implement usage-based pricing;
- discount pricing for competitive products;
- otherwise materially change their pricing rates or schemes;
- charge us to deliver our traffic at certain levels or at all;
- throttle traffic based on its source or type;
- implement bandwidth caps or other usage restrictions; or
- otherwise try to monetize or control access to their networks.

In order for our services to be successful, there must be a reasonable price model in place to allow for the continuous distribution of digital media files. We have limited or no control over the extent to which any of these circumstances may occur, and if network access or distribution prices rise, our business, financial condition and results of operations would likely be adversely affected.

***Our business may be adversely affected by third-party claims, including by governmental bodies, regarding the content and advertising distributed through our offerings.***

We rely on our customers to secure the rights to redistribute content over the internet, and we do not screen the content that is distributed through our offerings. There is no assurance that our customers have licensed all rights necessary for distribution, including internet distribution. Other parties may claim certain rights in the content of our customers.

In the event that our customers do not have the necessary distribution rights related to content, we may be required to cease distributing such content, or we may be subject to lawsuits and claims of damages for infringement of such rights. If these claims arise with frequency, the likelihood of our business being adversely affected would rise significantly. In some cases, we may have rights to indemnification or claims against our customers if they do not have appropriate distribution rights related to specific content items, however there is no assurance that we would be successful in any such claim.

We do not screen the content that is distributed through our offerings. Content may be distributed through our platform that is illegal or unlawful under international, federal, state or local laws or the laws of other countries. We may face lawsuits, claims or even criminal charges for such distribution, and we may be subject to civil, regulatory or criminal sanctions and damages for such distribution. Any such claims or investigations could adversely affect our business, financial condition and results of operations.

***Actions by governments to restrict access to our offerings in their countries or to require us to disclose or provide access to information in our possession could harm our business, financial condition and results of operations.***

Our business depend on the ability of our customers and end users to access the internet, and our offerings could be blocked or restricted in some countries for various reasons. Further, it is possible that governments of one or more foreign countries may seek to limit access to, or certain features of, our offerings in their countries, or impose other restrictions that may affect the availability of our offerings, or certain features of our offerings, in their countries for an extended period of time or indefinitely. For example, Russia and China are among a number of countries that have recently blocked certain online services, including AWS (which is our cloud hosting provider), making it very difficult for such services to access those markets. In addition, governments in certain countries may seek to restrict or prohibit access to our offerings if they consider us to be in violation of their laws (including privacy laws) and may require us to disclose or provide access to information in our possession. If we fail to anticipate



developments in the law or fail for any reason to comply with relevant law, our offerings could be further blocked or restricted and we could be exposed to significant liability that could harm our business. In the event that access to our offerings is restricted, in whole or in part, in one or more countries, or our competitors are able to successfully penetrate geographic markets that we cannot access, our ability to add new customers or renew or expand the value of our existing customers' subscriptions may be adversely affected, which could have a material adverse effect on our business, financial condition and results of operations.

***Failure to comply with anti-bribery, anti-corruption, anti-money laundering laws, and similar laws, could subject us to penalties and other adverse consequences.***

We are subject to the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "FCPA"), the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the USA PATRIOT Act, the United Kingdom Bribery Act 2010, the Proceeds of Crime Act 2002, Chapter 9 (sub-chapter 5) of the Israeli Criminal Law, 5737-1977, the Israeli Prohibition on Money Laundering Law, 5760-2000 and other anti-bribery and anti-money laundering laws in countries outside of the United States in which we conduct our activities. Anti-corruption and anti-bribery laws have been enforced aggressively in recent years and are interpreted broadly to generally prohibit companies, their employees, and their third-party intermediaries from authorizing, offering, or providing, directly or indirectly, improper payments or benefits to recipients in the public or private sector.

We sometimes leverage third parties to sell our offerings and conduct our business abroad. We and our third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities and may be held liable for the corrupt or other illegal activities of these third-party business partners and intermediaries, our employees, representatives, contractors, partners, and agents, even if we do not explicitly authorize such activities. We cannot assure you that our employees and agents will not take actions in violation of applicable law, for which we may be ultimately held responsible. As we increase our international sales and business operations, our risks under these laws are likely to increase.

Any actual or alleged violation of the FCPA or other applicable anti-bribery, anti-corruption or anti-money laundering 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, or suspension or debarment from U.S. government contracts, any of which would adversely affect our reputation, as well as our business, financial condition, results of operations and growth prospects. Responding to any investigation or action would likely result in a materially significant diversion of management's attention and resources and significant defense costs and other professional fees. In addition, the U.S. government may seek to hold us liable for successor liability for FCPA violations committed by companies in which we invest or that we acquire.

***Changes in financial accounting standards or practices may cause adverse, unexpected financial reporting fluctuations and affect our results of operations.***

The accounting rules and regulations that we must comply with are complex and subject to interpretation by the Financial Accounting Standards Board (the "FASB"), the SEC and various bodies formed to promulgate and interpret appropriate accounting principles. Recent actions and public comments from the FASB and the SEC have focused on the integrity of financial reporting and internal controls. In addition, many companies' accounting policies are being subject to heightened scrutiny by regulators and the public. Further, the accounting rules and regulations are continually changing in ways that could materially impact our financial statements.

We cannot predict the impact of future changes to accounting principles or our accounting policies on our financial statements going forward, which could have a significant effect on our reported financial results and could affect the reporting of transactions completed before the announcement of the change. In addition, if we were to change our critical accounting estimates, including those related to the

recognition of subscription revenue and other revenue sources, our operating results could be significantly affected.

***Changes in U.S. and foreign tax laws could have a material adverse effect on our business, cash flow, results of operations or financial conditions.***

We are subject to taxation in several countries, including the United States and Israel; changes in tax laws or challenges to our tax positions could adversely affect our business, results of operations, and financial condition. As such, we are subject to tax laws, regulations, and policies of the U.S. federal, state, and local governments and of comparable taxing authorities in foreign jurisdictions. Changes in tax laws, including the U.S. federal tax legislation enacted in 2017, commonly referred to as the Tax Cuts and Jobs Act of 2017, as well as other factors, could cause us to experience fluctuations in our tax obligations and effective tax rates in the future and otherwise adversely affect our tax positions and/or our tax liabilities. There can be no assurance that our effective tax rates, tax payments, tax credits, or incentives will not be adversely affected by changes in tax laws in various jurisdictions.

***Unanticipated changes in effective tax rates or adverse outcomes resulting from examination of our income or other tax returns could expose us to greater than anticipated tax liabilities.***

The tax laws applicable to our business, including the laws of the United States, Israel, and other jurisdictions, are subject to interpretation, and certain jurisdictions may aggressively interpret their laws in an effort to raise additional tax revenue. The taxing authorities of the jurisdictions in which we operate may challenge our methodologies for valuing developed technology or intercompany arrangements or our revenue recognition policies, which could increase our worldwide effective tax rate and adversely affect our financial position and results of operations. It is possible that tax authorities may disagree with certain positions we have taken, and any adverse outcome of such a review or audit could have a negative effect on our business, financial condition and results of operations. Further, the determination of our worldwide provision for income taxes and other tax liabilities requires significant judgment by management, and there are transactions where the ultimate tax determination is uncertain. Although we believe that our estimates are reasonable, the ultimate tax outcome may differ from the amounts recorded in our consolidated financial statements and may materially affect our financial results in the period or periods for which such determination is made.

***Our corporate structure and intercompany arrangements are subject to the tax laws of various jurisdictions, and we could be obligated to pay additional taxes, which would adversely affect our results of operations.***

Based on our current corporate structure, we are 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. The authorities in these jurisdictions could review our tax returns or require us to file tax returns in jurisdictions in which we are not currently filing, and could impose additional tax, interest, and penalties. These authorities could also claim that various withholding requirements apply to us or our subsidiaries, assert that benefits of tax treaties are not available to us or our subsidiaries, or challenge our methodologies for valuing developed technology or intercompany arrangements, including our transfer pricing. The relevant taxing authorities may determine that the manner in which we operate our business does not achieve the intended tax consequences. If such a disagreement were to occur, and our position was not sustained, we could be required to pay additional taxes, interest, and penalties. Such authorities could claim that various withholding requirements apply to us or our subsidiaries or assert that benefits of tax treaties are not available to us or our subsidiaries. Any increase in the amount of taxes we pay or that are imposed on us could increase our worldwide effective tax rate and adversely affect our business, financial condition and results of operations.

***We could be required to collect additional sales, use, value added, digital services or other similar taxes or be subject to other liabilities that may increase the costs our clients would have to pay for our offerings and adversely affect our results of operations.***

We collect sales, value added and other similar taxes in a number of jurisdictions. One or more U.S. states or countries may seek to impose incremental or new sales, use, value added, digital services, or other tax collection obligations on us. Further, an increasing number of U.S. states have considered or adopted laws that attempt to impose tax collection obligations on out-of-state companies. Additionally, the Supreme Court of the United States has ruled that online sellers can be required to collect sales and use tax despite not having a physical presence in the state of the customer. As a result, U.S. states and local governments may adopt, or begin to enforce, laws requiring us to calculate, collect, and remit taxes on sales in their jurisdictions, even if we have no physical presence in that jurisdiction. A successful assertion by one or more U.S. states requiring us to collect taxes where we presently do not do so, or to collect more taxes in a jurisdiction in which we currently do collect some taxes, could result in substantial liabilities, including taxes on past sales, as well as interest and penalties. Furthermore, certain jurisdictions, such as the United Kingdom and France, have recently introduced a digital services tax, which is generally a tax on gross revenue generated from users or customers located in those jurisdictions, and other jurisdictions have enacted or are considering enacting similar laws. A successful assertion that we should have been or should currently be collecting additional sales, use, value added, digital services or other similar taxes in a particular jurisdiction could, among other things, result in substantial tax payments, create significant administrative burdens for us, discourage potential customers from subscribing to our platform due to the incremental cost of any such sales or other related taxes, or otherwise adversely affect our business.

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

As of December 31, 2020, we had U.S. federal net operating loss carryforwards of approximately \$217.5 million and U.S. state net operating loss carryforwards of approximately \$122.5 million, which may be utilized against future income taxes. Limitations imposed by the applicable jurisdictions on our ability to utilize net operating loss carryforwards, including with respect to the net operating loss carryforwards of companies that we have acquired or may acquire in the future, could cause us to become an income tax payer earlier than we would become otherwise if such limitations were not in effect and could cause such net operating loss carryforwards to expire unused, in each case reducing or eliminating the benefit of such net operating loss carryforwards. This offering, as well as future changes in our stock ownership, could result in an ownership change that subjects us to limitations on our ability to utilize net operating loss forwards to offset future income. Furthermore, we may not be able to generate sufficient taxable income to utilize our net operating loss carryforwards before they expire. If any of these events occur, we may not derive some or all of the expected benefits from our net operating loss carryforwards. Also, any available net operating loss carryforwards would have value only to the extent there is income in the future against which such net operating loss carryforwards may be offset. For these reasons, we may not be able to realize a tax benefit from the use of our net operating loss carryforwards, whether or not we attain profitability. We have recorded a full valuation allowance related to our carryforwards due to the uncertainty of the ultimate realization of the future benefits of those assets.

#### **Risks Related to Our Operations in Israel**

***Political, economic and military conditions in Israel could materially and adversely affect our business.***

We have offices near Tel Aviv, Israel where our primary research and development, human resources, and certain other finance and administrative activities are based. In addition, a number of our officers and directors, as well as our co-founders, are residents of Israel. As of March 31, 2021, we had 408 full-time employees in Israel. Accordingly, political, economic and military conditions in Israel and the surrounding region may directly affect our business and operations. Since the establishment of the State

of Israel in 1948, a number of armed conflicts have taken place between Israel and its neighboring countries, as well as terrorist acts committed within Israel by hostile elements. In recent years, Israel has been engaged in sporadic armed conflicts with Hamas, an Islamist terrorist group that controls the Gaza Strip, with Hezbollah, an Islamist terrorist group that controls large portions of southern Lebanon, and with Iranian-backed military forces in Syria. In addition, Iran has threatened to attack Israel and may be developing nuclear weapons. Some of these hostilities were accompanied by missiles being fired against civilian targets in various parts of Israel, including areas in which our employees, and some of our consultants are located, and negatively affected business conditions in Israel. Any hostilities, armed conflicts, terrorist activities involving Israel or the interruption or curtailment of trade between Israel and its trading partners, or any political instability in the region could adversely affect business conditions and our results of operations and could make it more difficult for us to raise capital. Specifically, our operations could be disrupted by the obligations of our personnel to perform military service. Many of our employees based in Israel may be called upon to perform military reserve duty and, in emergency circumstances, may be called to immediate and unlimited active duty. If this were to occur, our operations could be disrupted by the absence of a significant number of employees, which could materially adversely affect our business and results of operations. Parties with whom we do business have sometimes declined to travel to Israel during periods of heightened unrest or tension, forcing us to make alternative arrangements when necessary in order to meet our business partners face to face. In addition, the political and security situation in Israel may result in parties with whom we have agreements involving performance in Israel claiming that they are not obligated to perform their commitments under those agreements pursuant to force majeure provisions in such agreements.

Continued hostilities between Israel and its neighbors and any future armed conflict, terrorist activity or political instability in the region could adversely affect our operations in Israel and adversely affect the market price of our common stock. An escalation of tensions or violence might result in a significant downturn in the economic or financial condition of Israel, which could have a material adverse effect on our operations in Israel and our business.

Our commercial insurance does not cover losses that may occur as a result of events associated with war and terrorism. Although the Israeli government currently covers the reinstatement value of direct damages that are caused by terrorist attacks or acts of war, we cannot assure you that this government coverage will be maintained or that it will sufficiently cover our potential damages. Any losses or damages incurred by us could have a material adverse effect on our business. Any armed conflicts or political instability in the region would likely negatively affect business conditions and could adversely affect our results of operations.

Further, in the past, the State of Israel and Israeli companies have been subjected to economic boycotts. Several countries still restrict business with the State of Israel and with Israeli companies. These restrictive laws and policies may have an adverse impact on our operating results, financial condition or the expansion of our business. A campaign of boycotts, divestment and sanctions has been undertaken against Israel, which could also adversely impact our business.

Israel's most recent general elections were held on April 9, 2019, September 17, 2019, March 2, 2020 and March 23, 2021. Uncertainty surrounding future elections and/or the results of such elections in Israel may continue and the political situation in Israel may further deteriorate. Actual or perceived political instability in Israel or any negative changes in the political environment, may individually or in the aggregate adversely affect the Israeli economy and, in turn, our business, financial condition, results of operations and growth prospects.

***Certain tax benefits that are available to us require us to continue to meet various conditions and may be terminated or reduced in the future, which could increase our costs and taxes.***

Some of our operations in Israel may entitle us to certain tax benefits under the Law for the Encouragement of Capital Investments, 5719-1959, or the Investment Law. If we do not meet the requirements for maintaining these benefits, they may be reduced or cancelled and the relevant

operations would be subject to Israeli corporate tax at the standard rate, which is set at 23% in 2020 and thereafter. In addition to being subject to the standard corporate tax rate, we could be required to refund any tax benefits that we have already received, plus interest and penalties thereon. Even if we continue to meet the relevant requirements, the tax benefits that our current "Preferred Enterprise" is entitled to may not be continued in the future at their current levels or at all. If these tax benefits were reduced or eliminated, the amount of taxes that we pay would likely increase, as all of our operations would consequently be subject to corporate tax at the standard rate, which could adversely affect our results of operations. Additionally, if we increase our activities outside of Israel, for example, by way of acquisitions, our increased activities may not be eligible for inclusion in Israeli tax benefits programs.

#### **Risks Related to this Offering and Ownership of our Common Stock**

***The market price for our common stock may be volatile or may decline regardless of our operating performance, and you may not be able to resell your shares at or above the initial public offering price.***

The market price of our common stock may be highly volatile and may fluctuate or decline substantially as a result of a variety of factors, many of which are beyond our control, including:

- actual or anticipated changes or fluctuations in our results of operations;
- the guidance we may provide to analysts and investors from time to time, and any changes in, or our failure to perform in line with, such guidance;
- announcements by us or our competitors of new offerings or new or terminated contracts, commercial relationships or capital commitments;
- industry or financial analyst or investor 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;
- future sales or expected future sales of our common stock;
- investor perceptions of us and the industries in which we operate;
- price and volume fluctuations in the overall stock market from time to time;
- changes in operating performance and stock market valuations of other technology companies generally, or those in our industry in particular;
- failure of industry or financial analysts to maintain coverage of us, the issuance of new or updated reports or recommendations by any analysts who follow our company, or our failure to meet the expectations of investors;
- actual or anticipated developments in our business or our competitors' businesses or the competitive landscape generally;
- litigation involving us, other companies in our industry or both, or investigations by regulators into our operations or those of our competitors;
- developments or disputes concerning our intellectual property or proprietary rights or our solutions, or third-party intellectual or proprietary rights;
- announced or completed acquisitions of businesses or technologies, or other strategic transactions by us or our competitors;
- actual or perceived breaches of, or failures relating to, privacy, data protection or data security;

- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- actual or anticipated changes in our management or our board of directors;
- general economic conditions and slow or negative growth of our target markets; and
- other events or factors, including those resulting from war, incidents of terrorism or responses to these events.

Furthermore, the stock market has experienced extreme volatility that in some cases has been unrelated or disproportionate to the operating performance of particular companies. These and other factors may cause the market price and demand for our common stock to fluctuate substantially, which may limit or prevent investors from readily selling their shares of common stock and may otherwise negatively affect the liquidity of our common stock. In addition, in the past, when the market price of a stock has been volatile, holders of that stock have sometimes instituted securities class action litigation against the company that issued the stock. If any of our stockholders were to bring a lawsuit against us, we could incur substantial costs defending the lawsuit. Such a lawsuit could also divert the time and attention of our management from our business.

***No public market for our common stock currently exists, and an active public trading market may not develop or be sustained following this offering.***

Prior to this offering, there has been no public market for our common stock. An active public trading market for our common stock may not develop following the closing of this offering or, if developed, it may not be sustained. The lack of an active market may impair your ability to sell your shares at the time you wish to sell them or at a price that you consider reasonable. The initial public offering price of our common stock will be determined by negotiations between us and the underwriters and may not be indicative of prices that will prevail in the open market following the closing of this offering. The market price of our common stock may decline below the initial public offering price, and you may not be able to resell your shares of our common stock at or above the initial offering price, or at all. The lack of an active trading market may also reduce the fair value of your shares. An inactive market may also impair our ability to raise capital by selling shares of our common stock and may impair our ability to acquire other companies or technologies by using our common stock as consideration.

***After this offering, our principal stockholders will continue to have significant influence over us.***

After the closing of this offering, our principal stockholders each holding more than 5% of our outstanding common stock will collectively beneficially own approximately 64.9% of our outstanding common stock (or approximately 63.8% of our outstanding common stock if the underwriters' option to purchase additional shares is exercised in full). See "Principal Stockholders." These stockholders or their affiliates will be able to exert significant influence over us and, if acting together, will be able to control matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions, including a merger, consolidation or sale of all or substantially all of our assets and the issuance or redemption of equity interests in certain circumstances. The interests of these stockholders may not always coincide with, and in some cases may conflict with, our interests and the interests of our other stockholders. For instance, these stockholders could attempt to delay or prevent a change in control of our company, even if such change in control would benefit our other stockholders, which could deprive our stockholders of an opportunity to receive a premium for their common stock. This concentration of ownership may also affect the prevailing market price of our common stock due to investors' perceptions that conflicts of interest may exist or arise. As a result, this concentration of ownership may not be in your best interests.

***We will have broad discretion in the use of the net proceeds from this offering and may not use them effectively.***

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. Accordingly, we will have broad discretion in the application of the net proceeds from this offering, and you will not have the opportunity as part of your investment decision to assess whether such net proceeds are being used appropriately. Investors will need to rely upon the judgment of our management with respect to the use of such net proceeds. Pending their use, we may invest our proceeds in a manner that does not produce income or that loses value. Our investments may not yield a favorable return to our investors and may adversely affect the price of our common stock.

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

The initial public offering price of our common stock is substantially higher than the pro forma as adjusted net tangible book value per share of our common stock. If you purchase common stock in this offering, you will suffer immediate dilution of \$9.62 per share, representing the difference between our pro forma as adjusted net tangible book value per share as of March 31, 2021 and the assumed initial public offering price of \$10.00 per share. We also have a significant number of outstanding options to purchase shares of our common stock with exercise prices that are below the assumed initial public offering price of our common stock. To the extent these options or the Newrow Warrant are exercised, you will experience further dilution. See the section of this prospectus titled "Dilution" for additional information.

***Future sales of substantial amounts of our common stock in the public markets, or the perception that such sales might occur, could reduce the price that our common stock might otherwise attain.***

Future sales of a substantial number of shares of our common stock in the public market, particularly sales by our directors, executive officers, and significant stockholders, or the perception that these sales could occur, could adversely affect the market price of our common stock and may make it more difficult for you to sell your common stock at a time and price that you deem appropriate. Upon the closing of this offering, based on the number of shares of our common stock outstanding as of March 31, 2021 and after giving effect to the Preferred Stock Conversion and the Warrant Exercises, we will have an aggregate of 124,086,602 shares of our common stock outstanding. This includes 15,000,000 shares of common stock that we are selling in this offering, which may be resold in the public market immediately without restriction, unless purchased by our affiliates. Substantially all of the remaining shares are currently restricted as a result of securities laws or restrictions in market stand-off provisions or the lock-up agreements described elsewhere in this prospectus under the caption "Underwriting (Conflict of Interest)" (which may be waived at any time, with or without notice, by Goldman Sachs & Co. LLC and BofA Securities, Inc.)

The lock-up period, which we expect will expire 150 days after the date of this prospectus, has a potential partial release date following the 60th day after the date of this prospectus. If the last reported closing price of our common stock on the Nasdaq Global Select Market is at least 30% greater than the initial public offering price per share set forth on the cover page of this prospectus for at least 10 trading days out of any 15 consecutive trading day period ending on or after the 60th day after the date of this prospectus (the last trading day of such 15 trading day period, the "Early Release Determination Date"), the terms of the lock-up agreement to which any holder of our capital stock is subject will expire at the opening of trading three trading days after the Early Release Determination Date with respect to 20% of the aggregate number of shares of common stock and shares of common stock underlying securities convertible into, or exchangeable or exercisable for, common stock held, as of the date of this prospectus, by such holder for which all vesting conditions are satisfied as of the Early Release Determination Date. We expect that all shares of common stock subject to a lock-up agreement and not

released pursuant to this partial release will otherwise be released 150 days after the date of this prospectus and will be able to be sold unless held by one of our affiliates, in which case the resale of such securities will generally be subject to volume limitations and other requirements under Rule 144 of the Securities Act. See “Shares Eligible for Future Sale.”

In addition, following the closing of this offering and the expiration of the lock-up period described above, holders of an aggregate of approximately 100,552,069 shares of our common stock, based on the number of shares outstanding as of March 31, 2021 (after giving effect to the Preferred Stock Conversion and the Warrant Exercises), will be entitled to certain rights with respect to the registration of these shares under the Securities Act pursuant to our Investors’ Rights Agreement. We also intend to register the offer and sale of all common stock that we may issue from time to time under our equity compensation plans. Once we register these shares, they will be freely tradable in the public market, subject to the volume limitations under Rule 144 of the Securities Act in the case of our affiliates and the lock-up agreements or market stand-off provisions referred to above and described in the “Underwriting (Conflict of Interest)” and “Shares Eligible for Future Sale” sections of this prospectus.

The market price of our common stock may drop significantly when the restrictions on resale by our existing stockholders lapse, including in the event of a partial release under the lock-up agreement, when we register the sale of our stockholders’ remaining shares of our common stock, or if there is an expectation that such a lapse of resale restrictions or registration of shares will occur. A decline in the trading price of our common stock might impede our ability to raise capital through the issuance of additional shares of our common stock or other equity securities and may impair your ability to sell shares of our common stock at a price higher than the price you paid for them or at all.

***Your ownership and voting power may be diluted by the issuance of additional shares of our common stock in connection with financings, acquisitions, investments, our equity incentive plans or otherwise.***

After this offering, we will have 875,913,398 shares of common stock authorized but unissued, based on the number of shares of our common stock outstanding as of March 31, 2021, and after giving effect to the Preferred Stock Conversion and the Warrant Exercises. Subject to compliance with applicable rules and regulations, we may issue common stock or securities convertible into common stock from time to time for the consideration and on the terms and conditions established by our board of directors in its sole discretion, whether in connection with a financing, acquisition, investment, our equity incentive plans or otherwise. As of March 31, 2021, we had 31,650,028 shares of our common stock issuable upon the exercise of outstanding options at a weighted average exercise price of \$3.89 per share, 15,293,261 of which were vested as of such date, and 67,954 additional shares of our common stock reserved for future issuance under our Prior Plans. See “Executive Compensation.” Any additional shares of common stock that we issue, including under our 2021 Plan or other equity incentive plans that we may adopt in the future, or in connection with the exercise of the Newrow Warrant, would dilute the percentage ownership and voting power held by the investors who purchase common stock in this offering. In the future, we may also issue additional securities if we need to raise capital, including, but not limited to, in connection with acquisitions, which could constitute a material portion of our then-outstanding shares of common stock. Any such issuance could substantially dilute the ownership and voting power of our existing stockholders and cause the market price of our common stock to decline.

***We may issue shares of preferred stock in the future, which could make it difficult for another company to acquire us or could otherwise adversely affect holders of our common stock, which could depress the price of our common stock.***

Our Post-IPO Certificate of Incorporation will authorize us to issue one or more series of preferred stock. Our board of directors will have the authority to determine the preferences, limitations, and relative rights of the shares of preferred stock and to fix the number of shares constituting any series and the designation of such series, without any further vote or action by our stockholders. Our preferred stock could be issued with voting, liquidation, dividend, and other rights superior to the rights of our common



stock. The potential issuance of preferred stock may delay or prevent a change in control of our company, discouraging bids for our common stock at a premium to the market price, and materially and adversely affect the market price and the voting and other rights of the holders of our common stock.

***Anti-takeover provisions in our governing documents and under Delaware law could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove our current management, and depress the market price of our common stock.***

We are a Delaware corporation, and the anti-takeover provisions of Delaware law impose various impediments to the ability of a third party to acquire control of us, even if a change of control would be beneficial to our existing stockholders. In addition, our Post-IPO Certificate of Incorporation and Post-IPO Bylaws will contain provisions that could have the effect of rendering more difficult, delaying or preventing an acquisition deemed undesirable by our board of directors, including transactions in which stockholders might otherwise receive a premium for their shares. Among others, our Post-IPO Certificate of Incorporation and Post-IPO Bylaws will include the following provisions:

- the delegation to our board of directors of the exclusive right to expand the size of our board of directors and to elect directors to fill a vacancy created by any such expansion or the resignation, death or removal of a director, which will prevent stockholders from being able to fill vacancies on our board of directors;
- the division of our board of directors into three classes, with each class serving staggered three-year terms, which may delay the ability of stockholders to change the membership of a majority of our board of directors;
- limitations on convening special stockholder meetings, which could make it difficult for our stockholders to adopt desired governance changes;
- advance notice procedures, which apply for stockholders to nominate candidates for election as directors or to bring matters before an annual meeting of stockholders, which may 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;
- a prohibition on stockholder action by written consent, which means that our stockholders will only be able to take action at a meeting of stockholders;
- a forum selection clause, which means certain litigation against us can only be brought in Delaware;
- no authorization of cumulative voting, which limits the ability of minority stockholders to elect director candidates;
- directors will only be able to be removed for cause and only by the affirmative vote of two-thirds of the then outstanding voting power of our capital stock;
- certain amendments to our Post-IPO Certificate of Incorporation and Post-IPO Bylaws will require the approval of two-thirds of the then outstanding voting power of our capital stock;
- the affirmative vote of two-thirds of the then-outstanding voting power of our capital stock, voting as a single class, will be required for stockholders to amend or adopt any provision of our Post-IPO Bylaws; and
- the authorization of undesignated or "blank check" preferred stock, the terms of which may be established and shares of which may be issued without further action by our stockholders, which could be used to significantly dilute the ownership and voting rights of a hostile acquirer.

These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in our management. In addition, as a Delaware corporation, we are also subject to Section 203 of the Delaware General Corporation Law (“DGCL”), which prevents stockholders holding more than 15% of our outstanding common stock from engaging in certain business combinations unless (i) prior to the time such stockholder became an interested stockholder, the board approved the transaction that resulted in such stockholder becoming an interested stockholder, (ii) upon consummation of the transaction that resulted in such stockholder becoming an interested stockholder, the interested stockholder owned 85% of the common stock or (iii) following board approval, the business combination receives the approval of the holders of at least two-thirds of our outstanding common stock not held by such interested stockholder.

Any provision of our Post-IPO Certificate of Incorporation, Post-IPO Bylaws or Delaware law that has the effect of delaying, preventing, or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock. Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of our common stock if they are viewed by investors as discouraging future takeover attempts or other transactions that may be in the best interests of our stockholders or that may otherwise enable them to obtain a greater return on their investment, which may impair your ability to sell shares of our common stock at a price greater than the price you paid for them or at all.

***Our Post-IPO Certificate of Incorporation will provide that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for substantially all disputes between us and our stockholders, and federal district courts will be the sole and exclusive forum for Securities Act claims, which could limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees.***

Our Post-IPO Certificate of Incorporation will provide that, unless we consent to the selection of an alternative forum, the Court of Chancery of the State of Delaware is the sole and exclusive forum for: (a) any derivative action or proceeding brought on our behalf; (b) any action asserting a claim of breach of fiduciary duty owed by any of our directors, officers, employees or other agents to us or to our stockholders; (c) any action asserting a claim arising pursuant to the DGCL, our Post-IPO Certificate of Incorporation or Post-IPO Bylaws (as either may be amended and/or restated), or as to which the DGCL confers exclusive jurisdiction on the Court of Chancery of the State of Delaware; or (d) any action asserting a claim governed by the internal affairs doctrine. Under our Post-IPO Certificate of Incorporation, this exclusive forum provision will not apply to claims which are vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery of the State of Delaware, or for which the Court of Chancery of the State of Delaware does not have subject matter jurisdiction. For instance, the provision would not apply to actions arising under federal securities laws, including suits brought to enforce any liability or duty created by the Securities Act, Exchange Act, or the rules and regulations thereunder. Our Post-IPO Certificate of Incorporation further provides that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America shall, to the fullest extent permitted by law, be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. 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 us or our directors, officers, employees or other agents, which may discourage such lawsuits against us and our directors, officers, employees and other agents. Alternatively, if a court were to find the choice of forum provisions contained in our Post-IPO Certificate of Incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our business, financial condition and results of operations.

***Our Post-IPO Certificate of Incorporation will provide that the doctrine of “corporate opportunity” will not apply with respect to any director or stockholder who is not employed by us or our subsidiaries.***

The doctrine of corporate opportunity generally provides that a corporate fiduciary may not develop an opportunity using corporate resources, acquire an interest adverse to that of the corporation or acquire property that is reasonably incident to the present or prospective business of the corporation or in which the corporation has a present or expectancy interest, unless that opportunity is first presented to the corporation and the corporation chooses not to pursue that opportunity. The doctrine of corporate opportunity is intended to preclude officers or directors or other fiduciaries from personally benefiting from opportunities that belong to the corporation. Our Post-IPO Certificate of Incorporation will, to the fullest extent permitted from time to time by Delaware law, renounce any interest or expectancy that we otherwise would have in, and all rights to be offered an opportunity to participate in, any business opportunity that from time to time may be presented to any director or stockholder who is not employed by us or our subsidiaries (each such person, an “exempt person”). In addition, to the fullest extent permitted by law, if an exempt person acquires knowledge of a potential transaction or other business opportunity which may be a corporate opportunity for itself or himself or its or his affiliates or for us or our subsidiaries, such exempt person will have no duty to communicate or offer such transaction or business opportunity to us or any of our subsidiaries and such exempt person may take any such opportunity for themselves or offer it to another person or entity.

As a result, certain of our stockholders, directors and their respective affiliates will not be prohibited from operating or investing in competing businesses. We therefore may find ourselves in competition with certain of our stockholders, directors or their respective affiliates, and we may not have knowledge of, or be able to pursue, transactions that could potentially be beneficial to us. Accordingly, we may lose a corporate opportunity or suffer competitive harm, which could negatively impact our business and growth prospects.

***Our management team has limited experience managing a public company, and the requirements of being a public company may strain our resources, divert management’s attention, and affect our ability to attract and retain qualified board members.***

As a public company listed in the United States, we will incur significant additional legal, accounting, and other expenses. In addition, changing laws, regulations, and standards relating to corporate governance and public disclosure, including regulations implemented by the SEC and The Nasdaq Stock Market LLC (“Nasdaq”), may increase legal and financial compliance costs, and make some activities more time consuming. These laws, regulations and standards are subject to varying interpretations, and as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies.

Most members of our management team have no experience managing a publicly traded company, interacting with public company investors, and complying with the increasingly complex laws pertaining to public companies. Our management team may not successfully or efficiently manage our transition to being a public company that is subject to significant regulatory oversight and reporting obligations under the federal securities laws and the continuous scrutiny of securities analysts and investors. Furthermore, we are committed to maintaining high standards of corporate governance and public disclosure, and our efforts to establish the corporate infrastructure required of a public company and to comply with evolving laws, regulations and standards are likely to divert management’s time and attention away from revenue-generating activities to compliance activities, which may prevent us from implementing our business strategy and growing our business. Moreover, we may not be successful in implementing these requirements. If we do not effectively and efficiently manage our transition into a public company and continue to develop and implement the right processes and tools to manage our changing enterprise and maintain our culture, our ability to compete successfully and achieve our business objectives could be impaired, which could negatively impact our business, financial condition and results of operations.

Additionally, as a public company, we may from time to time be subject to proposals by stockholders urging us to take certain corporate actions. If activist stockholder activity ensues, we may be required to incur additional costs to retain the services of professional advisors, management time and attention will be diverted from our core business operations, and perceived uncertainties as to our future direction, strategy or leadership may cause us to lose potential business opportunities and impair our brand and reputation, any of which could materially and adversely affect our business, financial condition and results of operations.

In addition to increasing our legal and financial compliance costs, the additional rules and regulations described above might also make it more difficult for us to obtain certain types of insurance, including director and officer liability insurance, and we might be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified persons to serve on our board of directors, on committees of our board of directors or as members of our senior management team.

***We are an “emerging growth company” and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors.***

For so long as we remain an “emerging growth company” as defined in the JOBS Act, we may take advantage of certain exemptions from various requirements that are applicable to public companies that are not “emerging growth companies.” These provisions include, among other exemptions, that:

- we are required to have only two years of audited financial statements and only two years of related Management’s Discussion and Analysis of Financial Condition and Results of Operations disclosure;
- we are not required to engage an auditor to report on our internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act;
- we are not required to comply with any requirement that may be adopted by the PCAOB regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements (i.e., an auditor discussion and analysis);
- we are not required to submit certain executive compensation matters to stockholder advisory votes, such as “say-on-pay,” “say-on-frequency” and “say-on-golden parachutes;” and
- we are not required to disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of the chief executive officer’s compensation to median employee compensation.

We may take advantage of these exemptions until the last day of our fiscal year following the fifth anniversary of the closing of this offering or such earlier time that we are no longer an emerging growth company. We will cease to be an emerging growth company if (i) we have \$1.07 billion or more in annual revenue in any fiscal year, (ii) the market value of our common stock held by non-affiliates is at least \$700 million as of the end of our most recently completed second fiscal quarter, or (iii) we issue more than \$1.0 billion of non-convertible debt over a three-year period. We have elected to take advantage of certain of the reduced reporting and other obligations described above in the registration statement of which this prospectus forms a part, and intend to take advantage of reduced reporting requirements in the future for so long as we are able to do so. The JOBS Act also permits an emerging growth company like us to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to use this extended transition period for complying with new or revised accounting standards until the earlier of the date we (x) are no longer an emerging growth company, or (y) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a

result, our consolidated financial statements and the reported results of operations contained therein may not be directly comparable to those of other public companies.

We cannot predict if investors will find our common stock less attractive because we may 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 our stock price may decline or be more volatile.

***We do not anticipate paying dividends on our common stock in the foreseeable future. As a result, your ability to achieve a return on your investment will depend on appreciation in the price of our common stock.***

We have never declared or paid any cash dividends on our common stock and do not anticipate paying any cash dividends on our common stock in the foreseeable future. We anticipate that we will retain all of our available funds and any future earnings for use in the operation and expansion of our business and the repayment of outstanding debt. Any future determination as to the payment of cash dividends will be at the discretion of our board of directors and will depend on, among other things, our business prospects, financial condition, results of operations, current and anticipated cash needs and availability, industry trends and other factors that our board of directors may consider to be relevant. Furthermore, because we are a holding company, our ability to pay dividends on our common stock will depend on our receipt of cash distributions and dividends from our direct and indirect wholly owned subsidiaries. In addition, our ability to pay cash dividends is currently restricted by the terms of the agreement governing our Credit Facilities. Our ability to pay cash dividends on our common stock in the future may also be limited by the terms of any preferred securities we may issue or financial and other covenants in any instruments or agreements governing any additional indebtedness we may incur in the future. Consequently, investors who purchase common stock in this offering may be unable to realize a return on their investment except by selling such shares after price appreciation, which may never occur. Our inability or decision not to pay dividends, particularly when others in our industry have elected to do so, could also adversely affect the market price of our common stock.

#### **General Risk Factors**

***Unfavorable conditions in our industry or the global economy or reductions in information technology spending could limit our ability to grow our business and negatively affect our results of operations.***

Our results of operations may vary based on the impact of changes in our industry and the global economy on us and our customers. Current or future economic uncertainties or downturns could adversely affect our business, financial condition and results of operations. Negative conditions in the general economy both in the United States and abroad, including conditions resulting from changes in gross domestic product growth, financial, and credit market fluctuations, political turmoil, natural catastrophes, the ongoing COVID-19 pandemic, any other pandemic, epidemic or outbreak of infectious disease, warfare, protests and riots, and terrorist attacks on the United States, Europe, the Asia Pacific region, or elsewhere, could cause a decrease in business investments by our customers and potential customers, including spending on information technology, and negatively affect the growth of our business. To the extent our offerings are perceived by customers and potential customers as discretionary, our revenue may be disproportionately affected by delays or reductions in general information technology spending. Also, customers may choose to develop in-house software as an alternative to using our offerings. Moreover, competitors may respond to market conditions by lowering prices. We cannot predict the timing, strength or duration of any economic slowdown, instability or recovery, generally or within any particular industry. If the economic conditions of the general economy or markets in which we operate do not improve, or worsen from present levels, our business, financial condition and results of operations could be adversely affected.

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

The estimates of market opportunity and forecasts of market growth included in this prospectus may prove to be inaccurate. Market opportunity estimates and growth forecasts are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate, including as a result of any of the risks described in this prospectus.

In addition, 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 users or companies covered by our market opportunity estimates will purchase our offerings or generate any particular level of revenue for us. In addition, our ability to expand in any of our target markets depends on a number of factors, including the cost, performance, and perceived value associated with our platform and those of our competitors. Even if the markets in which we compete meet the size estimates and growth forecasted in this prospectus, our business could fail to grow at similar rates, or at all. Our growth is subject to many factors, including our success in implementing our business strategy, which is subject to many risks and uncertainties. Accordingly, the forecasts of market growth included in this prospectus should not be taken as indicative of our future growth.

***If industry or financial analysts do not publish research or reports about our business, or if they issue inaccurate or unfavorable research regarding our common stock, the market price and trading volume of our common stock could decline.***

The trading market for our common stock is influenced by the research and reports that industry or financial analysts publish about us and our business. We do not control these analysts or the content and opinions included in their reports. As a new public company, we may be slow to attract research coverage and the analysts who publish information about our common stock will have had relatively little experience with our company, which could affect their ability to accurately forecast our results and make it more likely that we fail to meet their estimates. In the event we obtain industry or financial analyst coverage, if any of the analysts who cover us issues an inaccurate or unfavorable opinion regarding our company, the market price of our common stock would likely decline. In addition, the share prices of many companies in the technology industry have declined significantly after those companies have failed to meet, or significantly exceed, the financial guidance they have publicly announced or the expectations of analysts and investors. If our financial results fail to meet, or significantly exceed, our announced guidance or the expectations of analysts or investors, analysts could downgrade our common stock or publish unfavorable research about us. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, our visibility in the financial markets could decrease, which in turn could cause the market price or trading volume of our common stock to decline.

***Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud.***

Following the closing of this offering, we will be subject to the periodic reporting requirements of the Exchange Act. We designed our disclosure controls and procedures to provide reasonable assurance that information we must disclose in reports we file or submit under the Exchange Act is accumulated and communicated to management, and recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements due to error or fraud may occur and not be detected.

***If our estimates or judgments relating to our critical accounting policies are based on assumptions that change or prove to be incorrect, our results of operations could fall below the expectations of securities analysts and investors, resulting in a decline in the trading 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 consolidated 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 discussed in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue, and expenses that are not readily apparent from other sources. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below our publicly announced guidance or the expectations of securities analysts and investors, resulting in a decline in the market price of our common stock.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements. All statements other than statements of historical facts contained in this prospectus may be forward-looking statements. Statements regarding our future results of operations and financial position, business strategy and plans and objectives of management for future operations, including among others, statements regarding future capital expenditures and debt service obligations, are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “predict,” “project,” “may,” “can,” “will,” “would,” “could,” “should,” “plan,” “potential,” “continue,” the negatives thereof and other similar expressions.

Forward-looking statements are subject to known and unknown risks, uncertainties and other important factors (including those discussed elsewhere in this prospectus under “Risk Factors”) that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements contained in this prospectus include, but are not limited to, statements about:

- our ability to manage our growth effectively, sustain our historical growth rate in the future or achieve or maintain profitability;
- the impact of the COVID-19 pandemic on our business, financial condition and results of operations;
- the growth and expansion of the markets for our offerings and our ability to adapt and respond effectively to evolving market conditions;
- our future financial performance, including our expectations regarding our revenue, cost of revenue, gross margin, operating expenses, cash flow and deferred revenue;
- our estimates of, and future expectations regarding, our market opportunity;
- our ability to keep pace with technological and competitive developments and develop or otherwise introduce new products and solutions and enhancements to our existing offerings;
- our ability to maintain the interoperability of our offerings across devices, operating systems and third-party applications and to maintain and expand our relationships with third-party technology partners;
- the effects of increased competition in our target markets and our ability to compete effectively;
- our ability to attract and retain new customers and to expand within our existing customer base;
- the success of our sales and marketing operations, including our ability to realize efficiencies and reduce customer acquisition costs;
- the percentage of our remaining performance obligations that we expect to recognize as revenue;
- our ability to meet the service-level commitments under our customer agreements and the effects on our business if we are unable to do so;
- our relationships with, and dependence on, various third-party service providers;
- our dependence on our management team and other key employees;
- our ability to maintain and enhance awareness of our brand;
- our ability to offer high quality customer support;



- our ability to effectively develop and expand our marketing and sales capabilities;
- our ability to maintain the sales prices of our offerings and the effects of pricing fluctuations;
- the sustainability of, and fluctuations in, our gross margin;
- risks related to our international operations and our ability to expand our international business operations;
- the effects of currency exchange rate fluctuations on our results of operations;
- challenges and risks related to our sales to government entities;
- our ability to consummate acquisitions at our historical rate and at acceptable prices, to enter into other strategic transactions and relationships, and to manage the risks related to these transactions and arrangements;
- our ability to protect our proprietary technology, or to obtain, maintain, protect and enforce sufficiently broad intellectual property rights therein;
- our ability to maintain the security and availability of our platform, products and solutions;
- our ability to comply with current and future government regulations to which we are subject or may become subject in the future;
- changes in U.S. tax law, the stability of effective tax rates and adverse outcomes resulting from examination of our income or other tax returns;
- risks related to political, economic and military conditions in Israel;
- the effects of unfavorable conditions in our industry or the global economy or reductions in information technology spending; and
- factors that may affect the future trading prices of our common stock.

The forward-looking statements contained in this prospectus are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based 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.

Moreover, we operate in an evolving environment. New risks and uncertainties may emerge from time to time, and it is not possible for management to predict all risks and uncertainties that may cause our actual results to differ materially from those projected in our forward-looking statements. These forward-looking statements speak only as of the date of this prospectus. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained in this prospectus after we distribute this prospectus, whether as a result of any new information, future events, changed circumstances or otherwise.

You should read this prospectus and the documents that we reference in this prospectus and have filed as exhibits to the registration statement of which this prospectus forms a part with the understanding that our actual future results of operations, levels of activity, performance and achievements may be materially different from what we expect. We qualify all of our forward-looking statements by reference to these cautionary statements.

## USE OF PROCEEDS

We estimate that we will receive net proceeds from the sale of the shares of our common stock in this offering of approximately \$134.5 million, assuming an initial public offering price of \$10.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. If the underwriters' option to purchase additional shares of our common stock is exercised in full, we estimate that our net proceeds will be approximately \$155.4 million.

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, research and development, sales and marketing activities, general administrative matters, operating expenses and capital expenditures.

We may also use a portion of the net proceeds from this offering to acquire or invest in businesses, products, services or technologies. However, we currently have no agreements or commitments for any material acquisitions or investments at this time.

As of the date of this prospectus, we cannot estimate with certainty the amount of net proceeds to be used for the purposes described above. We may find it necessary or advisable to use the net proceeds from this offering for other purposes, and we will have broad discretion in the application of such net proceeds. Pending the uses described above, we intend to invest the net proceeds of this offering in short-term, interest-bearing, investment-grade securities. We cannot predict whether the proceeds invested will yield a favorable return for us.

Each \$1.00 increase (decrease) in the assumed initial public offering price of \$10.00 per share would increase (decrease) the net proceeds to us from this offering by approximately \$14.0 million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. Each increase (decrease) of 1.0 million in the number of shares we are offering would increase (decrease) the net proceeds to us from this offering by approximately \$9.3 million, assuming the assumed initial public offering price stays the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

## DIVIDEND POLICY

We have never declared or paid any cash dividends on our common stock and do not anticipate paying any cash dividends on our common stock in the foreseeable future. We anticipate that we will retain all of our available funds and any future earnings for use in the operation and expansion of our business and to make payments on our outstanding debt. Any future determination as to the payment of cash dividends will be at the discretion of our board of directors and will depend on, among other things, our business prospects, financial condition, results of operations, current and anticipated cash needs and availability, industry trends and other factors that our board of directors may consider to be relevant. Furthermore, because we are a holding company, our ability to pay dividends on our common stock will depend on our receipt of cash distributions and dividends from our direct and indirect wholly owned subsidiaries. In addition, our ability to pay cash dividends is currently restricted by the terms of the agreement governing our Credit Facilities. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Credit Facilities.” Our ability to pay cash dividends on our common stock in the future may also be limited by the terms of any preferred securities we may issue or financial and other covenants in any instruments or agreements governing any additional indebtedness we may incur in the future.

Accordingly, you may need to sell your shares of common stock in order to realize a return on your investment, and you may not be able to sell your shares at or above the price you paid for them or at all. See “Risk Factors—Risks Related to this Offering and Ownership of Our Common Stock—We do not anticipate paying dividends on our common stock in the foreseeable future. As a result, your ability to achieve a return on your investment will depend on appreciation in the price of our common stock.”

## CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of March 31, 2021, as follows:

- on an actual basis;
- on a pro forma basis to give effect to (i) the Preferred Stock Conversion, (ii) the Warrant Exercises, and (iii) the filing and effectiveness of our Post-IPO Certificate of Incorporation; and
- on a pro forma as adjusted basis to give further effect to our issuance and sale of 15,000,000 shares of common stock in this offering at an assumed initial public offering price of \$10.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Our capitalization following the closing of this offering will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing. You should read this table in conjunction with the information contained in "Use of Proceeds," "Selected Historical Consolidated Financial Data," and "Management's Discussion and Analysis of Financial Condition and Results of

Operations" as well as the consolidated financial statements and the notes thereto included elsewhere in this prospectus.

	As of March 31, 2021		
	Actual	Pro Forma	Pro Forma As Adjusted <sup>(1)</sup>
	(unaudited)	(unaudited)	(unaudited)
	(dollar amounts in thousands)		
Cash and cash equivalents <sup>(2)</sup>	\$ 19,018	\$ 19,018	\$ 153,518
Debt (including current portion of long-term debt) <sup>(3)</sup>	\$ 49,458	\$ 49,458	\$ 49,458
Warrants to purchase preferred and common stock	\$ 59,782	\$ —	\$ —
Redeemable convertible preferred stock, par value \$0.0001 per share; 15,968,831 shares authorized, 15,806,333 shares issued and outstanding, actual; no shares authorized, issued or outstanding, pro forma and pro forma as adjusted	\$ 159,340	\$ —	\$ —
Convertible preferred stock, par value \$0.0001 per share; 1,043,778 shares authorized, issued and outstanding, actual; no shares authorized, issued or outstanding, pro forma and pro forma as adjusted	\$ 1,921	\$ —	\$ —
Stockholders' (deficit) equity:			
Common stock, par value \$0.0001 per share; 157,500,000 shares authorized, 33,441,141 shares issued and 25,755,951 shares outstanding, actual; 1,000,000,000 shares authorized, 116,771,792 shares issued and 109,086,602 shares outstanding, pro forma; 1,000,000,000 shares authorized, 131,771,792 shares issued and 124,086,602 shares outstanding, pro forma as adjusted	2	11	12
Preferred stock, par value \$0.0001 per share; no shares authorized, issued and outstanding, actual; 20,000,000 shares authorized, no shares issued and no shares outstanding, pro forma and pro forma as adjusted	—	—	—
Additional paid-in capital	13,560	234,594	369,093
Accumulated deficit	(278,839)	(278,839)	(278,839)
Treasury stock - 7,685,190 shares of common stock, par value \$0.0001 per share	(4,881)	(4,881)	(4,881)
Total stockholders' (deficit) equity	\$ (270,158)	\$ (49,115)	\$ 85,385
Total capitalization	\$ 343	\$ 343	\$ 134,843

(1) Each \$1.00 increase (decrease) in the assumed initial public offering price of \$10.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, additional paid-in capital, total stockholders' equity and total capitalization by approximately \$14.0 million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase (decrease) of 1.0 million shares in the number of shares offered by us at the assumed initial public offering price of \$10.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, additional paid-in capital, total stockholders' equity and total capitalization by approximately \$9.3 million, assuming the shares of our common stock offered by this prospectus are sold at the assumed initial public offering price of \$10.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

- (2) Does not reflect certain cash payments we will be required to make to Special Situations Investing Group II, LLC, an affiliate of Goldman Sachs & Co. LLC, if the actual initial public offering price is less than or equal to the midpoint of the price range set forth on the cover page of this prospectus (or, conversely, cash payments Special Situations Investing Group II, LLC will be required to make to us if the actual initial public offering price is greater than such midpoint). See “Certain Relationships and Related Party Transactions—Transactions with Goldman Sachs & Co. LLC and Affiliates.”
- (3) Total debt as of March 31, 2021 consisted of approximately \$39.6 million of borrowings outstanding under the Term Loan Facility (net of \$0.4 million of unamortized issuance costs), and approximately \$9.9 million of borrowings outstanding under the Revolving Credit Facility (net of \$0.1 million of unamortized issuance costs), with no additional borrowings available thereunder. In June 2021, we (i) entered into a First Amendment to our Credit Agreement which, among other things, increased commitments under the Revolving Credit Facility to \$35.0 million, and (ii) borrowed an additional \$12.5 million of debt under the Revolving Credit Facility in connection with such amendment. As of June 30, 2021, we had approximately \$22.4 million of borrowings outstanding under the Revolving Credit Facility (net of \$0.1 million of unamortized issuance costs) and approximately \$12.5 million of additional borrowings available thereunder. For a discussion of our long-term debt, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources.” Also see our consolidated financial statements and related notes thereto included elsewhere in this prospectus, which include all recorded liabilities.

The number of shares in the table above does not include:

- 31,650,028 shares of our common stock issuable upon the exercise of options outstanding as of March 31, 2021, at a weighted-average exercise price of \$3.89 per share, of which 15,293,261 options were vested;
- 613,255 shares of our common stock issuable upon the exercise of the Newrow Warrant;
- 67,954 additional shares of our common stock reserved for issuances under our Prior Plans as of March 31, 2021; and
- 8,500,000 shares of our common stock reserved for future issuance under our 2021 Plan, which will become effective upon the effectiveness of the registration statement of which this prospectus forms a part, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under our 2021 Plan.

## DILUTION

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

As of March 31, 2021, our historical net tangible book value was \$(308) million, or \$(11.97) per share of our common stock. Net tangible book value per share represents the book value of our total tangible assets less the book value of our total liabilities, convertible preferred stock and redeemable convertible preferred stock, divided by the number of shares of our common stock outstanding as of March 31, 2021.

Our pro forma net tangible book value as of March 31, 2021 was \$(87) million, or \$(0.80) per share of our common stock. Pro forma net tangible book value per share represents our net tangible book value divided by the number of shares of our common stock outstanding as of March 31, 2021, after giving effect to the Preferred Stock Conversion and the Warrant Exercises.

After giving further effect to our sale of 15,000,000 shares of our common stock in this offering at an assumed initial public offering price of \$10.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of March 31, 2021 would have been approximately \$47 million, or approximately \$0.38 per share. This amount represents an immediate increase in pro forma net tangible book value of \$1.18 per share to our existing stockholders and an immediate dilution in pro forma net tangible book value of approximately \$9.62 per share to new investors purchasing shares of our common stock in this offering. We determine dilution by subtracting our pro forma as adjusted net tangible book value per share after this offering from the amount of cash per common share paid by new investors in this offering.

The following table illustrates this dilution:

Assumed initial public offering price per share	\$	10.00
Historical net tangible book value per share as of March 31, 2021	\$	(11.97)
Increase in pro forma net tangible book value per share		11.17
Pro forma net tangible book value per share as of March 31, 2021		(0.80)
Increase in pro forma net tangible book value per share attributable to new investors participating in this offering		1.18
Pro forma as adjusted net tangible book value per share after this offering		0.38
Dilution per share to new investors in this offering	\$	9.62

Each \$1.00 increase (decrease) in the assumed initial public offering price of \$10.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted net tangible book value per share after this offering by approximately \$0.11, and dilution per share to new investors by approximately \$0.89, 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 estimated underwriting discounts and commissions and estimated offering expenses payable by us. Each increase (decrease) of 1.0 million shares in the number of shares offered by us would increase (decrease) our pro forma as adjusted net tangible book value per share after this offering by approximately \$0.07 per share and decrease (increase) the dilution to new investors by approximately \$0.07 per share, assuming the assumed initial public offering price remains the same, and after deducting the estimated underwriting discounts and commissions and the estimated offering expenses payable by us.

If the underwriters' option to purchase additional shares of our common stock is exercised in full, our pro forma as adjusted net tangible book value per share after this offering would be \$0.54, the increase in pro forma net tangible book value per share attributable to new investors would be \$1.34 and the dilution



per share to new investors would be \$9.46, in each case assuming an initial public offering price of \$10.00 per share, the midpoint of the price range set forth on the cover page of this prospectus.

The following table summarizes, on the pro forma as adjusted basis described above, as of March 31, 2021, the differences between the number of shares purchased from us, the total consideration paid to us in cash and the average price per share that existing stockholders and new investors paid. The calculation below is based on an assumed initial public offering price of \$10.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, before deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

	Shares Purchased		Total Consideration		Average Price
	Number	Percent	Amount	Percent	Per Share
Existing stockholders	109,086,602	87.9 %	\$ 133,278,965	47.0 %	\$ 1.22
New investors	15,000,000	12.1 %	\$ 150,000,000	53.0 %	\$ 10.00
<b>Total</b>	<b>124,086,602</b>	<b>100.0 %</b>	<b>\$ 283,278,965</b>	<b>100.0 %</b>	

The dilution information discussed above is illustrative only and will change based on the actual initial public offering price, the number of shares we sell and other terms of this offering that will be determined at pricing. Each \$1.00 increase (decrease) in the assumed initial public offering price of \$10.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the total consideration paid by new investors and the average price per share paid by new investors by \$15.0 million and \$1.00 per share, respectively. An increase (decrease) of 1.0 million shares in the number of shares offered by us would increase (decrease) the consideration paid by new investors by \$10.0 million.

If the underwriters exercise their option to purchase additional shares of our common stock in full:

- the percentage of shares of common stock held by existing stockholders will decrease to approximately 86.3% of the total number of shares of our common stock outstanding after this offering; and
- the number of shares held by new investors will increase to 17,250,000, or approximately 13.7% of the total number of shares of our common stock outstanding after this offering.

The foregoing tables and calculations are based on the number of shares of our common stock outstanding as of March 31, 2021, after giving effect to the Preferred Stock Conversion and the Warrant Exercises, and exclude:

- 31,650,028 shares of our common stock issuable upon the exercise of options outstanding as of March 31, 2021, at a weighted-average exercise price of \$3.89 per share, of which 15,293,261 options were vested;
- 613,255 shares of our common stock issuable upon the exercise of the Newrow Warrant;
- 67,954 additional shares of our common stock reserved for issuances under our Prior Plans as of March 31, 2021; and
- 8,500,000 shares of our common stock reserved for future issuance under our 2021 Plan, which will become effective upon the effectiveness of the registration statement of which this prospectus forms a part, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under our 2021 Plan.

To the extent any of the outstanding options or warrants described above are exercised, new options are issued or we issue additional shares of common stock or other equity or convertible debt securities in the future, there will be further dilution to investors participating in this offering. If all of the outstanding options or warrants described above had been exercised as of March 31, 2021, the pro forma as adjusted net tangible book value per share after this offering would be \$1.09, and total dilution per share to new investors would be \$8.91.

## **SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA**

Set forth below are our selected historical consolidated financial data for the periods ending on and as of the dates indicated.

The consolidated statements of operations data for the years ended December 31, 2019 and 2020, and the consolidated balance sheet data as of December 31, 2019 and 2020 were derived from our audited consolidated financial statements included elsewhere in this prospectus. The consolidated statements of operations data for the three months ended March 31, 2020 and 2021, and the consolidated balance sheet data as of March 31, 2021, were derived from our unaudited consolidated financial statements included elsewhere in this prospectus. In our opinion, the unaudited consolidated financial statements have been prepared on a basis consistent with our audited consolidated financial statements and contain all adjustments, consisting only of normal and recurring adjustments, necessary for a fair statement of such financial information.

Our historical results are not necessarily indicative of future results of operations, and our results for the three months ended March 31, 2021 are not necessarily indicative of the results that may be expected for the year ending December 31, 2021 or any other future year or period. The selected historical consolidated financial data set forth below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our historical consolidated financial statements and the notes thereto, included elsewhere in this prospectus.

	Year ended December 31,		Three months ended March 31,	
	2019	2020 <sup>(1)</sup>	2020	2021
	(As restated)		(unaudited)	
(dollar amounts in thousands except per share data)				
<b>Consolidated Statements of Operations Data:</b>				
Revenues:				
Subscription	\$ 84,725	\$ 104,064	\$ 23,204	\$ 32,342
Professional services	12,624	16,376	2,702	5,371
Total revenues	97,349	120,440	25,906	37,713
Cost of revenues:				
Subscription	18,669	28,486	5,684	9,876
Professional services	16,949	19,179	4,732	5,706
Total cost of revenues	35,618	47,665	10,416	15,582
Gross profit	61,731	72,775	15,490	22,131
Operating expenses:				
Research and development	24,216	29,567	6,779	10,899
Selling and marketing	25,515	29,475	8,279	10,162
General and administrative	14,779	22,222	4,355	7,947
Other operating expenses	—	—	—	1,724
Total operating expenses	64,510	81,264	19,413	30,732
Operating loss	2,779	8,489	3,923	8,601
Financial expenses (income), net	11,189	46,721	(291)	5,149
Loss before taxes on income	13,968	55,210	3,632	13,750
Provision for income taxes	1,604	3,553	1,352	1,806
Net loss	\$ 15,572	\$ 58,763	\$ 4,984	\$ 15,556
Net loss per share <sup>(2)</sup> :				
Basic and diluted	\$ 1.11	\$ 2.83	\$ 0.32	\$ 0.73
Weighted average shares of common stock used to compute net loss per share <sup>(2)</sup> :				
Basic and diluted	22,754,499	24,939,901	23,993,624	25,662,581
Pro forma net loss per share <sup>(2)</sup> :				
Basic and diluted	\$ 0.17		\$ 0.10	
Weighted average shares of common stock used to compute pro forma net loss per share <sup>(2)</sup> :				
Basic and diluted		108,270,552		108,993,232

	As of December 31,		As of March 31,
	2019	2020 <sup>(4)</sup>	2021
	(As restated)		(unaudited)
	(in thousands)		
<b>Consolidated Balance Sheet Data:</b>			
Cash and cash equivalents	\$ 26,538	\$ 27,711	\$ 19,018
Total assets	72,818	90,954	96,087
Total debt (including current portion of long-term debt) <sup>(3)</sup>	47,700	48,160	49,458
Warrants to purchase preferred and common stock	17,111	56,780	59,782
Convertible preferred stock	1,921	1,921	1,921
Redeemable convertible preferred stock	155,550	158,191	159,340
Total stockholders' deficit	(210,281)	(260,656)	(270,158)

- (1) Our consolidated financial statements have been restated. See Note 20 to our consolidated financial statements included elsewhere in this prospectus.
- (2) See Note 17 to our consolidated financial statements included elsewhere in this prospectus for an explanation of the method used to calculate our historical and pro forma basic and diluted net loss per share.
- (3) Total debt as of December 31, 2019 consisted of borrowings under our Prior Credit Facilities (as defined herein), net of unamortized issuance costs of \$0.3 million. Total debt as of December 31, 2020 consisted of borrowings under our Prior Credit Facilities, net of unamortized issuance costs of \$0.2 million. In January 2021, we (i) repaid all amounts outstanding under our Prior Credit Facilities and terminated all outstanding commitments thereunder, and (ii) entered into a new credit agreement with one of our existing lenders providing for the Term Loan Facility and the Revolving Credit Facility. Total debt as of March 31, 2021 consisted of approximately \$39.6 million of borrowings outstanding under the Term Loan Facility (net of \$0.4 million of unamortized issuance costs), and approximately \$9.9 million of borrowings outstanding under the Revolving Credit Facility (net of \$0.1 million of unamortized issuance costs). As of March 31, 2021, we had no additional borrowings available under our Revolving Credit Facility. In June 2021, we (i) entered into a First Amendment to our Credit Agreement which, among other things, increased commitments under the Revolving Credit Facility to \$35.0 million, and (ii) borrowed an additional \$12.5 million of debt under the Revolving Credit Facility in connection with such amendment. As of June 30, 2021, we had approximately \$22.4 million of borrowings outstanding under the Revolving Credit Facility (net of \$0.1 million of unamortized issuance costs) and approximately \$12.5 million of additional borrowings available thereunder. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Credit Facilities." Also see our consolidated financial statements included elsewhere in this prospectus, which include all recorded liabilities.

## 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 together with "Selected Historical Consolidated Financial Data" and our audited consolidated financial statements and related notes included elsewhere in the prospectus. This discussion includes forward-looking statements that involve risks, uncertainties, and assumptions that could cause actual results to differ materially from management's expectations. Please see "Cautionary Note Regarding Forward-Looking Statements" for a discussion of the risks, uncertainties and assumptions relating to our forward-looking statements, as well as the information set forth under "Risk Factors."*

### Overview

Our mission is to power any video experience, for any organization. Our Video Experience Cloud offers live, real-time, and on-demand video products, including Video Portal, Town Halls, Video Messaging, Webinars, Virtual Events and Meetings. We also offer specialized industry solutions, including LMS Video (Learning Management System), Lecture Capture and Virtual Classroom for educational institutions, as well as a TV Solution for media and telecom companies. Underlying our products and solutions is a broad set of live, real-time, and on-demand Media Services consisting of Application Programming Interfaces ("APIs"), Software Development Kits ("SDKs"), and Experience Components, as well as our Video and TV Content Management Systems. Our Media Services are also used by other cloud platforms and companies to power video experiences and workflows for their own products. Our Video Experience Cloud is used by leading brands across all industries, reaching millions of users, at home, at school and at work, for communication, collaboration, training, marketing, sales, customer care, teaching, learning, and entertainment experiences. With our flexible offerings, customers can experience the benefits of video across a wide range of use cases, while customizing their deployments to meet their individual, dynamic needs.

Our business was founded in 2006. We launched our Media Services and Video Content Management System in 2008 and initially offered it as an Online Video Platform for online publishers and media companies. Since then, we have capitalized on our flexible and extendable platform architecture to expand into new products, industry solutions, and use cases:

- 2009: Brought to market our LMS Video solution and began selling to educational institutions
- 2011: Released our Video Portal product and started selling to enterprises
- 2013: Expanded into live video with the launch of our Town Halls product
- 2014: Launched our TV Content Management System for media and telecom companies, following the acquisition of Tvinci Ltd., a leading provider of an OTT TV platform
- 2017: Launched our Lecture Capture solution
- 2018: Launched our Video Messaging product
- 2018: Acquired certain of the assets of Rapt Media, Inc., an interactive personalized video startup
- 2020: Added real time conferencing capabilities to our Media Services following the acquisition of Newrow, Inc., a video conferencing and collaboration platform
- 2020: Released our Webinars, Virtual Events and Meetings products, as well as our Virtual Classroom and TV Solutions

We generate revenue primarily through the sale of SaaS and PaaS subscriptions, and additional revenue from term license subscriptions. We also generate revenue through the sale of professional services associated with the implementation of deployments for new and existing customers.

We organize our business into two reporting segments: (i) Enterprise, Education, and Technology (“EE&T”); and (ii) Media and Telecom (“M&T”). These segments share a common underlying platform consisting of our API-based architecture, as well as unified product development, operations, and administrative resources.

- **Enterprise, Education & Technology:** Includes revenues from all of our products, industry solutions for education customers, and Media Services (except for media and telecom customers), as well as associated professional services for those offerings. These solutions are generally sold through our EE&T sales teams. Subscription revenues are primarily generated on a per full-time equivalent basis for on-demand and live products and solutions, per host basis for real-time-conferencing products and solutions, and per participant basis for the Virtual Events product (which intersects on-demand, live, and real-time-conferencing video). Contracts are generally 12 to 24 months in length. Billing is primarily done on an annual basis. The average time it takes to implement EE&T offerings ranges from three to six months.
- **Media & Telecom:** Includes revenues from our TV Solution and Media Services for media and telecom customers, as well as associated professional services for those offerings. These offerings are generally sold through our media and telecom sales team. Revenues are generated on a per end-subscriber basis for telecom customers, and on a per video play basis for media customers. Contracts are generally two to five years in length. Billing is generally done on a quarterly or annual basis. It generally takes from nine to 12 months to implement M&T offerings. The upfront resources required for implementation of our Media & Telecom solutions generally exceed those of our other offerings, resulting in a longer period from initial booking to go-live and a higher proportion of professional services revenue as a percentage of overall revenue. Additionally, a higher proportion of revenue comes from customers who choose to license our offerings through private cloud and on premise deployments, which also impacts our gross margin. In the long-term, we expect the margins for this segment to improve due to the following: increasing the ratio of subscription revenue to professional services with scale, improved efficiencies of both production and professional services costs, and an increase in the proportion of revenues from media customers, which generally entail simpler deployments compared to telecom customers.

Reflected below is a summary of reportable segment revenue and reportable segment gross profit for the years ended December 31, 2019 and 2020 and the three months ended March 31, 2020 and 2021.

	For the Year Ended December 31,		For the Three Months Ended March 31,	
	2019	2020 <sup>(1)</sup>	2020	2021
	(As restated)		(unaudited)	
	(in thousands)			
<b>Revenue</b>				
Enterprise, Education & Technology	\$ 64,839	\$ 80,449	\$ 16,387	\$ 27,318
Media & Telecom	\$ 32,510	\$ 39,991	\$ 9,519	\$ 10,395
Total Revenue	\$ 97,349	\$ 120,440	\$ 25,906	\$ 37,713
<b>Gross Profit</b>				
Enterprise, Education & Technology	\$ 50,273	\$ 58,539	\$ 12,204	\$ 18,748
Media & Telecom	\$ 11,458	\$ 14,236	\$ 3,286	\$ 3,383
Total Gross Profit	\$ 61,731	\$ 72,775	\$ 15,490	\$ 22,131

(1) Our consolidated financial statements have been restated. See Note 20 to our consolidated financial statements included elsewhere in this prospectus.

We benefit from a land and expand strategy in which our customers increase their usage of our offerings and/or purchase additional offerings over time. Our ability to expand within our existing customer base is demonstrated by our Net Dollar Retention Rate. For the year ended December 31, 2020 and the three months ended March 31, 2021, our Net Dollar Retention Rate was 107% and 116%, respectively. We also grew our average ARR per customer by 21% in 2019 and by 13% in 2020, demonstrating our ability to land new customers with higher spending levels and increase revenue from our existing customers.

For any given year, a large majority of our revenue comes from existing customers, with whom we are in active dialogue and tend to have visibility into their expected usage of our offerings. For the year ended December 31, 2020, 81% of our revenue came from customers who were with us as of December 31, 2018.

We focus our selling efforts on large organizations and sell our solutions primarily through direct sales teams and account teams. We currently have four direct sales teams, grouped by offering type and target customers, and we leverage reseller relationships globally to help market and sell our products to customers worldwide, especially in areas in which we have a limited presence. We are investing in initiatives to more efficiently reach new customers and expand our partnerships with existing ones. For example, we recently launched the option to purchase our Webinars, Meetings and Virtual Classroom offerings directly from our website, allowing us to reduce our cost of customer acquisition, drive additional opportunities to our direct sales team, reach smaller customers, and broaden our target market.

Our business benefits from attractive unit economics. For the years ended December 31, 2018, 2019 and 2020 and the three months ended March 31, 2021, the lifetime value of our customers exceeded five, seven, eleven and eleven times the associated cost of acquiring them, respectively. For any given period, we define lifetime value of our customers as annualized recurring revenue new bookings (ARR (as defined below) from both new customers from the beginning of the given period and upsells to existing customers), multiplied by the gross margin on our recurring revenue, divided by percent gross churn (the percentage of existing subscription revenue that was either downgraded or cancelled in a given period). To calculate customer acquisition unit costs, we divide our selling and marketing expense with a one quarter lag to the calculation period by the gross profit generated from recurring revenue new bookings for the calculation period. Moreover, while our EE&T and M&T segments have different gross margin profiles, we believe their unit economics are similar.

#### **Restatement of Consolidated Financial Statements**

We have restated our previously issued consolidated financial statements as of and for the year ended December 31, 2020. The determination to restate these financial statements was made by our management after its re-evaluation of the December 2020 estimate of the fair value of our common stock. See Note 20 to our consolidated financial statements included elsewhere in this prospectus.

#### **Impact of COVID-19**

In December 2019, an outbreak of the COVID-19 disease was first identified and began to spread across the globe. In March 2020, the World Health Organization declared COVID-19 a pandemic, impacting many countries around the world, including where our end users and customers are located and the United States, Israel, United Kingdom, and Singapore where we have larger business operations. As a result of the COVID-19 pandemic, government authorities around the world have ordered schools and businesses to close, imposed restrictions on non-essential activities and required people to remain at home while instilling significant limitations on traveling and social gatherings.

In response to the pandemic, in the first quarter of 2020, we temporarily closed all of our offices, enabled our entire work force to work remotely and implemented travel restrictions for non-essential business. In the second quarter of 2020 we reopened select offices, however most of our employees continued to work remotely, a majority of whom continue to do so as of the date of this prospectus. The

changes we have implemented to date have not materially affected and are not expected to materially affect our ability to operate our business, including our financial reporting systems.

In the second quarter of 2020, we experienced an increase in usage as people spent more time working and learning remotely due to the COVID-19 pandemic, thereby increasing demand from new and existing customers for our offerings, and contributing to an acceleration in our revenue growth when compared to prior periods. However, in some cases because the agreements for certain of our solutions, primarily in education, do not limit usage or increase pricing for usage in excess of a specified amount, the additional usage that we experienced in 2020 did not result in a corresponding increase in revenue. Additionally, in order to meet the needs of our customers in 2020, we accelerated our existing plans to move from our own data centers to a public cloud infrastructure in order to provide required stability, reliability, scalability, and elasticity. The combination of the increase in usage for certain of our solutions as described above, along with the migration from our own data centers to a public cloud infrastructure, contributed to a decrease in gross margins in 2020 to 60% from 63% in 2019. We are still in the process of scaling our network infrastructure and anticipate incurring additional costs in 2021 related thereto, which will negatively impact our gross margins.

Prior to the pandemic, the market demand for our solutions was growing at a robust rate, with numerous tailwinds for long-term growth, and that demand accelerated as a result of the pandemic. We believe that new and potential customers will continue to increase their use of video solutions across existing use cases such as remote working, teaching, marketing, and customer care, as well as nascent but growing use cases such as tele-services.

While the potential economic impact brought by, and the duration of, any pandemic, epidemic or outbreak of an infectious disease, including COVID-19, is difficult to assess or predict, the widespread COVID-19 pandemic has resulted in, and may continue to result in, significant disruption of global financial markets, reducing our ability to access capital, which could in the future negatively affect our liquidity.

For additional information, see “Risk Factors—Risks Related to Our Business and Industry—The ongoing COVID-19 pandemic could adversely affect our business, financial condition and results of operations.”

## **Key Factors Affecting Our Performance**

### ***Expansion of our Platform***

We believe our platform is ideally suited for expansion across solutions, industries, and use cases. We have demonstrated this over time with the expansion of our platform across products, industry solutions, and use cases. For example, in 2020, we entered the real-time conferencing market with the introduction of our Webinars and Meetings products, as well as our Virtual Classroom industry solution, focused on learning, training and marketing. We believe these products present a significant long-term opportunity, and we intend to harness our growing presence with them, among other recently introduced offerings such as our Virtual Events product and our TV Solution. Additionally, we will continue to invest in new video products for training, communication and collaboration, sales, marketing and customer care, as we extend our platform into more industries. Following the success of our media & telecom and education applications, we intend to launch applications for industries such as telehealth, retail, government and smart cities, among others. We also intend to enhance our Media Services offerings with additional core capabilities and invest in areas such as content creation, personalization and interactivity, content aggregation and syndication, AI and smart monetization. We also intend to add these capabilities into our existing and new products and industry solutions. Our results of operations may reflect sustained high levels of investments to drive increased customer adoption and usage.



### **Acquiring New Customers**

We are focused on continuing to grow the number of customers that use our solutions. While over the last several years we have not materially increased our sales and marketing spend or number of direct sales representatives, we plan to increase our investment in sales and marketing in order to grow our customer base going forward. We intend to grow our base of field sales representatives and customer success managers, which we believe will drive both geographic and vertical expansion. Additionally, we are investing for the first time in inside sales and self-serve offerings and distribution channels. We believe this will enable us to efficiently acquire smaller customers across all industries – beyond enterprises into SMBs, beyond universities into K-12 schools, beyond tier 1 media and telecom companies to tier 2 and 3 media and telecom companies, and beyond providing Media Services to large technology companies to also addressing smaller technology firms and startups.

### **Increasing Revenue from Existing Customers**

We believe we have the opportunity to increase sales within our existing customer base through increased usage of our platform and the cross-selling of additional products and solutions. For the years ended December 31, 2019 and 2020 and the three months ended March 31, 2021, our Net Dollar Retention Rate was 105%, 107% and 116%, respectively, demonstrating our ability to expand within our existing customer base. In order for us to continue to increase revenue within our customer base, we will need to maintain engineering-level customer support and continue to introduce new products and features as well as innovative new use cases that are tailored to our customers' needs.

### **Continued Investment in Growth**

Although we have invested significantly in our business to date, we believe that we still have a significant market opportunity ahead of us. We intend to continue to make investments to support the growth and expansion of our business, to increase revenue, and to further scale our operations. We believe there is a significant opportunity to continue our growth. We plan to open offices internationally, hire sales and marketing employees in additional countries, and expand our presence in countries where we already operate. We expect to incur additional expenses as we expand to support this growth. Further, we expect to incur additional general and administrative expenses in connection with our transition to being a public company. We expect that our cost of revenue and operating expenses will fluctuate over time.

### **Key Financial and Operating Metrics**

We measure our business using both financial and operating metrics. We use these metrics to assess the progress of our business, make decisions on where to allocate capital, time and technology investments, and assess the near-term and long-term performance of our business. The key financial and operating metrics we use are:

	For the Year Ended December 31,		For the Three Months Ended March 31,	
	2019	2020	2020	2021
	(dollar amounts in thousands)			
Annualized Recurring Revenue	\$ 91,135	\$ 116,643	\$ 93,741	\$ 128,586
Net Dollar Retention Rate	105 %	107 %	110 %	116 %
Remaining Performance Obligations	\$ 114,882	\$ 140,955	\$ 105,273	\$ 145,963

### **Annualized Recurring Revenue**

We use Annualized Recurring Revenue as a measure of our revenue trend and an indicator of our future revenue opportunity from existing recurring customer contracts. We calculate ARR by annualizing our recurring revenue for the most recently completed fiscal quarter. Recurring revenues are generated

from SaaS and PaaS subscriptions, as well as term licenses for software installed on the customer's premises ("On-Prem"). For the SaaS and PaaS components, we calculate ARR by annualizing the actual recurring revenue recognized for the latest fiscal quarter. For the On-Prem component for which revenue recognition is not ratable across the license term, we calculate ARR for each contract by dividing the total contract value (excluding professional services) as of the last day of the specified period by the number of days in the contract term and then multiplying by 365. Recurring revenue excludes revenue from one-time professional services and setup fees. ARR is not adjusted for the impact of any known or projected future customer cancellations, upgrades or downgrades or price increases or decreases.

The amount of actual revenue that we recognize over any 12-month period is likely to differ from ARR at the beginning of that period, sometimes significantly. This may occur due to new bookings, cancellations, upgrades or downgrades, pending renewals, professional services revenue and acquisitions or divestitures. ARR should be viewed independently of revenue as it is an operating metric and is not intended to be a replacement or forecast of revenue. Our calculation of ARR may differ from similarly titled metrics presented by other companies.

#### ***Net Dollar Retention Rate***

Our Net Dollar Retention Rate, which we use to measure our success in retaining and growing recurring revenue from our existing customers, compares our recognized recurring revenue from a set of customers across comparable periods. We calculate our Net Dollar Retention Rate for a given period as the recognized recurring revenue from the latest reported fiscal quarter from the set of customers whose revenue existed in the reported fiscal quarter from the prior year (the numerator), divided by recognized recurring revenue from such customers for the same fiscal quarter in the prior year (denominator). For annual periods, we report Net Dollar Retention Rate as the arithmetic average of the Net Dollar Retention Rate for all fiscal quarters included in the period. We consider subdivisions of the same legal entity (for example, divisions of a parent company or separate campuses that are part of the same state university system) to be a single customer for purposes of calculating our Net Dollar Retention Rate. Our calculation of Net Dollar Retention Rate for any fiscal period includes the positive recognized recurring revenue impacts of selling new services to existing customers and the negative recognized recurring revenue impacts of contraction and attrition among this set of customers. Our Net Dollar Retention Rate may fluctuate as a result of a number of factors, including the growing level of our revenue base, the level of penetration within our customer base, expansion of products and features, and our ability to retain our customers. Our calculation of Net Dollar Retention Rate may differ from similarly titled metrics presented by other companies.

#### ***Remaining Performance Obligations***

Remaining Performance Obligations represents the amount of contracted future revenue that has not yet been delivered, including both subscription and professional services revenues. Remaining Performance Obligations consists of both deferred revenue and contracted non-cancelable amounts that will be invoiced and recognized in future periods. As of March 31, 2021, our Remaining Performance Obligations was \$146.0 million, which consists of both billed consideration in the amount of \$55.0 million and unbilled consideration in the amount of \$91.0 million that we expect to invoice and recognize in future periods. We expect to recognize 64% of our Remaining Performance Obligations as revenue over the next 12 months, and the remainder thereafter, in each case, in accordance with our revenue recognition policy; however, we cannot guarantee that any portion of our Remaining Performance Obligations will be recognized as revenue within the timeframe we expect or at all.

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

In addition to our results determined in accordance with GAAP, we believe that Adjusted EBITDA and Adjusted EBITDA margin, non-GAAP financial measures, are useful in evaluating the performance of our business.

We define EBITDA as net profit (loss) before interest expense, net, provision for income taxes and depreciation and amortization expense. Adjusted EBITDA is defined as EBITDA (as defined above), adjusted for the impact of certain non-cash and other items that we believe are not indicative of our core operating performance, such as non-cash stock-based compensation expense. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by total revenue.

EBITDA, Adjusted EBITDA and Adjusted EBITDA margin are supplemental measures of our performance, are not defined by or presented in accordance with GAAP, and should not be considered in isolation or as an alternative to net profit (loss) or any other performance measure prepared in accordance with GAAP. Adjusted EBITDA and Adjusted EBITDA margin are presented because we believe that they provide useful supplemental information to investors and analysts regarding our operating performance and are frequently used by these parties in evaluating companies in our industry. By presenting Adjusted EBITDA and Adjusted EBITDA margin, we provide a basis for comparison of our business operations between periods by excluding items that we do not believe are indicative of our core operating performance. We believe that investors' understanding of our performance is enhanced by including these non-GAAP financial measures as a reasonable basis for comparing our ongoing results of operations. Additionally, our management uses Adjusted EBITDA and Adjusted EBITDA margin as supplemental measures of our performance because they assist us in comparing the operating performance of our business on a consistent basis between periods, as described above.

Although we use EBITDA, Adjusted EBITDA and Adjusted EBITDA margin as described above, EBITDA, Adjusted EBITDA and Adjusted EBITDA margin have significant limitations as analytical tools. See the section of this prospectus captioned "Prospectus Summary—Summary Historical Consolidated Financial and Other Data" for a discussion of the limitations of EBITDA, Adjusted EBITDA and Adjusted EBITDA margin and a reconciliation of EBITDA and Adjusted EBITDA to net loss, the most directly comparable GAAP performance measure, for the periods presented.

## **Components of Our Results of Operations**

### ***Revenue***

#### *Subscriptions*

Our revenues are mainly comprised of revenue from SaaS and PaaS subscriptions. SaaS and PaaS subscriptions provide access to our Video Experience Cloud which powers all types of video experiences: live, real-time, and on-demand video. We provide access to our platform either as a cloud-based service, which represent most of our SaaS and PaaS subscriptions, or, less commonly, as a term license to software installed on the customer's premises. Revenue from SaaS and PaaS subscriptions is recognized ratably over the time of the subscription, beginning from the date on which the customer is granted access to our Video Experience Cloud. Revenue from the sale of a term license is recognized at a point in time in which the license is delivered to the customer. Revenue from post-contract services included in On-Prem projects is recognized ratably over the time of the post-contract services.

#### *Professional Services*

Our revenue also includes professional services, which consist of consulting, integration and customization services, technical solution services and training related to our video experience. In some of our arrangements, professional services are accounted for as a separate performance obligation, and revenue is recognized upon rendering the service. In some of our SaaS and PaaS subscriptions, we determined that the professional services are solely set up activities that do not transfer goods or services to the customer and therefore are not accounted for as a separate performance obligation and are recognized ratably over the time of the subscription.

## **Cost of Revenue**

Cost of subscriptions and professional services revenues primarily consist of costs related to supporting and hosting our product offerings and delivering our professional services. These costs include salaries, benefits, incentive compensation and stock-based compensation expenses related to the management of our data centers, our customer support team and our professional services staff. In addition to these expenses, we incur third-party service provider costs, such as cloud infrastructure, data center and content delivery network expenses, rent expenses, depreciation expenses and amortization of acquired intangible assets. We allocate overhead costs such as rent, utilities and supplies to all departments based on relative headcount.

The costs associated with providing professional services are significantly higher as a percentage of related revenue than the costs associated with delivering our subscriptions due to the labor costs of providing professional services. As such, the implementation and professional services costs relating to an arrangement with a new customer are more significant than the costs to renew an existing customer's license and support arrangement.

Cost of revenue increased in absolute dollars and as a percentage of total revenue from the years ended December 31, 2019 to 2020 and from the three months ended March 31, 2020 to 2021.

## **Gross Margins**

Gross margins have been and will continue to be affected by a variety of factors, including the average sales price of our products and services, volume growth, the mix of revenue between SaaS and PaaS subscriptions, software licenses, maintenance and support and professional services, onboarding of new media and telecom customers, hosting of major Virtual Events and changes in cloud infrastructure and personnel costs. In particular, the gross margins in our M&T segment are negatively impacted due to the resources required for implementation of our Media Services for TV experiences, which generally exceed those of our other offerings, resulting in a longer period from initial booking to go-live and a higher proportion of professional services revenue as a percentage of overall revenue. Additionally, a higher proportion of revenue comes from customers who choose to license our offerings through private cloud and on premise deployments, which also impacts our gross margin. In the long-term, we expect the margins for this segment to improve due to the following: increasing the ratio of subscription revenue to professional services with scale, improved efficiencies of both production and professional services costs, and an increase in the proportion of revenues from media customers, which generally entail simpler deployments compared to telecom customers. However, in the near and medium term, our gross margins in our M&T segment will vary from period to period based on the onboarding of new customers, as well as the timing and aggregate usage of our solutions by such customers. For the years ended December 31, 2019 and 2020, our gross margins were 63% (78% for subscriptions and (34)% for professional services) and 60% (73% for subscriptions and (17)% for professional services), respectively, and for the three months ended March 31, 2020 and 2021, our gross margins were 60% (76% for subscriptions and (75)% for professional services) and 59% (69% for subscriptions and (6)% for professional services), respectively. For our EE&T segment, gross margins for the years ended December 31, 2019 and 2020 were 78% (87% for subscriptions and (90)% for professional services) and 73% (81% for subscriptions and (33)% for professional services), respectively, and gross margins for the three months ended March 31, 2020 and 2021 were 74% (86% for subscriptions and (230)% for professional services) and 69% (75% for subscriptions and 24% for professional services), respectively. For our M&T segment, gross margins for the years ended December 31, 2019 and 2020 were 35% (54% for subscriptions and (13)% for professional services) and 36% (51% for subscriptions and (8)% for professional services), respectively, and gross margins for the three months ended March 31, 2020 and 2021 were 35% (53% for subscriptions and (30)% for professional services) and 33% (54% for subscriptions and (57)% for professional services), respectively.

In the second quarter of 2020, we experienced an increase in usage as people spent more time working and learning remotely due to the COVID-19 pandemic, thereby increasing demand from new and

existing customers for our offerings, and contributing to an acceleration in our revenue growth when compared to prior periods. However, in some cases because the agreements for certain of our solutions, primarily in education, do not limit usage or increase pricing for usage in excess of a specified amount, the additional usage that we experience in 2020 did not result in a corresponding increase in revenue. Additionally, in order to meet the needs of our customers in 2020, we accelerated our existing plans to move from our own data centers to a public cloud infrastructure in order to provide required stability, reliability, scalability, and elasticity. The combination of the increase in usage for certain of our solutions as described above, along with the migration from our own data centers to a public cloud infrastructure, contributed to a decrease in gross margins in 2020 to 60% from 63% in 2019. We are still in the process of scaling our network infrastructure and anticipate incurring additional costs in 2021 related thereto, which will negatively impact our gross margins.

### ***Operation Expenses***

#### *Research and Development*

Our research and development expenses consist primarily of costs incurred for personnel-related expenses for our technical staff, including salaries and other direct personnel-related costs. Additional expenses include consulting and professional fees for third-party development resources. We expect our research and development expenses to increase in absolute dollars for the foreseeable future as we continue to dedicate substantial resources to develop, improve and expand the functionality of our solutions. Subsequent costs incurred for the development of future upgrades and enhancements, which are expected to result in additional functionality, may qualify for capitalization under internal-use software and therefore may cause research and development expenses to fluctuate.

#### *Selling and Marketing Expenses*

Our selling and marketing expenses consist primarily of personnel related costs for our sales and marketing functions, including salaries and other direct personnel-related costs. Additional expenses include marketing program costs and amortization of acquired customer relationships intangible assets. We expect our selling and marketing expenses will increase on an absolute dollar basis for the foreseeable future as we continue to increase investments to support our growth. We also anticipate that selling and marketing expenses will increase as a percentage of revenue in the near and medium-term.

#### *General and Administrative Expenses*

Our general and administrative expenses consist primarily of personnel-related costs for our executive, finance, human resources, information technology and legal functions, including salaries and other direct personnel-related costs. We expect general and administrative expense to increase on an absolute dollar basis for the foreseeable future as we continue to increase investments to support our growth and as a result of our becoming a public company.

We allocate overhead costs such as rent, utilities and supplies to all departments based on relative headcount to each operating expense category.

### ***Financial Expenses, Net***

Financial expenses, net consists of interest expense accrued or paid on our indebtedness, change in the warrants fair value, net of interest income earned on our cash balances. Financial expenses, net also includes foreign exchange gains and losses. We expect interest expense to vary each reporting period depending on the amount of outstanding indebtedness and prevailing interest rates.

We expect interest income will vary in each reporting period depending on our average cash balances during the period and applicable interest rates.

## Provision for Income Taxes

We are subject to taxes in the United States as well as other tax jurisdictions or countries in which we conduct business. Earnings from our non-U.S. activities are subject to local country income tax and may be subject to current U.S. income tax. Due to cumulative losses, we maintain a valuation allowance against our deferred tax assets. We consider all available evidence, both positive and negative, in assessing the extent to which a valuation allowance should be applied against our deferred tax assets. Realization of our U.S. deferred tax assets depends upon future earnings, the timing and amount of which are uncertain. Our effective tax rate is affected by tax rates in foreign jurisdictions and the relative amounts of income we earn in those jurisdictions, as well as non-deductible expenses, such as share-based compensation, and changes in our valuation allowance.

## Results of Operations

The following tables summarize key components of our results of operations for the periods presented. The period-to-period comparisons of our historical results are not necessarily indicative of the results that may be expected in the future.

	Year Ended December 31,		Period-over-Period Change		Three Months Ended March 31,		Period-over-Period Change	
	2019	2020 <sup>(1)</sup>	Dollar	Percentage	2020	2021	Dollar	Percentage
	(As restated)		(unaudited)					
(in thousands, except percentages)								
<b>Revenue:</b>								
Enterprise, Education & Technology	\$ 64,839	\$ 80,449	\$ 15,610	24 %	\$ 16,387	\$ 27,318	\$ 10,931	67 %
Media & Telecom	32,510	39,991	7,481	23 %	9,519	10,395	876	9 %
Total revenue	97,349	120,440	23,091	24 %	25,906	37,713	11,807	46 %
Cost of revenue	35,618	47,665	12,047	34 %	10,416	15,582	5,166	50 %
Total gross profit	61,731	72,775	11,044	18 %	15,490	22,131	6,641	43 %
<b>Operating expenses:</b>								
Research and development	24,216	29,567	5,351	22 %	6,779	10,899	4,120	61 %
Selling and marketing	25,515	29,475	3,960	16 %	8,279	10,162	1,883	23 %
General and administrative	14,779	22,222	7,443	50 %	4,355	7,947	3,592	82 %
Other operating expenses						1,724	1,724	
Total operating expenses	64,510	81,264	16,754	26 %	19,413	30,732	11,319	58 %
Operating loss	(2,779)	(8,489)	(5,710)	205 %	3,923	8,601	4,678	119 %
Financial expenses, net	11,189	46,721	35,532	318 %	(291)	5,149	5,440	NM
Loss before provision for income taxes	(13,968)	(55,210)	(41,242)	295 %	3,632	13,750	10,118	279 %
Provision for income taxes	1,604	3,553	1,949	122 %	1,352	1,806	454	34 %
Net loss	\$ (15,572)	\$ (58,763)	\$ (43,191)	277 %	\$ 4,984	\$ 15,556	\$ 10,572	212 %

(1) Our consolidated financial statements have been restated. See Note 20 to our consolidated financial statements included elsewhere in this prospectus.

## Segments

We manage and report operating results through two reportable segments:

- **Enterprise, Education & Technology** (67% of 2019 and 2020 revenue; 63% and 72% of revenue for the three months ended March 31, 2020 and 2021, respectively): Our EE&T segment represents revenues from our products, industry solutions for education customers, and

Media Services (except for M&T customers), as well as associated professional services for those offerings.

- **Media & Telecom** (33% of 2019 and 2020 revenue; 37% and 28% of revenue for the three months ended March 31, 2020 and 2021, respectively): Our M&T segment primarily represents revenues from our TV Solution and Media Services sold to media and telecom operators.

### **Comparison of the Three Months Ended March 31, 2020 and 2021**

#### **Enterprise, Education & Technology**

The following table presents our EE&T segment revenue and gross profit (loss) for the periods indicated:

	Three Months Ended March 31,		Period-over-Period Change	
	2020	2021	Dollar	Percentage
(in thousands, except percentages)				
<b>Enterprise, Education &amp; Technology revenue:</b>				
Subscription revenue	\$ 15,773	\$ 23,971	\$ 8,198	52 %
Professional services revenue	614	3,347	2,733	445 %
<b>Total Enterprise, Education &amp; Technology revenue</b>	<b>\$ 16,387</b>	<b>\$ 27,318</b>	<b>\$ 10,931</b>	<b>67 %</b>
<b>Enterprise, Education &amp; Technology gross profit:</b>				
Subscription gross profit	\$ 13,615	\$ 17,930	\$ 4,315	32 %
Professional services gross profit (loss)	(1,411)	818	2,229	158 %
<b>Total Enterprise, Education &amp; Technology gross profit</b>	<b>\$ 12,204</b>	<b>\$ 18,748</b>	<b>\$ 6,544</b>	<b>54 %</b>

#### *Enterprise, Education & Technology Revenue*

Total EE&T revenue increased by \$10.9 million, or 67%, to \$27.3 million for the three months ended March 31, 2021, from \$16.4 million for the three months ended March 31, 2020. Approximately \$7.6 million of this increase was attributable to revenue from new customers, and the remaining \$3.3 million was attributable to growth from existing customers.

EE&T subscription revenue increased by \$8.2 million, or 52%, to \$24.0 million for the three months ended March 31, 2021, from \$15.8 million for the three months ended March 31, 2020.

EE&T professional services revenue increased by \$2.7 million, or 445%, to \$3.3 million for the three months ended March 31, 2021, from \$0.6 million for the three months ended March 31, 2020.

#### *Enterprise, Education & Technology Gross Profit*

EE&T gross profit increased by \$6.5 million, or 54%, to \$18.7 million for the three months ended March 31, 2021, from \$12.2 million for the three months ended March 31, 2020. This increase was mainly due to the \$10.9 million increase in revenue, offset by a 5% decrease in gross margin to 69% for the three months ended March 31, 2021 from 74% for the three months ended March 31, 2020. The decrease in gross margin was attributable primarily to an increase in cloud-related costs and third-party solutions driven by higher consumption and our migration to a public cloud infrastructure, as further described above under “—Components of our Results of Operations—Gross Margins.”

EE&T subscription gross profit increased by \$4.3 million, or 32%, to \$17.9 million for the three months ended March 31, 2021, from \$13.6 million for the three months ended March 31, 2020.

EE&T professional services gross profit (loss) increased by \$2.2 million, or 158%, to a gross profit of \$0.8 million for the three months ended March 31, 2021, from a gross loss of \$(1.4) million for the three months ended March 31, 2020.

### **Media & Telecom**

The following table presents our M&T segment revenue and gross profit for the periods indicated:

	Three Months Ended March 31,		Period-over-Period Change	
	2020	2021	Dollar	Percentage
(in thousands, except percentages)				
<b>Media &amp; Telecom revenue:</b>				
Subscription revenue	\$ 7,431	\$ 8,371	\$ 940	13 %
Professional services revenue	2,088	2,024	(64)	(3)%
<b>Total Media &amp; Telecom revenue</b>	<b>\$ 9,519</b>	<b>\$ 10,395</b>	<b>\$ 876</b>	<b>9 %</b>
<b>Media &amp; Telecom gross profit:</b>				
Subscription gross profit	\$ 3,905	\$ 4,536	\$ 631	16 %
Professional services gross loss	(619)	(1,153)	(534)	86 %
<b>Total Media &amp; Telecom gross profit</b>	<b>\$ 3,286</b>	<b>\$ 3,383</b>	<b>\$ 97</b>	<b>3 %</b>

### *Media & Telecom Revenue*

M&T revenue increased by \$0.9 million, or 9%, to \$10.4 million for the three months ended March 31, 2021, from \$9.5 million for the three months ended March 31, 2020. Approximately \$0.5 million of this increase was attributable to growth from new customers, and the remaining \$0.4 million was attributable to revenue from existing customers.

M&T subscription revenue increased by \$0.9 million, or 13%, to \$8.4 million for the three months ended March 31, 2021, from \$7.4 million for the three months ended March 31, 2020.

M&T professional services revenue decreased by \$0.1 million, or 3%, to \$2.0 million for the three months ended March 31, 2021, from \$2.1 million for the three months ended March 31, 2020.

### *Media & Telecom Gross Profit*

M&T gross profit increased by \$0.1 million, or 3%, to \$3.4 million for the three months ended March 31, 2021, from \$3.3 million for the three months ended March 31, 2020. This increase was mainly due to the \$0.9 million increase in revenue offset by a 2% decrease in gross margin to 33% for the three months ended March 31, 2021, compared to 35% for the three months ended March 31, 2020. The decrease in gross margin was attributable primarily to an increase in professional service costs.

M&T subscription gross profit increased by \$0.6 million, or 16%, to \$4.5 million for the three months ended March 31, 2021, from \$3.9 million for the three months ended March 31, 2020.

M&T professional services gross loss increased by \$0.5 million, or 86%, to \$(1.2) million for the three months ended March 31, 2021, from \$(0.6) million for the three months ended March 31, 2020.



## Operating Expenses

### Research and Development expenses

	Three Months Ended March 31,		Period-over-Period Change	
	2020	2021	Dollar	Percentage
	(in thousands, except percentages)			
Employee compensation	\$ 5,366	\$ 8,950	\$ 3,584	67 %
Subcontractors and Consultants	643	891	248	39 %
Other	770	1,058	288	37 %
Total research and development expenses	\$ 6,779	\$ 10,899	\$ 4,120	61 %

Research and development expenses increased by \$4.1 million, or 61%, to \$10.9 million for the three months ended March 31, 2021, from \$6.8 million for the three months ended March 31, 2020. The increase was primarily due to a \$3.6 million increase in compensation mainly related to higher headcount and to stock-based compensation expense.

### Selling and Marketing expenses

	Three Months Ended March 31,		Period-over-Period Change	
	2020	2021	Dollar	Percentage
	(in thousands, except percentages)			
Employee compensation & commission	\$ 5,335	\$ 8,650	\$ 3,315	62 %
Marketing expenses	1,944	695	(1,249)	(64)%
Travel and entertainment	345	40	(305)	(88)%
Other	655	777	122	19 %
Total selling and marketing expenses	\$ 8,279	\$ 10,162	\$ 1,883	23 %

Selling and marketing expenses increased by \$1.9 million, or 23%, to \$10.2 million for the three months ended March 31, 2021, from \$8.3 million for the three months ended March 31, 2020. The increase was primarily due to a \$2.9 million increase in compensation related to higher headcount and stock-based compensation expense and a \$0.4 million increase in amortization of deferred commission expense driven by higher bookings. The increase was partially offset by a \$1.2 million decrease in marketing expenses mainly due to a single large event which took place in the three months ended March 31, 2020 and a \$0.3 million decrease in travel and entertainment expenses due to the ongoing COVID-19 pandemic.

### General & Administrative

	Three Months Ended March 31,		Period-over-Period Change	
	2020	2021	Dollar	Percentage
	(in thousands, except percentages)			
Employee compensation	\$ 3,130	\$ 6,547	\$ 3,417	109 %
Professional fees and insurance	286	372	86	30 %
Travel and entertainment	125	11	(114)	(91)%
Other	814	1,017	203	25 %
Total general and administrative expenses	\$ 4,355	\$ 7,947	\$ 3,592	82 %

General and administrative expenses increased by \$3.6 million, or 82%, to \$7.9 million for the three months ended March 31, 2021, from \$4.4 million for the three months ended March 31, 2020. The increase was primarily due to a \$3.4 million increase in compensation related to higher headcount and stock-based compensation expense. The increase was partially offset by a \$0.1 million decrease in travel and entertainment expense due to the ongoing COVID-19 pandemic.

#### **Other Operating Expenses**

Other operating expenses were \$1.7 million during the three months ended March 31, 2021 and related to the forgiveness of loans to certain of our directors and executive officers in connection with the public filing of the registration statement of which this prospectus forms a part, including related tax gross-up amounts payable by us to such directors and executive officers. We did not incur other operating expenses during the three months ended March 31, 2020.

#### **Financial Expenses, net**

Financial expenses, net increased by \$5.4 million, or (1,870)%, to \$5.2 million for the three months ended March 31, 2021, from \$(0.3) million for the three months ended March 31, 2020. The increase was primarily due to an increase of \$4.7 million in remeasurement of warrants to fair value and increase of \$0.6 million related to exchange rate fluctuations in the foreign currency.

#### **Provision for Income Taxes**

Provision for income taxes remained relatively flat at \$1.4 million for the three months ended March 31, 2020 and 2021 representing an effective tax rate of (37)% and (13)% in the three months ended March 31, 2020 and 2021. The increase in the effective tax rate for the three months ended March 31, 2021 was primarily due to a higher loss before provision for income taxes.

#### **Comparison of the Years Ended December 31, 2019 and 2020**

##### **Enterprise, Education & Technology**

The following table presents our EE&T segment revenue and gross profit (loss) for the years indicated:

	Year Ended December 31,		Period-over-Period Change	
	2019	2020 <sup>(1)</sup>	Dollar	Percentage
(As restated) (in thousands, except percentages)				
<b>Enterprise, Education &amp; Technology revenue:</b>				
Subscription revenue	\$ 61,376	\$ 74,473	\$ 13,097	21 %
Professional services revenue	3,463	5,976	2,513	73 %
<b>Total Enterprise, Education &amp; Technology revenue</b>	<b>\$ 64,839</b>	<b>\$ 80,449</b>	<b>\$ 15,610</b>	<b>24 %</b>
<b>Enterprise, Education &amp; Technology gross profit:</b>				
Subscription gross profit	\$ 53,374	\$ 60,528	\$ 7,154	13 %
Professional services gross loss	(3,101)	(1,989)	1,112	(36)%
<b>Total Enterprise, Education &amp; Technology gross profit</b>	<b>\$ 50,273</b>	<b>\$ 58,539</b>	<b>\$ 8,266</b>	<b>16 %</b>

(1) Our consolidated financial statements have been restated. See Note 20 to our consolidated financial statements included elsewhere in this prospectus.

### Enterprise, Education & Technology Revenue

Total EE&T revenue increased by \$15.6 million, or 24%, to \$80.4 million for the year ended December 31, 2020, from \$64.8 million in 2019. Approximately \$11.8 million of this increase was attributable to revenue from new customers, and the remaining \$3.8 million was attributable to growth from existing customers.

EE&T subscription revenue increased by \$13.1 million, or 21%, to \$74.5 million for the year ended December 31, 2020, from \$61.4 million in 2019.

EE&T professional services revenue increased by \$2.5 million, or 73%, to \$6.0 million for the year ended December 31, 2020, from \$3.5 million in 2019.

### Enterprise, Education & Technology Gross Profit

EE&T gross profit increased by \$8.3 million, or 16%, to \$58.5 million for the year ended December 31, 2020, from \$50.3 million in 2019. This increase was mainly due to the \$15.6 million increase in revenue, offset in part by a 4.7% decrease in gross margin to 72.8% for the year ended December 31, 2020 from 77.5% in 2019. The decrease in gross margin was attributable primarily to an increase in cloud-related costs and third-party solutions driven by higher consumption and our migration to a public cloud infrastructure, as further described above under “—Components of our Results of Operations—Gross Margins.”

EE&T subscription gross profit increased by \$7.2 million, or 13%, to \$60.5 million for the year ended December 31, 2020, from \$53.4 million in 2019.

EE&T professional services gross loss decreased by \$1.1 million, or (36)%, to \$(2.0) million for the year ended December 31, 2020, from \$(3.1) million in 2019.

### Media & Telecom

The following table presents our M&T segment revenue and gross profit for the years indicated:

	Year Ended December 31,		Period-over-Period Change	
	2019	2020 <sup>(1)</sup>	Dollar	Percentage
	(As restated) (in thousands, except percentages)			
<b>Media &amp; Telecom revenue:</b>				
Subscription revenue	\$ 23,349	\$ 29,591	\$ 6,242	27 %
Professional services revenue	9,161	10,400	1,239	14 %
<b>Total Media &amp; Telecom revenue</b>	<b>\$ 32,510</b>	<b>\$ 39,991</b>	<b>\$ 7,481</b>	<b>23 %</b>
<b>Media &amp; Telecom gross profit:</b>				
Subscription gross profit	\$ 12,682	\$ 15,050	\$ 2,368	19 %
Professional services gross loss	(1,224)	(814)	410	33 %
<b>Total Media &amp; Telecom gross profit</b>	<b>\$ 11,458</b>	<b>\$ 14,236</b>	<b>\$ 2,778</b>	<b>24 %</b>

(1) Our consolidated financial statements have been restated. See Note 20 to our consolidated financial statements included elsewhere in this prospectus.

### Media & Telecom Revenue

M&T revenue increased by \$7.5 million, or 23%, to \$40.0 million for the year ended December 31, 2020, from \$32.5 million in 2019. Approximately \$6.2 million of this increase was attributable to growth from existing customers, and the remaining \$1.3 million was attributable to revenue from new customers.

M&T subscription revenue increased by \$6.2 million, or 27%, to \$29.6 million for the year ended December 31, 2020, from \$23.3 million in 2019.

M&T professional services revenue increased by \$1.2 million, or 14%, to \$10.4 million for the year ended December 31, 2020, from \$9.2 million in 2019.

#### *Media & Telecom Gross Profit*

M&T gross profit increased by \$2.8 million, or 24%, to \$14.2 million for the year ended December 31, 2020, from \$11.5 million in 2019. This increase was mainly due to the \$7.5 million increase in revenue. Gross margin remained relatively flat at 35.6% for the year ended December 31, 2020, compared to 35.2% in 2019. While the blended gross margin remained relatively unchanged, subscription gross margin decreased to 50.9% for the year ended December 31, 2020 from 54.3% in 2019, which was offset by an increase in professional services gross margin to (7.8)% for the year ended December 31 2020 from (13.4)% in 2019. The decrease in subscription gross margin was attributable primarily to an increase in cloud-related costs driven by higher consumption and our migration to a public cloud infrastructure, as further described above under “—Components of our Results of Operations—Gross Margins.”

M&T subscription gross profit increased by \$2.4 million, or 19%, to \$15.1 million for the year ended December 31, 2020, from \$12.7 million in 2019.

M&T professional services gross loss decreased by \$0.4 million, or 33%, to \$(0.8) million for the year ended December 31, 2020, from \$(1.2) million in 2019.

#### **Operating Expenses**

##### *Research and Development expenses*

	Year Ended December 31,		Period-over-Period Change	
	2019	2020 <sup>(1)</sup>	Dollar	Percentage
		(As restated)		
		(in thousands, except percentages)		
Employee compensation	\$ 18,839	\$ 23,533	\$ 4,694	25 %
Subcontractors and Consultants	2,718	3,190	472	17 %
Other	2,659	2,844	185	7 %
Total research and development expenses	\$ 24,216	\$ 29,567	\$ 5,351	22 %

(1) Our consolidated financial statements have been restated. See Note 20 to our consolidated financial statements included elsewhere in this prospectus.

Research and development expenses increased by \$5.4 million, or 22%, to \$29.6 million for the year ended December 31, 2020, from \$24.2 million in 2019. The increase was primarily due to a \$4.7 million increase in compensation related to higher headcount and a \$0.5 million increase in subcontractors and consultants expenses.

## Selling and Marketing expenses

	Year Ended December 31,		Period-over-Period Change	
	2019	2020 <sup>(1)</sup>	Dollar	Percentage
	(As restated)			
	(in thousands, except percentages)			
Employee compensation & commission	\$ 18,589	\$ 23,236	\$ 4,647	25 %
Marketing expenses	2,156	3,143	987	46 %
Travel and entertainment	2,148	475	(1,673)	(78)%
Other	2,622	2,621	(1)	— %
<b>Total selling and marketing expenses</b>	<b>\$ 25,515</b>	<b>\$ 29,475</b>	<b>\$ 3,960</b>	<b>16 %</b>

(1) Our consolidated financial statements have been restated. See Note 20 to our consolidated financial statements included elsewhere in this prospectus.

Selling and marketing expenses increased by \$4.0 million, or 16%, to \$29.5 million for the year ended December 31, 2020, from \$25.5 million in 2019. The increase was primarily due to a \$3.7 million increase in compensation related to higher headcount, a \$0.9 million increase in amortization of deferred commission expense driven by higher bookings and a \$1.0 million increase in marketing expenses mainly due to a single large event. The increase was partially offset by a \$1.7 million decrease in travel and entertainment expense due to the ongoing COVID-19 pandemic.

## General & Administrative

	Year Ended December 31,		Period-over-Period Change	
	2019	2020 <sup>(1)</sup>	Dollar	Percentage
	(As restated)			
	(in thousands, except percentages)			
Employee compensation	\$ 9,986	\$ 12,978	\$ 2,992	30%
Professional fees and insurance	978	1,507	529	54%
Travel and entertainment	658	163	(495)	(75)%
Abandonment of data center equipment	—	3,969	3,969	— %
Other	3,157	3,605	448	14%
<b>Total general and administrative expenses</b>	<b>\$ 14,779</b>	<b>\$ 22,222</b>	<b>\$ 7,443</b>	<b>50%</b>

(1) Our consolidated financial statements have been restated. See Note 20 to our consolidated financial statements included elsewhere in this prospectus.

General and administrative expenses increased by \$7.4 million, or 50%, to \$22.2 million for the year ended December 31, 2020, from \$14.8 million in 2019. The increase was primarily due to a \$4.0 million one-time expense related to the abandonment of data center equipment, a \$3.0 million increase in compensation related to higher headcount and a \$0.5 million increase in professional fees and insurance mainly related to various legal fees. The increase was partially offset by a \$0.5 million decrease in travel and entertainment expense due to the ongoing COVID-19 pandemic.

## Financial Expenses, net

Financial expenses, net increased by \$35.5 million, or 318%, to \$46.7 million for the year ended December 31, 2020, from \$11.2 million in 2019. The increase was primarily due to an increase of \$36.2 million in remeasurement of warrants to fair value.

## Provision for Income Taxes

Provision for income taxes increased by \$1.9 million, to \$3.6 million for the year ended December 31, 2020, from \$1.6 million in 2019, representing an effective tax rate of (6)% in 2020 and (11)% in 2019. The increase in the effective tax rate for 2020 was primarily due to increased tax liability related to income generated by our subsidiaries organized under the laws of Israel and the United Kingdom.

## Quarterly Results of Operations

The following tables set forth our unaudited quarterly consolidated statements of operations data for each of the quarters indicated, as well as the percentage that each line item represents of our total revenue for each quarter presented. The information for each quarter has been prepared on a basis consistent with our audited consolidated financial statements included elsewhere in this prospectus and reflects, in the opinion of management, all adjustments, consisting only of normal and recurring adjustments, that are necessary for a fair statement of this financial information. You should read the following information in conjunction with the other information set forth under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the information set forth in our consolidated financial statements and the accompanying notes thereto included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results that may be expected for any future period, and the results for any quarter are not necessarily indicative of results that may be expected for a full year or any other period.

	Three Months Ended								
	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021
	(in thousands)								
<b>Revenue:</b>									
Subscription	\$ 19,302	\$ 21,116	\$ 20,708	\$ 23,599	\$ 23,204	\$ 24,969	\$ 26,888	\$ 29,003	\$ 32,342
Professional Services	2,923	2,716	3,420	3,565	2,702	3,780	3,720	6,174	5,371
Total revenue	22,225	23,832	24,128	27,164	25,906	28,749	30,608	35,177	37,713
<b>Cost of revenue:</b>									
Subscription <sup>(1)(2)</sup>	4,188	4,580	4,653	5,248	5,684	6,352	7,700	8,750	9,876
Professional Services <sup>(1)(2)</sup>	3,827	4,183	4,412	4,527	4,732	4,436	4,814	5,197	5,706
Total cost of revenue	8,015	8,763	9,065	9,775	10,416	10,788	12,514	13,947	15,582
Gross profit	14,210	15,069	15,063	17,389	15,490	17,961	18,094	21,230	22,131
<b>Operating expenses:</b>									
Research and Development <sup>(1)</sup>	5,545	5,832	6,239	6,600	6,779	6,489	7,275	9,024	10,899
Sales and Marketing <sup>(1)(2)</sup>	6,094	6,570	6,439	6,412	8,279	6,521	6,651	8,024	10,162
General and Administrative <sup>(1)</sup>	3,499	3,452	3,659	4,169	4,355	3,828	8,579	5,460	7,947
Other operating expenses	—	—	—	—	—	—	—	—	1,724
Total operating expenses	15,138	15,854	16,337	17,181	19,413	16,838	22,505	22,508	30,732
Operating (loss) profit	(928)	(785)	(1,274)	208	(3,923)	1,123	(4,411)	(1,278)	(8,601)
Financial expenses (income), net	1,780	6,308	1,675	1,426	(291)	11,575	1,525	33,912	5,149
Loss before provision for income taxes	(2,708)	(7,093)	(2,949)	(1,218)	(3,632)	(10,452)	(5,936)	(35,190)	(13,750)
Provision for income taxes	428	445	284	447	1,352	554	498	1,149	1,806
Net loss	\$ (3,136)	\$ (7,538)	\$ (3,233)	\$ (1,665)	\$ (4,984)	\$ (11,006)	\$ (6,434)	\$ (36,339)	\$ (15,556)

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

	Three Months Ended								
	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021
	(in thousands)								
Cost of Subscription	16	12	14	13	15	27	21	34	122
Cost of Professional Services	42	38	42	41	37	66	42	93	159
Research and Development expense	110	136	175	196	141	284	256	570	933
Sales and Marketing expense	88	85	82	74	82	364	341	852	740
General and Administrative expense	285	287	272	314	387	393	373	736	3,006
Total stock based compensation expense	<u>\$ 541</u>	<u>\$ 558</u>	<u>\$ 585</u>	<u>\$ 638</u>	<u>\$ 662</u>	<u>\$ 1,134</u>	<u>\$ 1,033</u>	<u>\$ 2,285</u>	<u>\$ 4,960</u>

(2) Includes amortization expenses of acquired intangible assets as follows:

	Three Months Ended								
	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021
	(in thousands)								
Cost of Subscription	\$ —	\$ —	\$ —	\$ —	\$ 6	\$ 106	\$ 107	\$ 107	\$ 106
Cost of Professional Services	73	73	73	72	52	53	53	53	88
Sales and Marketing expense	82	84	85	88	92	97	92	99	102
Total amortization of intangible assets	<u>\$ 155</u>	<u>\$ 157</u>	<u>\$ 158</u>	<u>\$ 160</u>	<u>\$ 150</u>	<u>\$ 256</u>	<u>\$ 252</u>	<u>\$ 259</u>	<u>\$ 296</u>

The following table sets forth our results of operations as a percentage of total revenue for each period presented above.

	Three Months Ended									
	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021	
<b>Revenue:</b>										
Subscription	87 %	89 %	86 %	87 %	90 %	87 %	88 %	82 %	86 %	
Professional Services	13 %	11 %	14 %	13 %	10 %	13 %	12 %	18 %	14 %	
Total revenue	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	
<b>Cost of revenue:</b>										
Subscription	19 %	19 %	19 %	19 %	22 %	22 %	25 %	25 %	26 %	
Professional Services	17 %	18 %	18 %	17 %	18 %	15 %	16 %	15 %	15 %	
Total cost of revenue	36 %	37 %	37 %	36 %	40 %	37 %	41 %	40 %	41 %	
Gross profit	64 %	63 %	63 %	64 %	60 %	63 %	59 %	60 %	59 %	
<b>Operating expenses:</b>										
Research and Development expense	25 %	24 %	26 %	24 %	26 %	23 %	24 %	26 %	29 %	
Sales and Marketing expense	27 %	28 %	27 %	24 %	32 %	23 %	22 %	23 %	27 %	
General and Administrative expense	16 %	14 %	15 %	15 %	17 %	13 %	28 %	16 %	21 %	
Other operating expenses	— %	— %	— %	— %	— %	— %	— %	— %	5 %	
Total operating expenses	68 %	66 %	68 %	63 %	75 %	59 %	74 %	65 %	82 %	
Operating (loss) profit	(4)%	(3)%	(5)%	1 %	(15)%	4 %	(15)%	(5)%	(23)%	
Financial expenses (income), net	8 %	26 %	7 %	5 %	(1)%	40 %	5 %	96 %	14 %	
Loss before provision for income taxes	(12)%	(29)%	(12)%	(4)%	(14)%	(36)%	(20)%	(101)%	(37)%	
Provision for income taxes	2 %	2 %	1 %	2 %	5 %	2 %	2 %	3 %	5 %	
Net loss	(14)%	(31)%	(13)%	(6)%	(19)%	(38)%	(22)%	(104)%	(42)%	

### Quarterly Revenue Trends

Our quarterly subscription revenue generally increased sequentially in the majority of the periods presented due to the growth from our existing customers and increases in revenue from new customers, with minor decreases in certain periods. These decreases were the result of one-time recognition of revenue from the sale of term licenses in the second and fourth quarters of 2019, which is recognized at the point in time in which the license is delivered to the customer. The majority of our subscription revenue is recognized ratably over the time of the subscription. Therefore, a substantial portion of the revenue that we report in each period is attributable to the recognition of deferred revenue relating to sales we received during previous periods. Consequently, increases or decreases in renewals, customer expansion, or new sales in a period typically will not be fully reflected in our total subscription revenue for that period and will positively or negatively affect our revenue in future periods. Our quarterly professional services revenue generally increased for the periods presented, with minor decreases in certain periods as the timing for recognition of professional services revenue under certain of our arrangements occurs upon rendering the services.

### Quarterly Cost of Revenue and Gross Margin Trends

Our quarterly cost of revenue increased sequentially in each of the periods presented in order to support growth in our subscription and professional services revenue. Our quarterly gross margins remained relatively flat for each of the periods presented in 2019. For the periods presented in 2020 and



2021, gross margins decreased compared to the periods presented in 2019 and then remained relatively flat in the periods presented for 2020 and 2021. Gross margins decreased in the periods presented in 2020 and 2021 compared to the periods presented in 2019 primarily due to increased cloud-related costs and third-party solutions driven by higher consumption as a result of the COVID-19 pandemic and our migration to a public cloud infrastructure, as further described above under “—Components of our Results of Operations—Gross Margins.”

### ***Quarterly Operating Expense Trends***

Our quarterly operating expenses generally increased for the periods presented primarily due to increases in headcount and other personnel-related costs to support our growth. We experienced a decrease in total operating expenses during the second quarter of 2020 as compared to the first quarter of 2020 primarily as a result of a large one-time marketing event that took place during the first quarter of 2020. In addition, we also experienced lower costs resulting from temporary salary reductions, as well as lower costs related to facilities, marketing activities and business travel, all due to the COVID-19 pandemic. We also experienced a decrease in total operating expenses in the fourth quarter of 2020 as compared to the third quarter of 2020 primarily as a result of a one-time expense related to the abandonment of data center equipment, which was recorded in the third quarter of 2020. Excluding the first quarter of 2020 in which a one-time marketing event occurred, sales and marketing expenses remained relatively flat. In the fourth quarter of 2020, we began investing significantly in sales and marketing expenses to drive revenue growth, and we expect this trend to continue for the foreseeable future. We also intend to continue investing in research and development efforts for the foreseeable future as we focus on developing new features and enhancements to our product offerings. General and administrative expenses also increased in recent fiscal quarters due to increased costs related to preparing to be a public company, a trend we expect will continue for the foreseeable future. In the first quarter of 2021, we incurred a one-time other operating expense related to employee loan forgiveness. In addition, we also experienced a higher stock-based compensation expense in the first quarter of 2021 as a result of the December 2020 grant and an increase in the fair value of our options.

### ***Quarterly Financial Expenses (Income), Net Trends***

Excluding remeasurement of warrants to fair value, which occurred in the second quarter of 2019, the first, second and fourth quarters of 2020, and the first quarter of 2021, financial expenses remained relatively flat during the periods presented.

## **Liquidity and Capital Resources**

### ***Overview***

Since our inception, we have financed our operations primarily through net cash provided by operating activities, equity issuances, and borrowings under our long-term debt arrangements. Our primary requirements for liquidity and capital are to finance working capital, capital expenditures and general corporate purposes. Our principal sources of liquidity following this offering are expected to be our cash and borrowings available under our Revolving Credit Facility. As of March 31, 2021, we had cash of \$19.0 million and \$9.9 million of borrowings outstanding under our Revolving Credit Facility (net of \$0.1 million of unamortized issuance costs), with no additional borrowings available thereunder. In June 2021, we (i) entered into a First Amendment to our Credit Agreement which, among other things, increased commitments under the Revolving Credit Facility to \$35.0 million, and (ii) borrowed an additional \$12.5 million of debt under the Revolving Credit Facility in connection with such amendment. As of June 30, 2021, we had approximately \$22.4 million of borrowings outstanding under the Revolving Credit Facility (net of \$0.1 million of unamortized issuance costs) and approximately \$12.5 million of additional borrowings available thereunder.

We believe that our net cash provided by operating activities, cash on hand and availability under our Revolving Credit Facility will be adequate to meet our operating, investing and financing needs for at least the next 12 months. Our future capital requirements will depend on many factors, including our revenue

growth, the timing and extent of investments to support such growth, the expansion of sales and marketing activities, increases in general and administrative costs and many other factors as described under “Risk Factors” and “—Key Factors Affecting Our Performance.”

If necessary, we may borrow funds under our Revolving Credit Facility to finance our liquidity requirements, subject to customary borrowing conditions. To the extent additional funds are necessary to meet our long-term liquidity needs as we continue to execute our business strategy, we anticipate that they will be obtained through the incurrence of additional indebtedness, additional equity financings or a combination of these potential sources of funds; however, such financing may not be available on favorable terms, or at all. In particular, the widespread COVID-19 pandemic has resulted in, and may continue to result in, significant disruption of global financial markets, reducing our ability to access capital. If we are unable to raise additional funds when desired, our business, financial condition and results of operations could be adversely affected.

### ***Credit Facilities***

In February 2011, we entered into a loan and security agreement with a financial institution which, as of December 31, 2019, provided for a \$20.0 million revolving credit facility (the “Prior Revolving Credit Facility”). The Prior Revolving Credit Facility was scheduled to mature on December 27, 2020 (which date was subsequently extended to January 17, 2021), and borrowings thereunder accrued interest at a floating rate per annum equal to the greater of (x) 0.5% above the prime rate, and (y) 4.75%, payable on a monthly basis. As of December 31, 2020, we had approximately \$20.0 million of borrowings outstanding under the Prior Revolving Credit Facility and no unused borrowing availability. The interest rate then in effect was 4.75%.

In April 2012, we entered into a loan and security agreement with an additional financial institution which, as subsequently amended and restated, provided for term loans in an aggregate principal amount of \$30.0 million (the “Prior Term Loan Facility” and, together with the Prior Revolving Credit Facility, the “Prior Credit Facilities”). The Prior Term Loan Facility was scheduled to mature on October 31, 2023, and borrowings thereunder accrued interest at a rate per annum equal to the base rate (defined as the greater of (x) the highest prime rate in effect during the applicable month, and (y) 2.50% above the highest three-month LIBOR rate in effect during the applicable month) plus a margin of 4.50%, subject to a 9.50% floor and a 12.00% maximum, payable on a monthly basis. As of December 31, 2020, we had approximately \$28.2 million outstanding under the Prior Term Loan Facility (net of unamortized issuance costs of \$0.2 million), and the interest rate then in effect was 9.5%.

In January 2021, we (i) repaid all amounts outstanding under our Prior Credit Facilities and terminated all outstanding commitments thereunder, and (ii) entered into a new credit agreement (as amended, the “Credit Agreement”) with one of our existing lenders, which provides for a new senior secured term loan facility in the aggregate principal amount of \$40.0 million (the “Term Loan Facility”) and a new senior secured revolving credit facility in the aggregate principal amount of \$10.0 million (the “Revolving Credit Facility” and, together with the Term Loan Facility, the “Credit Facilities”). In June 2021, we entered into an amendment to the Credit Agreement (the “First Amendment”) to, among other things, increase commitments under the Revolving Credit Facility to \$35.0 million, and make certain other changes to certain covenants and definitions. The amount available for borrowing under the Revolving Credit Facility is limited to a borrowing base, which is equal to the product of (a) 800% (which will automatically reduce to 350% on the date the Term Loan Facility is repaid in full), multiplied by (b) monthly Recurring Revenue for the most recently ended monthly period, multiplied by (c) the Retention Rate (in each case, as defined in the Credit Agreement). The Revolving Credit Facility includes a sub-facility for letters of credit in the aggregate availability amount of \$10.0 million and a swingline sub-facility in the aggregate availability amount of \$5.0 million, each of which reduces borrowing availability under the Revolving Credit Facility.

Borrowings under the Credit Facilities are subject to interest, determined as follows: (a) Eurodollar loans accrue interest at a rate per annum equal to the Eurodollar rate determined for such day plus a

margin of 3.50% (the Eurodollar rate is calculated based on the applicable LIBOR for U.S. dollar deposits, subject to a 1.00% floor, divided by 1.00 minus the maximum effective reserve percentage for Eurocurrency funding, provided that if the applicable LIBOR is no longer available or we and the administrative agent elect to transition to a new benchmark, the calculation of the Eurodollar rate will be subject to certain adjustments as described in the Credit Agreement), and (b) Alternate Base Rate ("ABR") loans accrue interest at a rate per annum equal to the ABR plus a margin of 2.50% (ABR is equal to the highest of (i) the prime rate and (ii) the Federal Funds Effective Rate plus 0.50%, subject to a 2.00% floor). In addition to paying interest on the principal amounts outstanding under the Credit Facilities, we are required to pay a commitment fee under the Revolving Credit Facility on unused amounts at a rate of 0.25% per annum. We are also required to pay customary letter of credit and agency fees.

We are required to prepay amounts outstanding under the Term Loan Facility with 100% of the net cash proceeds of any indebtedness incurred by us or any of our subsidiaries other than certain permitted indebtedness. In addition, we are required to prepay amounts outstanding under the Credit Facilities with the net cash proceeds of any Asset Sale or Recovery Event (each as defined in the Credit Agreement), subject to certain limited reinvestment rights.

Amounts outstanding under the Credit Facilities may be voluntarily prepaid at any time and from time to time, in whole or in part, without premium or penalty. All voluntary prepayments (other than ABR loans borrowed under the Revolving Credit Facility) must be accompanied by accrued and unpaid interest on the principal amount being prepaid and customary "breakage" costs, if any, with respect to prepayments of Eurodollar loans.

The Term Loan Facility is payable in consecutive quarterly installments on the last day of each fiscal quarter in an amount equal to (x) \$250,000 for installments payable on March 31, 2021 through December 31, 2021, (y) \$750,000 for installments payable on March 31, 2022 through December 31, 2022, and (z) \$1.5 million for installments payable on and after March 31, 2023. The remaining unpaid balance on the Term Loan Facility is due and payable on January 14, 2024, together with accrued and unpaid interest on the principal amount to be paid to, but excluding, the payment date. Borrowings under the Revolving Credit Facility do not amortize and are due and payable on January 14, 2024.

Our obligations under the Credit Facilities are currently guaranteed by Kaltura Europe Limited, and are required to be guaranteed by all of our future direct and indirect subsidiaries other than certain excluded subsidiaries and immaterial foreign subsidiaries. Our obligations and those of Kaltura Europe Limited are, and the obligations of any future guarantors are required to be, secured by a first priority lien on substantially all of our respective assets.

The Credit Agreement contains a number of covenants that, among other things and subject to certain exceptions, restrict our ability, and the ability of our subsidiaries, to:

- create, issue, incur, assume, become liable in respect of or suffer to exist any debt or liens;
- consummate any merger, consolidation or amalgamation, or liquidate, wind up or dissolve, or dispose of all or substantially all of our or their respective property or business;
- dispose of property or, in the case of our subsidiaries, issue or sell any shares of such subsidiary's capital stock;
- repay, prepay, redeem, purchase, retire or defease subordinated debt;
- declare or pay dividends or make certain other restricted payments;
- make certain investments;
- enter into transactions with affiliates;

- enter into new lines of business; and
- make certain amendments to our or their respective organizational documents or certain material contracts.

The Credit Agreement also contains certain financial covenants that require us to maintain (i) a minimum amount of Annualized Recurring Revenue (as defined in the Credit Agreement) as of the last day of each fiscal quarter (which minimum amount increases through the fiscal quarter ending December 31, 2023) (the “ARR Covenant”), and (ii) Liquidity (as defined in the Credit Agreement) of at least \$10 million as of the last day of any calendar month. We were in compliance with these covenants as of March 31, 2021. In addition, pursuant to the First Amendment, until the consummation of a qualified IPO, we are required to maintain, in lieu of the ARR covenant, a minimum amount of Adjusted EBITDA, measured on a trailing twelve-month basis, as of the last day of each fiscal quarter (which minimum amount increases through the fiscal quarter ending December 31, 2023).

The Credit Agreement also contains certain customary representations and warranties and affirmative covenants, and certain reporting obligations. In addition, the lenders under the Credit Facilities will be permitted to accelerate all outstanding borrowings and other obligations, terminate outstanding commitments and exercise other specified remedies upon the occurrence of certain events of default (subject to certain grace periods and exceptions), which include, among other things, payment defaults, breaches of representations and warranties, covenant defaults, certain cross-defaults and cross-accelerations to other indebtedness, certain events of bankruptcy and insolvency, certain judgments and Change of Control events. “Change of Control” is defined as (a) any “person” or “group” (as defined in Sections 13(d) and 14(d) of the Exchange Act) becoming the beneficial owner of 40% or more of the ordinary voting power for the election of our directors, (b) during any 24-month period, a majority of the members of our board of directors ceasing to be composed of individuals (i) who were members thereof on the first day of such period, (ii) whose election or nomination thereto was approved by individuals referred to in the foregoing clause constituting at least a majority of such board, or (iii) whose election or nomination thereto was approved by individuals referred to in the foregoing clauses (i) and (ii) constituting at least a majority of such board; or (c) at any time, if we cease to own and control 100% of each class of outstanding capital stock of each guarantor free and clear of all liens (other than certain permitted liens).

As of March 31, 2021, we had approximately \$39.6 million of borrowings outstanding under the Term Loan Facility (net of \$0.4 million of unamortized issuance costs), and the interest rate then in effect was 4.5%.

As of March 31, 2021, we had approximately \$9.9 million of borrowings outstanding under the Revolving Credit Facility (net of \$0.1 million of unamortized issuance costs), and no additional borrowings available thereunder. The interest rate then in effect was 4.5%. As of June 30, 2021, following the effectiveness of the First Amendment to the Credit Agreement and our borrowing of an additional \$12.5 million of debt under the Revolving Credit Facility in connection with such amendment, we had approximately \$22.4 million of borrowings outstanding under the Revolving Credit Facility (net of \$0.1 million of unamortized issuance costs) and approximately \$12.5 million of additional borrowings available thereunder.

The foregoing summary describes the material provisions of our Credit Facilities, but may not contain all information that is important to you. We urge you to read the provisions of the Credit Agreement and the other agreements governing the Credit Facilities, which have been filed as exhibits to the registration statement of which this prospectus forms a part.

## Cash Flows

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

	Year Ended December 31,		Three Months Ended March 31,	
	2019	2020 <sup>(1)</sup>	2020	2021
	(As restated)		(unaudited)	
	(in thousands)			
Net cash provided by (used in) operating activities	\$ 370	\$ 5,804	\$ (6,014)	\$ (6,564)
Net cash provided by (used in) investing activities	(2,732)	(2,746)	53	(1,257)
Net cash provided by (used in) financing activities	300	(1,847)	1,390	(1,117)
Net (decrease) increase in cash, cash equivalents, and restricted cash	(2,062)	1,211	(4,571)	(8,938)
Cash, cash equivalents, and restricted cash at beginning of period	29,206	27,144	27,144	28,355
Cash, cash equivalents and restricted cash at end of period	\$ 27,144	\$ 28,355	\$ 22,573	\$ 19,417

(1) Our consolidated financial statements have been restated. See Note 20 to our consolidated financial statements included elsewhere in this prospectus.

### Operating Activities

Net cash flows used in operating activities increased by \$0.6 million for the three months ended March 31, 2021 as compared to the three months ended March 31, 2020.

Net cash used in operating activities of \$6.0 million for the three months ended March 31, 2020 was primarily due to \$5.0 million in incremental net loss, adjusted for non-cash charges of \$1.2 million, and net cash outflows of \$2.2 million provided by changes in our operating assets and liabilities. Non-cash charges primarily consisted of depreciation and amortization of \$1.0 million and stock-based compensation expenses of \$0.7 million, partially offset by remeasurement of warrants to fair value of \$0.6 million. The main drivers of net cash outflows were derived from the changes in operating assets and liabilities and were related to a decrease in deferred revenue of \$3.9 million and an aggregate increase in employee accruals and prepaid expenses and other assets of \$1.7 million, partially offset by a decrease in trade receivables of \$1.4 million and an aggregate increase in trade payables and accrued expenses and other current liabilities of \$2.0 million.

Net cash used in operating activities of \$6.6 million for the three months ended March 31, 2021 was primarily due to \$15.6 million in incremental net loss, adjusted for non-cash charges of \$10.7 million, and net cash outflow of \$1.8 million provided by changes in our operating assets and liabilities. Non-cash charges primarily consisted of remeasurement of warrants to fair value of \$4.2 million, stock-based compensation expenses of \$5.0 million, loan forgiveness of \$0.9 million, and depreciation and amortization of \$0.6 million. The main drivers of net cash outflows were derived from an increase in trade receivables of \$6.7 million, an increase in deferred contract acquisition and fulfillment costs of \$2.6 million, and an increase in prepaid expenses and other current assets of \$1.9 million, partially offset by an increase in deferred revenue of \$5.4 million and an aggregate increase in employee accruals, accrued expenses and other current liabilities and trade payables of \$4.0 million.

Net cash flows provided by operating activities increased by \$5.4 million for the year ended December 31, 2020 as compared to the year ended December 31, 2019.

Net cash provided by operating activities of \$0.4 million for the year ended December 31, 2019 was primarily due to \$15.6 million in incremental net loss, adjusted for non-cash charges of \$12.5 million, and

net cash inflows of \$3.5 million provided by changes in our operating assets and liabilities. Non-cash charges primarily consisted of remeasurement of warrants to fair value of \$5.3 million, depreciation and amortization of \$4.5 million, and stock-based compensation expenses of \$2.3 million. The main drivers of net cash inflows were derived from the changes in operating assets and liabilities and were related to a decrease in trade receivables of \$6.2 million and an aggregate increase in trade payables and employees accruals of \$3.5 million, partially offset by an addition to deferred contract acquisition costs of \$3.3 million, a decrease in accrued expenses of \$1.5 million and a decrease in deferred revenue of \$1.3 million.

Net cash provided by operating activities of \$5.8 million for the year ended December 31, 2020 was primarily due to \$58.8 million in incremental net loss, adjusted for non-cash charges of \$54.6 million, and net cash inflows of \$10.0 million provided by changes in our operating assets and liabilities. Non-cash charges primarily consisted of remeasurement of warrants to fair value of \$41.5 million, depreciation, amortization and abandonment costs of \$7.7 million, and stock-based compensation expenses of \$5.1 million. The main drivers of net cash inflows were derived from the changes in operating assets and liabilities and were related to an increase in deferred revenue of \$12.3 million and an aggregate increase in employees accruals, trade payables and accrued expenses and other liabilities of \$13.5 million, partially offset by an addition to deferred contract acquisition costs of \$8.7 million, an increase in trade receivables of \$6.3 million and an increase in prepaid expenses and other assets of \$0.9 million.

#### *Investing Activities*

Net cash flows used in investing activities increased by \$1.3 million for the three months ended March 31, 2021 as compared to the three months ended March 31, 2020.

Net cash provided by investing activities of \$0.1 million for the three months ended March 31, 2020 was related to net cash acquired in a business combination of \$0.4 million, partially offset by capital expenditures of \$0.3 million.

Net cash used in investing activities of \$1.2 million for the three months ended March 31, 2021 was related to capitalized internal-use software of \$0.7 million and capital expenditures of \$0.5 million.

Net cash flows used in investing activities remained flat at \$2.7 million for the years ended December 31, 2019 and 2020.

Net cash used in investing activities of \$2.7 million for the year ended December 31, 2019 was related to capital expenditures of \$2.2 million, capitalized internal-use software of \$0.3 million, and a purchase of intangible assets of \$0.2 million.

Net cash used in investing activities of \$2.7 million for the year ended December 31, 2020 was related to capitalized internal-use software of \$1.8 million, capital expenditures of \$1.1 million, and a purchase of intangible assets of \$0.2 million, partially offset by net cash acquired in a business combination of \$0.4 million.

#### *Financing Activities*

Net cash flows provided by financing activities decreased by \$2.5 million for the three months ended March 31, 2021 as compared to the three months ended March 31, 2020.

Net cash provided by financing activities of \$1.4 million for the three months ended March 31, 2020 was primarily related to proceeds from long-term loans of \$2.0 million, partially offset by repayment of finance lease liabilities of \$0.6 million.

Net cash used in financing activities of \$1.1 million for the three months ended March 31, 2021 was primarily related to payment of deferred offering costs of \$1.9 million and repayment of finance lease liabilities of \$0.5 million, partially offset by net proceeds from long-term loans of \$1.1 million and proceeds from the exercise of stock options of \$0.2 million.

Net cash flows provided by financing activities decreased by \$2.1 million for the year ended December 31, 2020 as compared to the year ended December 31, 2019.

Net cash provided by financing activities of \$0.3 million for the year ended December 31, 2019 was primarily related to net proceeds from long-term loans of \$3.0 million and proceeds from exercise of stock options of \$0.1 million, partially offset by repayment of finance lease liabilities of \$2.8 million.

Net cash used in financing activities of \$1.8 million for the year ended December 31, 2020 was primarily related to repayment of finance lease liabilities of \$2.3 million and payments of deferred offering costs of \$0.1 million, partially offset by net proceeds from long-term loans of \$0.3 million and proceeds from exercise of stock options of \$0.3 million.

### Contractual Obligations and Commitments

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

	Payments Due by Year				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
	(in thousands)				
Debt obligations <sup>(1)</sup>	\$ 52,334	\$ 32,312	\$ 20,022	\$ —	\$ —
Operating lease obligations <sup>(2)</sup>	2,603	1,936	667	—	—
Capital lease obligations <sup>(3)</sup>	1,924	1,781	143	—	—
Purchase obligations <sup>(4)</sup>	44,716	9,527	35,189	—	—
<b>Total</b>	<b>\$ 101,577</b>	<b>\$ 45,556</b>	<b>\$ 56,021</b>	<b>\$ —</b>	<b>\$ —</b>

(1) Represents borrowings outstanding under our Prior Credit Facilities as of December 31, 2020, together with estimated interest payments thereon based on the interest rates in effect for such indebtedness as of December 31, 2020. See “—Liquidity and Capital Resources—Credit Facilities.”

(2) Represents minimum lease payments under our non-cancelable operating leases for certain real property and equipment.

(3) Represents minimum lease payments under capital leases together with estimated interest payments thereon based on the interest rates in effect as of December 31, 2020.

(4) Includes \$40.0 million of remaining non-cancelable contractual commitments as of December 31, 2020 related to one of our third-party cloud infrastructure agreements, under which we committed to spend an aggregate of at least \$40.0 million between January 2021 and December 2024 with a minimum purchase commitment of \$7.0 million during any year. Other purchase obligations represent total future minimum payments under contracts with marketing related activities and other vendors.

We reported other liabilities of \$3.9 million in our consolidated balance sheet at December 31, 2020, which principally consists of unrecognized tax benefits (see Note 15 to our consolidated financial statements included elsewhere in this prospectus). We have excluded these liabilities from the contractual obligations table above. A variety of factors could affect the timing of payments for the liabilities related to unrecognized tax benefits. Therefore, we cannot reasonably estimate the timing of such payments.

The contractual commitment amounts in the table above are associated with agreements that are enforceable and legally binding. Obligations under contracts that we can cancel without a significant penalty are not included in the table above.

In addition, subsequent to December 31, 2020, we (i) repaid all amounts outstanding under our Prior Credit Facilities and terminated all outstanding commitments thereunder, and (ii) entered into a new credit agreement with one of our existing lenders providing for the Term Loan Facility and the Revolving Credit Facility, which are described above under “—Liquidity and Capital Resources—Credit Facilities.”

## **Off-Balance Sheet Arrangements**

We did not have any off-balance sheet arrangements as of December 31, 2020 or March 31, 2021.

## **Critical Accounting Policies and Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates, judgments and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Our management believes that the estimates, judgment and assumptions used are reasonable based upon information available at the time they are made. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

We believe that the accounting policies described below require management's most difficult, subjective or complex judgments. Judgments or uncertainties affecting the application of these policies may result in materially different amounts being reported under different conditions or using different assumptions. Accordingly, we believe these are the most critical to aid in fully understanding and evaluating our financial condition and results of operations. See Note 2 to the audited consolidated financial statements included elsewhere in this prospectus for additional information regarding these and our other significant accounting policies.

### ***Revenue recognition***

On January 1, 2019, we adopted ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), using the modified retrospective method applied to those contracts that were not completed as of January 1, 2019. Results for reporting periods beginning after January 1, 2019 are presented under ASU No. 2014-09.

We provide subscriptions to our Video Experience Cloud, which powers live, real-time and on-demand video experiences. We provide access to our platform either as a cloud-based service ("SaaS and PaaS") or, less commonly, as On-Prem.

Revenue from SaaS and PaaS subscriptions is recognized ratably over the time of the subscription, beginning from the date in which the customer is granted access to the subscription. Revenue from the sale of a term license is recognized at a point in time in which the license is delivered to the customer.

Revenue from post-contract services ("PCS") included in On-Prem projects is recognized ratably over the time of the PCS.

In some of our arrangements, professional services are accounted for as a separate performance obligation, and revenue will be recognized upon rendering the service. However, in some of our SaaS and PaaS arrangements we determined that the professional services are solely set up activities that do not transfer goods or services to the customer and therefore are not accounted for as a separate performance obligation.

Our contracts usually include a fixed amount of consideration, as well as variable consideration for overage usage that, in most cases, is not considered probable at the inception of the contract. Revenue accounted for as variable consideration for overages usage is recognized when the uncertainty is resolved, usually when the customer exceeds its committed usage threshold (i.e., overages are consumed) and the overages are invoiced. In addition, we have elected to apply the practical expedient for financing component for transactions in which the difference between the payment date and the revenue recognition timing is up to 12 months.

When applicable, we allocate the transaction price between the separate performance obligations according to their standalone selling price ("SSP") which is based on the price at which the performance



obligation is sold separately. If the SSP is not observable through past transactions, we estimate the SSP taking into account available information, including, but not limited to, pricing practices, market conditions and the economic life of the software.

We receive payments from customers based upon contractual billing schedules, usually net 30 days from the invoice date.

We record accounts receivable and related contract liabilities for non-cancelable contracts with customers when the right to consideration is unconditional.

### **Contract costs**

Some of the sales commissions and bonuses earned by our employees and management are considered incremental and recoverable costs of obtaining a contract with a customer. Sales commissions and bonuses for new contracts are deferred and then amortized on a straight-line basis over a period of benefit that we have estimated to be five years. This period of benefit was determined by taking into consideration the technology's useful life and other factors. Sales bonuses for renewal contracts are deferred and then amortized on a straight-line basis over the related contractual renewal period. We classify deferred product costs as current or long-term based on the timing of when we expect to recognize the expense.

Amortization of sales commissions are consistent with the pattern of revenue recognition of each performance obligation and are included mainly in selling and marketing expenses in the consolidated statements of operations. We chose to apply the practical expedient in ASC Topic 606 to expense costs as incurred for sales commissions when the amortization period would have been one year or less.

We capitalize costs incurred to fulfill its contracts when the costs relate directly to a contract and are expected to generate resources that will be used to satisfy the performance obligation under the contract and are expected to be recovered through revenue generated under the contract. Costs to fulfill contracts are expensed to cost of revenue on a straight-line basis over a period of five years.

### **Stock-based compensation**

#### *Service-based awards*

We account for stock-based compensation in accordance with ASC 718, "Compensation - Stock Compensation" ("ASC 718"). ASC 718 requires companies to estimate the fair value of equity-based payment awards on the date of grant using an option-pricing model. The value of the portion of the award is recognized as an expense over the requisite service periods in our consolidated statements of comprehensive income.

We selected the Black-Scholes option-pricing model as the most appropriate fair value method for its option awards. The option-pricing model requires a number of assumptions, of which the most significant are the fair value of our common stock, the expected stock price volatility, expected option term, risk-free interest rates and expected dividend yield.

The fair value of common stock underlying the options has historically been determined by management and our board of directors. Because there has been no public market for our common stock, our board of directors has determined fair value of a share of common stock at the time of grant of the option by considering a number of objective and subjective factors including financing investment rounds, operating and financial performance, the lack of liquidity of stock capital and general and industry specific economic outlook, amongst other factors. The fair value of the underlying common stock will be determined by our board of directors until such time as our common stock is listed on an established stock exchange. Our board of directors determined the fair value of our common stock based on valuations performed using the OPM for the year ended December 31, 2020.

We recognize compensation cost for options and stock awards that have a graded vesting schedule on a straight-line basis over the requisite service period for the entire award.

#### *Market-based awards*

We have granted three of our executives stock options that vest only upon the satisfaction of market-based conditions. The market-based conditions reflect specific prices for our common stock, which must be exceeded for each tranche of the grant to vest.

For market-based awards, we determine the grant date fair value utilizing a Monte Carlo simulation model, which incorporates various assumptions including expected stock price volatility, risk-free interest rates, expected exercise behavior for vested options, expected date of a qualifying event and expected form and timing of a liquidity event. We estimate the volatility of the common stock on the date of grant based on the weighted average historical stock price volatility of comparable publicly-traded companies. Because the option does not qualify as "plain vanilla" per SEC Staff Accounting Bulletin 107, the expected term cannot be estimated based on the simplified model described in the Bulletin. In order to address the term, the Monte Carlo simulation model includes an assumption about the price level at which vested options are expected to be exercised (the "Sub Optimal Exercise" factor). The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant. The rate used is based on the expected term of the option.

We recognize compensation expenses for the value of our market-based awards based on the accelerated attribution method over the estimated requisite service period of each of the awards. We have determined that there is no explicit or implicit service period for the awards, and therefore the requisite service period is based on the derived service period. The derived service period is the term calculated in the Monte Carlo valuation model as described above. The derived service period is the median duration of the simulated price paths in which the option tranche vests, which is determined by the above assumptions.

#### **Common stock valuation**

The fair value of common stock was determined by our board of directors, with input from management, and taking into account the most recent valuation from an independent third-party valuation specialist. These valuations were determined in accordance with the guidelines outlined in the American Institute of Certified Public Accountants Accounting and Valuation Guide: Valuation of Privately-Held-Company Equity Securities Issued as Compensation. The assumptions we used in the valuation models were based on future expectations combined with management judgment. Numerous objective and subjective factors were considered in the determination of the fair value of our common stock as of the date of each option grant, including the following factors:

- contemporaneous valuations performed at periodic intervals by an independent third-party specialist;
- the likelihood and timing of achieving a liquidity event, such as an initial public offering or sale;
- the liquidation preferences, rights, and privileges of our preferred stocks relative to our common stock;
- the nature and history of our business;
- the general economic conditions and our industry outlook;
- our overall financial condition;
- our earning capacity;
- our dividend history;

- the existence of goodwill or other intangible value within our business;
- the prior sales of interests in the business and the size of the interest being valued;
- the market price of equity interest in companies engaged in the same or a similar lines of business; and
- adjustments necessary to recognize a lack of marketability of the common stock.

In valuing our common stock, absent an arm's-length current/recent round of financing, the fair value of our business, or equity value, was determined using both the income approach and market approach.

The income approach estimates value based on the expectation of future cash flows that the company will generate. These future cash flows are discounted to their present values using a discount rate based on the capital rates of return for comparable publicly traded companies and are adjusted to reflect the risks inherent in the Company's cash flows relative to those inherent in the companies utilized in the discount rate calculation.

The market approach estimates value based on a comparison of the company to comparable public companies in a similar line of business. From the comparable companies, representative market value multiples are determined and then applied to the Company's financial results to estimate the Company's value.

The resulting equity value was then allocated to each share class using an Option Pricing Model ("OPM"). Under the OPM, preferred and common stock are treated as a series of call options, with the preferred stocks having an exercise price based on the liquidation preference of the respective preferred share. The OPM operates through a series of Black-Scholes-Merton option pricing models, with the exercise prices of the options representing the upper and lower bounds of the proceed ranges that a security holder would receive upon a liquidity event. The strike prices occur at break points where the allocation of firm value changes among the various security holders. The common stock are presumed to have value only if funds available for distribution to shareholders exceed the value of the respective liquidation preferences at the time of a liquidity event.

Beginning in July 2016, we used a hybrid approach whereby we used an OPM to model the proceeds to the various shares, options, and warrants in case of a sale. As preferred shares convert to common shares in case of an initial public offering, we used a fully-diluted share analysis, taking into account in-the-money options and warrants, to model the proceeds to the various securities in case of an initial public offering. In each period, we estimated the likelihood of a liquidity event taking the form of an initial public offering rather than a sale and weighted the results of the two analyses accordingly.

Beginning in June 2019, we continued using a hybrid approach with a separate analysis for an initial public offering exit and sale exit. For the initial public offering analysis, we built a separate OPM, assuming the conversion of preferred shares and using breakpoints that reflected the expected exercise of options and warrants.

For each valuation date, after the common stock value was determined, a discount for lack of marketability ("DLOM") was applied to arrive at the fair value of the common stock on a non-marketable basis. A DLOM is applied in order to reflect the lack of a recognized market for a closely held interest and the fact that a non-controlling equity interest may not be readily transferable. A market participant purchasing this share would recognize this illiquidity associated with the shares, which would reduce the overall fair value. The discount for lack of marketability was determined using a put option as a proxy for measuring discounts for lack of marketability of securities.

We also considered any secondary transactions involving our capital shares. In our evaluation of those transactions, we considered the facts and circumstances of each transaction to determine the extent to which they represented a fair value exchange. Factors considered include:

- transaction volume;
- proximity in time to other transactions as well as the valuation date;
- frequency of similar transactions;
- whether the transactions occurred between willing and unrelated parties; and
- whether the transactions involved parties with sufficient access to our financial information from which to make an informed decision on price.

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

On December 24, 2020, our board of directors awarded options to purchase shares of our common stock (the “December Awards”). However, in light of the difference between the estimated price range for this offering and the fair value used for these stock options, in order to determine the appropriate stock-based compensation expense for these stock options for financial reporting purposes, we re-evaluated our initial estimate of the fair value of our common stock. As a result of our re-evaluation, we determined that, solely for financial reporting purposes, the fair value of our common stock was higher than the fair value of our common stock determined in good faith by our board of directors for the December Awards. We determined the fair value per share of our common stock for financial reporting purposes was \$7.79 and \$7.16 as of December 31, 2020 and December 24, 2020, respectively. Accordingly, we retrospectively adjusted the fair value per share of our common stock for financial reporting purposes as of the date of the December Awards. Accordingly, the stock-based compensation expense related to these options will result in material increases in our operating expenses in future periods. For additional information regarding the re-evaluation of the December Awards, see Notes 2v, 14 and 20 to our consolidated financial statements included elsewhere in this prospectus.

Upon the closing of this offering, our common stock will be publicly traded, and we will rely on the closing price of our common stock as reported on the date of grant to determine the fair value of our common stock.

### **Recent Accounting Pronouncements**

Please see Note 2 to our consolidated financial statements included elsewhere in this prospectus for information regarding recent accounting pronouncements.

### **Jumpstart Our Business Startups Act of 2012**

Under the JOBS Act, an “emerging growth company” can take advantage of an extended transition period for complying with new or revised accounting standards. This provision allows an “emerging growth company” to delay the adoption of new or revised accounting standards that have different transition dates for public and private companies until those standards would otherwise apply to private companies. We meet the definition of an “emerging growth company” and have elected to use this extended transition period for complying with new or revised accounting standards until the earlier of the date we (x) are no longer an emerging growth company, or (y) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our consolidated financial statements

and the reported results of operations contained therein may not be directly comparable to those of other public companies.

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

We are exposed to market risk from changes in exchange rates, interest rates and inflation. All of these market risks arise in the ordinary course of business, as we do not engage in speculative trading activities. The following analysis provides additional information regarding these risks.

#### ***Foreign Currency and Exchange Risk***

Our revenue and expenses are primarily denominated in U.S. dollars. Our functional currency is the U.S. dollar. Our sales are mainly denominated in U.S. dollars and Euros. A significant portion of our operating costs are in Israel, consisting principally of salaries and related personnel expenses, and facility expenses, which are denominated in NIS. This foreign currency exposure gives rise to market risk associated with exchange rate movements of the U.S. dollar against the NIS and Euros. Furthermore, we anticipate that a significant portion of our expenses will continue to be denominated in NIS. We do not hedge against currency risk. A hypothetical 10% change in foreign currency exchange rates applicable to our business would have had an impact on our results for the year ended December 31, 2020 and the three months ended March 31, 2021 of \$6.1 million and \$2.4 million, respectively, due to NIS, and \$2.8 million and \$0.8 million, respectively, due to Euros.

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

As of December 31, 2020 and March 31, 2021, we had outstanding floating rate debt obligations of \$48.3 million and \$50.0 million, respectively (consisting, in each case, of the outstanding principal balance under our credit facilities). Accordingly, fluctuations in market interest rates may increase or decrease our interest expense which will, in turn, increase or decrease our net income and cash flow. We seek to manage exposure to adverse interest rate changes through our normal operating and financing activities. At this time, we do not use derivative instruments to mitigate our interest rate risk. A hypothetical 10% change in interest rates during the periods presented would have resulted in a change to interest expense of \$0.4 million for the year ended December 31, 2020 and \$0.1 million for the year ended March 31, 2021.

#### ***Impact of Inflation***

While it is difficult to accurately measure the impact of inflation due to the imprecise nature of the estimates required, we do not believe inflation has had a material effect on our historical results of operations and financial condition. However, if our costs were to become subject to significant inflationary pressures, we may not be able to fully offset higher costs through price increases or other corrective measures, and our inability or failure to do so could adversely affect our business, financial condition and results of operations.

## A LETTER FROM RON YEKUTIEL

Dear prospective investors,

Thank you for considering an investment in Kaltura. You'll find an overview of our business and its financial results in this prospectus, yet it is my strong belief that the drive and motivation behind the company, as well as its values and culture, are as important when deciding to invest. For this reason I'd like to share with you my personal perspective of who we are, what inspires and motivates us, and why I believe Kaltura represents an exciting investment opportunity.

### **Kaltura - Open, Flexible, and Collaborative**

In late 2006 Dr. Shay David, Eran Etam, Dr. Michal Tsur, and I embarked on a quest to build a meaningful and impactful business together. It was the time when Amazon gave birth to Cloud Computing and Apple unveiled the iPhone. Information Technology was just starting its transition from powering large corporations through server rooms and clunky computers, to boosting all organizations, straight from the cloud to the growing proliferation of smart devices.

Having each founded trailblazing startups prior to Kaltura, we were all very excited and passionate about harnessing the huge potential in what we felt would become a massive digital transformation. But even before deciding on which sector we should enter and which products we would build, we all agreed that we should embark on a mission that would promote access for all, democratization, and pluralism. Our first action therefore was to define, pledge and commit to a set of founding values that would represent this quest. After careful thought, we chose Openness, Flexibility, and Collaboration to act as our north star.

So that we always remember to stay true to these principles, we called our new company "Kaltura" - a word which resembles the word Culture in many languages, and we gave it a colorful sunny logo that also represented to us our ideals of diversity and inclusion. With our quest defined and with founding values in place, we then turned to think about what our company would actually do.

Fourteen years later, I am proud to say that we, alongside hundreds of fellow Kalturaians, have created an incredible company which is powering digital transformation for leading organizations all around the world, and are propelling and promoting access, democratization, and pluralism for millions of people at work, home, and school. We have stayed true and focused on our founding values of openness, flexibility, and collaboration. These values are written on the walls of our offices around the world and they underpin our products, technology architecture, and go-to-market strategy, and are at the heart of our HR practices and outspoken commitment for inclusion, diversity, equality and of doing good while doing well.

### **Powering Any Video Experience, For Any Organization**

But let's go back to the fall of 2006. YouTube was acquired by Google after becoming the world's fastest growing website, delivering 100 million video views per day. The online video revolution was afoot, and the four of us were immediately inspired and intrigued by the potential of this new and exciting medium to support our quest of promoting access for all, democratization, and pluralism.

We were certain that online video would rapidly advance beyond its initial use for short-form entertainment and user-generated-content. We believed wholeheartedly that, with the rise of cloud computing and smart devices, it would not be long before organizations around the world would embrace a 'video-first' strategy for engaging internal and external constituents, making video the main medium used for onboarding, training, communication, collaboration, marketing, sales, and customer care. We envisioned video powering mission-critical services across a multitude of industry solutions, including internet-powered television, online education, remote healthcare, branchless banking, e-commerce, smart cities and much more.

A question was then ignited in our minds – what could we do to help turn this ‘videofied world’ vision into reality?

We quickly understood that the full promise of online video would NOT be realized by the mere launch of discrete, stand-alone, monolithic point solutions for organizations, but rather, by treating video as a new horizontal data type and enabling it to be easily and flexibly inserted into any product or workflow. We believed that what could be perceived as very different video products would actually rely on a similar set of core video capabilities, such as video creation, ingestion, transcoding, management, distribution, security, publishing, engaging, and analytics. We were also convinced that it was imperative for video to flow seamlessly across different products while minimizing content and metadata silos and disjointed workflows. We felt it was paramount for innovation coming from the wide array of video-tech providers to be integrated to seamlessly work together. Lastly, we envisaged live, on-demand, and real-time video converging together harmoniously to yield online experiences that would be hyper-engaging, interactive, and personalized.

It came down to a clear, deeply rooted realization: what organizations needed was a single horizontal video platform that would flexibly cater to all their video products and workflows - a video Lego™ kit of sort. Such platform should be based on a wide range of media services built upon APIs covering the entire on-demand, live, and real-time video life cycle and enable developers to easily build any video experience. It should also include a large set of flexible cross-industry products and industry-specific solutions that would be assembled atop of these media services, and enable easy customization and integration. Lastly it should include an independent software vendor marketplace that would allow it to easily integrate and be interoperable with third party video technology offerings.

We decided to build such a platform, which we called the Kaltura Video Experience Cloud, and set sail on our inspiring mission to Power Any Video Experience, for Any Organization.

### **Video Today**

As I write this letter to you, video has undoubtedly become mission-critical to people and organizations alike. It is ubiquitous, turning individuals into broadcasters, making every company a media company, enabling companies to utilize its power internally with employees, externally with customers, and very often also within its very own products and services.

In the fourteen years since we set out to build Kaltura, broadband, smartphones, cloud computing, and enterprise digital transformation have fueled video growth, bringing video close to a staggering 80% of total internet traffic<sup>1</sup>. And little could we have anticipated that in 2020, as the COVID-19 pandemic hit the world, video would become the essential communication tool for people and companies alike across sectors, geographies, and platforms. Video has become the glue that keeps companies working; it ensures employees can do their jobs even in challenging times; it keeps students in school – helping to secure their future; it enables news information to travel across countries; and powers physicians to collaborate and to provide medical services remotely. It facilitates a dialog, provides a foundation for communities’ liveliness, and presents endless opportunities for the future.

### **Kaltura Today**

Over the last decade we have been sharing the journey shoulder to shoulder with talented, dedicated, resilient, optimistic, and extremely hard working Kalturaians who are immensely committed to, and excited about, proliferating the use of video while advancing our shared core values of openness, flexibility, and collaboration.

We built our Kaltura video Lego™ kit piece by piece, patiently and thoughtfully. It now consists of hundreds of APIs governing live, on-demand, and real-time video. We provide them for companies to build their very own video experiences and have also used them ourselves to build our ten leading

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<sup>1</sup> According to Cisco's Visual Networking Index.

products and industry solutions – and are already planning our next set of products and new industry solutions.

We are extremely proud to power over 1,000 organizations around the world and to be recognized as a leader by market research firms. Our customers and partners engage over 15 million<sup>2</sup> authenticated users at home, work, and school, catering to a multitude of use cases that boost collaboration, communication, sales, marketing, customer care, teaching & learning, and TV viewership and monetization. It is an honor and a great pleasure to cater to such a diversified set of leading customers that includes<sup>3</sup> 25% of the US Fortune 100, over 50% of the top US research universities, including 7 of the 8 ivy league schools, and we power more than 15 major Cloud TV initiatives for large media and telecom companies around the world.

### **What's Next?**

As a horizontal platform with a multitude of possible applications and a vast market to which we can cater, this is just the beginning! Many of our customers are growing organically through increased adoption and usage. We are also finally accelerating our investment in sales and marketing on the heels of already establishing market leadership across several large markets, and we are doing so with very attractive unit economics and proven operational efficiency. We recently started commercializing our new and exciting products and solutions from 2020 (Webinars, Virtual Events, Meetings, Virtual Classroom and TV Solution), and plan to follow with much more innovation (e.g., develop advanced video AI tools, as well as new industry solutions for telehealth, retail, government, and smart cities, among others). We are also planning to go down-market and cater to smaller customers including SMEs with new self-serve and low-touch products for companies and developers, and to do so with the support of new channel distribution partners. The opportunities for growth are bountiful!

I am honored and privileged to have led Kaltura since its inception and am very excited about what the future holds. I would like to personally invite you to join us on our open, flexible, and collaborative journey to power any video experience for any organization and by doing so, also promote access, democratization, and pluralism around the world.

Onward and upward!

Ron Yekutieli  
Cofounder, Chairman & CEO

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<sup>2</sup> For the year ended December 31, 2020.

<sup>3</sup> As of March 31, 2021.



## BUSINESS

*This summary highlights information contained elsewhere in this prospectus and may not contain all of the information you should consider before investing in our common stock. Before making an investment decision, you should read this entire prospectus, including our consolidated financial statements and the related notes included elsewhere herein. You should also carefully consider the information set forth under "Risk Factors" beginning on page 22. In addition, certain statements in this prospectus include forward-looking information that is subject to risks and uncertainties. See "Cautionary Note Regarding Forward-Looking Statements."*

*In this prospectus, unless the context otherwise requires or where otherwise indicated, the terms "we," "us," "our," the "Company" and "Kaltura" refer to Kaltura, Inc., together with its consolidated subsidiaries as a combined entity.*

### Overview

Our mission is to power any video experience, for any organization. Our Video Experience Cloud offers live, real-time, and on-demand video products including Video Portal, Town Halls, Video Messaging, Webinars, Virtual Events and Meetings. We also offer specialized industry solutions, including LMS Video (Learning Management System), Lecture Capture and Virtual Classroom for educational institutions, as well as a TV Solution for media and telecom companies. Underlying our products and solutions is a broad set of live, real-time, and on-demand Media Services consisting of Application Programming Interfaces ("APIs"), Software Development Kits ("SDKs"), and Experience Components, as well as our Video and TV Content Management Systems. Our Media Services are also used by other cloud platforms and companies to power video experiences and workflows for their own products. Our Video Experience Cloud is used by leading brands across all industries, reaching millions of users, at home, at school and at work, for communication, collaboration, training, marketing, sales, customer care, teaching, learning, and entertainment experiences. With our flexible offerings, customers can experience the benefits of video across a wide range of use cases, while customizing their deployments to meet their individual, dynamic needs.

Video is everywhere. It has become a driving force for online interactions and engagement, and has revolutionized how we communicate, work, learn, and entertain. According to Cisco's Visual Networking Index, 82% of the world's internet protocol ("IP") traffic will be IP video by 2022. For businesses, video sits at the heart of digital transformation, with organizations increasingly embracing video solutions to better engage with customers and employees. Video adoption has been further fueled by the availability of broadband, increased penetration of smartphones, rise of over-the-top streaming ("OTT") and cloud technologies, consumerization of enterprise technology, elevation of video to strategic and mission-critical use cases, the entry of younger professionals into the workforce and the growth in remote and distributed workforces. Furthermore, we believe the COVID-19 pandemic has accelerated the use and adoption of video.

Our vision and technology are differentiated in the market, addressing video as a unique data type that can, and should be, handled by a unified horizontal technology stack that powers all live, real-time, and on-demand video use cases while avoiding silos and disjointed workflows, and maximizing engagement, interactivity and the collection of data. To do so, we developed a wide array of Media Services that empower the building of any live, real-time and on-demand video experiences, and assembled with them our broad portfolio of video products for communication, collaboration, training, sales, marketing, and customer care, as well as our specialized industry solutions, currently for education and media and telecom companies.

During the year ended December 31, 2020, more than 15 million authenticated users interacted with our products and solutions at home, at work and at school. As of March 31, 2021, we had grown our repository of media assets to over 100 million.

Our Video Experience Cloud powers a wide array of video applications across industries and use cases. Our core offerings consist of various Software-as-a-Service (“SaaS”) products and solutions and a Platform-as-a-Service (“PaaS”) offering, including:

- **Video Products** – Video Portal, Town Halls, Video Messaging, Webinars, Virtual Events and Meetings. Customers leverage these products for video-based communication, collaboration, training, and customer experience (marketing, sales, and customer care).
- **Video Industry Solutions** – LMS Video (Learning Management System), Lecture Capture and Virtual Classroom for educational institutions to support and enhance in-class and remote teaching and learning. We also offer a TV Solution for media companies and telecom operators, allowing them to provide OTT advertising and subscription-based live and on-demand TV services for entertainment experiences.
- **Media Services** – Live, real-time, and on-demand video APIs, SDKs, and Experience Components as well as Video and TV Content Management Systems that govern the entire lifecycle of video, enabling customers to build any video experience and workflow. Our Media Services also serve as a foundation for our products and industry solutions. Our APIs and SDKs address: media ingestion, creation, editing, files transcoding, live transcoding, real-time video, publishing, streaming, distribution, recording and scheduling, video enrichment, search, management, monitoring, engagement, video and image transformation, access control, user management, analytics, multi-tenancy, security, digital rights management, and media repurposing at scale. Our Experience Components include video player, video editor, video accessibility tools, video capture tools, large files upload SDKs, interactive video editor, quizzing, hot-spots, polling, native mobile and TV SDKs, video applications framework, embedded live stream app, and embedded WebRTC meeting components.

As of March 31, 2021, we had over 1,000 customers from a wide range of industries, including financial services, high technology, healthcare, education, public sector, media and telecommunications. Among our customers are 25 of the US Fortune 100, more than 50% of U.S. R1 educational institutions, including seven of the eight Ivy League schools and some of the largest global media companies and telecom operators. This subset of customers accounted for approximately 39% of our revenue for the year ended December 31, 2020 and approximately 43% of our revenue for the three months ended March 31, 2021. Most of our top customers leverage several Kaltura products for a range of use cases across their organization. Between December 31, 2018 and March 31, 2021, we expanded our base of customers with ARR greater than \$100,000 from 178 to 256, and the number of customers with ARR greater than \$1.0 million from 4 to 18. As of December 31, 2020, 50% of our customers had purchased three or more of our offerings (including our Media Services, Products, and Industry Solutions).

We were recognized as a Representative Vendor in the 2020 Gartner Market Guide for Enterprise Video Content Management. We have been included in Gartner research reports on this since 2013, where we were listed as a Leader for 5 consecutive times in the Magic Quadrant for Enterprise Video Content Management report and ranked highest in all Use Cases in the last-published Critical Capabilities for Enterprise Video Content Management report. Gartner discontinued publication of this Magic Quadrant report in 2018 and of this Critical Capabilities report in 2019. We were also recognized in the 2020 Gartner Magic Quadrant for Meeting Solutions, after having only entered the market earlier that year. As of January 25, 2021, we ranked 4.6/5 for Meeting Solutions and 4.4/5 for Enterprise Video Content Management by customers on Gartner Peer Insights, based on 43 and 26 reviews, respectively. In 2016, Forrester cited Kaltura as a Leader in their report, The Forrester Wave™: Online Video Platforms for Sales and Marketing, Q4, 2016.

To date, we have invested primarily in increasing the scope and depth of our offerings. At the same time, we have accelerated our year-over-year revenue growth from 12% in 2018 to 18% in 2019 and 24% in 2020, and from 17% in the first quarter of 2020 (unaudited) to 46% in the first quarter of 2021 (unaudited). We accomplished this growth without materially increasing our sales and marketing spend

over 2019 and 2020. In the fourth quarter of 2020, we began investing significantly in sales and marketing expenses to drive revenue growth, and we expect this trend to continue for the foreseeable future. Additionally, for the years ended December 31, 2019 and 2020, we generated net losses of \$15.6 million and \$58.8 million, respectively, and had Adjusted EBITDA of \$4.0 million and \$4.3 million, respectively, following negative Adjusted EBITDA in both 2017 and 2018. For the three months ended March 31, 2020 and 2021, we generated net losses of \$5.0 million and \$15.6 million, respectively, and had Adjusted EBITDA of \$(2.3) million and \$(1.3) million, respectively. See “Prospectus Summary—Summary Historical Consolidated Financial and Other Data” for a discussion of the limitations of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net loss, the most directly comparable GAAP performance measure. We have also demonstrated attractive unit economics. We estimate that for the years ended December 31, 2018, 2019 and 2020 and the three months ended March 31, 2021, the lifetime value of our customers exceeded five, seven, eleven and eleven times the cost of acquiring them, respectively. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Overview” for additional information on how we calculate the lifetime value of our customers and the cost of acquiring them.

Our platform provides a differentiated and comprehensive value proposition for our customers. Additionally, we believe the demand for video offerings has reached an inflection point, with several trends driving strong demand for video applications. We intend to continue expanding our Video Experience Cloud with new Media Services, as well as new products and industry solutions. We also plan to increase our sales and marketing investment to capture the significant market opportunity ahead of us, including increasing the size and reach of our direct sales team, and investing in self-serve products and channel partnerships to expand our presence with smaller customers across all industries.

### Key Trends Impacting the Video Market

The nature of video consumption has transformed in recent years. Several major trends have played a role in this evolution:

- **Availability of Broadband:** The availability of internet-based services has increased in recent years, with global telecom operators increasing investment in next-generation mobile networks to reach previously underpenetrated regions and enhance performance in existing ones. This, coupled with the decreasing price of broadband, has accelerated the use of internet-based services such as video across a global audience.
- **Broad Penetration of Smartphones:** Billions of people around the world use smartphones today, equipped with sophisticated technology which allow them to create, watch, and transmit video anytime and anywhere.
- **Rise of OTT and Cloud Technologies:** Television has left its original home within cable and satellite networks and TV set-top boxes and is now being delivered from the cloud as an internet-based service to any device. OTT video technology has enabled content providers to bypass the traditional distribution value chain and reach consumers directly without relying on network owners as the middleman.
- **Consumerization of Enterprise Technology:** Employees in today’s businesses expect consumer-like experiences with enterprise technology, expanding their use case of technology at work from simply exchanging information and data, to interacting, socializing, and learning. This has accelerated the use of video for both internal and external use cases, including for example the use of Video Portal, Town Halls, Video Messaging, Webinars, Virtual Events and Meetings.
- **Elevation of Video to Strategic and Mission-Critical Use Cases:** Video has transcended its initial use for entertainment to become a mission-critical tool leveraged by organizations across all industries. This includes companies adding video experiences to their own products and services. For example, healthcare providers are increasingly turning to video to engage with patients, prescribe medications, and deliver treatments.

- **Heightened Focus on Customer and Employee Engagement:** Businesses today are focused on finding new and creative ways to connect with their customers and employees. Management teams are pushing to develop new applications and services which maximize the use of data and analytics to create interactive, personalized solutions and drive engagement. According to a survey performed by HubSpot in 2017, video on landing pages is capable of increasing conversion rates by over 80%, and 90% of customers say videos help them make buying decisions.
- **COVID-19 Pandemic Accelerating Preexisting Trends:** We believe the COVID-19 pandemic has accelerated the use of video for numerous use cases, including remote learning, remote work, virtual events, remote healthcare, consumer communication, e-commerce and online entertainment. According to a survey performed by McKinsey in July-August 2020, the amount of revenue attributable to video-related interactions has increased by 69% since April 2020. We believe that the COVID-19 pandemic has accelerated preexisting trends, with video experiences poised to be a key element of online interactions for decades to come.

### Limitations of Existing Video Solutions

While various video solutions exist in the market today, we believe they are mostly discrete inflexible point solutions that suffer from a lack of modularity, extendibility, and interoperability; offer limited breadth and depth of functionality, data insights, and end-user engagement; and do not provide the required cloud-based enterprise-grade reliability, scalability, compliance, and security. As a result, these offerings limit the ability of customers to maximize the benefits of video technology for their businesses and are also too costly and require significant time to value.

- **Discrete Point Solutions:** Most existing video solution providers lack a complete and unified platform for all video solutions across technologies (live, real-time and on-demand), devices, and use cases. As a result, businesses are faced with the complexity of working with multiple vendors to meet their video needs, often leading to a lack of cohesiveness across offerings, silos of content and disjointed workflows, and security and monitoring concerns. This further limits their applicability for use cases which would benefit from combined workflows.
- **Inflexible Offerings:** Many existing video solutions are turnkey applications that provide little by way of integration and customization. Their inflexible architecture often inhibits existing vendors' ability to innovate quickly and extend the offering to keep up with the rapidly growing and evolving needs for video. Additionally, existing vendors provide few tools for businesses to build their own advanced video workflows and products.
- **Limited Integration with Ecosystem:** Most existing video solution providers have few integrations with third-party platforms, and therefore offer limited interoperability and a non-streamlined and disjointed end-user experience.
- **Limited Analytics Capabilities:** Existing solutions often lack the robust analytics tools that enable interactivity and personalization. This limits the ability of businesses to make data-driven business decisions, further translating to limited end user engagement and a lower return on investment.
- **Not Optimized for End Users:** The interfaces of existing solutions are often not intuitive, and do not generate an immersive and engaging end-user experience across devices.
- **Not Built for the Cloud:** Many existing offerings are not cloud-native and instead rely on legacy on-premise deployments to deliver their solutions, limiting their ability to innovate quickly and provide video seamlessly across devices. This also creates operational complexities for customers managing multiple video solutions and limits their ability to leverage economies of scale.

- **Insufficient Support of Enterprise Standards:** Many existing offerings lack the scale, security, and compliance needed by today's enterprises, and also lack the development, contribution, and support for industry standards that promote openness, interoperability, and accessibility. This creates a growing risk for businesses that are using video for mission-critical use cases at scale.
- **Unnecessary Costs:** Existing solutions frequently require extensive implementation, hardware maintenance and custom integrations with other video solutions and adjacent tools, often resulting in excess costs for the customer.

### Kaltura's Video Experience Cloud

Our Video Experience Cloud powers all types of video experiences: live, real-time, and on-demand. We designed it from the ground up using API-based building blocks which govern the entire video lifecycle and provide the foundation for our video applications. We believe our Video Experience Cloud is differentiated by the following characteristics:

- **Single Platform for All Video Experiences:** Our horizontal Video Experience Cloud acts as a "one stop shop" for video experiences across multiple use cases and industries, enabling our customers to increase agility, reduce operational complexity, and avoid the content and data silos generated by having several fragmented and disjointed point solutions. This allows us to consolidate the market for video-based applications, and lead the convergence of experiences across live, real-time, and on-demand video.
- **Open, Flexible Architecture:** Our products and solutions are interoperable and can be easily customized, extended and connected to other platforms and third-party offerings, allowing our customers to leverage external innovation as well. This also allows us to innovate efficiently and quickly and be a pioneer in the industry with many features, products and solutions. Since our founding in 2006, we have expanded the breadth and depth of our offerings from a limited set of Media Services and a Video Content Management System, to a leading platform spanning across most live, real-time, and on-demand video experiences today.
- **Ecosystem:** We have built a rich ecosystem of over 125 technology partners, extending our experiences with AI, video creation, and network optimization, among others. We make our partners' solutions available to our customers through our marketplace, complete with a variety of plugins and out-of-the-box integrations with our platform. This ecosystem further simplifies our customers' workflows, enabling them to weave video capabilities into non-video workflows and discover new technologies to further enhance their own offerings, ultimately increasing their satisfaction and stickiness with our platform.
- **Analytics:** Our platform offers powerful analytics across multiple dimensions, including insights related to engagement, time and seasonality comparisons, bottleneck identification, and congestion detection. These features help companies maximize the use of the data they are gathering across video channels, and better guide workflows associated with subscription. They also enable us to generate a significant amount of valuable data, which, when coupled with our proprietary AI/ML-powered analytics capabilities, drives further usage of our platform, creating a powerful virtuous cycle.
- **Significant Benefits to End Users:** Our customers' use of our offerings provides several benefits to their end users at home, at work, and at school, including:
  - immersive, interactive and engaging experiences;
  - intuitive and consistent user interface across devices;
  - personalization driven by insightful and rich analytics;

- customization and integration with other workflows enabling consolidated and seamless user experiences;
- quality of service, security, and compliance; and
- flexibility for developers to build customized solutions incorporating video technology.
- **Cloud-Agnostic:** While most of our customers use our public cloud products and solutions, our solutions can be deployed across any private, public, or hybrid cloud environment, as well as on-premise, providing our customers with complete flexibility around their deployment.
- **Enterprise-Grade:** Our platform offers enterprise-grade reliability, security, and scalability, allowing us to support mission-critical workflows for experiences of any scale. We also offer proactive monitoring and various tiers of customer support. For customers that rely on Kaltura to power TV experiences, we offer service availability commitments of up to 99.995%, the highest industry benchmark required by major media and telecom customers. Additionally, we are a leader in the market with the development, contribution, and support for industry standards such as MPEG-DASH, LTI, Caliper and Open Video Capture standards by IMS Global Learning Consortium. We maintain compliance with accessibility standards, such as 508, CVAA, and WCAG 2.0 AA, and issued a self-disclosing Voluntary Product Accessibility Template (“VPAT”) to ensure we adhere to the highest standards.
- **Cost Efficiency:** Our horizontal flexible, scalable, and extendable platform is cost-efficient to deploy, operate, maintain, and to keep abreast of emerging trends and needs.

### **Our Opportunity**

We address a global market which includes on-demand, live, and real-time video experiences. We estimate our total addressable market in 2020 is approximately \$55 billion, including approximately \$39 billion from the real-time-conferencing market, which we entered in 2020 with the addition of real-time-conferencing capabilities into our Media Services and the launch of our Webinars, Virtual Events and Meetings products and our Virtual Classroom industry solution.

To calculate these figures, for our Enterprise and Technology addressable market, we first identify the number of enterprises (defined as businesses that generate revenue of at least \$1 billion) and mid-market businesses (defined as those that generate revenue of greater than \$50 million and less than \$1 billion) in each major geography. For our Education addressable market, we estimate the total number of higher education and K-12 institutions in each major geography. For our Media & Telecom addressable market, we estimate the total number of telecom operators and media companies in each major geography. For each addressable market, we multiply the total number of customers in each major geography by our estimate for the average annualized recurring revenue per customer in that major geography after having achieved broad implementation of our offerings, using internal company data and estimates. We then sum the total opportunity across each of these addressable markets.

We believe we have developed leading offerings for the on-demand and live markets and, with our planned increase in sales and marketing spend, that we are well-positioned to increase our relatively small share within each of these markets. Moreover, we entered the real-time conferencing market in 2020 with a differentiated set of offerings and have seen strong traction to date. We believe that the on-demand, live, and real-time conferencing markets are converging, and that this is a trend that we are well positioned to capitalize on given the breadth of our platform.

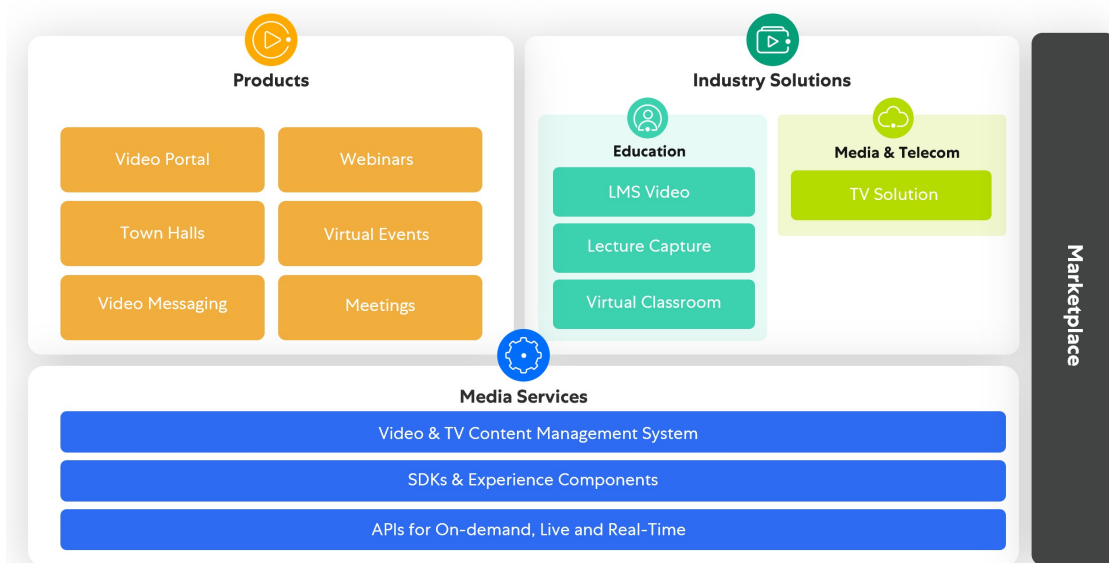
Over time, we expect our market opportunity to grow, driven by increased global spend on video software solutions and our expansion into additional technologies and industries, such as telehealth, retail, smart cities, and government.

## Growth Strategies

We intend to drive significant growth by executing on the following key strategies:

- **Acquire New Customers:** We believe we have a significant opportunity to expand our presence with Fortune Global 2000 companies and other global enterprises. Going forward, we plan to increase our investment in sales and marketing to capitalize on our significant market opportunity and on the strong sales efficiency unit economics that we have demonstrated. We intend to grow our base of field sales representatives and customer success managers, which we believe will drive both geographic and vertical expansion. Additionally, we are investing for the first time in inside sales, self-serve offerings, and distribution channels. We believe this will enable us to expand our presence across all industries – beyond enterprises into SMBs, beyond universities into K-12 schools, beyond tier 1 media and telecom companies to tier 2 and 3 media and telecom companies, and beyond providing Media Services to large technology companies to also addressing smaller technology firms and startups.
- **Extend Product Leadership:** We believe our platform is ideally suited for expansion across products, solutions, industries, and use cases. We will continue to invest in new technologies and harness existing ones. We intend to continue to invest in our solutions across multiple dimensions:
  - **Recent Product and Solution Introductions:** In 2020, we entered the real-time-conferencing market with the introduction of our Webinars and Meetings products, as well as our Virtual Classroom industry solution, focused on learning, training, and marketing. We believe these products present a significant long-term opportunity, and we intend to harness our growing presence with them, among other recently introduced offerings such as our Virtual Events product and our TV Solution.
  - **New Offerings**, including:
    - **Products:** We will continue to invest in new video products for training, communication and collaboration, marketing, sales and customer care.
    - **Industry Solutions:** We believe there is a significant opportunity to extend our platform into more industries. Following the success of our media & telecom and education applications, we intend to launch applications for industries such as telehealth, retail, government, and smart cities, among others.
    - **Media Services:** We intend to enhance our Media Services offerings with additional core capabilities and invest in areas such as content creation, personalization and interactivity, content aggregation and syndication, AI and smart monetization. We also intend to add these capabilities into our existing and new products and industry solutions.
- **Increase Revenue from Existing Customers:** We plan to continue to increase sales within our existing customer base through increased usage of our platform and the cross-selling of additional products and solutions. For the year ended December 31, 2020 and the three months ended March 31, 2021, our Net Dollar Retention Rate was 107% and 116%, respectively, demonstrating our ability to expand within our existing customer base.
- **Augment our Platform Offering through Partnerships and Opportunistic M&A:** We plan to increase the breadth of partnerships with our technology partners, further allowing us to provide the most comprehensive video solutions to our customers. Additionally, we intend to continue to explore potential transactions that could enhance our capabilities or increase the scope of our technology footprint.

## The Kaltura Video Experience Cloud



Video experiences are the driving force for online interactions, at home, at work and at school. Our Video Experience Cloud powers all types of video experiences: live, real-time, and on-demand, engaging millions of end users daily. We designed our Video Experience Cloud from the ground up using API-based building blocks which govern the entire video lifecycle and provide the foundation for our video applications.

Our Media Services, which include our Video and TV Content Management Systems and our video APIs, underpin our products and industry solutions, addressing all Media Services required for creation, transcoding, management, security, distribution, publishing, and analytics across live, real-time, and on demand video experiences. We believe this offering sets us apart by enabling ease of integration and customization, and by allowing us to innovate at a very high pace. Our Media Services are also offered to technology companies and developers in the form of a PaaS that includes APIs, SDKs, and Experience Components.

Companies across all industries use our Video Portal, Town Halls, Video Messaging, Webinars, Virtual Events and Meetings products for communication, collaboration, training, and customer experience (marketing, sales, and customer care). Our industry solutions are used by educational institutions for in-class and remote teaching and learning, and by media and telecom companies to power TV and entertainment experiences.

### Kaltura Media Services

- **APIs, SDKs, and Experience Components:** These offerings include a comprehensive set of cloud video services addressing creation, ingestion, transcoding, management, security, editing, distribution, publishing, engagement, monetization, monitoring, multi-tenancy, and analyzing of video, audio, and images at scale. We also offer SDKs and Experience Components (a cluster of APIs that together form a software component with a front-end experience, such as a video player, live Q&A widget, online video editor, or polling tool) for fast development of advanced experiences, such as for video creation, capture, playback, webcasting, conferencing, or editing.



These offerings not only serve as the video engine and experience layer of our own products and industry solutions, but are also offered to our customers to enable them to build their own video workflows and products. Our Media Services also serve technology partners within our marketplace who build plugins to our platform and enable our and their customers to leverage their value-add services such as for advanced media creation, AI, transcription, and delivery. Our Media Services are used today primarily by technology and healthcare companies; however, we believe they have potential applications across all industries.

- **Video and TV Content Management Systems:** Kaltura Video and TV Content Management Systems are a market leading multi-tenant media content management systems (“CMS”). Our Video CMS offers integrations with social business applications, learning management systems, marketing automation systems, content management systems, and video conferencing solutions. It also provides users with a Video Player Studio to design and configure lightweight, fast, and customizable video players for optimal viewing experiences on any device. Furthermore, it offers video AI and enrichment tools for captions, translations, and auto-chaptering. Our Video CMS also offers deep analytics built in, as well as support for Caliper and xAPI along with reporting APIs. Users can leverage our Video CMS’ extensible service framework for connecting third-party video enrichment services, as well as a centralized dashboard to manage workflows and budgets across services and departments. Our TV CMS serves as the administration console for our full-service offering which enables the launch and operation of a robust and scalable end-to-end, full-feature TV service. It enables Pay-TV and content providers to manage offers, content catalogs, users, devices and payments, handle marketing campaigns, and collect business intelligence to initiate data-driven decisions to optimize the business outcomes of their TV service. It also offers users a consistent and continuous viewing experience across devices, with TV apps available on Android TV streamers, Android TV STB, Apple TV, Web browsers, iOS, and Android mobile devices and tablets, as well as LG and Samsung Smart TVs.

### Kaltura Video Products

- **Video Portal:** Kaltura Video Portal is a market-leading enterprise video portal for watching, searching, creating, and engaging with live, real-time, and on-demand rich media content. This customizable portal can be used for learning and development, knowledge sharing and collaboration, as well as internal and external communication. It allows users, based on their permissions, to create, upload, share, search, browse, respond to quizzes, and watch live, real-time, and on-demand videos, video presentations, screencasts, conferencing recordings, and other rich media content, with full user management and moderation capabilities that enforce compliance and governance.
- **Town Halls:** Kaltura Town Halls enables customers to easily broadcast with confidence any event of any size, whether for departmental meetings, town halls, and executive communication. Users can go live from their studio or directly from their desktop or video conferencing solutions. Customers choose whether to use external encoders and studio production, or self-serve broadcasting to reduce production overhead and scale their live events. Users can also optimize bandwidth usage with flexible network delivery options including eCDN, P2P, dual-delivery, and more. Kaltura Town Halls also enables customers to broadcast video conferencing sessions via integrations with WebEx, Zoom, Skype for Business and others, while leveraging Kaltura Town Halls’ capabilities for achieving scale, network optimization, engagement, and analytics.
- **Video Messaging:** Kaltura Video Messaging empowers customers to easily create personalized video messages that can be more effective at getting recipients’ attention. Our Video Messaging allows senders to track exactly when their recipients watch their videos. Customers use video messages for sales emails to increase conversions, for internal communications that change behavior, and for executive messaging that truly connects with employees.

- **Webinars:** Kaltura Webinars offers branded webinars with interactive tools to engage audiences. It provides customers with a brandable solution to ensure consistent brand messaging and customizable management to fit different needs. Additionally, Webinars offers interactive tools with rich video playback, polls, and other features, as well as integrated, advanced analytics to track engagement and connect to marketing automation workflows. Furthermore, via Kaltura Webinars, users can scale to any audience with live broadcast, without the need to plan or incur more cost, and its rich media recordings are immediately ready for reuse in embeddable galleries and for distribution to social channels.
- **Virtual Events:** Kaltura Virtual Events is a fully customizable virtual events platform designed to support differentiated experiences at scale, supporting live, simulated live, real-time, and on-demand experiences, with unique networking and engagement functionality. Kaltura Virtual Events supports any event size and type, creating dedicated journeys for all attendee types, flexible sponsor packages, and robust analytics.
- **Meetings:** Kaltura Meetings allows customers to launch engaging collaboration spaces with one click. It is used across various internal and external use cases, including internal brainstorming sessions, meetings with customers, and more. Kaltura Meetings features various tools that enable efficiency and productivity, including an interactive whiteboard, shared notes, chat, and shared content playlist.

#### **Kaltura Industry Solutions – Education**

- **LMS Video:** Kaltura Learning Management Systems (“LMS”) Video allows customers to experience rich media as a native part of their LMS workflows by embedding video creation, publishing, search, playback, editing, captioning, analytics, and quizzing anywhere within the learning environment (course content, assignments, discussions, and more). These products enable customers to organize media repositories within course media galleries, personal user spaces, and instructor repositories for collaboration, reuse, and sharing of content. Quiz results and video engagement metrics can be seamlessly integrated into LMS gradebooks or analytics features. Kaltura LMS Video is available for various systems, including Moodle, Blackboard, Sakai, Canvas, and Brightspace.
- **Lecture Capture:** Kaltura Lecture Capture is a capture tool to record lectures and classrooms and make recordings available to students via Kaltura’s platform. Lectures and classes can be captured from multiple different devices. Kaltura Lecture Capture allows users to automatically publish course capture recordings to LMS courses, and videos can be enriched with captioning, interactive video quizzes, and advanced metadata. Users can leverage advanced analytics on viewership with user-level heatmaps, insights on engagement, and comparative analysis. Furthermore, they can use learning tools such as video quizzes, dynamic layers, hotspots, and interactive video paths to increase engagement. Customers can also leverage Lecture Capture for automated transcription, editing, advanced analytics, and metadata extraction.
- **Virtual Classroom:** Kaltura Virtual Classroom offers a persistent virtual learning environment focused on engagement, interaction, and analytics. It enables users to join virtual classrooms with one click where participants interact face-to-face from any device, with no downloads or installations required. Kaltura Virtual Classroom offers collaboration and moderation tools, including whiteboard, quizzes, breakout rooms, and Q&A. Furthermore, Kaltura Virtual Classroom includes integrations to all leading LMS platforms and provides a white-label solution that can be customized to match each instructor’s class management style.

#### **Kaltura Industry Solutions – Media & Telecom**

- **TV Solution:** Our TV Solution is a turn-key solution powering TV operators to maximize their revenues, drive conversion and increase customer retention while providing the ability to conduct experiments and evaluate new monetization techniques. Geared towards medium-size media

companies and operators, who do not need the level of customization required by tier-1 companies, Kaltura TV Solution contains all the required modules out-of-the-box to manage the TV service offering: content packages, pricing, discounts and coupons (in multiple currencies), support for free trials, seasonal pass and Pay-Per-View, box sets, Electronic-Sell-Through, and Advertising, Subscription, and Transactional offerings, as well as the user interface and apps for consumers.

## Customers

As of March 31, 2021, we served over 1,000 customers, including several of the world's leading brands across multiple industries, including financial services, high technology, healthcare, education, public sector, media and telecommunications. We serve 25 of the US Fortune 100, and more than 50% of U.S. R1 educational institutions, including seven of the eight Ivy League schools. Additionally, our solutions power 15 major global TV initiatives.

Our customers are global, spanning 47 countries, and during the year ended December 31, 2020, our technology reached end users in over 150 countries. For the year ended December 31, 2020 and the three months ended March 31, 2021, approximately 61% and 63% of our revenue was generated from customers in the Americas, 31% (in each such period) from customers in EMEA and 8% and 6% from customers in APAC, respectively. We have sold our products to customers of all sizes, selling to large global enterprises as well as more recently to SMBs.

A representative list of our customers is set forth below:

- Technology: Oracle, Berlitz, Chegg, Stride, Powtoon, HealthStream
- Financial: Goldman Sachs, Wells Fargo, Bloomberg, Standard Chartered
- Education: University of Indiana, Utah Education Network, Regents of the University of Minnesota (through its Office of Information Technology), Houston Community College, Cornell, Oregon State University, Purdue University
- Media & Telecom: Vodafone, Flipkart, YLE, Zee Entertainment Enterprises Limited, O'Reilly Media, Watch Brasil, EYZ Media
- Automotive and Manufacturing: BOSCH, General Motors
- Professional Services & Consulting: Accenture

## Case Studies

The following are representative examples of how some of our customers have benefited from adopting Kaltura:

### Oracle

**Situation**: Oracle is a leading technology company with more than 130,000 global employees. Oracle needed a video collaboration space to allow easy creation, sharing, search and management of video and rich media content. Furthermore, Oracle needed an external facing video hub, to share customer and partner video-based knowledge, as well as allow partners to easily contribute video content. Also, Oracle,

as a leading SaaS company, was interested in amplifying its intelligent content platform with support for video as a data type.

**Solution:** Oracle selected Kaltura and launched a branded video portal dubbed OTube for all global employees, as well as an external-facing VideoHub for partners and customers. Additionally, Oracle signed a strategic Media Services deal with Kaltura to power video in OCE's Intelligent Content Platform.

**Benefits:** As a result of using Kaltura across a wide range of use cases, Oracle experienced increased collaboration across teams, higher satisfaction from Partners, and the ability to reach over 130,000 employees around the globe with executive messaging in a more personal and approachable way.

### **Vodafone**

**Situation:** Vodafone operates mobile and fixed networks in 21 countries and partners with mobile networks in 48 more. As of September 30, 2020, Vodafone had over 300 million mobile customers, more than 27 million fixed broadband customers, over 22 million TV customers, and connected more than 112 million internet of things devices.

Vodafone was looking to deliver advanced super-aggregation multi-screen TV experiences across all its global footprint. Their vision was to operate a multi-country TV service that relies on a single common cloud-based platform, while maintaining carrier-grade service availability and improving business outcomes. To accomplish this goal, Vodafone had to undergo multiple migrations from diverse on-prem legacy systems.

**Solution:** Vodafone partnered with Kaltura to deliver its global TV services, utilizing private cloud infrastructure. Kaltura-powered services are live in 9 countries, with additional markets being under deployment. Vodafone TV ("VTV") relies on Kaltura's single common cloud-based platform, that enables it to reduce time-to-market by 60% and launch VTV in a new country in seven months.

**Benefits:** Kaltura transformed VTV, from a monolithic and hardware-centric architecture, with expensive on-prem deployments and CPE that varies per market, into an elastic multi-tenant SaaS operation, lowering the costs per subscriber by 50%. This transformation included multiple migrations of legacy TV systems. Kaltura enabled Vodafone to offer personalized cross-device experiences, combined with time-shifted viewing and Cloud TV super aggregation, that blends together local live and on-demand content with a broad variety of OTT services, which results in increase of their subscribers NPS and average revenue per user.

### **Berlitz**

**Situation:** Catering worldwide language-tutoring for B2C and B2B for over 140 years, Berlitz was looking to add an online and virtual platform to its face-to-face learning centers and mode of operation. They were looking for a platform that would be easy to use, tailored to their needs and would scale. It would also have to integrate into their new digital learning infrastructure, including their LMS.

**Solution:** Berlitz integrated Kaltura Virtual Classrooms into its ecosystem. Berlitz offers its users virtual classrooms with all Kaltura interactive tools, such as the digital whiteboard, intimate breakout rooms, and quizzes. Teachers can also record lessons, share screen, and display any content, whether web, in the-cloud or stored locally, without leaving the classroom.

**Benefits:** Berlitz launched in rather short time-to-market with an integrated solution, saving them a significant amount of time and effort, while benefiting from the engaging and interactive features designed especially for education in the Kaltura Virtual Classroom product, further contributing to its product and experience leadership in the market.

## **Indiana University**

**Situation:** Indiana University is a top U.S. university with over 114,000 students and 9,000 faculty in nine U.S. campuses (plus five more international gateway offices). The university was looking for a video platform to power their online learning programs and resources, as well as an automatic lecture recording tool that would be hassle-free for their busy professors.

**Solution:** Indiana University deployed the Kaltura video portal, lecture capture and LMS video products, which can be found in more than 850 classrooms and are used by over 85,000 students. Indiana University also leverages Kaltura for automated captioning, transcoding, and publishing for easy content discoverability and accessibility.

**Benefits:** Indiana University enjoys the benefit of Kaltura video both on campus and off, with integrated lecture capture workflows in classrooms, as well as video in the Canvas LMS for remote teaching and learning, all video is ingested into Indiana's centralized repository for automated captioning, transcoding, publishing, and management, driving better learning results, higher student satisfaction and retention.

## **Stride (Formerly K12)**

**Situation:** Stride is a premier provider of K-12 education for students, schools, and districts, including career learning services through middle and high school curriculum. Providing a solution to the widening skills gap in the workplace and student loan crisis, Stride equips students with real world skills for in-demand jobs with career learning. For adult learners, Stride delivers professional skills training in healthcare and technology, as well as staffing and talent development for Fortune 500 companies. Stride was looking to integrate a virtual classroom experience into its digital learning infrastructure, including its LMS and portal.

**Solution:** Stride integrated Kaltura Virtual Classrooms into its leading remote education service. Stride offers its users virtual classrooms with all Kaltura interactive learning tools, such as digital whiteboards, breakout rooms, quizzes, polls, video playback, presentation and screen-sharing, and more.

**Benefits:** Stride benefits from the engaging and interactive features designed especially for education in the Kaltura Virtual Classroom product, further contributing to its learning experiences and leadership in the market.

## **Powtoon**

**Situation:** Powtoon is a leading visual communication platform used by over 30 million people, including thousands of SMBs worldwide, top-rated and Ivy League universities, and 96% of Fortune 500 companies. You can find their animations, presentations and videos in product launches, digital and broadcast ads, tutorials, educational resources, and more. Powtoon adds a spark of awesomeness to everyday communications by turning content into materials that people want to watch and engage with.

**Solution:** Powtoon uses Kaltura's Media Services to support its rapid growth - evident in new users, videos created, and adoption by enterprises and universities - to power hosting, collaboration, publishing, and analytics across different use cases. Powtoon is also a Kaltura Premier Partner, bringing video, slides, and animation creation tools to Kaltura's Enterprise & Education customers through our platform.

**Benefits:** Thanks to the deep partnership with Kaltura, Powtoon managed to deliver advanced enterprise-grade video capabilities to their visual communications suite, paving the way for rapid growth and innovation.

## **Sales & Marketing**

Our sales organization is primarily comprised of direct sales and account teams that focus mainly on acquisition, retention, and growth of large customers, including Fortune Global 2000 organizations. We

currently have four direct sales and account teams, as noted below. Each of our teams sells the following offerings:

- M&T team, which sells our Media Services and TV Solution to media and telecom companies.
- Education team, which sells our Media Services, Video Products and specialized education industry solutions to universities and K-12 institutions.
- Technology team, which sells our Media Services and Video Products to technology companies who want to integrate our offerings into their own video workflows and products.
- “All Other Enterprises” team, which sells our Media Services and Video Products to all other customers (as well as sells our Video Products to our M&T customers).

Additionally, we leverage reseller relationships globally to help market and sell our products to customers worldwide, especially in areas in which we have a limited presence.

We are investing in initiatives to more efficiently reach new customers and expand our partnerships with existing ones. For example, we recently launched the option to purchase our Webinars, Meetings and Virtual Classroom offerings directly from our website, allowing us to reduce our cost of customer acquisition, drive additional opportunities to our direct sales team, reach smaller customers, and broaden our target market.

Our marketing efforts are focused on creating preference for our brand, and driving leads to Kaltura through thought leadership, participation in industry events, analyst and press coverage, customer referrals, community work, customer user groups, and our customer event “Kaltura Connect.” We also leverage digital campaigns and make free trials available for many of our products to drive engagement and conversion.

## **Research & Development**

Our business has been driven by constant innovation, anticipating trends ahead of other participants in the market. We believe we are one of the first organizations to recognize the importance and mission-critical nature of video experiences, and the subsequent need for Media Services that allow both us and our customers to support any video experience and workflow. Our ability to be a leader in our target markets and rapidly introduce new applications depends on the constant expansion of our Media Services, and the development of new products and industry solutions that rely on them.

We work closely with our customers to address their growing needs for video experiences across all areas of operation. Our engineers aim to stay on the cutting edge of video experiences and have released over 100 new and enhanced features a year, on average for the last several years. We estimate that our research and development employees dedicate at least 25% of their time to addressing customer-requested features that would be valuable across our customer base.

Our main research and development facility is located near Tel Aviv, Israel, which we believe is a strategic advantage for us, allowing us to leverage a talented pool of engineers and product experts.

## **Technology & Operations**

We believe our unique specialized Video Experience Cloud and technology enable a high level of reliability, scalability, performance, and security. Our cloud platform was specifically designed to address the entire lifecycle of video, addressing the need for intense computing resources for encoding, processing, synchronization, and delivery, as well as a higher level of bandwidth and network utilization and performance. We have addressed this in our platform design and development from the start. Our SaaS and PaaS offerings are deployed on AWS across several regions, including in Virginia, Oregon, Canada, Ireland, Frankfurt, Singapore, and Australia. In each region we are deployed on several availability zones for improved availability and resilience.

Our technology and platform are cloud agnostic, allowing us to also offer private cloud, on-premise, and hybrid deployment options. While the great majority of our customers are deployed on our AWS public cloud infrastructure, some customers are hosted on separate and dedicated AWS private cloud environments that are also managed by us. Some customers have a hybrid cloud deployment, running our platform from the public cloud alongside a locally hosted Kaltura Enterprise CDN service or with locally hosted content storage. We also cater to self-hosted on-premise customers that deploy the same Kaltura Video Experience Cloud fully on their own infrastructure, and manage it for themselves.

Our cloud operation teams are responsible for maintaining and upgrading our production environments, and for our system availability service-level agreements which vary from 99.9% to 99.995% (depending on the service).

Our customer care teams are located around the world and operate on a “follow-the-sun” model, providing 24/7 service and ensuring that issues with our products and platform are addressed quickly, and according to our service level agreements.

Our Video Operations Center (“VOC”) is responsible for monitoring our applications and services 24/7, responding to system alerts, and managing incidents.

### **Partner Ecosystem**

We have built an ecosystem consisting of over 125 partners that have integrated with our solutions, and extend our products and platform capabilities with creation, AI, transcripts, and delivery capabilities. We make our partners’ solutions available to our customers through our marketplace, complete with a variety of plugins and out-of-the-box integrations with our platform. This ecosystem further simplifies our customers’ workflows, enabling them to weave video capabilities into non-video workflows and discover new technologies to further enhance their own offerings, ultimately increasing their satisfaction and stickiness with our platform. It also allows us to test new experiences and components with our customers and determine which of the partnerships or technologies are strategic to our business.

We also leverage a network of value-add resellers that add additional services or integrations to our products, helping us drive the acquisition of new customers around the world, notably those in regions in which we do not have significant presence.

We also maintain relationships with cloud partners, most notably Amazon Web Services (“AWS”). We are an AWS Technology Partner and certified as an AWS competency partner in Education and Digital Workspace, with validated qualifications in Public Sector. Additionally, our offerings are available in the AWS marketplace.

### **Employees**

As of March 31, 2021, we had 650 employees operating across 27 countries on five continents.

Our average employee tenure is three years. Nearly 50% of new hires are employee referrals, and 97% of employees state that they understand how their jobs contribute to our overall goals, showing high engagement with the firm.

We are committed to ensuring a culture of diversity, equality, and inclusion. Our culture embraces our employees’ differences in age, race, gender and gender identity, sexual orientation, and nationality.

Our employees are not represented by a labor union in respect to their employment or covered by a collective bargaining agreement. We have not experienced any work stoppages and largely consider our relationship with our employees to be good and mutually beneficial.

## Competition

We believe our technology positions us well to compete with other video solution providers. Our key competitors vary based on market and industry.

- Our main competitors for **Kaltura Media Services** (including **Kaltura Video Content Management System**) are Microsoft/Azure Media Services, Amazon/AWS Media Services, and Twilio
- Our main competitors for **Kaltura Video Portal, Town Halls, and Video Messaging** are Microsoft Teams and Cisco (through their partnership with Vbrick)
- Our main competitors for **Kaltura Webinars and Meetings** are Zoom, Cisco/Webex, and Adobe/Connect
- Our main competitors for **Kaltura Virtual Events** are Intrado, and Hopin
- Our main competitors for our **Education Solutions (Kaltura LMS Video, Lecture Capture, and Virtual Classroom)** are Zoom, Microsoft/Teams, and Cisco/Webex
- Our main competitors for our **Media & Telecom Solution (Kaltura TV Content Management System and TV Solution)** are Synamedia (formerly under Cisco), MediaKind (formerly under Ericsson), and Comcast Technology Solutions (part of Comcast)

We believe the principal competitive factors in our markets include, but are not limited to:

- breadth and scale of products, solutions, and Media Services;
- ability to provide a cross-organization video platform with multiple interoperable video solutions;
- ability to support converging experiences across live, real time, and on-demand video;
- flexibility to build and support custom workflows using video technology;
- ease of customization and integration with other products;
- quality of service and customer satisfaction;
- flexibility of deployment options;
- ability to innovate quickly;
- data capabilities, including advanced analytics and AI;
- enterprise-grade reliability, security, and scalability;
- cost of implementation and ongoing use;
- brand recognition; and
- corporate culture.

We believe that we compare favorably on the basis of the factors listed above. However, many of our competitors have substantially greater financial, technical, and marketing resources; relationships with large vendor partners; larger global presence; larger customer bases; longer operating histories; greater brand recognition; larger and more mature intellectual property portfolios; and more established relationships in the industry than we do. Furthermore, new entrants not currently considered to be competitors may enter the market through acquisitions, partnerships, or strategic relationships. See “Risk Factors—Risks Related to Our Business and Industry—The markets in which we compete are nascent



and highly fragmented, and we may not be able to compete successfully against current and future competitors, some of whom have greater financial, technical, and other resources than we do. If we do not compete successfully, our business, financial condition and results of operations could be harmed.”

## **Intellectual Property**

Intellectual property is an important aspect of our business and we seek protection for our intellectual property rights as appropriate. To establish and protect our proprietary rights, we rely on a combination of patent, copyright, trade secret and trademark laws, know-how and continuing innovation, and contractual restrictions such as confidentiality agreements, licenses, and intellectual property assignment agreements.

As of March 31, 2021, we owned nine issued U.S. patents and eleven non-U.S. patents and patent applications. The issued U.S. patents are expected to expire between 2028 and 2035.

We pursue the registration of our domain names, trademarks and service marks in the United States and in certain locations outside the United States. To protect our brand, we file trademark registrations in the United States and in some other jurisdictions. As of March 31, 2021, we owned five registered trademarks in the United States and three registered trademarks in foreign jurisdictions, including the European Union and Brazil, that we consider material to the marketing of our products, including the “Kaltura” name and logo.

We generally seek to enter into confidentiality agreements and proprietary rights agreements with our employees and consultants and to control access to, and distribution of, our proprietary information. However, we cannot guarantee that all applicable parties have executed such agreements. Such agreements can also be breached, and we may not have adequate remedies for such breach.

Intellectual property laws, procedures, and restrictions provide only limited protection, and any of our intellectual property rights may be challenged, invalidated, circumvented, infringed, misappropriated or otherwise violated. Furthermore, the laws of certain countries do not protect intellectual property and proprietary rights to the same extent as the laws of the United States, and we therefore may be unable to protect our proprietary technology in certain jurisdictions. Moreover, our platform and many of our products and services incorporate software components licensed to the general public under open-source software licenses. We obtain some components from software developed and released by contributors to independent open-source components of our platform. Open-source licenses grant licensees broad permissions to use, copy, modify and redistribute certain components of our platform. As a result, open-source development and licensing practices can limit the value of our proprietary software assets.

Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy or obtain and use our technology to develop products and services with the same functionality as our platform. Policing unauthorized use of our technology is difficult. Our competitors could also independently develop technologies like ours, and our intellectual property rights may not be broad enough for us to prevent competitors from selling products and services incorporating those technologies. For more information regarding the risks relating to intellectual property, see “Risk Factors—Risks Related to Information Technology, Intellectual Property and Data Security and Privacy.”

## **Facilities**

Our headquarters are located in New York, NY, where we lease approximately 11,683 square feet of office space pursuant to a sublease expiring in March 2022. We also lease approximately 3,860 square meters (approximately 41,549 square feet) of office space in Ramat Gan, Israel, where our primary research and development, human resources, and certain other finance and administrative activities are based. The lease for our research and development center expires in May 2022. We also subscribe for co-working office spaces in St. Louis, Memphis, Sydney, Singapore, London, Lisbon, and Jerusalem. We lease all our facilities and do not own real estate property. We believe that our current facilities are adequate to meet our current needs for the immediate future.

**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 have a material adverse effect on our business, operating results, cash flows or financial condition. Defending such proceedings is costly and can impose a significant burden on management and employees. We may receive unfavorable preliminary or interim rulings in the course of litigation, and there can be no assurances that favorable final outcomes will be obtained.

## MANAGEMENT

### Executive Officers and Directors

The following table sets forth information regarding our executive officers and directors as of the date of this prospectus.

Name	Age	Position with Company
<i>Executive Officers</i>		
Ron Yekutieli	48	Chairman, Chief Executive Officer and Director
Yaron Garmazi	56	Chief Financial Officer
Michal Tsur	48	President, Chief Marketing Officer and General Manager, Technology Sector
Sergei Liakhovetsky	52	Chief Technology Officer
<i>Non-Employee Directors</i>		
Narendra K. Gupta	72	Director
Richard Levandov	67	Director
Shay David	48	Director
Ronen Faier	50	Director Nominee*
Naama Halevi Davidov	50	Director Nominee*

\* To be elected to our board of directors effective upon the effectiveness of the registration statement of which this prospectus forms a part.

### Executive Officers

**Ron Yekutieli** is one of our co-founders and has served as our Chief Executive Officer and as Chairman of our board of directors since October 2006. Prior to Kaltura, Mr. Yekutieli co-founded VisualGate Systems Inc., a video surveillance company, in 2003, and co-founded and lead GPSSoft Ltd and the Destinator business unit in Paradigm Advanced Technologies Inc., a GPS navigation and tracking company, in 2001. Mr. Yekutieli serves as a member of the board of directors of Kaltura Asia Pte Ltd., an affiliate of Kaltura, Inc., and as a member of the board of directors of various private companies. He received a Master of Business Administration with honors from the Wharton School of the University of Pennsylvania in 2005. Mr. Yekutieli was selected to serve on our board of directors because of the perspective and experience he provides as our co-founder and Chief Executive Officer, as well as his extensive experience with technology companies.

**Yaron Garmazi** has served as our Chief Financial Officer since May 2017. Prior to joining Kaltura, Mr. Garmazi served as the Chief Executive Officer of Milestone Sport Ltd., a sports technology company, from 2016 to 2017, and as the Chief Financial Officer of Kontera, an online advertising company, from 2007 to 2011. He is a Certified Public Accountant (ISR) and received a Bachelor of Arts in Accounting and Business Management from the Tel Aviv College of Management in 1993.

**Michal Tsur** is one of our co-founders and has served as our President and Chief Marketing Officer since 2006 and as our General Manager, Technology Sector since 2016. Prior to Kaltura, Dr. Tsur was a co-founder and Vice President of Cyota, Inc., an online security and anti-fraud solutions company, from 1999 to 2005. Dr. Tsur was a post-doctoral fellow at Yale Law School from 2005 to 2006, and received a Doctoral degree from New York University in 2005 and a Bachelor of Arts in Law and Economics from the Hebrew University of Jerusalem in 1996.

**Sergei Liakhovetsky** has served as our Chief Technology Officer since May 2019. Prior to joining Kaltura, Mr. Liakhovetsky spent twenty years at Amdocs Inc., a telecommunication software and services company, where he held various roles, including Head of Open Networks Business Unit, Technology and

Vice President of Software Engineering, Open Networks. He received a Bachelor of Arts in Computer Science from the Academic College of Tel-Aviv-Yafo in 1997.

### **Non-Employee Directors**

**Narendra K. Gupta** has served as a member of our board of directors since September 2010. Mr. Gupta co-founded Nexus Venture Partners, a venture capital fund focused on investments in the United States and India, in 2006 and has served as Managing Director since its founding. Before Nexus Venture Partners, Mr. Gupta served in various executive positions, including founder, President, CEO and Chairman of Integrated Systems Inc., an information technology services company, from 1980 to 2000. Mr. Gupta currently serves as a member of the board of directors of Pubmatic, Inc., a cloud infrastructure company, and previously served on the boards of directors of Red Hat Inc., an open source software solutions company, Wind River Systems, Inc., a software company, and Tibco Software Inc., an enterprise software company. He also serves as a member of the Board of Trustees of the California Institute of Technology. Mr. Gupta received a Ph.D. in Engineering from Stanford University in 1974, a Master of Science in Engineering from the California Institute of Technology in 1970 and a Bachelor of Technology in Engineering from the Indian Institute of Technology, Delhi in 1969. Mr. Gupta was selected to serve on our board of directors because of his experience as a current and former executive and board member of a number of technology-related public companies and as an investor in global companies, his global expertise, industry and public company board experience, as well as his science and technology expertise.

**Richard Levandov** has served as a member of our board of directors since 2007. Mr. Levandov has also served as a general partner at Avalon Ventures, a venture capital firm, since 2007 and as a general partner at Masthead Venture Partners, a venture capital firm, since 1999. Mr. Levandov currently sits on the board of directors of both Avalon Ventures and Masthead Venture Partners. He received a Bachelor of Science in Management from Binghamton University in 1976. Mr. Levandov was selected to serve on our board of directors because of his extensive experience in the venture capital industry.

**Shay David** is one of our co-founders and has served as a member of our board of directors since October 2006. Dr. David previously held various roles with us, including President and General Manager of Media and Telecom from 2016 to 2019, and Chief Revenue Officer from 2012 to 2015. He co-founded Retrain.ai, an artificial intelligence company, in August 2020 and has served as its Chief Executive Officer and Chairman of the board of directors since its founding. Dr. David also currently serves on the board of directors of King Alfred School Society, a co-educational independent day school. He was a post-doctoral fellow at Yale Law School from 2007 to 2008, and received a Ph.D. in Science and Technology from Cornell University in 2008, a Master of Arts from New York University in 2003 and a Bachelor of Science in Computer Science Philosophy from Tel Aviv University in 2001. Dr. David was selected to serve on our board of directors because of the perspective and experience he provides as our co-founder and his extensive experience in the media and technology fields.

**Ronen Faier** has been nominated to serve on our board of directors. Mr. Faier has served as the Chief Financial Officer of SolarEdge Technologies, Inc., an energy management company, since January 2011. Prior to his role at SolarEdge, Mr. Faier has served in various executive positions at publicly traded companies such as SanDisk Corporation, a manufacturing company, VocalTec Communications, Inc., a telecom equipment provider, and msystems Ltd., a flash storage device company. Mr. Faier is a Certified Public Accountant in Israel. He received a Master's of Business Administration from Tel Aviv University in 2000 and a Bachelor of Arts in Accounting and Economics from the Hebrew University of Jerusalem in 1996. Mr. Faier was selected to serve on our board of directors because of his extensive financial and public company experience.

**Naama Halevi Davidov** has been nominated to serve on our board of directors. Dr. Halevi Davidov has served as a Financial Advisor to Healthy IO Ltd., a manufacturer and marketer of medical equipment, since March 2019 and to Gloat Ltd., a talent marketplace platform, since March 2020. Prior to that, Dr. Halevi Davidov served as our Chief Financial Officer from November 2012 to August 2017. Dr. Halevi

Davidov has also served on the board of our subsidiary, Kaltura Asia Pte Ltd. since February 2015. Dr. Halevi Davidov is a Certified Public Accountant in Israel. She received a Ph.D. in Strategy from Tel Aviv University in 2012, a Master's in Business Administration from Tel Aviv University in 2002 and Bachelor of Arts in Accounting and Economics from Tel Aviv University in 2000. Dr. Halevi Davidov was selected to serve on our board of directors because of her extensive knowledge of and experience with corporate financial strategy.

### **Family Relationships**

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

### **Board Composition and Election of Directors**

The existing members of our board of directors were elected pursuant to the provisions of the sixth amended and restated voting agreement (the "Voting Agreement"), dated as of July 22, 2016, by and among us and certain of our stockholders, pursuant to which the stockholders party thereto agreed to vote all of their respective shares of common stock, convertible preferred stock, redeemable convertible preferred stock or other voting securities, as the case may be, so as to elect the individuals designated from time to time by certain of our stockholders. In accordance with the Voting Agreement, Dr. Halevi Davidov was designated by Point 406 Ventures I, L.P., Mr. Faier was designated by Sapphire Ventures Fund II, L.P., Mr. Gupta was designated by Nexus India Capital II, LP, Mr. Levandov was designated by Avalon Ventures VII, L.P., and Mr. Yekutieli and Dr. David were designated by holders of a majority of the issued and outstanding common stock.

The provisions of the Voting Agreement described above will no longer be in effect upon the closing of this offering, and there will be no other contractual obligations regarding the election of our directors. Each of our current directors will continue to serve until the election and qualification of his or her successor, or his or her earlier death, resignation or removal.

### **Classified Board of Directors**

Upon the closing of this offering, our board of directors will be composed of six members. In accordance with our Post-IPO Certificate of Incorporation, which will be in effect upon the closing of this offering, our board of directors will be divided into three classes of directors. At each annual meeting of stockholders, a class of directors will be elected for a three-year term to succeed the class whose terms are then expiring, to serve from the time of election and qualification until the third annual meeting following their election or until their earlier death, resignation or removal. Upon the closing of this offering, our directors will be divided among the three classes as follows:

The Class I directors will be Narendra K Gupta and Ron Yekutieli, and their terms will expire at our first annual meeting of stockholders following this offering.

The Class II directors will be Ronen Faier and Richard Levandov, and their terms will expire at our second annual meeting of stockholders following this offering.

The Class III directors will be Shay David and Naama Halevi Davidov, and their terms will expire at our third annual meeting of stockholders following this offering.

Our Post-IPO Certificate of Incorporation will provide that the authorized number of directors may be changed only by resolution of our board of directors. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control. See the section of this prospectus captioned "Description of Capital Stock—Anti-takeover Provisions—Post-IPO Certificate of Incorporation and Post-IPO Bylaws" for a discussion of

these and other anti-takeover provisions found in our Post-IPO Certificate of Incorporation and Post-IPO Bylaws, which will be in effect upon the closing of this offering.

### **Director Independence**

Our common stock has been approved for listing on the Nasdaq Global Select Market. Under the listing rules of The Nasdaq Stock Market LLC (the "Nasdaq rules"), independent directors must comprise a majority of a listed company's board of directors within one year following the listing date of the company's securities. Under the Nasdaq rules, a director will only qualify as an "independent director" if that company's board of directors affirmatively determines that such person does not have a relationship with the company that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

In connection with this offering, our board of directors has undertaken a review of its composition, the composition of its committees and the independence of our directors and considered whether any director has a material relationship with us that could compromise his or her ability to exercise independent judgment in carrying out his or her responsibilities. Based upon information requested from and provided by each director concerning his or her background, employment and affiliations, including family relationships, our board of directors has determined that none of Naama Halevi Davidov, Ronen Faier, Narendra K. Gupta and Richard Levandov, representing four of our six directors, has 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 Nasdaq rules. In making this determination, our board of directors considered the relationships that each non-employee director has with us and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our common stock, convertible preferred stock and/or redeemable convertible preferred stock by certain non-employee directors and the relationships of certain non-employee directors with certain of our significant stockholders.

### **Board Committees**

Our board of directors has an audit committee, a compensation committee and a nominating and corporate governance committee, each of which has the composition and the responsibilities described below. In addition, from time to time, special committees may be established under the direction of our board of directors when necessary to address specific issues.

Each of the audit committee, the compensation committee and the nominating and corporate governance committee will operate under a written charter that will be approved by our board of directors in connection with this offering. A copy of each of the audit committee, the compensation committee and the nominating and corporate governance committee charters will be available on our corporate website at [www.kaltura.com](http://www.kaltura.com) upon the closing of this offering. The information contained on or that can be accessed through our website is not incorporated by reference into this prospectus, and you should not consider such information to be part of this prospectus.

#### ***Audit Committee***

Our audit committee oversees our corporate accounting and financial reporting process and assists our board of directors in monitoring our financial systems. Our audit committee will be responsible for, among other things:

- appointing, compensating, retaining and overseeing the work of our independent auditor and any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for us;
- discussing with our independent auditor any audit problems or difficulties and management's response;

- pre-approving all audit and non-audit services provided to us by our independent auditor (other than those provided pursuant to appropriate preapproval policies established by the committee or exempt from such requirement under SEC rules);
- reviewing and discussing our annual and quarterly financial statements with management and our independent auditor;
- discussing and overseeing our policies with respect to risk assessment and risk management; and
- establishing procedures for the receipt, retention and treatment of complaints received by us regarding accounting, internal accounting controls or auditing matters, and for the confidential and anonymous submission by our employees of concerns regarding questionable accounting or auditing matters.

Effective at the time of effectiveness of the registration statement of which this prospectus forms a part, our audit committee will consist of Messrs. Faier and Levandov and Dr. Halevi Davidov, with Mr. Faier serving as chair. All members of our audit committee meet the requirements for financial literacy under the applicable rules and regulations of the SEC and the Nasdaq rules. Our board of directors has affirmatively determined that Messrs. Faier and Levandov and Dr. Halevi Davidov meet the definition of “independent director” under Rule 10A-3 of the Exchange Act and the Nasdaq rules for purposes of serving on the audit committee. In addition, our board of directors has determined that Messrs. Faier and Levandov and Dr. Halevi Davidov will qualify as an “audit committee financial expert,” as such term is defined in Item 407(d)(5) of Regulation S-K and have the requisite accounting or related financial management expertise and financial sophistication under the applicable rules and regulations of the Nasdaq.

### ***Compensation Committee***

Our compensation committee oversees our compensation policies, plans and benefits programs. Our compensation committee will be responsible for, among other things:

- reviewing and approving, or recommending for approval by our board of directors, the compensation of our Chief Executive Officer and our other executive officers;
- reviewing and making recommendations to our board of directors regarding director compensation;
- reviewing and approving or making recommendations to our board of directors regarding our incentive compensation and equity-based plans and arrangements; and
- appointing and overseeing any compensation consultants.

Effective at the time of effectiveness of the registration statement of which this prospectus forms a part, our compensation committee will consist of Messrs. Gupta and Faier and Dr. Halevi Davidov, with Mr. Gupta serving as chair. Our board of directors has determined that Messrs. Gupta and Faier and Dr. Halevi Davidov meet the definition of “independent director” under the applicable Nasdaq rules for purposes of serving on the compensation committee, and are “non-employee directors” as defined in Section 16b-3 of the Exchange Act.

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

Our nominating and corporate governance committee oversees and assists our board of directors in reviewing and recommending nominees for election as directors. Our nominating and corporate governance committee will be responsible for, among other things:

- identifying individuals qualified to become members of our board of directors, consistent with criteria approved by our board of directors;
- recommending to our board of directors the nominees for election to our board of directors at annual meetings of our stockholders;
- overseeing the periodic self-evaluations of our board of directors; and
- developing and recommending to our board of directors a set of corporate governance guidelines and principles.

Effective at the time of effectiveness of the registration statement of which this prospectus forms a part, our nominating and corporate governance committee will consist of Messrs. Gupta and Levandov with Mr. Gupta serving as chair. Our board of directors has determined that Messrs. Gupta and Levandov meet the definition of "independent director" under applicable Nasdaq rules for purposes of serving on the nominating and corporate governance committee.

### **Board Leadership Structure**

Our board of directors is currently chaired by Mr. Yekutieli. Our corporate governance guidelines, which will be in effect upon the effectiveness of the registration statement of which this prospectus forms a part, provide that, if the chairperson of our board of directors is a member of management or does not otherwise qualify as independent, the independent members of our board of directors may elect among themselves a lead independent director. Effective at the time of effectiveness of the registration statement of which this prospectus forms a part, Mr. Gupta will serve as our lead independent director. The lead independent director's responsibilities include, but are not limited to: presiding over all meetings of the board of directors at which the chairman is not present, including any executive sessions of the independent directors; approving board meeting schedules and agendas; and acting as the liaison between the independent directors on the one hand and the chief executive officer and chairman of our board of directors on the other. Our corporate governance guidelines further provide the flexibility for our board of directors to modify our leadership structure in the future as it deems appropriate.

### **Role of the Board in Risk Oversight**

Our board of directors has an active role, as a whole and also at the committee level, in overseeing the management of our risks. Our board of directors is responsible for general oversight of risks and regular review of information regarding our risks, including credit risks, liquidity risks and operational risks. The compensation committee is responsible for overseeing the management of risks relating to our executive compensation plans and arrangements. The audit committee is responsible for overseeing the management of risks relating to accounting matters and financial reporting. The nominating and corporate governance committee is responsible for overseeing the management of risks associated with the independence of our board of directors and potential conflicts of interest. Although each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire board of directors is regularly informed through discussions with committee members and regular reports from management about such risks, as well as the actions taken by management to adequately address those risks. Our board of directors believes its administration of its risk oversight function has not negatively affected our board of directors' leadership structure.



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

Our board of directors has adopted a written Code of Business Conduct and Ethics that applies to our directors, officers (including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) and employees, which will become effective at the time of effectiveness of the registration statement of which this prospectus forms a part. Following this offering, a current copy of the Code of Business Conduct and Ethics will be posted on the investor section of our website. We intend to post any material amendments or waivers of our Code of Business Conduct and Ethics that apply to our executive officers on this website.

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

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

## EXECUTIVE COMPENSATION

This section discusses the material components of the executive compensation program for our executive officers who are named in the “Summary Compensation Table” below. In 2020, our “named executive officers” and their positions were as follows:

- Ron Yekutiel, Chairman, Chief Executive Officer and Director;
- Michal Tsur, President, Chief Marketing Officer and General Manager, Technology Sector; and
- Yaron Garmazi, Chief Financial Officer

This discussion may contain forward-looking statements that are based on our current plans, considerations, expectations, and determinations regarding future compensation programs. Actual compensation programs that we adopt following the completion of the IPO may differ materially from the currently planned programs summarized in this discussion.

### Summary Compensation Table

The following table presents all of the compensation awarded to, earned by or paid to our named executive officers for the year ended December 31, 2020.

Name and Principal Position	Year	Salary (\$) <sup>(1)(2)</sup>	Option Awards (\$) <sup>(4)</sup>	Non-Equity Incentive Plan Compensation (\$) <sup>(2)(5)</sup>	All Other Compensation (\$) <sup>(6)</sup>	Total
Ron Yekutiel <i>Chairman, Chief Executive Officer and Director</i>	2020	390,066 <sup>(3)</sup>	21,571,580	329,582 <sup>(3)</sup>	57,709	22,348,937
Michal Tsur <i>President, Chief Marketing Officer and General Manager, Technology Sector</i>	2020	233,012	5,392,895	223,047	55,285	5,904,239
Yaron Garmazi <i>Chief Financial Officer</i>	2020	271,537	2,311,241	173,281	66,633	2,822,692

(1) For 2020, compensation amounts received in non-U.S. currency have been converted into U.S. dollars using an exchange rate of 0.29 U.S. dollar per NIS (which was the average exchange rate for 2020).

(2) Amounts reflect the salary and bonus decreases in effect for each named executive officer during 2020. For additional information, see “Base Salaries” and “2020 Bonuses” below.

(3) Amounts also reflect the base fees paid and bonuses earned pursuant to Mr. Yekutiel's U.S. Consulting Agreement and U.K. Consulting Agreement (each as defined below).

(4) Amounts reflect the full grant-date fair value of options granted during 2020 computed in accordance with ASC Topic 718, rather than the amounts paid to or realized by the named individual. We provide information regarding the assumptions used to calculate the value of all option awards made to executive officers in Note 2(v) and Note 14 to our consolidated financial statements included elsewhere in this prospectus. The stock option awards granted to each of our named executive officers consisted of at-the-money options and premium options.

(5) Amounts reflect the amounts earned by the executives under their respective employment agreements (and consulting agreements for Mr. Yekutiel) pursuant to the Company's annual performance bonus program for the 2020 fiscal year. For additional information on these payments, see “2020 Bonuses” below.

(6) Amounts reflect: for Mr. Yekutiel, (i) a Company-paid car allowance and related expenses of \$11,216 and an associated tax gross up of \$12,929, (ii) a \$10,005 contribution by the Company for an Israeli education fund, (iii) a contribution of \$1,143 for an Israeli disability fund, (iv) a meal allowance of \$2,353, (v) a contribution of \$8,182 to an Israeli pension fund, (vi) a contribution of \$769 by the Company as recuperation pay and (vii) a contribution

of \$11,112 by the Company to an Israeli severance fund; for Dr. Tsur, (i) a contribution of \$17,476 by the Company for an Israeli education fund, (ii) a contribution of \$1,418 for an Israeli disability fund, (iii) a meal allowance of \$2,353, (iv) a contribution of \$13,859 to an Israeli pension fund, (v) a contribution of \$769 by the Company as recuperation pay and (vi) a contribution of \$19,410 by the Company to an Israeli severance fund; and for Mr. Garmazi, (i) a contribution of \$20,365 by the Company for an Israeli education fund, (ii) a contribution of \$7,023 to an Israeli disability fund, (iii) a meal allowance of \$2,353, (iv) a contribution of \$13,577 to an Israeli pension fund, (v) a contribution of \$696 by the Company as recuperation pay and (vi) a contribution of \$22,619 by the Company to an Israeli severance fund.

### ***Elements of the Company's Executive Compensation Program***

For the year ended December 31, 2020, the compensation for each named executive officer generally consisted of a base salary, performance-based bonus, standard employee benefits, and stock option awards under the Prior Plans. These elements (and the amounts of compensation and benefits under each element) were selected because we believe they are necessary to help us attract and retain executive talent which is fundamental to our success. Below is a more detailed summary of the current executive compensation program as it relates to our named executive officers.

#### ***Base Salaries***

The named executive officers receive a monthly salary to compensate them for services rendered to our Company. The monthly salary payable to each named executive officer is intended to provide a fixed component of compensation reflecting the executive's skill set, experience, role, and responsibilities. Each named executive officer's initial salary was provided in his or her employment agreement.

On April 16, 2020, in response to the COVID-19 pandemic, we imposed a reduction on the monthly salaries for certain of our employees, including our named executive officers. The monthly salaries paid to Mr. Yekutiel and Dr. Tsur were reduced by 20% and the monthly salary paid to Mr. Garmazi was reduced by 10%. Half of such monthly salary reductions were cancelled effective as of July 1, 2020 and monthly salaries were restored fully to pre-COVID-19 amounts effective October 1, 2020.

The actual salaries paid to each named executive officer for 2020 are set forth above in the Summary Compensation Table in the column entitled "Salary."

Effective as of January 1, 2021, our board of directors increased the base annual salaries of Mr. Yekutiel, Dr. Tsur and Mr. Garmazi to NIS 495,600, NIS 1,020,000 and NIS 1,080,000, respectively. Mr. Yekutiel will also be entitled to receive base fees of \$120,696 under his U.S. Consulting Agreement and \$181,056 under his U.K. Consulting Agreement (each as defined below).

#### ***Bonus Compensation***

##### *2020 Bonuses*

We maintain a cash-based incentive compensation program in which certain of our employees, including our named executive officers, are eligible to receive bonuses based on Company performance goals (the "MBO"). Such awards are designed to incentivize our named executive officers with a variable level of compensation that is based on performance measures established by our board of directors.

Under the MBO, each of our named executive officers were entitled to receive 70% of their on-target annual bonuses in monthly installments throughout the year, with final incentive awards earned based on actual performance for the year. The Company evaluates performance achievement in August, following which monthly bonus amounts may be adjusted to reflect projected performance. Following the end of the applicable year, the board of directors evaluates final achievement. The board of directors reviews the interim amounts already paid to executives against the actual amount of incentive payments earned and the applicable named executive officers receive a payout of the difference. If any overpayments to our named executive officers occur, those amounts will be deducted from future payments such executives are entitled to receive from the Company.

In response to the COVID-19 pandemic, we imposed a temporary target bonus reduction on certain of our employees, including our named executive officers. From April 16, 2020 to July 1, 2020, Mr. Yekutiel and Dr. Tsur's 2020 MBO monthly bonus payments were reduced by 20% and Mr. Garmazi's was reduced by 10%. On July 1, 2020, half of such reductions were cancelled. Monthly bonus payments were fully restored to pre-COVID-19 amounts effective October 1, 2020.

Pursuant to their respective employment agreements, Mr. Yekutiel, Dr. Tsur and Mr. Garmazi are eligible to receive annual bonuses of \$100,209, \$174,760 and \$135,769, as well as additional bonuses based on "stretch" performance targets of up to \$24,109, \$50,486 and \$39,222, respectively, for 2020, taking into account the temporary reductions due to the COVID-19 pandemic. In addition, pursuant to his US Consulting Agreement (as defined below), Mr. Yekutiel was eligible to earn an annual bonus of \$63,933 and an additional bonus based on "stretch" performance targets of up to \$27,704, as well as an annual bonus of \$95,611 and an additional bonus based on "stretch" performance targets of up to \$23,013 pursuant to his U.K. Consulting Agreement (as defined below). As a result, for 2020 Mr. Yekutiel, Dr. Tsur and Mr. Garmazi had aggregate bonus opportunities of \$334,579, \$225,246 and \$174,991, respectively.

Based on achievement of Company financial and operational metrics under the MBO, our board of directors awarded Mr. Yekutiel, Dr. Tsur and Mr. Garmazi 2020 bonuses pursuant to their respective employment agreements equal to an aggregate of \$121,659, \$223,047 and \$173,281, respectively. In addition, Mr. Yekutiel earned aggregate bonuses of \$91,637 pursuant to his U.S. Consulting Agreement and \$116,286 pursuant to his U.K. Consulting Agreement based on the achievement of the applicable performance targets for 2020. The actual bonuses earned by each named executive officer for 2020 are set forth above in the Summary Compensation Table in the column entitled "Non-Equity Incentive Plan Compensation."

Effective for 2021, our board of directors determined that Mr. Yekutiel, Dr. Tsur and Mr. Garmazi are eligible to receive annual bonuses under their respective employment agreements of NIS 434,400, NIS 765,000 and NIS 810,000, as well as additional bonuses based on "stretch" performance targets of up to NIS 141,600, NIS 286,875 and NIS 303,750, respectively. As a result, Mr. Yekutiel, Dr. Tsur and Mr. Garmazi will have aggregate bonus opportunities under their respective employment agreements of NIS 576,000, NIS 1,051,875 and NIS 1,113,750, respectively. In addition, Mr. Yekutiel will be eligible to earn an annual bonus of \$103,400 and an additional bonus based on "stretch" performance targets of up to \$51,700 under his U.S. Consulting Agreement, as well as an annual bonus of \$131,607 and an additional bonus based on "stretch" performance targets of up to \$42,900 pursuant to his U.K. Consulting Agreement.

## **Equity Compensation**

### *Stock Option Plans and Outstanding Awards*

We maintain the 2007 Stock Option Plan and the 2007 Israeli Share Option Plan, collectively referred to as the 2007 Plans, and the 2017 Equity Incentive Plan, referred to as the 2017 Plan, in order to facilitate the grant of equity incentives to directors, employees (including our named executive officers), consultants and other service providers of our Company and affiliates to obtain and retain services of these individuals, which is essential to our long-term success. We have only granted stock options to our eligible service providers under the 2007 Plans and 2017 Plan. The 2007 Plans were frozen as to new grants upon the effectiveness of the 2017 Plan. Any unvested shares underlying stock options granted pursuant to the 2007 Plans remain outstanding and continue to vest in accordance with their terms.

Pursuant to the 2007 Plans, Mr. Yekutiel and Dr. Tsur were granted awards of: (i) 819,000 options each, granted on July 25, 2012 with an exercise price of \$0.08 per share, all of which are already vested, and (ii) 2,436,439 options and 730,930, respectively, granted on October 16, 2013 with an exercise price of \$0.17 per share, all of which are already vested.

Pursuant to the 2017 Plan, Mr. Yekutiel, Dr. Tsur and Mr. Garmazi were granted awards of 1,219,500, 459,000 and 10,800 stock options, respectively, granted on August 14, 2018 with an exercise price of \$1.58 per share. Mr. Garmazi received an additional award of 972,000 stock options granted on November 6, 2017 with an exercise price of \$1.72 per share. Upon the occurrence of a Change in Control, such options held by Mr. Yekutiel and Dr. Tsur will accelerate and vest in full; provided that, if Mr. Garmazi is terminated by the Company without Cause within 12 months of such a Change in Control, his options will also accelerate and vest in full.

For purposes of these options, "Change in Control" means the occurrence of any of the following: (a) an acquisition of the Company by another entity by means of any transaction or series of related transactions (including, without limitation, any reorganization, merger or consolidation, or sale of more than 50% of the outstanding voting stock of the Company), or (b) a sale of all or substantially all of the assets of the Company, subject to the executive's continued employment through such Change in Control.

On December 24, 2020, we granted stock options under the 2017 Plan to each of our named executive officers, half of which vest based on the passage of time and half of which vest based on performance. Mr. Yekutiel received an aggregate of 6,300,000 options, Dr. Tsur received an aggregate of 1,575,000 options and Mr. Garmazi received an aggregate of 675,000 options. The time-based options were granted with an exercise price of \$4.99 per share and vest in ratable quarterly installments over a period of 36 months such that such options are fully vested three years from the vesting commencement date of April 1, 2021, subject to the executive's continued service through the applicable vesting dates. In the event the executive's employment is terminated for any reason other than for Cause (as defined in the 2017 Plan) or by the Executive for Good Reason within 12 months of a Merger Transaction (as defined in the 2017 Plan), such time-based options will accelerate and vest in full upon such termination of employment; provided that, in the event a Merger Transaction is consummated following March 31, 2022, Mr. Yekutiel's and Dr. Tsur's time-based options will immediately accelerate and vest in full upon the consummation of such Merger Transaction.

For purposes of these options, "Good Reason" means any of the following: (x) unless agreed to otherwise by the executive, the failure by the Company (or by such entity that employs the executive) to provide the executive with all or part of his agreed upon salary and/or any other benefits required under law and/or any other material breach by the Company (or by such entity that employs the executive) of any provision of the applicable employment agreement which breach, in each case, is not cured within 5 days after the receipt of written notice by the Company (or by such entity that employs the executive) of a description of such breach, if the breach is curable; (y) a reduction resulting in the value of the executive's salary and/or the monetary value of the executive's benefits, of more than 12.5%, unless such reductions are made in the same proportion as part of across-the-board salary reductions for substantially all other employees with a similar level; (z) a substantial diminution in the nature or status of the executive's responsibilities, duties, titles or reporting level (unless otherwise agreed to by the executive), provided, however, that notwithstanding the foregoing, for purposes of this subsection (z), a substantial diminution in such nature or status shall not exist in the event that due to a Merger Transaction the executive has authority and responsibility over a division, subsidiary or entity that is substantially similar in size to the division, subsidiary or entity over which the executive had authority and responsibility immediately prior to such Merger Transaction.

The December 2020 performance-based options were granted at a premium exercise price of \$13.34 per share and vest based on the achievement of specific share price targets such that 25% of the award will vest upon the fair market value of a share of common stock increasing fifty percent (50%) above the exercise price; an additional 25% of such award will vest upon the fair market value of a share increasing one-hundred percent (100%) above the exercise price; an additional 25% will vest upon the fair market value of a share increasing one-hundred and fifty percent (150%) above the exercise price; and the remaining 25% of the award will vest upon the fair market value increasing two-hundred percent (200%) above the exercise price (which fair market value, in each case, while the Company remains a privately-held company, will be determined using an independent valuation analysis approved by the board of

directors, or, following the completion of this offering, will be determined based upon the average trading price of our common stock over a 90-consecutive-day period), subject to the executive's continued service through the applicable vesting dates.

The share totals and exercise prices set forth above reflect adjustment made in connection with the 1-to-4.5 forward stock split of our common stock effected on March 19, 2021.

#### *2021 Plan*

In connection with this offering, we have adopted, and our stockholders have approved, the 2021 Incentive Award Plan, referred to below as the 2021 Plan, in order to facilitate the grant of cash and equity incentives to directors, employees (including our named executive officers) and consultants of our Company and certain of its affiliates and to enable our Company and certain of its affiliates to obtain and retain services of these individuals, which is essential to our long-term success. For additional information about the 2021 Plan, see “—Incentive Arrangements—2021 Incentive Award Plan” below.

#### ***Other Elements of Compensation***

##### ***Retirement Plans***

Our Israeli employees, including our named executive officers, are eligible to receive retirement benefits under the provident fund in Israel.

##### ***Employee Benefits and Perquisites***

###### *Health/Welfare Plans*

Generally, benefits available to our Israel-based employees are available to all employees on the same basis, which include annual vacation leave, sick leave, recuperation pay, transportation expense reimbursement, education fund and other customary or mandatory social benefits in Israel. We make monthly contributions to funds administered by financial institutions for certain pension and severance liabilities on behalf of each of our Israel-based employees, including our Israel-based named executive officers, subject to certain conditions. The amount of these contributions is based on a percentage of the employee's salary, taking into account any monthly salary. Generally, Company contributions are made to a manager's insurance policy, a pension fund, or a combination thereof (based on the employee's personal choice), as well as contributions to disability insurance.

The majority of our Israel-based employees are subject to an arrangement in accordance with Section 14 of the Israeli Severance Pay Law, 5723-1963 (the “Severance Pay Law” and a “Section 14 Arrangement”), pursuant to which an employer and an employee may agree, as part of the employee's employment agreement, that the employer will make a monthly contribution, equal to 8.33% of the employee's monthly salary, to a special severance fund for the benefit of the employee. Upon the termination of the employee's employment (regardless of whether such termination was initiated by the employer or the employee), the aggregate contributions accrued in the severance fund will be released to the employee, in lieu of severance pay.

In the absence of such Section 14 Arrangement, the employer must still contribute, on a monthly basis, a certain percentage from the employee's monthly salary to a special severance fund for the benefit of the employee. However, in the event of such employee's dismissal by the employer, the employer has to pay such employees severance pay in an amount equal to the difference between the last monthly salary of the relevant employee multiplied by the number years of employment, and the amounts accrued in the above-mentioned funds.

Mr. Yekutiel receives a car allowance from the Company. The actual car allowance amounts paid to Mr. Yekutiel for 2020 is set forth above in the Summary Compensation Table in the column entitled “All Other Compensation.”

We believe the benefits and perquisites described above are necessary and appropriate to provide a competitive compensation package to our named executive officers.

### Tax Gross-Ups

Mr. Yekutiel received a tax gross-up of \$12,929 associated with the car allowance paid to him by the Company. In general, no other named executive officers received tax gross-ups from the Company. However, immediately prior to the first public filing of the registration statement of which this prospectus forms a part, the full outstanding principal amount of, and accrued and unpaid interest on, loans between certain of our executives, including Mr. Yekutiel and Dr. Tsur, and the Company, were automatically forgiven in accordance with the terms of the applicable loan agreements. In connection with such loan forgiveness, we expect to make tax gross-up payments to Mr. Yekutiel and Dr. Tsur of approximately \$308,482 and \$197,910, respectively. For additional information, see “Certain Relationships and Related Party Transactions—Director and Executive Officer Loans.”

### Outstanding Equity Awards at Fiscal Year-End

The following table represents information regarding outstanding equity awards held by our named executive officers as of December 31, 2020. The share totals and exercise prices set forth below reflect adjustment made in connection with the 1-to-4.5 forward stock split of our common stock effected on March 19, 2021.

Name	Grant Date	Option Awards					Option Exercise Price (\$)	Option Expiration Date
		Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Unearned Options (#)			
Ron Yekutiel	7/25/12 <sup>(1)</sup>	170,626	—	—	—	0.08	7/24/22	
	10/16/13 <sup>(1)</sup>	1,522,773	—	—	—	0.17	10/15/23	
	8/14/18 <sup>(2)</sup>	612,621	147,879	—	—	1.58	8/14/28	
	8/14/18 <sup>(2)</sup>	369,747	89,253	—	—	1.58	8/14/28	
	12/24/20 <sup>(3)</sup>	—	3,150,000	—	—	4.99	12/23/30	
	12/24/20 <sup>(4)</sup>	—	3,150,000	3,150,000	—	13.34	12/23/30	
Michal Tsur	7/25/12 <sup>(1)</sup>	170,626	—	—	—	0.08	7/24/22	
	10/16/13 <sup>(1)</sup>	456,831	—	—	—	0.17	10/14/33	
	8/14/18 <sup>(2)</sup>	369,747	89,253	—	—	1.58	8/14/28	
	12/24/20 <sup>(3)</sup>	—	787,500	—	—	4.99	12/23/30	
	12/24/20 <sup>(4)</sup>	—	787,500	787,500	—	13.34	12/23/30	
Yaron Garmazi	11/6/17 <sup>(5)</sup>	891,000	81,000	—	—	1.72	11/5/27	
	8/14/18 <sup>(5)</sup>	6,525	4,275	—	—	1.58	8/14/28	
	12/24/2020 <sup>(3)</sup>	—	337,500	—	—	4.99	12/23/30	
	12/24/2020 <sup>(4)</sup>	—	337,500	337,500	—	13.34	12/23/30	

(1) The options vest in forty-eight ratable monthly installments such that the award is fully vested four years after the vesting commencement date (February 15, 2012 for the 2012 option grants and October 16, 2013 for the 2013 option grants), subject to the executive's continued service through the applicable vesting dates. These options are fully vested.

(2) The options vest as to one-third of the options upon the first anniversary of the grant date, with the remaining two-thirds vesting in ratable monthly installments over the following two year period such that the award is fully

- vested three years after the vesting commencement date of July 1, 2018, subject to the executive's continued service through the applicable vesting dates.
- (3) These options vest in twelve quarterly installments such that the award is fully vested three years after the vesting commencement date of April 1, 2021, subject to the executive's continued service through the applicable vesting dates.
  - (4) These options vest based on the achievement of specified increases in the fair market value of a share such that 25% of the award will vest upon the fair market value of a share of common stock increasing fifty percent (50%) above the per share exercise price (\$13.34); an additional 25% of such award will vest upon the fair market value of a share increasing one-hundred percent (100%) above the per share exercise price; an additional 25% will vest upon the fair market value of a share increasing one-hundred and fifty percent (150%) above the per share exercise price; and the remaining 25% of the award will vest upon the fair market value increasing two-hundred percent (200%) above the per share exercise price.
  - (5) These options vest as to 25% of such options on the first anniversary of the vesting commencement date (April 18, 2017 and July 1, 2018, respectively), with the remaining 75% of such options vesting in ratable monthly installments over the following thirty-six months, subject to the executive's continued service through the applicable vesting dates.

## **Executive Compensation Arrangements**

### ***Ron Yekutiel***

#### *Employment Agreement*

On May 1, 2012, Kaltura Ltd. entered into an employment agreement with Mr. Yekutiel, which was subsequently amended on November 4, 2018 and again on December 30, 2019 (the "Yekutiel Employment Agreement"), providing for his employment as Chief Executive Officer of the Company. Mr. Yekutiel's employment with the Company is at-will. The Company may decide to terminate Mr. Yekutiel's employment at any time with 90 days' prior written notice of termination. During those 90 days, the Company must pay Mr. Yekutiel an amount equal to 90 days' of his annual base salary. Mr. Yekutiel may decide to terminate his employment at any time with 60 days' notice. During those 60 days, the Company must pay Mr. Yekutiel an amount equal to 60 days' of his annual base salary.

The Yekutiel Employment Agreement provides that Mr. Yekutiel is entitled to a monthly salary of NIS 41,000 and is eligible to earn a maximum annual performance bonus of NIS 369,600 and an additional annual stretch performance bonus of up to NIS 88,920, based on the achievement of certain goals and objectives defined by the Company. For additional information on the 2020 bonuses see "Bonus Compensation–2020 Bonuses" above.

Pursuant to the Yekutiel Employment Agreement, Mr. Yekutiel participates in a manager's insurance policy, a pension fund, or a combination thereof (based on his personal choice), up to a total of 15.83% of his determining salary, of which 8.33% is a severance pay component contributed to a severance fund and up to 7.5% of which is applied to pension payments and disability insurance. The Yekutiel Employment Agreement is not subject to a Section 14 Arrangement and, accordingly, upon termination of Mr. Yekutiel's employment by the Company without Cause, the Company will have to pay Mr. Yekutiel a supplemental payment for severance equal to one month of his salary as of the date of termination multiplied by the number of his years of employment with the Company minus the aggregate contributions accrued in his severance fund (which will be released to Mr. Yekutiel at such time). In addition, the Company contributes 7.5% of Mr. Yekutiel's monthly salary to an education fund, to which Mr. Yekutiel also contributes 2.5% of his monthly salary. Pursuant to the Yekutiel Employment Agreement, Mr. Yekutiel is also entitled to a monthly housing allowance of NIS 12,380. The Company ceased providing the housing allowance to Mr. Yekutiel in 2018.

"Cause" is defined in the Yekutiel Employment Agreement generally as (i) conviction of any felony involving moral turpitude or affecting the Company or its subsidiaries; (ii) any refusal to carry out a reasonable directive of the board of directors which involves the business of the Company or its subsidiaries and was capable of being lawfully performed; (iii) embezzlement of funds of the Company, its parent Company or its subsidiaries; (iv) ownership, direct or indirect, of an interest in a person or entity



(other than a minority interest in a publicly traded Company) in competition with the products or services of the Company or its parent Company, or its subsidiaries, including those products or services contemplated in a plan adopted by the board of directors of the Company or its subsidiaries; (v) any breach of the executive's fiduciary duties or duties of care to the Company (except for conduct taken in good faith); (vi) any material breach of the Yekutiel Employment Agreement by the executive.

#### *Consulting Agreements*

Mr. Yekutiel is also party to a consulting agreement with Kaltura, Inc. providing for his position as Chairman of the Board of Directors of the Company (the "U.S. Consulting Agreement") and a consulting agreement with Kaltura Europe Limited providing for corporate and business development services he renders to the Company's United Kingdom business (the "U.K. Consulting Agreement").

On November 1, 2006, we entered into the U.S. Consulting Agreement with Mr. Yekutiel, as was subsequently amended effective January 1, 2018 and January 1, 2020, pursuant to the which Mr. Yekutiel will render services as Chairman of the Board of Directors of the Company. Pursuant to the terms of the U.S. Consulting Agreement, Mr. Yekutiel is entitled to a monthly fee for his services of \$9,167 and is eligible to earn a maximum annual performance bonus of \$68,500 and an additional stretch performance bonus of up to \$29,683, based on the achievement of certain performance objectives established by the board of directors of the Company or its delegate. The U.S. Consulting Agreement provides that Mr. Yekutiel will be subject to a perpetual confidentiality covenant.

Effective May 1, 2014, we entered into the U.K. Consulting Agreement with Mr. Yekutiel, as was subsequently amended effective January 1, 2018 and January 1, 2020. Pursuant to the U.K. Consulting Agreement, Mr. Yekutiel is entitled to a monthly fee for his services of \$13,750 and is eligible to earn a maximum annual performance bonus of \$102,440 and an additional stretch performance bonus of up to \$24,657, based on the achievement of certain performance objectives established by the board of directors of the Company or its delegate.

#### ***Michal Tsur***

On January 1, 2007, the Company entered into an employment agreement with Dr. Tsur, which was subsequently amended on May 28, 2015, March 18, 2018 and again on December 30, 2019 (the "Tsur Employment Agreement"), providing for her employment as President and Chief Operating Officer (which title was subsequently changed to President, Chief Marketing Officer and General Manager, Technology Sector by the Company). Dr. Tsur's employment with the Company is at-will. The Company may decide to terminate Dr. Tsur's employment at any time with 90 days' prior written notice of termination. During those 90 days, the Company must pay Dr. Tsur an amount equal to 90 days' of her annual base salary. Dr. Tsur may decide to terminate her employment at any time with 60 days' notice. During those 60 days, the Company must pay Dr. Tsur an amount equal to 60 days' of her annual base salary.

The Tsur Employment Agreement provides that Dr. Tsur is entitled to a monthly salary of NIS 71,618, and is eligible to earn a maximum annual performance bonus of NIS 644,564 and additional annual performance stretch bonus of up to NIS 186,207, based on Dr. Tsur's and the Company's attainment of certain goals and objectives defined by the Company. For additional information on the 2020 bonuses see "Bonus Compensation–2020 Bonuses" above.

Pursuant to the Tsur Employment Agreement, Dr. Tsur participates in a manager's insurance policy, a pension fund, or a combination thereof (based on her personal choice), up to a total of 15.83% of her determining salary, of which 8.33% is a severance pay component contributed to a severance fund and up to 7.5% of which is applied to pension payments and disability insurance. The Tsur Employment Agreement is not subject to a Section 14 Arrangement and, accordingly, upon termination of Dr. Tsur's employment by the Company without Cause, the Company will have to pay Dr. Tsur a supplemental payment for severance equal to one month of her salary as of the date of termination multiplied by the number of her years of employment with the Company minus the aggregate contributions accrued in her severance fund (which will be released to Dr. Tsur at such time). In addition, the Company contributes

7.5% of Dr. Tsur's monthly salary to an education fund, to which Dr. Tsur also contributes 2.5% of her monthly salary.

"Cause" is defined in the Tsur Employment Agreement generally as (i) conviction of any felony involving moral turpitude or affecting the Company or its subsidiaries; (ii) any refusal to carry out a reasonable directive of the board of directors which involves the business of the Company or its subsidiaries and was capable of being lawfully performed; (iii) embezzlement of funds of the Company, its parent Company or its subsidiaries; (iv) ownership, direct or indirect, of an interest in a person or entity (other than a minority interest in a publicly traded Company) in competition with the products or services of the Company or its parent Company, or its subsidiaries, including those products or services contemplated in a plan adopted by the board of directors of the Company or its subsidiaries; (v) any breach of the executive's fiduciary duties or duties of care to the Company (except for conduct taken in good faith); (vi) any material breach of the Tsur Employment Agreement by the executive.

#### ***Yaron Garmazi***

On June 18, 2017, the Company entered into an employment agreement with Mr. Garmazi, which was subsequently amended on September 27, 2018, and again on December 30, 2019 (the "Garmazi Employment Agreement"), providing for his employment as Chief Financial Officer. Mr. Garmazi's employment with the Company is at-will and either party may terminate the Garmazi Employment Agreement at any time with 60 days' prior written notice of termination. The Company may decide to terminate Mr. Garmazi's employment effective as of such notice and instead pay Mr. Garmazi an amount equal to 60 days' of his monthly salary.

The Garmazi Employment Agreement provides that Mr. Garmazi is entitled to a monthly salary of NIS 80,581 and is eligible to earn a maximum annual performance bonus of NIS 483,488 and an additional annual stretch performance bonus of up to NIS 139,674, based on Mr. Garmazi's and the Company's attainment of certain goals and objectives defined by the Company. For additional information on the 2020 bonuses see "Bonus Compensation–2020 Bonuses" above.

The Garmazi Employment Agreement also provides that Mr. Garmazi is entitled to use of a company car (though Mr. Garmazi did not use a company car in 2020).

Pursuant to the Garmazi Employment Agreement, Mr. Garmazi participates in a manager's insurance policy, a pension fund, or a combination (based on his personal choice), up to a total of 15.83% of his determining salary, of which 8.33% is a severance pay component contributed to a severance fund and up to 7.5% of which is applied to pension payments and disability insurance. In the event Mr. Garmazi's employment is terminated for any reason other than for Cause, he will be entitled to receive all amounts accrued in his severance fund or policy to which the Company's severance contributions were paid during his employment, which payment is intended to satisfy the Company's obligations under the respective Section 14 Arrangement. In addition, the Company contributes 7.5% of Mr. Garmazi's monthly salary to an education fund, to which Mr. Garmazi also contributes 2.5% of his monthly salary.

Pursuant to the Garmazi Employment Agreement, Mr. Garmazi is subject to 12 month post-termination non-competition and non-solicitation covenants as well as confidentiality covenants.

"Cause" is defined in the Garmazi Employment Agreement generally as (i) the executive's breach of trust or fiduciary duties, including but not limited to theft, embezzlement, self-dealing, or breach of the provisions of the Company's Non-Competition, Proprietary Information and Inventions Agreement signed by the executive; (ii) any willful failure to perform or failure to perform competently any of the executive's material functions or duties under the Garmazi Employment Agreement (including violation of the Company's regulations, work-rules, policies, procedures and objectives, as shall be in effect from time to time), or other breach of the Garmazi Employment Agreement, which, if capable of cure, was not cured within five days of receipt by the executive of written notice thereof; (iii) an event in which the executive deliberately or gross negligently causes harm to the Company's business affairs or reputation; (iv) conviction of, or entry of any plea of guilty or nolo contendere by the executive for any felony or other

lesser crime that would require removal from his or her position at the Company (e.g. any alcohol or drug related misdemeanor); (v) personal dishonesty; (vi) willful misconduct; (vii) other cause justifying termination or dismissal without severance payment under applicable law; or (viii) if the executive has provided the Company with false information about past career and/or education during the recruiting phase.

## **Director Compensation**

No non-employee directors received compensation for their service on our board of directors in 2020.

In connection with this offering, we have adopted, and our stockholders have approved, the initial terms of our non-employee director compensation policy. Pursuant to this non-employee director compensation policy, each non-employee director will receive an annual retainer of \$30,000. In addition, the non-employee director serving as lead director of the board will receive an additional annual retainer of \$15,000 and non-employee directors serving on committees of our board of directors will receive the following additional annual fees, each earned on a quarterly basis: the chairperson of our audit committee will receive an additional annual fee of \$20,000, and other members of our audit committee will receive an additional annual fee of \$10,000; the chairperson of our compensation committee will receive an additional annual fee of \$10,000 and other members of our compensation committee will receive an additional annual fee of \$5,000; and the chairperson of our nominating and governance committee will receive an additional annual fee of \$8,000, and other members of our nominating and governance committee will receive an additional annual fee of \$4,000. Each director will receive an annual restricted stock unit award with a grant date value of \$180,000 (with prorated awards made to directors who join on a date other than an annual meeting following the first annual meeting after the closing of this offering), which will generally vest in full on the day immediately prior to the date of our annual shareholder meeting immediately following the date of grant, subject to the non-employee director continuing in service through such meeting date. The equity awards granted pursuant to this policy will accelerate and vest in full upon a change in control (as defined in the 2021 Plan).

## **Equity Plans**

### ***Existing Equity Plans***

We currently maintain our 2007 Plans and 2017 Plan, as described above, which we refer to in this prospectus as the "Prior Plans." After the closing of this offering and following the effectiveness of the 2021 Plan, no further grants will be made under the Prior Plans.

### ***2021 Incentive Award Plan***

In connection with this offering, we have adopted, and our stockholders have approved, the 2021 Plan, under which we may grant cash and equity incentive awards to eligible service providers in order to attract, motivate and retain the talent for which we compete. The material terms of the 2021 Plan are summarized below.

#### ***Eligibility and Administration***

Our employees, directors and other eligible service providers, and employees, directors and other eligible service providers of our parents and subsidiaries are eligible to receive awards under the 2021 Plan. The 2021 Plan is expected to be administered by our board of directors with respect to awards to non-employee directors and by our compensation committee with respect to other participants, each of which may delegate its duties and responsibilities to committees of our directors and/or officers (referred to collectively as the plan administrator below), subject to certain limitations that may be imposed under Section 16 of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and/or stock exchange rules, as applicable. The plan administrator has the authority to make all determinations and interpretations under, prescribe all forms for use with, and adopt rules for the administration of, the 2021

Plan, subject to its express terms and conditions. The plan administrator will also set the terms and conditions of all awards under the 2021 Plan, including any vesting and vesting acceleration conditions.

#### *Limitation on Awards and Shares Available*

The maximum number of shares of our common stock available for issuance under the 2021 Plan is equal to the sum of (i) 8,500,000 shares of our common stock, (ii) any shares which remain available for issuance under the Prior Plans as of the effective date of the 2021 Plan, (iii) an annual increase on the first day of each year beginning in 2022 and ending in and including 2031, equal to the lesser of (A) five percent (5%) of the outstanding shares of our common stock on the last day of the immediately preceding fiscal year and (B) such lesser amount as determined by our board of directors, and (iv) any shares of our common stock subject to awards under the Prior Plans which are forfeited or lapse unexercised and which following the effective date are not issued under such plan; provided, however, no more than 85,000,000 shares may be issued upon the exercise of incentive stock options, or ISOs. The share reserve formula under the 2021 Plan is intended to provide us with the continuing ability to grant equity awards to eligible employees, directors and consultants for the ten-year term of the 2021 Plan.

Awards granted under the 2021 Plan upon the assumption of, or in substitution for, outstanding equity awards previously granted by an entity in connection with a corporate transaction, such as a merger, combination, consolidation or acquisition of property or stock will not reduce the shares authorized for grant under the 2021 Plan. The maximum grant date fair value of cash and equity awards granted to any non-employee director pursuant to the 2021 Plan during any calendar year is \$750,000.

#### *Awards*

The 2021 Plan provides for the grant of stock options, including ISOs, and nonqualified stock options, or NSOs, restricted stock, dividend equivalents, stock payments, restricted stock units, or RSUs, other incentive awards, SARs, and cash awards. Certain awards under the 2021 Plan may constitute or provide for a deferral of compensation, subject to Section 409A of the Code, which may impose additional requirements on the terms and conditions of such awards. All awards under the 2021 Plan will be set forth in award agreements, which will detail all terms and conditions of the awards, including any applicable vesting and payment terms and post-termination exercise limitations. Awards other than cash awards generally will be settled in shares of our common stock, but the plan administrator may provide for cash settlement of any award. A brief description of each award type follows.

Stock Options. Stock options provide for the purchase of shares of our common stock in the future at an exercise price set on the grant date. ISOs, by contrast to NSOs, may provide tax deferral beyond exercise and favorable capital gains tax treatment to their holders if certain holding period and other requirements of the Code are satisfied. The exercise price of a stock option may not be less than 100% of the fair market value of the underlying share on the date of grant (or 110% in the case of ISOs granted to certain significant stockholders), except with respect to certain substitute options granted in connection with a corporate transaction. The term of a stock option may not be longer than ten years (or five years in the case of ISOs granted to certain significant stockholders).

SARs. SARs entitle their holder, upon exercise, to receive from us an amount equal to the appreciation of the shares subject to the award between the grant date and the exercise date. The exercise price of a SAR may not be less than 100% of the fair market value of the underlying share on the date of grant (except with respect to certain substitute SARs granted in connection with a corporate transaction) and the term of a SAR may not be longer than ten years.

Restricted Stock and RSUs. Restricted stock is an award of nontransferable shares of our common stock that remain forfeitable unless and until specified conditions are met, and which may be subject to a purchase price. RSUs are contractual promises to deliver shares of our common stock in the future, which may also remain forfeitable unless and until specified conditions are met. Delivery of the shares underlying RSUs may be deferred under the terms of the award or at the election of the participant, if the plan administrator permits such a deferral.

Stock Payments, Other Incentive Awards and Cash Awards. Stock payments are awards of fully vested shares of our common stock that may, but need not, be made in lieu of base salary, bonus, fees or other cash compensation otherwise payable to any individual who is eligible to receive awards. Other incentive awards are awards other than those enumerated in this summary that are denominated in, linked to or derived from shares of our common stock or value metrics related to our shares, and may remain forfeitable unless and until specified conditions are met. Cash awards are cash incentive bonuses subject to performance goals.

Dividend Equivalents. 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 credited as of dividend record dates during the period between the date an award is granted and the date such award vests, is exercised, is distributed or expires, as determined by the plan administrator.

#### *Vesting*

Vesting conditions determined by the plan administrator may apply to each award and may include continued service, performance and/or other conditions.

#### *Certain Transactions*

The plan administrator has broad discretion to take action under the 2021 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 plan administrator will make equitable adjustments to the 2021 Plan and outstanding awards. In the event of a "change in control" of the company (as defined in the 2021 Plan), to the extent that the surviving entity declines to continue, convert, assume or replace outstanding awards, then the plan administrator may provide that all such awards will terminate in exchange for cash or other consideration, or become fully vested and exercisable in connection with the transaction. Upon or in anticipation of a change in control, the plan administrator may cause any outstanding awards to terminate at a specified time in the future and give the participant the right to exercise such awards during a period of time determined by the plan administrator in its sole discretion. Individual award agreements may provide for additional accelerated vesting and payment provisions.

#### *Foreign Participants, Claw-Back Provisions, Transferability, and Participant Payments*

The plan administrator may modify award terms, establish subplans and/or adjust other terms and conditions of awards, subject to the share limits described above, in order to facilitate grants of awards subject to the laws and/or stock exchange rules of countries outside of the United States. The 2021 Plan will include an appendix for Israeli taxpayers pursuant to which tax-qualified options may be granted to eligible employees under Section 102 of the Israeli Income Tax Ordinance. All awards will be subject to the provisions of any claw-back policy implemented by us to the extent set forth in such claw-back policy and/or in the applicable award agreement. With limited exceptions for estate planning, domestic relations orders, certain beneficiary designations and the laws of descent and distribution, awards under the 2021 Plan are generally non-transferable, and are exercisable only by the participant. With regard to tax withholding, exercise price and purchase price obligations arising in connection with awards under the 2021 Plan, the plan administrator may, in its discretion, accept cash or check, provide for net withholding of shares, allow shares of our common stock that meet specified conditions to be repurchased, allow a "market sell order" or such other consideration as it deems suitable.

*Plan Amendment and Termination*

Our board of directors may amend or terminate the 2021 Plan at any time; however, except in connection with certain changes in our capital structure, stockholder approval will be required for any amendment that increases the number of shares available under the 2021 Plan. No award may be granted pursuant to the 2021 Plan after the tenth anniversary of the earlier of (i) the date on which our board of directors adopts the 2021 Plan and (ii) the date on which our stockholders approve the 2021 Plan.

## CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The following includes a summary of transactions since January 1, 2018 to which we have been a party in which the amount involved exceeded or will exceed \$120,000, and in which any of our directors, executive officers or, to our knowledge, beneficial owners of more than 5% of our capital stock or any member of the immediate family of any of the foregoing persons had or will have a direct or indirect material interest, other than equity and other compensation, termination, change in control and other arrangements, which are described under “Executive Compensation.” We also describe below certain other transactions with our directors, executive officers and stockholders.

### Director and Executive Officer Loans

From time to time, we have entered into loan agreements with certain of our directors and executive officers to finance their exercise of options to purchase shares of our common stock.

The following table summarizes each loan to our directors and executive officers having a principal amount outstanding as of December 31, 2020 in excess of \$120,000, including the date it was issued; its principal amount; the number of shares acquired pursuant to the option exercise (adjusted to reflect the 1-to-4.5 forward stock split of our common stock effected on March 19, 2021); the aggregate principal amount of indebtedness outstanding thereunder as of December 31, 2020; and the applicable interest rate. As of December 31, 2020, no principal or interest payments had been made with respect to any of the loans listed below. The full outstanding principal amount of, and accrued and unpaid interest on, each director and/or officer’s loan was automatically forgiven immediately prior to the first public filing of the registration statement of which this prospectus forms a part in accordance with the terms of the applicable loan agreement. In connection with such loans, we made a tax gross-up payment to Dr. David of \$0.1 million and anticipate making tax gross-up payments to Mr. Yekutiel and Dr. Tsur of \$0.3 million and \$0.2 million, respectively.

	Issue Date	Principal Amount	Number of Shares Acquired	Principal Amount Outstanding as of December 31, 2020	Interest Rate (per annum)
<b>Executive Officers</b>					
Ron Yekutiel	May 15, 2015	\$0.3 million	2,150,077	\$0.3 million	0.5%
Michal Tsur	May 15, 2015	\$0.2 million	1,510,510	\$0.2 million	0.5%
<b>Directors</b>					
Shay David	May 15, 2015	\$0.2 million	1,510,510	\$0.2 million	0.5%

### Transactions with Goldman Sachs & Co. LLC and Affiliates

Special Situations Investing Group II, LLC, an affiliate of Goldman Sachs & Co. LLC (sometimes referred to in this prospectus as “SSIG”), holds a warrant to purchase shares of our common stock, which we refer to in this prospectus as the “GS Warrant.” The GS Warrant will automatically exercise on a cashless basis immediately prior to the closing of this offering in accordance with its terms. The GS Warrant is initially issuable for 7,146,490 shares of our common stock at an exercise price of \$0.0001 per share; *provided* that the number of shares issuable upon the exercise of the GS Warrant in connection with an initial public offering is subject to certain adjustments based on the equity valuation implied by the midpoint of the price range set forth on the cover page of the preliminary prospectus related to such offering. After giving effect to such adjustments, we expect to issue 6,506,284 shares of our common stock to SSIG upon the automatic cashless exercise of the GS Warrant in connection with this offering.

SSIG also holds 1,666,667 shares of our Series F convertible preferred stock, all of which will convert into shares of common stock immediately prior to the closing of this offering. Pursuant to the terms of our certificate of incorporation, as currently in effect, the number of shares of common stock into which such shares will convert in connection with an initial public offering is determined using a price per share equal

to 102% of the midpoint of the price range set forth on the cover page of the preliminary prospectus related to such offering. As a result, after giving effect to certain adjustments in connection with the 1-to-4.5 forward stock split we effected on March 19, 2021, we expect to issue 7,937,455 shares of common stock to SSIG upon the conversion of our Series F convertible preferred stock in connection with this offering.

Pursuant to the terms of the GS Warrant and, in the case of our Series F convertible preferred stock, our certificate of incorporation, as currently in effect, we will be required to make certain cash payments to SSIG if the initial public offering price per share at which shares of our common stock are sold in this offering (the "Actual IPO Price") is less than the price per share used to calculate the number of shares issuable upon the automatic cashless exercise of the GS Warrant or the conversion of our Series F convertible preferred stock, as the case may be (the "Estimated Price"). Conversely, if the Actual IPO Price is greater than the Estimated Price, SSIG will be required to make certain cash payments to us.

The following table sets forth the approximate amount of the aggregate cash payments we expect to be required to make to SSIG assuming an Actual IPO Price equal to the midpoint of the price range set forth on the cover page of this prospectus and at certain potential prices below such midpoint:

<b>Actual IPO Price</b>	<b>Potential Payment from us to SSIG</b>
\$10.00	\$1.6 million
\$9.00	\$10.6 million
\$8.00	\$19.6 million
\$7.00	\$28.0 million
\$6.00	\$36.3 million

The following table sets forth the approximate amount of the aggregate cash payments we expect SSIG to be required to make to us if the Actual IPO Price is equal to certain potential prices above the midpoint of the price range set forth on the cover page of this prospectus.

<b>Actual IPO Price</b>	<b>Potential Payment from SSIG to us</b>
\$11.00	\$7.9 million
\$12.00	\$17.5 million
\$13.00	\$27.0 million
\$14.00	\$36.6 million

In addition, Mr. Holger Staude, a Managing Director of Goldman Sachs & Co. LLC, served as a member of our board of directors from July 2016 to February 2021. Goldman Sachs & Co. LLC is acting as an underwriter in this offering and will receive underwriting discounts and commissions as described elsewhere in this prospectus under the caption "Underwriting (Conflict of Interest)."

#### **Investors' Rights Agreement**

In July 2016, we entered into a sixth amended and restated investors' rights agreement (the "Investors' Rights Agreement") with certain of our investors, including each holder of more than 5% of our capital stock and certain of our directors and executive officers (or, in some cases, entities affiliated therewith). The Investors' Rights Agreement provides for certain registration rights relating to the registrable securities held by such investors. See "Description of Capital Stock—Registration Rights" for additional information. Subject to certain exceptions and limitations, in the event we issue additional equity securities or other securities that are or may become convertible or exchangeable into or exercisable for equity securities, the Investors' Rights Agreement provides the investors party thereto with a right of first offer to purchase up to that portion of such securities which equals the proportion that the shares of our common stock issued and held, or issuable upon the conversion and/or exercise of all



shares of our convertible preferred stock, redeemable convertible preferred stock and other derivative securities then held by such investor, bears to the total number of shares of our common stock then outstanding (assuming the conversion and/or exercise of all shares of our convertible preferred stock, redeemable convertible preferred stock and other derivative securities then outstanding). Any investors fully exercising such right will also have the right to purchase up to their pro rata share of any securities not purchased by other investors. This right of first offer does not apply to this offering and will terminate on the effective date of the registration statement of which this prospectus forms a part (provided that, with respect to Special Situations Investing Group II, LLC, the right of first offer will terminate upon the closing of this offering).

### **Voting Agreement**

We are party to the Voting Agreement, pursuant to which Special Situations Investing Group II, LLC, Sapphire Ventures Fund II, L.P., Nexus India Capital II, LP, Point 406 Ventures I, L.P. and Avalon Ventures VII, L.P., have certain designation rights with respect to the individuals to be elected to our board of directors. See “Management—Board Composition and Election of Directors.” The Voting Agreement will terminate by its terms in connection with the closing of this offering, and none of our stockholders will have any continuing rights thereunder regarding the election or designation of members of our board of directors.

### **Right of First Refusal and Co-Sale Agreement**

In July 2016, we entered into a sixth amended and restated right of first refusal and co-sale agreement (the “Right of First Refusal and Co-Sale Agreement”) with certain of our investors, including each holder of more than 5% of our capital stock and certain of our directors and executive officers (or, in some cases, entities affiliated therewith), pursuant to which we have a right of first refusal in respect of certain sales of securities by the investors party thereto. To the extent we do not exercise such right in full, such investors are granted certain rights of first refusal and co-sale in respect of such sale. The Right of First Refusal and Co-Sale Agreement will terminate in connection with the closing of this offering.

### **Employment Agreements**

We have entered into employment agreements with our named executive officers. For more information regarding the agreements with our named executive officers, see “Executive Compensation.”

### **Indemnification Agreements**

We intend to enter into indemnification agreements with each of our directors and executive officers. These agreements, among other things, require us or will require us to indemnify each director (and in certain cases their related investment funds) and executive officer to the fullest extent permitted by Delaware law, including indemnification of expenses such as attorneys’ fees, judgments, fines and settlement amounts incurred by the director or executive officer in any action or proceeding, including any action or proceeding by or in right of us, arising out of the person’s services as a director or executive officer. For further information, see “Executive Compensation.”

### **Equity Awards to Executive Officers and Directors**

We have granted stock options and other equity awards to our executive officers and directors as more fully described in the section entitled “Executive Compensation.”

### **Policies and Procedures for Related Person Transactions**

Our board of directors has adopted a written related person transaction policy, to be effective at the time of effectiveness of the registration statement of which this prospectus forms a part, setting forth the policies and procedures for the review and approval or ratification of related person transactions. This policy will cover, with certain exceptions set forth in Item 404 of Regulation S-K under the Securities Act, any transaction, arrangement or relationship, or any series of similar transactions, arrangements or

relationships, in which we were or are to be a participant, where the amount involved exceeds \$120,000 in any fiscal year and a related person had, has or will have a direct or indirect material interest, including without limitation, purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, guarantees of indebtedness and employment by us of a related person. In reviewing and approving any such transactions, our audit committee is tasked to consider all relevant facts and circumstances, including, but not limited to, whether the transaction is on terms comparable to those that could be obtained in an arm's length transaction and the extent of the related person's interest in the transaction. All of the transactions described in this section occurred prior to the adoption of this policy.

## PRINCIPAL STOCKHOLDERS

The following table sets forth information with respect to the beneficial ownership of our common stock, as of March 31, 2021, and as adjusted to reflect the sale of common stock by us in this offering, by:

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

The number of shares beneficially owned by each stockholder is determined under rules issued by the SEC. Under these rules, a person is deemed to be a “beneficial” owner of a security if that person has or shares voting power or investment power, which includes the power to dispose of or to direct the disposition of such security. Except as indicated in the footnotes below, we believe, based on the information furnished to us, that the individuals and entities named in the table below have sole voting and investment power with respect to all shares of common stock beneficially owned by them, subject to any applicable community property laws.

Percentage ownership of our common stock before this offering is based on 109,086,602 shares of our common stock outstanding as of March 31, 2021, after giving effect to the Preferred Stock Conversion and the Warrant Exercises. Percentage ownership of our common stock after this offering is based on 124,086,602 shares of our common stock outstanding as of March 31, 2021, after giving effect to the Preferred Stock Conversion and the Warrant Exercises, as described above, and our issuance of shares of our common stock in this offering. In computing the number of shares beneficially owned by an individual or entity and the percentage ownership of that person, shares of common stock subject to options, warrants or other rights held by such person that are currently exercisable or that will become exercisable within 60 days of March 31, 2021 are considered outstanding, although these shares are not considered outstanding for purposes of computing the percentage ownership of any other person. See “Underwriting (Conflict of Interest).” Unless noted otherwise, the address of all listed stockholders is 250 Park Avenue South, 10th Floor, New York, New York 10003.

Name of beneficial owner	Shares of common stock beneficially owned before and after this offering	Percentage of common stock beneficially owned	
		Before this offering	After this offering
<b>5% stockholders:</b>			
Entities affiliated with Point 406 Ventures <sup>(1)</sup>	17,567,626	16.1%	14.2%
Nexus India Capital II, L.P. <sup>(2)</sup>	16,053,858	14.7	12.9
Avalon Ventures VII, L.P. <sup>(3)</sup>	8,962,708	8.2	7.2
Intel Capital Corporation <sup>(4)</sup>	8,040,721	7.4	6.5
Sapphire Ventures Fund II, L.P. <sup>(5)</sup>	7,980,295	7.3	6.4
Special Situations Investing Group II, LLC <sup>(6)</sup>	14,443,739	13.2	11.6
<b>Named executive officers and directors:</b>			
Ron Yekutiel <sup>(7)</sup>	7,664,048	6.8	6.0
Michal Tsur <sup>(8)</sup>	5,219,167	4.7	4.2
Yaron Garmazi <sup>(9)</sup>	979,875	*	*
Narendra K. Gupta <sup>(10)</sup>	16,053,858	14.7	12.9
Richard Levandov	—	—	—
Shay David <sup>(11)</sup>	5,040,669	4.6	4.0
Ronen Faier	—	—	—
Naama Halevi Davidov <sup>(12)</sup>	421,875	*	*
<b>All executive officers and directors as a group (9 individuals)<sup>(13)</sup></b>	<b>35,788,992</b>	<b>31.0</b>	<b>27.4</b>

\* Less than 1%.

- (1) Consists of (i) 16,511,787 shares of common stock held by Point 406 Ventures I, L.P. ("Ventures I L.P."), (ii) 80,464 shares of common stock held by Point 406 Ventures I-A, L.P. ("Ventures I-A L.P."), and (iii) 975,375 shares of common stock held by Point203X2SPV, LLC ("SPV LLC" and, together with Ventures I L.P. and Ventures I-A L.P., the "Point 406 Ventures Funds"). .406 Ventures I GP, L.P. ("Ventures GP") is the general partner of each of Ventures I L.P. and Ventures II-A L.P. and the manager of SPV LLC. .406 Ventures I GP, LLC is the general partner of Ventures GP. Maria Cirino and Liam Donohue are the managing members of .406 Ventures I GP, LLC and, as a result, may be deemed to share voting and investment power with respect to the shares held by the Point 406 Ventures Funds. The mailing address of each of the entities identified in this footnote is 470 Atlantic Ave., 12th Floor, Boston, MA 02110.
- (2) Nexus India Management II, L.P. ("Nexus Management") is the general partner of Nexus India Capital II, L.P. ("Nexus Capital"). The general partner of Nexus Management is Nexus India Master Management I, Ltd. ("Nexus Master"). Narendra K. Gupta, a member of our board of directors, holds sole voting and investment power in Nexus Master and, as a result, may be deemed to hold sole voting and investment power over the shares held by Nexus Capital. The registered office address for each of the entities identified in this footnote is c/o Conyers Trust Company (Cayman) Limited, Six, 2nd Floor, Cricket Square, Hutchins Drive, P.O. Box 2681, George Town, Grand Cayman, KY 1-111, Cayman Islands, and the mailing address for each such entity is 3000 Sand Hill Road, Building 1, Suite 260, Menlo Park, CA 94025.
- (3) Avalon Ventures VII GP LLC ("Avalon GP") is the general partner of Avalon Ventures VII, LP ("Avalon LP"). Kevin J. Kinsella and Stephen L. Tomlin are the managing members of Avalon Ventures GP and, as a result, may be deemed to share voting and investment power with respect to the shares held by Avalon LP. The mailing address of each of the entities identified in this footnote is 1134 Kline Street, La Jolla, CA 92037.
- (4) Intel Capital Corporation ("Intel Capital") is a wholly owned subsidiary of Intel Corporation, a public company with common stock listed on the Nasdaq Global Select Market. For purposes of Rule 13d-3 under the Exchange Act, voting and investment power with respect to the shares of common stock held of record by Intel Capital are deemed to be held by Intel Corporation's nine-person board of directors. Decisions of Intel Corporation's board of directors are made by majority vote and, as a result, no individual director acting alone has the ability to exercise voting or investment power with respect to these shares. The mailing address of Intel

Corporation and Intel Capital Corporation is 2200 Mission College Blvd., M/S RNB 6-59, Santa Clara, CA 95054.

- (5) Sapphire Ventures (GPE) II, L.L.C. ("SAP GP") is the general partner of Sapphire Ventures Fund II, L.P. ("SAP LP"). Nino N. Marakovic, Richard Douglas Higgins, Jayendra Das, David A. Hartwig and Andreas Weiskam are the managing members of SAP GP and, as a result, may be deemed to share voting and investment power with respect to the shares held by SAP LP. The managing members each disclaim beneficial ownership of the securities reported herein, except to the extent of his or her pecuniary interest therein. The mailing address of each of the entities identified in this footnote is 3408 Hillview Avenue, Building 5, Palo Alto, CA 94304.
- (6) The shares are held of record by Special Situations Investing Group II, LLC, which is an affiliate of Goldman Sachs & Co. LLC, a New York limited liability company and a broker-dealer. Goldman Sachs & Co. LLC is a member of the New York Stock Exchange and other national exchanges. Goldman Sachs & Co. LLC is a direct and indirect wholly-owned subsidiary of The Goldman Sachs Group, Inc. ("GS Group"). GS Group is a public entity and its common stock is publicly traded on the New York Stock Exchange. The shares of common stock held by Special Situations Investing Group II, LLC were acquired in the ordinary course of its investment business and not for the purpose of resale or distribution. GS Group may be deemed to beneficially own the securities held by Special Situations Investing Group II, LLC. GS Group disclaims beneficial ownership of such securities except to the extent of its pecuniary interest therein. The mailing address for Special Situations Investing Group II, LLC is 200 West Street, New York, New York 10282.
- (7) Includes options to purchase 2,879,018 shares of common stock that are or will be immediately exercisable within 60 days of March 31, 2021.
- (8) Includes options to purchase 1,073,704 shares of common stock that are or will be immediately exercisable within 60 days of March 31, 2021.
- (9) Consists of options to purchase shares of common stock that are or will be immediately exercisable within 60 days of March 31, 2021.
- (10) Consists of shares of common stock held by Nexus India Capital II, L.P., which Mr. Gupta may be deemed to beneficially own. See footnote (2) above.
- (11) Consists of (i) 4,145,462 shares of common stock (1,285,510 of which are held of record by Dr. David and 2,859,952 of which are held of record by Good Choice LLC, of which Dr. David's wife is the managing director), and (ii) options to purchase 895,207 shares of common stock held by Dr. David that are or will be immediately exercisable within 60 days of March 31, 2021.
- (12) Includes options to purchase 247,500 shares of common stock that are or will be immediately exercisable within 60 days of March 31, 2021.
- (13) Includes options to purchase 6,484,804 shares of common stock that are or will be immediately exercisable within 60 days of March 31, 2021.

## DESCRIPTION OF CAPITAL STOCK

The following description of our capital stock and certain provisions of our Post-IPO Certificate of Incorporation and Post-IPO Bylaws are summaries and are qualified by reference to the Post-IPO Certificate of Incorporation and the Post-IPO Bylaws that will be in effect upon the closing of this offering. Copies of these documents will be filed with the SEC as exhibits to our registration statement, of which this prospectus forms a part. The descriptions of our common stock and preferred stock reflect changes to our capital structure that will occur upon the closing of this offering.

### General

Upon the closing of this offering, our authorized capital stock will consist of 1,020,000,000 shares, all with a par value of \$0.0001 per share, of which:

- 1,000,000,000 shares are designated as common stock; and
- 20,000,000 shares are designated as preferred stock.

### Common Stock

As of March 31, 2021, after giving effect to (i) the Preferred Stock Conversion, and (ii) the Warrant Exercises, we had outstanding 109,086,602 shares of common stock held of record by 269 stockholders.

Holders of our common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders and do not have cumulative voting rights. An election of directors by our stockholders shall be determined by a plurality of the votes cast by the stockholders entitled to vote on the election. Holders of common stock are entitled to receive proportionately any dividends as may be declared by our board of directors, subject to any preferential dividend rights of any series of preferred stock that we may designate and issue in the future.

In the event of our liquidation or dissolution, the holders of common stock are entitled to receive proportionately our net assets available for distribution to stockholders after the payment of all debts and other liabilities and subject to the prior rights of any outstanding preferred stock. Holders of common stock have no preemptive, subscription, redemption or conversion rights. Our outstanding shares of common stock are, and the shares offered by us in this offering will be, when issued and paid for, validly issued, fully paid and nonassessable. The rights, preferences and privileges of holders of common stock are subject to and may be adversely affected by the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.

### Preferred Stock

As of March 31, 2021, there were 16,850,111 shares of our convertible preferred stock and redeemable convertible preferred stock outstanding. Immediately prior to the closing of this offering, all outstanding shares of our convertible preferred stock and redeemable convertible preferred stock will convert into an aggregate of 76,262,952 shares of our common stock.

Under the terms of our Post-IPO Certificate of Incorporation, our board of directors is authorized to direct us to issue shares of preferred stock in one or more series without stockholder approval. Our board of directors has the discretion to determine the rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences, of each series of preferred stock.

The purpose of authorizing our board of directors to issue preferred stock and determine its rights and preferences is to eliminate delays associated with a stockholder vote on specific issuances. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions, future financings and other corporate purposes, could have the effect of making it more difficult for a third-party to acquire, or could discourage a third-party from seeking to acquire, a majority of our outstanding voting stock. Upon

the closing of this offering, there will be no shares of preferred stock outstanding, and we have no present plans to issue any shares of preferred stock.

### **Warrants**

As of March 31, 2021, we had warrants to purchase an aggregate of up to 158,091 shares of our redeemable convertible preferred stock outstanding, consisting of (i) the Series D Warrant, exercisable for up to 56,285 shares of our Series D convertible preferred stock at an exercise price of \$5.33 per share, and (ii) the Series E Warrants, exercisable for up to 32,841 shares of our Series E preferred stock at an exercise price of \$15.223 per share, and up to 68,965 shares of our Series E preferred stock at an exercise price of \$10.15 per share. The Series D Warrant and the Series E Warrants may be exercised at any time and from time to time, in whole or in part, prior to their respective expiration dates, *provided that*, if not previously exercised, each such warrant will be deemed to have been automatically exercised on a cashless basis immediately prior to its expiration. As described elsewhere in this prospectus, the Series D Warrant and the Series E Warrants will become exercisable for shares of our common stock as a result of the Preferred Stock Conversion and automatically exercised on a cashless basis immediately prior to the closing of this offering.

In addition, as of March 31, 2021, we had warrants to purchase shares of our common stock outstanding, consisting of (i) the Newrow Warrant, and (ii) the GS Warrant. The Newrow Warrant will remain outstanding following the closing of this offering and will be exercisable at any time, in whole or in part, for up to 613,255 shares of our common stock at an exercise price of \$0.0001 per share beginning in September 2022. Unless earlier exercised, the Newrow warrant will expire in March 2027. As described elsewhere in this prospectus, the GS Warrant will be automatically exercised on a cashless basis immediately prior to the closing of this offering. See “Certain Relationships and Related Party Transactions—Transactions With Goldman Sachs & Co. LLC and Affiliates.”

### **Options**

As of March 31, 2021, options to purchase 31,650,028 shares of our common stock were outstanding under our Prior Plans, of which 15,293,261 options were vested as of that date.

### **Registration Rights**

The Investors' Rights Agreement grants the parties thereto certain registration rights in respect of the “registrable securities” held by them, which securities include (i) shares of our common stock issued upon the conversion and/or exercise of shares of our convertible preferred stock, redeemable convertible preferred stock or other securities acquired by the investors party thereto after the date of the Investors' Rights Agreement, (ii) shares of our common stock held by our founders and (iii) shares of our common stock issued as a dividend or other distribution in respect thereof, or in exchange therefor or replacement thereof. The registration of shares of our common stock pursuant to the exercise of these registration rights would enable the holders thereof to sell such shares without restriction under the Securities Act when the applicable registration statement is declared effective. Under the Investors' Rights Agreement, we will generally be required to pay all expenses relating to such registrations, including the reasonable fees and disbursements of one counsel for the participating holders, and the holders will be required to pay all underwriting discounts and commissions relating to the sale of their shares and stock transfer taxes. The Investors' Rights Agreement also includes customary covenants, indemnification provisions and procedural terms.

Following the closing of this offering, holders of approximately 100,552,069 shares of our common stock (including shares issuable upon the Preferred Stock Conversion and the Warrant Exercises) will be entitled to such registration rights pursuant the Investors' Rights Agreement. These registration rights will terminate upon the earliest of (i) the date that is five years after the closing of this offering, (ii) the completion of certain liquidation events, (iii) the closing of certain corporate reorganizations or dispositions of all or substantially all of the assets of the Company and its subsidiaries taken as a whole and (iv) as to a given holder of registration rights, the date after the completion of this offering when such

holder of registration rights and its affiliates can sell all of their shares pursuant to Rule 144 of the Securities Act during a 90-day period without registration. Under the Investors' Rights Agreement, we are generally required to pay all expenses (other than underwriting discounts and commissions and certain other expenses) related to any registration effected pursuant to the exercise of such registration rights.

#### ***Demand Registration Rights***

At any time after the earlier of (x) two years after the date of the Investors' Rights Agreement and (y) six months after the closing of this offering, the holders of a majority of the registrable securities then outstanding may request that we file a registration statement with respect to all or a portion of the outstanding registrable securities of such holders having an aggregate proposed offering price, net of underwriting discounts and commissions, of at least \$5 million. Generally, we are only obligated to effect up to two such registrations.

Once we are eligible to use a registration statement on Form S-3, the holders of at least 15% of the registrable securities then outstanding may request that we file a registration statement on Form S-3 with respect to all or a portion of the outstanding registrable securities of such holders having an aggregate proposed offering price, net of underwriting discounts and commissions, of at least \$5 million. These holders may make an unlimited number of requests for registration on a registration statement on Form S-3. However, we generally will not be required to effect a registration on Form S-3 if we have effected two or more such registrations within the twelve-month period preceding the date of the request.

The demand registration rights described above are subject to certain customary conditions and limitations, including, if the holders requesting registration intend to distribute their securities by means of an underwritten offering, the right of the underwriters to limit the number of shares included in any such registration under certain circumstances. Additionally, if we determine that it would be materially detrimental to us and our stockholders to effect any such demand registration, we have the right to defer such registration, not more than once in any twelve-month period, for a period of up to 120 days.

#### ***Piggyback Registration Rights***

In the event that we propose to register any of our securities under the Securities Act, either for our own account or for the account of other security holders, in connection with the public offering of such securities, the holders of registrable securities party to the Investors' Rights Agreement will be entitled to certain "piggyback" registration rights allowing them to include all or a portion of their registrable securities in such registration, subject to certain marketing and other limitations. These "piggyback" registration rights do not apply to certain excluded registrations, including (i) registrations on a registration statement relating to any employee benefit plan or (ii) with respect to any corporate reorganization or transaction under Rule 145 of the Securities Act, any registration statement related to the issuance or resale of securities issued in such a transaction or (iii) any registration related to stock issued upon conversion of debt securities. As a result, whenever we propose to file a registration statement under the Securities Act, other than in connection with one of the foregoing excluded registrations, these holders will be entitled to notice of the registration and will have the right to include their registrable securities in the registration subject to certain limitations.

#### **Anti-Takeover Provisions**

Certain provisions of Delaware law, our Post-IPO Certificate of Incorporation and our Post-IPO Bylaws may have the effect of delaying, deferring, discouraging or preventing another person from acquiring control of us. As discussed below, these provisions are intended to discourage coercive takeover practices and inadequate takeover bids, and to encourage persons seeking to acquire control of our company to first negotiate with our board of directors. These provisions may also have the effect of inhibiting fluctuations in the market price of our common stock that may result from actual or rumored takeover attempts, and could make it more difficult to accomplish or deter transactions that stockholders may otherwise consider to be in their or our best interest, including transactions that provide for payment of a premium over the market price of our common stock. We believe, however, that the benefits of the



increased protection of our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging these proposals because negotiation of these proposals could result in an improvement of their terms.

#### ***Post-IPO Certificate of Incorporation and Post-IPO Bylaws***

Our Post-IPO Certificate of Incorporation and Post-IPO Bylaws 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:

##### *Undesignated Preferred Stock*

Our board of directors will have the authority, without action by our stockholders, to issue up to 20,000,000 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.

##### *Elimination of Stockholder Action by Written Consent; Special Meetings of Stockholders*

Pursuant to Section 228 of the DGCL, any action required to be taken at any annual or special meeting of stockholders may be taken without a meeting, without prior notice, and without a vote if a consent or consents in writing, setting forth the action so taken, is signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares of our stock entitled to vote thereon were present and voted, unless a corporation's certificate of incorporation provides otherwise. Our Post-IPO Certificate of Incorporation will provide that all stockholder actions must be effected at a duly called annual or special meeting of stockholders and not by written consent in lieu of a meeting. In addition, our Post-IPO Bylaws will provide that a special meeting of stockholders may be called only by the chair of our board of directors, our chief executive officer or president (in the absence of a chief executive officer), or by a resolution adopted by a majority of our board of directors. These provisions might delay the ability of our stockholders to force consideration of a proposal or for stockholders controlling a majority of our capital stock to take any action, including the removal of directors.

##### *Advance Notice Requirements for Stockholder Proposals and Director Nominations*

Our Post-IPO Bylaws will establish advance notice procedures for stockholders seeking to bring business before an annual meeting of our stockholders or to nominate candidates for election as directors at an annual meeting of our stockholders. Our Post-IPO 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 an annual meeting of stockholders or from making nominations for directors at an annual meeting of stockholders if the proper procedures are not followed. We expect that these provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company.

##### *Classified Board*

Our Post-IPO Certificate of Incorporation will provide that our board of directors is divided into three classes, Class I, Class II and Class III, with each class serving staggered terms. Our Post-IPO Certificate of Incorporation will further provide that no member of our board of directors may be removed from office by our stockholders except for cause and, in addition to any other vote required by law, upon the approval of the holders of at least two-thirds in voting power of the outstanding shares of stock entitled to vote in the election of directors. This system of electing and removing directors may tend to discourage a third party from making a tender offer or otherwise attempting to obtain control of us, because it will generally make it more difficult for stockholders to replace a majority of the members of our board of directors.

### *Board of Directors Vacancies*

Subject to the rights of the holders of any series of preferred stock that we may designate and issue in the future, our Post-IPO Certificate of Incorporation and Post-IPO Bylaws will authorize our board of directors to fill vacant directorships, including newly created seats, and the number of directors constituting our board of directors will be permitted to be set only by a resolution adopted by our board of directors. These provisions would prevent a stockholder from increasing the size of our board of directors and then gaining control of our board of directors by filling the resulting vacancies with its own nominees. This will make it more difficult to change the composition of our board of directors and will promote continuity of management.

### *Stockholders Not Entitled to Cumulative Voting*

The DGCL provides that stockholders are not entitled to cumulate votes in the election of directors unless a corporation's certificate of incorporation provides otherwise. Our Post-IPO Certificate of Incorporation will not permit stockholders to cumulate their votes in the election of directors. Accordingly, the holders of a majority of the outstanding shares of our common stock entitled to vote in any election of directors will be able to elect all of the directors standing for election, if they choose, subject to the rights of the holders of any series of preferred stock that we may designate and issue in the future.

### *Choice of Forum*

Our Post-IPO Certificate of Incorporation provides that, unless we consent in writing to the selection of an alternative form, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for: (1) any derivative action or proceeding brought on our behalf; (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or other agents to us or to our stockholders; (3) any action asserting a claim against us arising pursuant to any provision of the DGCL or our Post-IPO Certificate of Incorporation or Post-IPO Bylaws (as either may be amended and/or restated) or as to which the Delaware General Corporation Law confers exclusive jurisdiction on the Court of Chancery of the State of Delaware; or (4) any action asserting a claim governed by the internal affairs doctrine. Under our Post-IPO Certificate of Incorporation, this exclusive forum provision will not apply to claims which are vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery of the State of Delaware, or for which the Court of Chancery of the State of Delaware does not have subject matter jurisdiction. For instance, the provision would not apply to actions arising under federal securities laws, including suits brought to enforce any liability or duty created by the Securities Act, Exchange Act, or the rules and regulations thereunder. Our Post-IPO Certificate of Incorporation further provides that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America shall, to the fullest extent permitted by law, be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. Our Post-IPO Certificate of Incorporation also provides that any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of and to have consented to this choice of forum provision. By agreeing to this provision, however, stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder. It is possible that a court of law could rule that the choice of forum provision contained in our Post-IPO Certificate of Incorporation is inapplicable or unenforceable if it is challenged in a proceeding or otherwise.

### *Amendment of Charter and Bylaw Provisions*

Our Post-IPO Certificate of Incorporation will further provide that the affirmative vote of holders of at least two-thirds in voting power of the outstanding shares of our capital stock entitled to vote thereon will be required to amend certain provisions of our Post-IPO Certificate of Incorporation, including provisions relating to the size and classification of our board of directors, the election and removal of directors, the prohibition on stockholder action by written consent and the ability of stockholders to call special meetings. The affirmative vote of holders of at least two-thirds in voting power of the outstanding shares

of our capital stock entitled to vote thereon will be required to amend, alter or repeal our Post-IPO Bylaws, although our Post-IPO Bylaws may be amended by a simple majority vote of our board of directors.

### **Section 203 of the Delaware General Corporation Law**

We are subject to Section 203 of the DGCL, which prohibits a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years after the date that such stockholder became an interested stockholder, with the following exceptions:

- before such date, our board of directors approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon closing of the transaction that 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 began, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned by (1) persons who are directors and also officers and (2) 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
- on or after such date, the business combination is approved by our board of directors and authorized at an annual or special meeting of the stockholders, and not by written consent, by the affirmative vote of at least 66<sup>2/3</sup>% of the outstanding voting stock that is not owned by the interested stockholder. In general, Section 203 defines business combination to include the following:
- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, pledge or other disposition of 10% or more of the assets of the corporation involving the interested stockholder;
- subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- any transaction involving the corporation that has the effect of increasing the proportionate share of the stock or any class or series of the corporation beneficially owned by the interested stockholder; or
- the receipt by the interested stockholder of the benefit of any loss, advances, guarantees, pledges or other financial benefits by or through the corporation.

In general, Section 203 defines an “interested stockholder” as an entity or person who, together with the person's affiliates and associates, beneficially owns, or within three years prior to the time of determination of interested stockholder status did own, 15% or more of the outstanding voting stock of the corporation.

### **Corporate Opportunity Doctrine**

Delaware law permits corporations to adopt provisions renouncing any interest or expectancy in certain opportunities that are presented to the corporation or its officers, directors or stockholders. Our Post-IPO Certificate of Incorporation will, to the fullest extent permitted from time to time by Delaware law, renounce any interest or expectancy that we otherwise would have in, and all rights to be offered an opportunity to participate in, any business opportunity that from time to time may be presented to any director or stockholder who is not employed by us or our subsidiaries (each such person, an “exempt person”). Our Post-IPO Certificate of Incorporation will provide that, to the fullest extent permitted by law, no exempt person will have any duty to refrain from (1) engaging in a corporate opportunity in the same or similar lines of business in which we or our subsidiaries now engage or propose to engage or (2)

otherwise competing with us or our subsidiaries. In addition, to the fullest extent permitted by law, if an exempt person acquires knowledge of a potential transaction or other business opportunity which may be a corporate opportunity for itself or himself or its or his affiliates or for us or our subsidiaries, such exempt person will have no duty to communicate or offer such transaction or business opportunity to us or any of our subsidiaries and such exempt person may take any such opportunity for themselves or offer it to another person or entity. To the fullest extent permitted by Delaware law, no potential transaction or business opportunity may be deemed to be a corporate opportunity of us or any of our subsidiaries unless (1) we or such subsidiary would be permitted to undertake such transaction or opportunity in accordance with our Post-IPO Certificate of Incorporation, (2) we or such subsidiary, at such time, have sufficient financial resources to undertake such transaction or opportunity, (3) we or such subsidiary have an interest or expectancy in such transaction or opportunity, and (4) such transaction or opportunity would be in the same or similar line of business in which we or such subsidiary are then engaged, or a line of business that is reasonably related to, or a reasonable extension of, such line of business.

#### **Limitations on Liability and Indemnification Matters**

Our Post-IPO Certificate of Incorporation and Post-IPO Bylaws will provide that we will indemnify each of our directors and executive officers to the fullest extent permitted by the DGCL. Prior to the closing of this offering, we intend to enter into indemnification agreements with each of our directors and executive officers that may, in some cases, be broader than the specific indemnification provisions contained under Delaware law. Further, we will agree to indemnify each of our directors and executive officers against certain liabilities, costs and expenses, and we have purchased a policy of directors' and officers' liability insurance that insures our directors and executive officers against the cost of defense, settlement or payment of a judgment under certain circumstances. In addition, as permitted by Delaware law, our Post-IPO Certificate of Incorporation will include provisions that eliminate the personal liability of our directors for monetary damages resulting from breaches of certain fiduciary duties as a director. The effect of this provision is to restrict our rights and the rights of our stockholders in derivative suits to recover monetary damages against a director for breach of fiduciary duties as a director.

These provisions may be held not to be enforceable for violations of the federal securities laws of the United States.

#### **Listing**

Our common stock has been approved for listing on the Nasdaq Global Select Market under the symbol "KLTR."

#### **Transfer Agent and Registrar**

The transfer agent and registrar for our common stock is American Stock Transfer and Trust Company, LLC.

## SHARES ELIGIBLE FOR FUTURE SALE

Immediately prior to this offering, there was no public market for our common stock, and no predictions can be made about the effect, if any, that market sales of our common stock or the availability of such shares for sale will have on the market price prevailing from time to time. Nevertheless, future sales of our common stock in the public market, or the perception that such sales may occur, could adversely affect the market price of our common stock and could impair our ability to raise capital through future sales of our securities. See “Risk Factors—Risks Related to this Offering and Ownership of our Common Stock—Future sales of substantial amounts of our common stock in the public markets, or the perception that such sales might occur, could reduce the price that our common stock might otherwise attain.” Furthermore, although our common stock has been approved for listing on the Nasdaq Global Select Market, we cannot assure you that there will be an active public trading market for our common stock.

Upon the closing of this offering, based on the number of shares of our common stock outstanding as of March 31, 2021 and after giving effect to the Preferred Stock Conversion and the Warrant Exercises, we will have an aggregate of 124,086,602 shares of our common stock outstanding (or 126,336,602 shares of our common stock if the underwriters exercise in full their option to purchase additional shares). Of these shares of our common stock, all of the 15,000,000 shares sold in this offering (or 17,250,000 shares if the underwriters exercise in full their option to purchase additional shares) will be freely tradable without restriction or further registration under the Securities Act, except for any shares purchased by our “affiliates,” as that term is defined in Rule 144 under the Securities Act, whose sales would be subject to the Rule 144 resale restrictions described below, other than the holding period requirement.

The remaining 109,086,602 shares of our common stock will be “restricted securities,” as that term is defined in Rule 144 under the Securities Act. These restricted securities are eligible for public sale only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rules 144 or 701 under the Securities Act, which are summarized below. We expect that substantially all of these shares will be subject to the lock-up period under the lock-up agreements described below. Upon expiration of the lock-up period, these shares will be available for sale in the public market, subject in some cases to applicable volume limitations under Rule 144.

### **Lock-Up Agreements and Market Stand-Off Provisions**

We and each of our directors and executive officers and holders of substantially all of our outstanding equity securities prior to this offering are subject to lock-up agreements or market stand-off provisions. The lock-up agreements, subject to certain customary exceptions, prohibit them from offering for sale, selling, contracting to sell, granting any option for the sale of, transferring or otherwise disposing of any shares of our common stock or securities convertible into, exchangeable for, exercisable for, or repayable with common stock, for 150 days after the date of this prospectus without first obtaining the written consent of Goldman Sachs & Co. LLC and BofA Securities, Inc. These agreements are also subject to a limited early release, as discussed below. Holders of outstanding options to purchase our common stock and holders of our common stock issued pursuant to option exercises are subject to market stand-off provisions in agreements with us that impose similar restrictions.

#### ***Limited Early Release***

The lock-up period described above has a potential partial release date following the 60th day after the date of this prospectus, subject to certain conditions described below. If the last reported closing price of our common stock on the Nasdaq Global Select Market is at least 30% greater than the initial public offering price per share set forth on the cover page of this prospectus for at least 10 trading days out of any 15 consecutive trading day period ending on or after the 60th day after the date of this prospectus (the last day of such 15-day period, the “Early Release Determination Date”), the terms of the lock-up agreement to which any holder of our capital stock is subject will expire at the opening of trading three trading days after the Early Release Determination Date with respect to 20% of the aggregate number of

shares of common stock and shares of common stock underlying securities convertible into, or exchangeable or exercisable for, common stock held, as of the date of this prospectus, by such holder for which all vesting conditions are satisfied as of the Early Release Determination Date.

All shares of common stock subject to a lock-up agreement and not released pursuant to the partial release described above will otherwise be released 150 days after the date of this prospectus.

Upon the complete expiration of the lock-up period, substantially all of the shares subject to such lock-up and market stand-off restrictions will become eligible for sale, subject to the limitations discussed above. For a further description of these lock-up agreements, please see "Underwriting (Conflict of Interest)."

## **Rule 144**

### ***Affiliate Resales of Restricted Securities***

In general, beginning 90 days after the effective date of the registration statement of which this prospectus is a part, a person who is an affiliate of ours, or who was an affiliate at any time during the 90 days before a sale, who has beneficially owned shares of our common stock for at least six months would be entitled to sell in "broker's transactions" or certain "riskless principal transactions" or to market makers, a number of shares within any three-month period that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately 1,240,866 shares of our common stock immediately after this offering; or
- the average weekly trading volume in shares of our common stock on the Nasdaq Global Select Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Affiliate resales under Rule 144 are also subject to the availability of current public information about us. In addition, if the number of shares being sold under Rule 144 by an affiliate during any three-month period exceeds 5,000 shares or has an aggregate sale price in excess of \$50,000, the seller must file a notice on Form 144 with the SEC and the Nasdaq Global Select Market concurrently with either the placing of a sale order with the broker or the execution directly with a market maker.

### ***Non-Affiliate Resales of Restricted Securities***

In general, beginning 90 days after the effective date of the registration statement of which this prospectus is a part, a person who is not an affiliate of ours at the time of sale, and has not been an affiliate at any time during the three months preceding a sale, and who has beneficially owned shares of our common stock for at least six months but less than a year, is entitled to sell such shares subject only to the availability of current public information about us. If such person has held our shares for at least one year, such person can resell under Rule 144(b)(1) without regard to any Rule 144 restrictions, including the 90-day public company requirement and the current public information requirement.

Non-affiliate resales are not subject to the manner of sale, volume limitation or notice filing provisions of Rule 144.

## **Rule 701**

In general, under Rule 701, any of an issuer's employees, directors, officers, consultants or advisors who purchases shares from the issuer in connection with a compensatory stock or option plan or other written agreement before the effective date of a registration statement under the Securities Act is entitled to sell such shares 90 days after such effective date in reliance on Rule 144. An affiliate of the issuer can resell shares in reliance on Rule 144 without having to comply with the holding period requirement, and non-affiliates of the issuer can resell shares in reliance on Rule 144 without having to comply with the current public information and holding period requirements.

The SEC has indicated that Rule 701 will apply to typical options granted by an issuer before it becomes subject to the reporting requirements of the Exchange Act, along with the shares acquired upon exercise of such options, including exercises after an issuer becomes subject to the reporting requirements of the Exchange Act.

### **Equity Plans**

We intend to file one or more registration statements on Form S-8 under the Securities Act to register all shares of our common stock subject to outstanding options and shares of our common stock issued or issuable under our incentive plans. We expect to file the registration statement covering shares offered pursuant to our incentive plans shortly after the date of this prospectus, permitting the resale of such shares by non-affiliates in the public market without restriction under the Securities Act and the sale by affiliates in the public market, subject to compliance with the resale provisions of Rule 144.

### **Registration Rights**

Upon the closing of this offering, the holders of approximately 100,552,069 shares of our common stock or their transferees will be entitled to various rights with respect to the registration of these shares under the Securities Act. Registration of these shares under the Securities Act would result in these shares becoming fully tradable without restriction under the Securities Act immediately upon the effectiveness of the registration, except for shares purchased by affiliates. See "Description of Capital Stock—Registration Rights" for additional information. Shares covered by a registration statement will be eligible for sale in the public market upon the expiration or release from the terms of the lock-up agreement or market stand-off provisions to which they are subject.

## CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS

The following discussion is a summary of certain 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 (the "Code"), Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the U.S. Internal Revenue Service (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 of our common stock. 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. 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 subject to the alternative minimum tax;
- 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;
- "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; and
- persons subject to special tax accounting rules as a result of any item of gross income with respect to the stock being taken into account in an applicable financial statement.

If an entity or arrangement 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 OR UNDER THE LAWS OF ANY STATE, LOCAL OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.**

#### **Definition of a Non-U.S. Holder**

For purposes of this discussion, a “Non-U.S. Holder” is any beneficial owner of our 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 (1) is subject to the primary supervision of a U.S. court and the control of one or more “United States persons” (within the meaning of Section 7701(a)(30) of the Code), or (2) 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 entitled “Dividend Policy,” we do not anticipate declaring or paying dividends to holders of our common stock 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 on effectively connected income, dividends paid to a Non-U.S. Holder of our common stock 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 income tax treaty.

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 graduated 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 ("USRPI") by reason of our status as a U.S. real property holding corporation ("USRPHC") for U.S. federal income tax purposes.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular graduated rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected gain, as adjusted for certain items.

Gain 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), which may be offset by 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 by a Non-U.S. Holder of our common stock 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 potentially applicable income 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 applicable withholding agent does not have actual knowledge or reason to know the holder is a United States person and the holder either 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 and does not have actual knowledge or reason to know that such holder is a United States person, or the 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 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, or (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 (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) 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 (3) 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 (1) 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 the 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 stock on or after January 1, 2019, recently 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 (CONFLICT OF INTEREST)

We and the underwriters named below have entered into an underwriting agreement with respect to the shares of common stock 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 BofA Securities, Inc. are the representatives of the underwriters.

Underwriters	Number of Shares
Goldman Sachs & Co. LLC	
BofA Securities, Inc.	
Wells Fargo Securities, LLC	
Deutsche Bank Securities Inc.	
Canaccord Genuity LLC	
JMP Securities LLC	
KeyBanc Capital Markets Inc.	
Needham & Company, LLC	
Oppenheimer & Co. Inc.	
Total	<u>15,000,000</u>

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 2,250,000 shares of common stock 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 2,250,000 additional shares from us.

	No Exercise	Full Exercise
Per Share	\$	\$
Total	\$	\$

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 150 days after the date of this prospectus (the "lock-up period"), except with the prior written consent of Goldman Sachs & Co. LLC and BofA Securities, Inc.

The restrictions described in the paragraph above relating to us do not apply, subject in certain cases to various conditions (including the transfer of the lock-up restrictions), to:

- shares to be sold pursuant to the underwriting agreement;
- the issuance of any shares of common stock upon the conversion or exercise of convertible preferred stock or warrants outstanding on the date of this prospectus in connection with this offering;
- the issuance of any shares or any securities or other awards convertible into, exercisable for, or that represent the right to receive, shares of common stock pursuant to any of our stock option plan, incentive plan or stock purchase plan or otherwise in equity compensation arrangements described in this prospectus;
- the issuance of any shares upon the conversion, exercise or exchange of convertible, exercisable or exchangeable securities outstanding on the date of this prospectus, in each case if such convertible, exercisable or exchangeable securities is described in this prospectus;
- the filing by us of any registration statement on Form S-8; or
- the issuance of any common stock or any securities convertible into or exchangeable for, or that represent the right to receive, shares of common stock issued in connection with any joint venture, commercial or collaborative relationship or the acquisition or license by the Company of the securities, businesses, property or other assets of another person or entity or pursuant to any employee benefit plan assumed by the Company in connection with any such acquisition, provided that the aggregate number of shares that the Company may sell or issue shall not exceed 5% of the total number of shares of common stock issued and outstanding on the closing date of this offering.

The restrictions described in the paragraph above relating to the officers, directors, and our stockholders do not apply, subject in certain cases to various conditions (including no filing requirements (other than certain filings on Form 5) and the transfer of the lock-up restrictions), to transfers or dispositions:

- as a bona fide gift or gifts or as a charitable contribution;
- to any trust for the direct or indirect benefit of the lock-up party or their immediate family, or if the lock-up party is a trust, to a trustor, trustee (or co-trustee) or beneficiary of the trust or to the estate of the beneficiary of such trust;
- in connection with the sale of common stock acquired in this Offering (other than any Company-directed shares acquired by an officer or director) or in open market transactions after this offering;
- to another corporation, partnership, limited liability company, trust or other business entity that is an affiliate of the lock-up party, or to any investment fund or other entity controlled or managed by the lock-up party or its affiliates, or as part of a distribution, transfer or disposition without consideration to the lock-up party's current or former stockholders, partners, members, beneficiaries or other equity holders, or to the estate of any such stockholder, partner, member, beneficiary or other equity holder;
- to the Company in connection with the exercise, vesting, exchange or settlement of any options, restricted stock units, warrants or other rights to acquire shares of common stock, including any security convertible into, or exercisable or exchangeable for, or that otherwise represents the right to receive, shares of common stock, which option, restricted stock unit, warrant or other right is granted pursuant to an employee benefit plan described in this prospectus (including, in each case, by way of "net" or "cashless" exercise and/or to cover withholding tax obligations);

- by will or intestacy;
- to any immediate family member;
- by operation of law or pursuant to a court or regulatory agency order or a settlement agreement related to the distribution of assets in connection with the dissolution of a marriage, domestic partnership or civil union;
- to the Company pursuant to agreements under which the Company has the option to repurchase such securities or a right of first refusal with respect to transfers of such securities, in each case upon death, disability or termination of service of the lock-up party; and
- in connection with the conversion of outstanding shares of the Company's preferred stock into common stock as described in this prospectus, or any reclassification or conversion of the common stock.

Notwithstanding the foregoing, with respect to our officers, directors and holders of substantially all of our common stock, the lock-up period will end with respect to up to 20% of the aggregate number of shares of common stock, or any options or warrants to purchase any shares of common stock, or any securities convertible into, exchangeable for or that represent the right to receive shares of common stock held by the lock-up party if the last reported closing price of the common stock on the Nasdaq Global Select Market is at least 30% greater than the public offering price per share set forth on the cover page of this prospectus for at least 10 trading days out of any 15 consecutive trading day period ending on or after the 60th day after the date set forth on the cover page of the prospectus (the last day of such 15 day period, the "Early Release Determination Date"), and the lock-up party may sell or otherwise transfer beginning at the opening of trading three trading days after the Early Release Determination Date.

See "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 of our common stock. 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.

Our common stock has been approved for listing on the Nasdaq Global Select Market under the symbol "KLTR".

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 shares of our 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 our 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 Nasdaq Global Select Market, 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 \$5.0 million. We have also agreed to reimburse the underwriters for certain FINRA-related expenses incurred by them in connection with the offering in an amount up to \$40,000.

We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act.

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 us and to persons and entities with relationships with us, for which they received or will receive customary fees and expenses. See "Certain Relationships and Related Party Transactions." Goldman Sachs & Co. LLC and BofA Securities, Inc. are customers of our video products.

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 traded 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 ours (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with us. 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.

#### **Conflict of Interest**

Special Situations Investing Group II, LLC is an affiliate of Goldman Sachs & Co. LLC, an underwriter of this offering, and beneficially owns 13.2% of our outstanding capital stock prior to the consummation of this offering. Therefore, Goldman Sachs & Co. LLC is deemed to have a "conflict of interest" under FINRA Rule 5121. Accordingly, this offering is being conducted in compliance with the applicable provisions of FINRA Rule 5121. FINRA Rule 5121 prohibits Goldman Sachs & Co. LLC from making sales to discretionary accounts without the prior written approval of the account holder and requires that a "qualified independent underwriter," as defined in FINRA Rule 5121, participate in the preparation of the registration statement and exercise its usual standards of due diligence with respect thereto. BofA Securities, Inc. is assuming the responsibilities of acting as the "qualified independent underwriter" in this

offering and is undertaking the legal responsibilities and liabilities of an underwriter under the Securities Act, which specifically include those inherent in Section 11 thereunder.

### **European Economic Area**

In relation to each Member State of the European Economic Area (each a “Relevant State”), no shares of common stock (the “Shares”) have been offered or will be offered pursuant to the offering to the public in that Relevant State prior to the publication of a prospectus in relation to the Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that it may make an offer to the public in that Relevant State of any Shares at any time under the following exemptions under the Prospectus Regulation:

- (a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the representatives for any such offer; or
- (c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Shares shall require the Issuer or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any securities or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with each of the underwriters and the Issuer that it is a “qualified investor” within the meaning of Article 2(e) of the Prospectus Regulation. In the case of any securities being offered to a financial intermediary as that term is used in the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the securities 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 securities to the public other than their offer or resale in a Relevant 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.

For the purposes of this provision, the expression an “offer to the public” in relation to the Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

### **United Kingdom**

No securities have been offered or will be offered pursuant to the offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the securities which has been approved by the Financial Conduct Authority, except that the securities may be offered to the public in the United Kingdom at any time:

- (a) to any legal entity which is a qualified investor as defined under Article 2 of the U.K. Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the U.K. Prospectus Regulation), subject to obtaining the prior consent of the Representatives for any such offer; or
- (c) in any other circumstances falling within Section 86 of the FSMA;



provided that no such offer of the securities shall require the Issuer or any underwriter to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the U.K. Prospectus Regulation. For the purposes of this provision, the expression an “offer to the public” in relation to the securities 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 securities to be offered so as to enable an investor to decide to purchase or subscribe for any securities and the expression “U.K. Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are “qualified investors” (as defined in the U.K. Prospectus Regulation) (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, or the “Order,” and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons. Any person in the UK who is not a relevant person must not act on or rely upon this document 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 prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory of these rights or consult with a legal advisor.

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) (“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) (“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 (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 that 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 six 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 (“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 six 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 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.

## **Switzerland**

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (“SIX”) or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company, the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA), and the offer of shares has not been and will not

be authorized under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

### **Dubai International Financial Centre**

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The shares to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

### **Australia**

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission ("ASIC"), in relation to the offering. This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001 (the "Corporations Act"), and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the shares may only be made to persons (the "Exempt Investors") who are "sophisticated investors" (within the meaning of section 708(8) of the Corporations Act), "professional investors" (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the shares without disclosure to investors under Chapter 6D of the Corporations Act.

The shares applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring shares must observe such Australian on-sale restrictions.

This prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

### **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.

## Israel

The shares offered by this prospectus have not been approved or disapproved by the Israel Securities Authority (the "ISA"), nor have such shares been registered for sale in Israel. The shares may not be offered or sold, directly or indirectly, to the public in Israel, absent the publication of a prospectus that has been approved by the ISA. The ISA has not issued permits, approvals or licenses in connection with this offering or publishing this prospectus, nor has it authenticated the details included herein, confirmed their reliability or completeness, or rendered an opinion as to the quality of the shares being offered.

This document does not constitute a prospectus under the Israeli Securities Law, 5728-1968, or the Securities Law, and has not been filed with or approved by the ISA. In the State of Israel, this document may be distributed only to, and directed only at, and any offer of the common stocks is directed only at, (i) a limited number of persons in accordance with the Securities Law and (ii) investors listed in the first addendum, or the Addendum, to the Securities Law, consisting primarily of joint investment in trust funds, provident funds, insurance companies, banks, portfolio managers, investment advisors, members of the Tel Aviv Stock Exchange, underwriters, venture capital funds, entities with equity in excess of NIS 50 million and "qualified individuals," each as defined in the Addendum (as it may be amended from time to time), collectively referred to as qualified investors (in each case purchasing for their own account or, where permitted under the Addendum, for the accounts of their clients who are investors listed in the Addendum). Qualified investors will be required to submit written confirmation that they fall within the scope of the Addendum, are aware of the meaning of same and agree to it.

## LEGAL MATTERS

The validity of the shares of our common stock offered hereby will be passed upon for us by Latham & Watkins LLP, New York, New York. Certain legal matters will be passed upon for the underwriters by Davis Polk & Wardwell LLP, New York, New York.

## EXPERTS

Our consolidated financial statements as of and for the years ended December 31, 2019 and 2020, appearing in this prospectus and the registration statement of which it forms a part, have been audited by Kost Forer Gabbay & Kasierer, a member of Ernst & Young Global, independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and are included in reliance on such report given on the authority of such firm as experts in accounting and auditing.

## WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of common stock offered hereby. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits and schedules filed therewith. For further information about us and the shares of common stock offered hereby, we refer you to the registration statement and the exhibits and schedules filed thereto. Statements contained in this prospectus regarding the contents of any contract or any other document that is filed as an exhibit to the registration statement are not necessarily complete, and each such statement is qualified in all respects by reference to the full text of such contract or other document filed as an exhibit to the registration statement. The SEC maintains an Internet website that contains reports, proxy statements and other information about registrants, like us, that file electronically with the SEC. The address of that site is [www.sec.gov](http://www.sec.gov).

Upon the effectiveness of the registration statement, we will be subject to the informational requirements of the Exchange Act, and, in accordance with the Exchange Act, will file reports, proxy and information statements and other information with the SEC. Such annual, quarterly and special reports, proxy and information statements and other information can be inspected and copied at the locations set forth above. We intend to make this information available on the investor relations section of our website, which is located at [www.kaltura.com](http://www.kaltura.com). Information on, or accessible through, our website is not part of this prospectus.

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## **Report of Independent Registered Public Accounting Firm**

**To the Stockholders and the Board of Directors of Kaltura, Inc.**

### **Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of Kaltura, Inc. and subsidiaries (the Company) as of December 31, 2019 and 2020, the related consolidated statements of operations, changes in convertible and redeemable convertible preferred stock and stockholders' deficit and cash flows for each of the two years in the period ended December 31, 2020, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2019 and 2020, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

### **Restatement of the 2020 Consolidated Financial Statements**

As discussed in Note 20 to the financial statements, the accompanying 2020 consolidated financial statements have been restated to correct misstatements.

### **Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ KOST FORER GABBAY & KASIERER  
A Member of Ernst & Young Global

We have served as the Company's auditor since 2007.

Tel-Aviv, Israel

March 1, 2021, except for the stock split discussed in Note 14e and the effects of the restatement discussed in Note 20 as to which the date is March 23, 2021.

## CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands

	December 31,		March 31, 2021	Pro Forma Stockholders' Deficit as of March 31, 2021
	2019	2020 (as restated)		
<b>ASSETS</b>				
<b>CURRENT ASSETS:</b>				
Cash and cash equivalents	\$ 26,538	\$ 27,711	\$ 19,018	\$ 19,018
Trade receivables	10,829	17,134	23,805	23,805
Prepaid expenses and other current assets	1,769	2,769	4,653	4,653
Deferred contract acquisition and fulfillment costs, current	3,504	5,848	6,688	6,688
<b>Total current assets</b>	<b>42,640</b>	<b>53,462</b>	<b>54,164</b>	<b>54,164</b>
<b>NONCURRENT ASSETS:</b>				
Property and equipment, net	7,808	4,147	5,672	5,672
Other assets, noncurrent	2,378	3,564	4,908	4,908
Deferred contract acquisition and fulfillment costs, noncurrent	9,504	15,876	17,657	17,657
Intangible assets, net	1,107	2,835	2,616	2,616
Goodwill	9,381	11,070	11,070	11,070
<b>Total noncurrent assets</b>	<b>30,178</b>	<b>37,492</b>	<b>41,923</b>	<b>41,923</b>
<b>TOTAL ASSETS</b>	<b>\$ 72,818</b>	<b>\$ 90,954</b>	<b>\$ 96,087</b>	<b>\$ 96,087</b>
<b>LIABILITIES, CONVERTIBLE AND REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT</b>				
<b>CURRENT LIABILITIES:</b>				
Current portion of long-term loans	\$ 19,520	\$ 1,000	\$ 1,770	\$ 1,770
Current portion of long-term lease liabilities	2,337	1,738	1,323	1,323
Trade payables	2,662	5,045	5,858	5,858
Employees and payroll accruals	10,224	16,275	17,461	17,461
Accrued expenses and other current liabilities	5,122	11,251	13,884	13,884
Deferred revenue, current	36,720	47,685	53,257	53,257
<b>Total current liabilities</b>	<b>76,585</b>	<b>82,994</b>	<b>93,553</b>	<b>93,553</b>
<b>NONCURRENT LIABILITIES:</b>				
Deferred revenue, noncurrent	216	1,858	1,711	1,711
Long-term loans, net of current portion	28,180	47,160	47,688	47,688
Long-term lease liabilities, net of current portion	1,764	142	6	6
Other liabilities, noncurrent	1,772	2,564	2,244	2,244
Warrants to purchase preferred and common stock	17,111	56,780	59,782	—
<b>Total noncurrent liabilities</b>	<b>49,043</b>	<b>108,504</b>	<b>111,431</b>	<b>51,649</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 125,628</b>	<b>\$ 191,498</b>	<b>\$ 204,984</b>	<b>\$ 145,202</b>

The accompanying notes are an integral part of the consolidated financial statements.



## CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands (except share and per share data)

	December 31,		March 31, 2021	Pro Forma Stockholders' Deficit as of March 31, 2021
	2019	2020 (as restated)		
				(Unaudited)
<b>COMMITMENTS AND CONTINGENCIES (Note 10)</b>				
Convertible preferred stock, \$ 0.0001 par value per share -				
1,043,778 shares authorized, issued and outstanding as of December 31, 2019 and 2020, and March 31, 2021 (unaudited); aggregate liquidation preference of \$ 1,921 as of December 31, 2019 and 2020, and March 31, 2021 (unaudited); no shares issued and outstanding as of March 31, 2021, pro forma (unaudited)	1,921	1,921	1,921	—
Redeemable convertible preferred stock, \$ 0.0001 par value per share -				
15,968,831 shares authorized as of December 31, 2019 and 2020, and March 31, 2021 (unaudited), 15,779,322 issued and outstanding as of December 31, 2019 and 2020, and 15,806,333 as of March 31, 2021 (unaudited), respectively; aggregate liquidation preference of \$173,266, \$185,425 and \$188,789 as of December 31, 2019 and 2020, and March 31, 2021 (unaudited), respectively; no shares issued and outstanding as of March 31, 2021, pro forma (unaudited)	155,550	158,191	159,340	—
<b>Total mezzanine equity</b>	<b>157,471</b>	<b>160,112</b>	<b>161,261</b>	<b>—</b>
<b>STOCKHOLDERS' DEFICIT:</b>				
Common stock of \$ 0.0001 par value per share -				
157,500,000 shares authorized as of December 31, 2019 and 2020, and March 31, 2021 (unaudited); 30,645,159, 33,153,112 and 33,441,141, shares issued as of December 31, 2019 and 2020, and March 31, 2021 (unaudited), respectively; 22,959,969, 25,467,922 and 25,755,951 outstanding as of December 31, 2019 and 2020, and March 31, 2021 (unaudited) respectively; 116,771,792 shares issued and 109,086,602 shares outstanding as of March 31, 2021, pro forma (unaudited)	2	2	2	11
Treasury stock – 7,685,190 shares of common stock, \$0.0001 par value per share, as of December 31, 2019 and 2020, and March 31, 2021 (unaudited)	(4,881)	(4,881)	(4,881)	(4,881)
Additional paid-in capital	—	8,388	13,560	234,594
Receivables on account of stock	(882)	(882)	—	—
Accumulated deficit	(204,520)	(263,283)	(278,839)	(278,839)
<b>Total stockholders' deficit</b>	<b>(210,281)</b>	<b>(260,656)</b>	<b>(270,158)</b>	<b>(49,115)</b>
<b>LIABILITIES, CONVERTIBLE AND REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT</b>	<b>\$ 72,818</b>	<b>\$ 90,954</b>	<b>\$ 96,087</b>	<b>\$ 96,087</b>

The accompanying notes are an integral part of the consolidated financial statements.

## CONSOLIDATED STATEMENTS OF OPERATIONS

U.S. dollars in thousands (except share and per share data)

	Year ended December 31,		Three months ended March 31,	
	2019	2020 (as restated)	2020	2021
	(Unaudited)			
Revenue:				
Subscription	\$ 84,725	\$ 104,064	\$ 23,204	\$ 32,342
Professional services	12,624	16,376	2,702	5,371
Total revenue	97,349	120,440	25,906	37,713
Cost of revenue:				
Subscription	18,669	28,486	5,684	9,876
Professional services	16,949	19,179	4,732	5,706
Total cost of revenue	35,618	47,665	10,416	15,582
Gross profit	61,731	72,775	15,490	22,131
Operating expenses:				
Research and development	24,216	29,567	6,779	10,899
Selling and marketing	25,515	29,475	8,279	10,162
General and administrative	14,779	22,222	4,355	7,947
Other operating expenses	—	—	—	1,724
Total operating expenses	64,510	81,264	19,413	30,732
Operating loss	2,779	8,489	3,923	8,601
Financial (income) expenses, net	11,189	46,721	(291)	5,149
Loss before provision for income taxes	13,968	55,210	3,632	13,750
Provision for income taxes	1,604	3,553	1,352	1,806
Net loss	\$ 15,572	\$ 58,763	\$ 4,984	\$ 15,556
Net loss per share attributable to common stockholders, basic and diluted	\$ 1.11	\$ 2.83	\$ 0.32	\$ 0.73
Weighted-average stock used in computing net loss per share attributable to common stockholders, basic and diluted	22,754,499	24,939,901	23,993,624	25,662,581
Pro forma net loss per share attributable to common stockholders, basic and diluted	—	\$ 0.17	—	\$ 0.10
Weighted-average stock used in computing pro-forma net loss per share attributable to common stockholders, basic and diluted	—	108,270,552	—	108,993,232

The accompanying notes are an integral part of the consolidated financial statements.

**CONSOLIDATED STATEMENTS OF CHANGES IN CONVERTIBLE AND REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT**
**U.S. dollars in thousands (except share data)**

	Convertible preferred Stock		Redeemable convertible preferred Stock		Common stock		Treasury stock		Receivables on account of stock	Additional paid-in capital	Accumulated deficit	Total stockholders' deficit
	Number	Amount	Number	Amount	Number	Amount	Number	Amount				
Balance as of January 1, 2019	1,043,778	\$ 1,921	15,779,322	\$ 145,801	22,516,251	\$ 2	7,685,190	\$ (4,881)	\$ (882)	\$ —	\$ (190,274)	\$ (196,035)
Cumulative-effect adjustment for adoption of ASU 2014-09	—	—	—	—	—	—	—	—	—	—	8,606	8,606
Stock-based compensation expenses	—	—	—	—	—	—	—	—	—	2,322	—	2,322
Issuance of ordinary shares upon exercise of stock options	—	—	—	—	443,718	*)	—	—	—	147	—	147
Accretion of redeemable convertible preferred stock	—	—	—	9,749	—	—	—	—	—	(2,469)	(7,280)	(9,749)
Net loss	—	—	—	—	—	—	—	—	—	—	(15,572)	(15,572)
Balance as of December 31, 2019	1,043,778	1,921	15,779,322	155,550	22,959,969	2	7,685,190	(4,881)	(882)	—	(204,520)	(210,281)
Stock-based compensation expenses (as restated)	—	—	—	—	—	—	—	—	—	5,114	—	5,114
Issuance of ordinary shares upon exercise of stock options	—	—	—	—	1,281,438	*)	—	—	—	280	—	280
Reclassification to equity of warrant to purchase common stock	—	—	—	—	—	—	—	—	—	3,057	—	3,057
Issuance of ordinary shares upon business combination (**)	—	—	—	—	1,226,515	*)	—	—	—	2,578	—	2,578
Accretion of redeemable convertible preferred stock	—	—	—	2,641	—	—	—	—	—	(2,641)	—	(2,641)
Net loss (as restated)	—	—	—	—	—	—	—	—	—	—	(58,763)	(58,763)
Balance as of December 31, 2020 (as restated)	1,043,778	\$ 1,921	15,779,322	\$ 158,191	25,467,922	\$ 2	7,685,190	\$ (4,881)	\$ (882)	\$ 8,388	\$ (263,283)	\$ (260,656)

\*) Represents an amount lower than \$ 1.

\*\*) See Note 3.

The accompanying notes are an integral part of the consolidated financial statements.

**CONSOLIDATED STATEMENTS OF CHANGES IN CONVERTIBLE AND REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT**
**U.S. dollars in thousands (except share data)**

	Convertible preferred Stock		Redeemable convertible preferred Stock		Common stock		Treasury stock		Receivables on account of stock	Additional paid-in capital	Accumulated deficit	Total stockholders' deficit
	Number	Amount	Number	Amount	Number	Amount	Number	Amount				
Balance as of January 1, 2020	1,043,778	1,921	15,779,322	155,550	22,959,969	2	7,685,190	\$ (4,881)	(882)	—	(204,520)	(210,281)
Stock-based compensation expenses	—	—	—	—	—	—	—	—	—	662	—	662
Issuance of ordinary shares upon exercise of stock options	—	—	—	—	951,970	*)	—	—	—	13	—	13
Issuance of ordinary shares upon business combination**	—	—	—	—	1,226,515	*)	—	—	—	2,578	—	2,578
Accretion of redeemable convertible preferred stock	—	—	—	2,641	—	—	—	—	—	(2,641)	—	(2,641)
Net loss	—	—	—	—	—	—	—	—	—	—	(4,984)	(4,984)
Balance as of March 31, 2020 (unaudited)	<u>1,043,778</u>	<u>1,921</u>	<u>15,779,322</u>	<u>158,191</u>	<u>25,138,454</u>	<u>2</u>	<u>7,685,190</u>	<u>(4,881)</u>	<u>(882)</u>	<u>612</u>	<u>(209,504)</u>	<u>(214,653)</u>

	Convertible preferred Stock		Redeemable convertible preferred Stock		Common stock		Treasury stock		Receivables on account of stock	Additional paid-in capital	Accumulated deficit	Total stockholders' deficit
	Number	Amount	Number	Amount	Number	Amount	Number	Amount				
Balance as of January 1, 2021	1,043,778	\$ 1,921	15,779,322	\$158,191	25,467,922	\$ 2	7,685,190	\$ (4,881)	\$ (882)	\$ 8,388	\$ (263,283)	\$ (260,656)
Stock-based compensation expenses	—	—	—	—	—	—	—	—	—	4,960	—	4,960
Loan forgiveness	—	—	—	—	—	—	—	—	882	—	—	882
Issuance of ordinary shares upon exercise of stock options	—	—	—	—	288,029	*)	—	—	—	212	—	212
Issuance of preferred stock upon exercise of warrants	—	—	27,011	1,149	—	—	—	—	—	—	—	—
Net loss	—	—	—	—	—	—	—	—	—	—	(15,556)	(15,556)
Balance as of March 31, 2021 (unaudited)	<u>1,043,778</u>	<u>\$ 1,921</u>	<u>15,806,333</u>	<u>\$159,340</u>	<u>25,755,951</u>	<u>\$ 2</u>	<u>7,685,190</u>	<u>(4,881)</u>	<u>\$ —</u>	<u>\$ 13,560</u>	<u>(278,839)</u>	<u>(270,158)</u>

\*) Represents an amount lower than \$ 1.

\*\*) See Note 3.

The accompanying notes are an integral part of the consolidated financial statements.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Year ended December 31,		Three months ended March 31,	
	2019	2020 (as restated)	2020	2021
	(Unaudited)			
<b>Cash flows from operating activities:</b>				
Net loss	\$ (15,572)	\$ (58,763)	\$ (4,984)	\$ (15,556)
Adjustments to reconcile net loss to net cash provided by operating activities:				
Depreciation, amortization and abandonment costs	4,490	7,677	1,002	597
Stock based compensation expenses	2,322	5,114	662	4,960
Decrease (increase) in deferred contract acquisition and fulfillment costs	(3,300)	(8,716)	135	(2,621)
Change in fair value of warrants to purchase preferred and common stock	5,300	41,505	(591)	4,151
Non-cash interest expenses	407	263	(57)	162
Non-cash expenses with respect to stockholders' loans.	—	—	—	882
Changes in operating assets and liabilities:				
Decrease (increase) in trade receivables	6,159	(6,274)	1,393	(6,671)
Increase in prepaid expenses and other current assets and other assets, noncurrent	(54)	(864)	(553)	(1,881)
Increase in trade payables	2,004	2,064	990	721
Increase (decrease) in accrued expenses and other current liabilities	(1,517)	4,964	1,019	2,434
Increase (decrease) in employees and payroll accruals	1,435	5,886	(1,121)	1,185
Increase (decrease) in other liabilities, noncurrent	39	635	(40)	(352)
Increase (decrease) in deferred revenue	(1,343)	12,313	(3,869)	5,425
Net cash provided by (used in) operating activities	370	5,804	(6,014)	(6,564)
<b>Cash flows from investing activities:</b>				
Net cash acquired in business combination	—	383	383	—
Purchases of property and equipment	(2,239)	(1,118)	(330)	(517)
Capitalized internal-use software	(249)	(1,849)	—	(740)
Purchase of intangible assets	(244)	(162)	—	—
Net cash used in (provided by) investing activities	(2,732)	(2,746)	53	(1,257)
<b>Cash flows from financing activities:</b>				
Proceeds from long-term loans, net of debt issuance cost	2,971	2,000	2,000	29,438
Repayment of long-term loans	—	(1,667)	—	(28,333)
Principal payments on finance leases	(2,818)	(2,354)	(623)	(497)
Proceeds from exercise of stock options	147	280	13	212
Payment of deferred offering costs	—	(106)	—	(1,937)
Net cash provided by (used in) financing activities	300	(1,847)	1,390	(1,117)
Net increase (decrease) in cash, cash equivalents and restricted cash	(2,062)	1,211	(4,571)	(8,938)
Cash, cash equivalents and restricted cash at the beginning of the year	29,206	27,144	27,144	28,355
Cash, cash equivalents and restricted cash at the end of the year	27,144	28,355	22,573	19,417

## CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Year ended December 31,		Three months ended March 31,	
	2019	2020	2020 (Unaudited)	2021
(a) <u>Supplemental disclosure of non-cash activity:</u>				
Purchase of property, equipment and intangible asset in credit	\$ 142	\$ 155	\$ 283	\$ 721
Purchase of property and equipment by capital lease	\$ 98	\$ —	\$ —	\$ —
Issuance of ordinary shares and warrant with respect to business combination	\$ —	\$ 3,799	\$ 3,799	\$ —
Deferred offering costs incurred during the period included in trade payables and accrued expenses and other current liabilities	\$ —	\$ 976	\$ —	\$ 366
(b) <u>Supplemental disclosure of cash flow information</u>				
Cash paid for income taxes, net	\$ 1,073	\$ 1,210	\$ 315	\$ 359
Cash paid for interest	\$ 4,298	\$ 3,947	\$ 975	\$ 636
(c) <u>Reconciliation of cash, cash equivalents, and restricted cash to the consolidated balance sheet</u>				
Cash and cash equivalents	\$ 26,538	\$ 27,711	\$ 21,982	\$ 19,018
Restricted cash included in other assets, noncurrent	606	644	591	399
Total cash, cash equivalents, and restricted cash	\$ 27,144	\$ 28,355	\$ 22,573	\$ 19,417

The accompanying notes are an integral part of the consolidated financial statements.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****U.S. dollars in thousands (except share and per share data)**

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**NOTE 1: GENERAL**

- a. Kaltura, Inc. ("the Company") was incorporated in October 2006 and commenced operations in January 2007. The Company's business operations are allocated between two main segments, Enterprise, Education and Technology & Media and Telecom. The Company has developed a platform which is powering live, real-time, and on-demand video experiences. The Company's platform enables companies, educational institutions, and other organizations to cost-effectively launch advanced online video experiences, including Cloud TV solution, web video publishing, video-based teaching, learning and training, video-based marketing, and video-based collaboration. The Company's core offerings consist of various Software-as-a-Service ("SaaS") products and solutions and a Platform-as-a-Service ("PaaS").
- b. The Company has established a number of foreign subsidiaries: Kaltura Europe Ltd. ("Kaltura Europe") in the UK, Kaltura Ltd. ("Kaltura Israel"), Kaltura Brasil Internet Video Software e Servicos Ltda. ("Kaltura Brazil"), Kaltura Asia Pte. Ltd. ("Kaltura Singapore") and Kaltura Germany GmbH ("Kaltura Germany"). Kaltura Israel is engaged mainly in research and development activity and the rest of the subsidiaries are engaged mainly in sales and pre-sales activities.

**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP").

- a. Use of estimates:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates, judgments and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The Company evaluates on an ongoing basis its assumptions, including those related to contingencies, income tax uncertainties, stock-based compensation cost, fair value measurement of warrants, accretion of redeemable stocks, fair value and useful life of intangible assets, as well as in estimates used in applying the revenue recognition policy. The Company bases these estimates on historical and anticipated results, trends and various other assumptions that it believes are reasonable under the circumstances, including assumptions as to future events. Actual results could differ from those estimates.

The novel coronavirus ("COVID-19") pandemic has created, and may continue to create, significant uncertainty in macroeconomic conditions, and the extent of its impact on the Company's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and the impact on the Company's customers. The Company considered the impact of COVID-19 on the estimates and assumptions and determined that there were no material adverse impacts on the consolidated financial statements for the periods ended December 31, 2020 and March 31, 2021. As events continue to evolve and additional information becomes available, the Company's estimates and assumptions may change materially in future periods.

These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting periods.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Cont.)

## b. Financial statements in U.S. dollars:

A majority of the Company's revenues are generated in U.S. dollars. In addition, the Company's equity financial facilities and convertible instruments were in U.S. dollars and a substantial portion of the Company's costs are incurred in U.S. dollars. The Company's management believes that the U.S. dollar is the currency of the primary economic environment in which the Company operates. Thus, the functional and reporting currency of the Company and its subsidiaries is the U.S. dollar.

Accordingly, monetary accounts maintained in currencies other than the U.S. dollar are remeasured into U.S. dollars in accordance with Statement of the Accounting Standard Codification ("ASC") 830 "Foreign Currency Matters" ("ASC 830"). All transaction gains and losses of the remeasured monetary balance sheet items are reflected in the statements of operations as financial income or expenses, as appropriate.

## c. Unaudited Interim Consolidated Financial Information

The accompanying interim consolidated balance sheet as of March 31, 2021, the interim consolidated statements of operations, changes in convertible and redeemable and convertible preferred stock and stockholders' deficit, and cash flows for the three months ended March 31, 2020 and 2021, and the related notes to such interim consolidated financial statements are unaudited. These unaudited interim consolidated financial statements have been prepared in accordance with GAAP and are presented in accordance with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") and do not include all disclosures normally required in annual consolidated financial statements prepared in accordance with GAAP. In management's opinion, the unaudited interim consolidated financial statements have been prepared on the same basis as the annual consolidated financial statements and reflect all adjustments, which include only normal recurring adjustments necessary for the fair presentation of the Company's financial position as of March 31, 2021 and the Company's consolidated results of operations and cash flows for the three months ended March 31, 2020 and 2021. The results for the three months ended March 31, 2021 are not necessarily indicative of the results to be expected for the full year ending December 31, 2021 or any other future interim or annual period.

## d. Principles of consolidation:

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. Intercompany transactions and balances have been eliminated upon consolidation.

## e. Unaudited Pro Forma Stockholders' deficit:

The Company has presented unaudited pro forma stockholders' deficit as of March 31, 2021 in order to reflect the assumed effect on the balance sheet of (i) the assumed issuance of 6,506,284 shares of common stock pursuant to the automatic cashless exercise, immediately prior to the consummation of a qualified initial public offering ("IPO"), of a warrant to purchase shares of common stock held by Special Situations Investing Group II, LLC, an affiliate of Goldman Sachs & Co. LLC (the "GS Warrant") (the "GS Warrant Exercise"), (ii) the automatic conversion of the outstanding convertible preferred stock and redeemable convertible preferred stock into 76,262,952 shares of common stock immediately prior to the consummation of an IPO, (iii) the automatic cashless exercise, immediately prior to the closing of an IPO, of a warrant to purchase shares of Series D redeemable convertible preferred stock (the "Series D Warrant") and warrants to purchase shares of Series E redeemable convertible preferred stock (the "Series E Warrants") which, after giving effect to the Preferred Stock Conversion, will result in the issuance of 223,282 and 338,133 shares of common stock, respectively, based on an assumed IPO price of \$10.00 per share, the midpoint of the price range set forth on the cover page of this prospectus (together with the GS Warrant Exercise, the "Warrant Exercises").



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Cont.)

## f. Cash and cash equivalents:

Cash equivalents are short term, highly liquid investments that are readily convertible to cash with original maturities of three months or less, at the date acquired.

## g. Restricted cash:

Restricted cash is primarily invested in deposits held to maturity, stated at cost, which also approximates their fair value, and are used as security for the Company's liabilities. These deposits are used mainly as security for rent payments, capital leases and the Company's credit cards. Restricted cash is presented in the balance sheet as part of other assets, noncurrent.

## h. Trade receivables:

Trade receivables are recorded at the invoiced amount and amounts for which revenue has been recognized but not invoiced. The allowance for doubtful accounts is based on the Company's assessment of the collectability of accounts. The Company regularly reviews the adequacy of the allowance for doubtful accounts based on a combination of factors, including an assessment of the current customer's aging balance, the nature and size of the customer, the financial condition of the customer, and the amount of any receivables in dispute. There were no material write-offs for allowance of doubtful accounts recognized in the periods presented.

## i. Property and equipment, net:

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets:

	<u>Years</u>
Computers and peripheral equipment	3
Office furniture and equipment	7-15
Leasehold improvements	Over the shorter of the related lease period or the life of the asset

## j. Impairment of long-lived assets:

The long-lived assets of the Company are reviewed for impairment in accordance with ASC 360, "Property, Plant and Equipment" ("ASC 360"), whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the future undiscounted cash flows expected to be generated by the assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. During 2019, 2020 and the three months ended March 31, 2020 and 2021 (unaudited), no impairment losses were identified.

## k. Intangible assets, net:

Intangible assets consist primarily of customer relationships, technology and trade name. The intangible assets are amortized over their estimated useful lives in proportion to the economic benefits realized. Intangible assets consist primarily of customer relationships, technology and trade name. The

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Cont.)

intangible assets are amortized over their estimated useful lives in proportion to the economic benefits realized.

Amortization for the intangible assets was recognized over the following periods:

	Years
Customer relationships	7-9
Technology	5-8
Tradename	10

l. Goodwill:

Goodwill represents the excess of the purchase price over the fair value of net assets acquired in business combinations using the acquisition method of accounting, which requires that the assets acquired and liabilities assumed be recorded at the date of acquisition at their respective fair values.

Goodwill is subject to an impairment test at the reporting unit level on an annual basis (or more frequently if impairment indicators arise). The Company identified two reporting units based on the guidance of ASC 350, "Intangibles – Goodwill and Other". ASC 350 prescribes a two-phase process for impairment testing of goodwill. The first phase screens for impairment, while the second phase (if necessary) measures impairment. Goodwill impairment is deemed to exist if the net book value of a reporting unit exceeds its estimated fair value. In such case, the second phase is then performed, and the Company measures impairment by comparing the carrying amount of the reporting unit's goodwill to the implied fair value of that goodwill. An impairment loss is recognized in an amount equal to the excess. As of December 31, 2019, the entire goodwill amount was allocated to the Media and Telecom segment. Following an acquisition in 2020, the acquired goodwill was allocated to the Enterprise, Education and Technology segment. For the years ended December 31, 2019 and 2020 and the three months ended March 31, 2020 and 2021 (unaudited), no impairment was identified.

m. Leases:

Leases are classified at the inception date as either a capital lease or an operating lease. The Company assesses a lease to be a capital lease if any of the following conditions exist: a) ownership is transferred to the lessee by the end of the lease term, b) there is a bargain purchase option, c) the lease term is at least 75% of the property's estimated remaining economic life or d) the present value of the minimum lease payments at the beginning of the lease term is 90% or more of the fair value of the leased property to the lessor at the inception date. A capital lease is accounted for as if there were an acquisition of an asset and an incurrence of an obligation at the inception of the lease. The Company recorded capital lease agreements related mainly to servers and storage.

All other leases are accounted for as operating leases wherein rental payments are expensed on a straight line basis over the periods of their respective lease terms.

n. Warrants to purchase preferred and common stock:

Warrants to purchase the Company's redeemable convertible preferred stock are classified as a liability on the balance sheet and measured at fair value at each reporting date.

Warrants to purchase the Company's common stock are presented as equity, unless they are redeemable and classified as a liability.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Cont.)

For the warrants classified as a liability, the Company measures the warrants at fair value by applying the Option Pricing Method ("OPM") in each reporting period until they are exercised or expired, with changes in the fair value being recognized in the Company's statement of operations.

o. Severance pay:

The majority of Kaltura Israel's agreements with its employees in Israel are in accordance with section 14 of the Israeli Severance Pay Law. Upon contribution of the full amount of the employee's monthly salary and release of the policy to the employee, no additional legal obligation exists between the parties and no additional payments are made by the Company to the employee; therefore related assets and liabilities are not presented in the balance sheet.

For Kaltura Israel employees who are not subject to section 14, the Company calculated the liability for severance pay pursuant to the Severance Pay Law based on the most recent salary of these employees multiplied by the number of years of employment as of the balance sheet date. Kaltura Israel's liability for these employees is fully provided for via monthly deposits with severance pay funds, insurance policies and an accrual. The value of these deposits is recorded as an asset on the Company's balance sheet in other assets, noncurrent.

Severance expenses recorded in Kaltura Israel for the years ended December 31, 2019 and 2020, and the three months ended March 31, 2020 and 2021 (unaudited), amounted to \$ 2,212, \$ 2,565, \$587 and \$853, respectively.

The Company's employees in the U.S. receive severance benefits in the event of an involuntary termination that increase in accordance with their tenure and base salary. The Company accounts for postemployment benefits in accordance with ASC Topic No. 712, Compensation – Nonretirement Postemployment Benefits. These benefits, primarily severance, are not accrued until the amount can be reasonably estimated.

Severance expenses recorded in the U.S. for the years ended December 31, 2019 and 2020, and for the three months ended March 31, 2020 and 2021 (unaudited), were immaterial.

p. Israeli employees defined contribution plan:

The Company has established a pension contribution plan with respect to Kaltura Israel employees. Under the plan, Kaltura Israel contributed up to 6.5% of each employee's monthly salary toward the plan. Employees are entitled to amounts accumulated in the plan upon reaching retirement age, subject to any applicable law.

Defined contribution pension plan expenses for the years ended December 31, 2019 and 2020, and for the three months ended March 31, 2020 and 2021 (unaudited), amounted to \$1,722, \$2,061, \$490 and \$679, respectively.

q. Deferred offering costs:

Deferred offering costs consist primarily of accounting, legal, and other fees related to the Company's proposed IPO. Upon consummation of the IPO, the deferred offering costs will be reclassified to stockholders' deficit and recorded against the proceeds from the offering. In the event the offering is aborted, deferred offering costs will be expensed. The Company capitalized \$1,082 and \$2,643 of deferred offering costs within other assets, noncurrent in the consolidated balance sheet as of December 31, 2020 and March 31, 2021 (unaudited). No offering costs were capitalized as of December 31, 2019.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Cont.)

## r. Revenue recognition:

On January 1, 2019, the Company adopted ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), using the modified retrospective method applied to those contracts that were not completed as of January 1, 2019. Results for reporting periods beginning after January 1, 2019 are presented under ASU No. 2014-09. The most significant impacts of the standard on the Company's financial statements were the accounting for revenue from term licenses and the accounting for costs to obtain a contract. In connection with the adoption of the new revenue recognition accounting standard, the Company decreased its accumulated deficit by \$ 8,606. Upon adoption, the Company deferred \$ 6,190 of previously expensed contract costs and accelerated the recognition of \$ 2,416 of deferred revenues.

Performance obligations and timing of revenue recognition

The Company provides Subscriptions to its Video Experience Cloud, which powers live, real-time, and on-demand video experiences. The Company provides access to its platform either as a cloud-based service ("SaaS" or "PaaS") or, less commonly, as a license to software installed on the customer's premises ("On-Prem") all together defined as subscriptions in the statement of operations.

Revenue from SaaS and PaaS Subscriptions is recognized ratably over the time of the Subscription, beginning from the date in which the customer is granted access to the Subscription. Revenue from the sale of a term license is recognized at a point in time in which the license is delivered to the customer.

Revenue from post-contract services ("PCS") included in On-Prem projects is recognized ratably over the time of the PCS.

In some of the Company's arrangements, Professional Services ("PS") are accounted for as a separate performance obligation, and revenue will be recognized upon rendering the service. However, in some of the Company's SaaS and PaaS arrangements the Company determined that the PS are solely set up activities that do not transfer goods or services to the customer and therefore are not accounted for as a separate performance obligation.

The Company's contracts usually include a fixed amount of consideration, as well as variable consideration for overage usage that, in most cases, is not considered probable at the inception of the contract. Revenue accounted for as variable consideration for overages usage is recognized when the uncertainty is resolved, usually when the customer exceeds its committed usage threshold (i.e., overages are consumed) and the overages are invoiced. In addition, the Company has elected to apply the practical expedient for financing component for transactions in which the difference between the payment date and the revenue recognition timing is up to 12 months.

When applicable, the Company allocates the transaction price between the separate performance obligations according to their standalone selling price ("SSP"), which is based on the price at which the performance obligation is sold separately. If the SSP is not observable through past transactions, the Company estimates the SSP taking into account available information, including, but not limited to, pricing practices, market conditions, and the economic life of the software.

The Company receives payments from customers based upon contractual billing schedules, usually net 30 days from the invoice date.

The Company records trade receivables and related contract liabilities for non-cancelable contracts with customers when the right to consideration is unconditional.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Contract costs

Some of the sales commissions and bonuses earned by the Company's employees and management are considered incremental and recoverable costs of obtaining a contract with a customer. Sales commissions and bonuses for new contracts are deferred and then amortized consistently with the pattern of revenue recognition for each performance obligation for contracts for which the commissions were earned, mainly on a straight-line basis, over a period of benefit that the Company has estimated to be mainly five years. This period of benefit was determined by taking into consideration the technology's useful life and other factors.

Sales bonuses for renewal contracts are deferred and then amortized on a straight-line basis over the related contractual renewal period.

The Company classifies deferred costs as current or noncurrent based on the timing of when the Company expects to recognize the expense.

Amortization of sales commissions are consistent with the pattern of revenue recognition of each performance obligation and are included mainly in sales and marketing expense in the consolidated statements of operations.

The Company has applied the practical expedient in ASC 606 to expense costs as incurred for costs to obtain a contract with a customer when the amortization period would have been one year or less.

The Company periodically reviews these deferred contract acquisition costs to determine whether events or changes in circumstances have occurred that could impact the period of benefit. There were no impairment losses recorded during the period presented.

The Company capitalizes costs incurred to fulfill its contracts when the costs relate directly to a contract and are expected to generate resources that will be used to satisfy the performance obligation under the contract and are expected to be recovered through revenues generated under the contract. Costs to fulfill contracts are expensed to cost of revenue on a straight-line basis over a period of five years which reflects the technological useful life.

## s. Cost of revenues:

Cost of SaaS and PaaS subscription, support and professional services revenues primarily consists of costs related to supporting and hosting the Company's product offerings and delivery of its professional services.

These costs include salaries, benefits, incentive compensation and stock-based compensation expenses related to the management of the Company's data centers, the Company's customer support team and professional services staff.

In addition to these expenses, the Company incurs third-party service provider costs such as cloud infrastructure, data center and content delivery network expenses, rent expenses, depreciation expenses and amortization of acquired intangible assets and capitalized development costs. The Company allocates overhead costs such as rent, utilities and supplies to all departments based on relative headcount. As such, general overhead expenses are reflected in the cost of revenue in addition to each operating expense category.

## t. Research and development costs:

Research and development costs are charged to the statements of operations as incurred, except to the extent that such costs are associated with internal-use software that qualifies for capitalization.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Cont.)

## u. Internal-use software:

Costs incurred to develop internal-use software are capitalized and amortized over the estimated useful life of the software, which is generally five years. In accordance with ASC Topic, 350-40, "Internal-Use Software," capitalization of costs to develop internal-use software begins when preliminary development efforts are successfully completed, the Company has committed project funding and it is probable that the project will be completed and the software will be used as intended. Costs related to the maintenance of internal-use software are expensed as incurred.

The Company periodically reviews internal-use software costs to determine whether the projects will be completed, placed in service, removed from service or replaced by other internally developed or third-party software. If the asset is not expected to provide any future benefit, the asset is retired, and any unamortized cost is expensed.

Capitalized internal-use software costs are recorded under property and equipment, net.

When events or changes in circumstances require, the Company assesses the likelihood of recovering the cost of internal-use software. If the net book value is not expected to be fully recoverable, internal-use software would be impaired to its fair value. During the years ended December 31, 2019 and 2020, and for the three months ended March 31, 2021 (unaudited), the Company capitalized \$249, \$1,893 and \$1,218 of software development costs, respectively. During the three months ended March 31, 2020 (unaudited), the Company did not capitalize costs related to internal-use software. No impairment was recorded for the years ended December 31, 2019 and 2020, or for the three months ended March 31, 2020 and 2021 (unaudited).

## w. Advertising costs:

Advertising costs are expensed as incurred and include marketing activities, demand generation, events, public relations and brand-building activities. Advertising costs for the years ended December 31, 2019 and 2020, and the three months ended March 31, 2020 and 2021 (unaudited) amounted to \$2,156, \$3,143, \$1,944 and \$694, respectively, and are included in sales and marketing expenses in the consolidated statements of operations.

## x. Stock-based compensation:

*Service-based awards*

The Company accounts for stock-based compensation in accordance with ASC 718, "Compensation - Stock Compensation" ("ASC 718"). ASC 718 requires companies to estimate the fair value of equity-based payment awards on the date of grant using an option-pricing model. The value of the portion of the award is recognized as an expense over the requisite service periods in the Company's consolidated statements of operations.

The Company selected the Black-Scholes option-pricing model as the most appropriate fair value method for its option awards. The option-pricing model requires a number of assumptions, of which the most significant are the fair value of its common stock, the expected stock price volatility, expected option term, risk-free interest rates and expected dividend yield.

The fair value of common stock underlying the options has historically been determined by management and the Company's Board of Directors. Because there has been no public market for the Company's common stock, the Board of Directors has determined fair value of a common stock at the time of grant of the option by considering a number of objective and subjective factors including financing investment rounds, operating and financial performance, the lack of liquidity of stock capital and general

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Cont.)

and industry specific economic outlook, amongst other factors. The fair value of the underlying common stock will be determined by the Board of Directors until such time as the Company's common stocks are listed on an established stock exchange.

The Company's Board of Directors determined the fair value of common stock based on valuations performed using the OPM for the years ended December 31, 2019 and 2020.

The Company recognizes compensation cost for options and stock awards that have a graded vesting schedule and contain only service condition on a straight-line basis over the requisite service period for the entire award. Forfeitures are accounted for as they occur.

*Market-based awards*

The Company has granted three of its executives stock options that vest only upon the satisfaction of market-based conditions. The market-based conditions reflect specific prices for the Company's common stock, which must be exceeded for each tranche of the grant to vest.

For market-based awards, the Company determines the grant-date fair value utilizing a Monte Carlo simulation model, which incorporates various assumptions including expected stock price volatility, risk-free interest rates, expected exercise behavior for vested options, expected date of a qualifying event and expected form and timing of a liquidity event. The Company estimates the volatility of the common stock on the date of grant based on the weighted average historical stock price volatility of comparable publicly-traded companies. Because the option does not qualify as "plain vanilla" per SEC Staff Accounting Bulletin 107, the expected term cannot be estimated based on the simplified model described in the Bulletin. In order to address the term, the Monte Carlo simulation model includes an assumption about the price level at which vested options are expected to be exercised (the "Sub Optimal Exercise" factor). The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant. The rate used is based on the expected term of the option.

The Company recognizes compensation expenses for the value of its market-based awards based on the accelerated attribution method over the estimated requisite service period of each of the awards. The Company has determined that there is no explicit or implicit service period for the awards, and therefore the requisite service period is based on the derived service period. The derived service period is the term calculated in the Monte Carlo valuation model as described above. The derived service period is the median duration of the simulated price paths in which the option tranche vests, which is determined by the above assumptions.

## y. Business combination:

The Company accounted for business combination in accordance with ASC 805, "Business combinations". ASC 805 requires recognition of assets acquired, liabilities assumed, and any non-controlling interest at the acquisition date, measured at fair values as of that date. Any excess of the fair value of net assets acquired over purchase price and any subsequent changes in estimated contingencies are to be recorded in earnings.

Acquisition related costs are expensed to the statement of operations in the period incurred.

## z. Income taxes:

The Company accounts for income taxes in accordance with ASC 740, "Income Taxes". This codification prescribes the use of the asset and liability method whereby deferred tax asset and liability account balances are determined based on differences between financial reporting and tax bases of assets and liabilities and for carry-forward tax losses. Deferred taxes are measured using the enacted tax

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Cont.)

rates and laws that will be in effect when the differences are expected to reverse. The Company provides a valuation allowance, if necessary, to reduce deferred tax assets to their estimated realizable value if it is more likely than not that some portion or all of the deferred tax asset will not be realized.

The Company accounts for uncertain tax positions in accordance with the provisions of ASC 740, "Income Taxes". Accounting guidance addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the consolidated financial statements, under which a company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position.

The tax benefits recognized in the consolidated financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. Accordingly, the Company reports a liability for unrecognized tax benefits resulting from uncertain tax positions taken or expected to be taken in a tax return (see also Note 15).

aa. Net loss per share attributable to Common stockholders:

The Company computes net loss per share using the two-class method required for participating securities. The two-class method requires income available to common stockholder for the period to be 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. The Company considers its convertible preferred stock to be participating securities as the holders of the convertible preferred stock would be entitled to dividends that would be distributed to the holders of common stock, on a pro-rata basis, assuming the conversion of all outstanding shares of convertible preferred stock into common stock. These participating securities do not contractually require the holders of such stock to participate in the Company's losses. As such, net loss for the periods presented was not allocated to the Company's participating securities. The Company's basic net loss per share is calculated by dividing net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding for the period, without consideration of potentially dilutive securities. The diluted net loss per share is calculated by giving effect to all potentially dilutive securities outstanding for the period using the treasury share method or the if-converted method based on the nature of such securities. Diluted net loss per share is the same as basic net loss per share in periods when the effects of potentially dilutive shares of common stock are anti-dilutive.

ab. Unaudited pro forma net loss per share attributable to Common stockholders

Unaudited pro forma basic and diluted net loss per share attributable to common stockholders for the year ended December 31, 2020 and the three months ended March 31, 2021 has been computed to give effect to (i) the Warrant Exercises, (ii) the Preferred Stock Conversion, and (iii) the conversion of the Series C Warrant as described in Note 13g (the "Series C Warrant Conversion"), in each case as of the beginning of the period or the original date of issuance of the applicable security, if later. This calculation does not give effect to any shares of common stock to be issued in the IPO.

ac. Concentration of credit risks:

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents, restricted cash and trade receivables.

The majority of the Company's and its subsidiaries' cash and cash equivalents and restricted cash are invested with major banks in Israel, the United Kingdom and the United States. Such investments in the United States may be in excess of insured limits and are not insured in other jurisdictions. However in general these investments may be redeemed upon demand and therefore bear minimal risk.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The Company's trade receivables are geographically dispersed and derived from sales to customers mainly in the United States, Europe and Asia. Concentration of credit risk with respect to trade receivables is limited by credit limits, ongoing credit evaluation and account monitoring procedures.

Major customer data as a percentage of total revenues:

The following table sets forth a customer that represented 10% or more of the Company's total revenue in each of the periods set forth below:

	Year ended December 31,		Three months ended March 31,	
	2019	2020	2020	2021
			(unaudited)	
Customer A (Media and Telecom)	12.01 %	11.60 %	13.86 %	10.10 %
Customer B (Enterprise, Education & Technology)	—	—	—	10.09 %

ad. Fair value of financial instruments:

ASC 820, "Fair Value Measurements and Disclosures", defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

In determining fair value, the Company uses various valuation approaches. ASC 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company.

Unobservable inputs are inputs that reflect the Company's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

As a basis for considering such assumptions, ASC 820 establishes a three-tier value hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:

- Level 1 - Valuations based on quoted prices in active markets for identical assets that the Company has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.
- Level 2 - Valuations based on one or more quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The carrying amounts of cash and cash equivalents, restricted cash, trade receivables, prepaid expenses and other current assets, employees and payroll accruals, trade payables, accrued expenses and other current liabilities, current portion of long-term loans and current portion of long-term lease approximate their fair value due to the short-term maturities of such instruments.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Cont.)

## ae. Legal contingencies:

From time to time, the Company or one of its subsidiaries become involved in legal proceedings or is subject to claims arising in its ordinary course of business. Such matters are generally subject to many uncertainties and outcomes and are not predictable with assurance. Specifically, the Company might be subject to contractual penalties, including liquidated damages, as well as breach of contract claims, which could result in litigation and cause the Company to incur additional costs, including in the form of additional damages or settlement payments. The Company accrues for contingencies when the loss is probable and it can reasonably estimate the amount of any such loss (see also Note 10).

## af. Recently issued accounting pronouncements not yet adopted:

As an "emerging growth company," the Jumpstart Our Business Startups Act ("JOBS Act") allows the Company to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are made applicable to private companies. The Company has elected to use this extended transition period under the JOBS Act. The adoption dates discussed below reflect this election.

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which would require lessees to put all leases on their balance sheets, whether operating or financing, while continuing to recognize the expenses on their income statements in a manner similar to current practice. The guidance states that a lessee would recognize a lease liability for the obligation to make lease payments and a right-to-use asset for the right to use the underlying asset for the lease term.

In June 2020, the FASB issued ASU No. 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities*, which defers the effective date of ASU 2016-02 for non-public entities to fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The guidance will be effective for the Company beginning January 1, 2022, and interim periods in fiscal years beginning January 1, 2023.

The Company is currently evaluating the effect that ASU 2016-02 will have on its consolidated financial statements and related disclosures.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which replaces the existing incurred loss impairment model with an expected credit loss model and requires a financial asset measured at amortized cost to be presented at the net amount expected to be collected. The guidance will be effective for the Company beginning January 1, 2023, and interim periods therein. Early adoption is permitted. The Company is currently evaluating the effect that ASU 2016-13 will have on its consolidated financial statements and related disclosures.

In January 2017, the FASB issued Accounting Standards Update No. 2017-04 (ASU 2017-04) "Intangibles-Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment." ASU 2017-04 eliminates step two of the goodwill impairment test and specifies that goodwill impairment should be measured by comparing the fair value of a reporting unit with its carrying amount. Additionally, the amount of goodwill allocated to each reporting unit with a zero or negative carrying amount of net assets should be disclosed. ASU 2017-04 is effective for annual or interim goodwill impairment tests performed in fiscal years beginning after December 15, 2020; early adoption is permitted.

The Company doesn't expect that ASU 2017-04 will have an impact on its consolidated financial statements and related disclosures.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (Cont.)

In August 2018, the FASB issued ASU No. 2018-15, Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract, which aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software.

The new standard requires capitalized costs to be amortized on a straight-line basis generally over the term of the arrangement, and the financial statement presentation for these capitalized costs would be the same as that of the fees related to the hosting arrangements. The guidance will be effective for the Company beginning January 1, 2021, and interim periods in fiscal years beginning January 1, 2022. Early adoption is permitted. The Company is currently evaluating the effect that ASU 2018-15 will have on its consolidated financial statements and related disclosures.

In December 2019, the FASB issued ASU No. 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes, which simplifies the accounting for income taxes by removing a variety of exceptions within the framework of ASC 740.

These exceptions include the exception to the incremental approach for intraperiod tax allocation in the event of a loss from continuing operations and income or a gain from other items (such as other comprehensive income), and the exception to using general methodology for the interim period tax accounting for year-to-date losses that exceed anticipated losses.

The guidance will be effective for the Company beginning January 1, 2022, and interim periods in fiscal years beginning January 1, 2023. Early adoption is permitted. The Company is currently evaluating the effect that ASU 2019-12 will have on its consolidated financial statements and related disclosures.

## NOTE 3: ACQUISITIONS

In March 2020, the Company acquired all of the issued and outstanding capital stock of Newrow, Inc., a Delaware privately held corporation ("Newrow"), through a share exchange agreement. Newrow develops and sells real-time video communication software solutions. The acquisition is intended to support the Company's plans to continue strengthening its technological capabilities and the depth of its product offering. The acquisition has been accounted for as a business combination. The total purchase price was \$3,799 paid through issuance of 1,226,515 shares of the Company's common stock. In addition, there is a contingent consideration comprised of a warrant to purchase up to 613,255 shares of the Company's common stock subject to certain performance targets.

The Company accounted for this transaction as a business combination and allocated the purchase consideration to assets acquired and liabilities assumed based on preliminary estimated fair values, as presented in the following table:

	Amount
Common stock	\$ 2,578
Warrant to purchase common stock	1,221
Total purchase consideration	<u>\$ 3,799</u>
Goodwill	\$ 1,689
Identified intangible assets	2,483
Net liabilities assumed, net of cash acquired	(756)
Cash acquired	383
Total	<u>\$ 3,799</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 3: ACQUISITIONS (Cont.)

Goodwill of \$1,689, none of which is deductible for tax purposes, was recorded in connection with the Newrow acquisition, and was primarily attributed to synergies arising from the acquisition and the value of the acquired workforce. The goodwill was allocated to the Enterprise, Education and Technology segment.

The following table presents details of the identified intangible assets acquired:

	Fair Value	Estimated Useful Life
Developed technology	\$ 2,130	5 years
Customers relationship	353	7 years
	<u>\$ 2,483</u>	

Transaction costs incurred by the Company in connection with the Newrow acquisition were approximately \$78 and \$91 as of December 31, 2019 and 2020, respectively and were recorded within general and administrative expenses in the consolidated statements of operations. Pro-forma results of operations for this acquisition have not been presented because they are not material to the consolidated statements of operations.

## NOTE 4: PREPAID EXPENSES AND OTHER CURRENT ASSETS

	December 31,		March 31,
	2019	2020	2021
			(Unaudited)
Prepaid expenses	\$ 1,326	\$ 2,086	\$ 3,979
Government institutions	179	335	251
Deposit	177	292	376
Other	87	56	47
	<u>\$ 1,769</u>	<u>\$ 2,769</u>	<u>\$ 4,653</u>

## NOTE 5: PROPERTY AND EQUIPMENT, NET

Composition of property and equipment is as follows:

	December 31,		March 31,
	2019	2020	2021
Cost:			(Unaudited)
Computers and peripheral equipment	\$ 5,358	\$ 3,656	\$ 4,234
Office furniture and equipment	675	679	709
Leasehold improvements	472	516	516
Capital leases of computers and peripheral equipment	14,279	253	253
Internal use software	249	2,142	3,360
	<u>21,033</u>	<u>7,246</u>	<u>9,072</u>
Accumulated depreciation	(13,225)	(3,099)	(3,400)
Depreciated cost	<u>\$ 7,808</u>	<u>\$ 4,147</u>	<u>\$ 5,672</u>

Depreciation expenses for the years ended December 31, 2019 and 2020, and for the three months ended March 31, 2020 and 2021 (unaudited), were \$ 3,860, \$ 2,791, \$852 and \$301 respectively, out of which an amount of \$ 2,351, \$ 1,477, \$ 523 and \$ 2 relates to depreciation expenses of capital leases.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 5: PROPERTY AND EQUIPMENT, NET (Cont.)

During the year ended December 31, 2020, the Company abandoned its data centers, recorded abandonment costs of \$3,969 in the statement of operations as general and administrative expenses, and disposed of total assets in the gross amount of \$ 16,886.

In 2019, the Company disposed a total of \$ 2,746 cost and accumulated depreciation of fully depreciated property and equipment.

## NOTE 6: OTHER ASSETS, NONCURRENT

	December 31,		March 31,
	2019	2020	2021
			(Unaudited)
Restricted cash	\$ 606	\$ 644	\$ 399
Severance pay fund	1,515	1,673	1,705
Deferred offering costs	—	1,082	2,643
Other	257	165	161
	\$ 2,378	\$ 3,564	\$ 4,908

## NOTE 7: GOODWILL AND INTANGIBLE ASSETS, NET

## a. Intangible assets:

	December 31, 2019	
	Weighted average remaining useful life (in years)	Balance
Gross carrying amount:		
Technology	1.42	\$ 2,570
Customer relationship	2.19	1,825
Tradename	3.42	980
		5,375
Accumulated amortization and impairments:		
Technology		(2,221)
Customer relationship		(1,441)
Tradename		(606)
		(4,268)
Intangible assets, net		\$ 1,107

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 7: GOODWILL AND INTANGIBLE ASSETS, NET (Cont.)

	December 31, 2020	
	Weighted average remaining useful life (in years)	Balance
Gross carrying amount:		
Technology	3.98	\$ 4,700
Customer relationship	3.74	2,340
Tradename	2.42	980
		<u>8,020</u>
Accumulated amortization and impairments:		
Technology		(2,759)
Customer relationship		(1,706)
Tradename		(720)
		<u>(5,185)</u>
Intangible assets, net		<u>\$ 2,835</u>

	March 31, 2021 (Unaudited)	
	Weighted average remaining useful life (in years)	Balance
Gross carrying amount:		
Technology	3.89	\$ 4,700
Customer relationship	3.40	2,414
Tradename	2.17	980
		<u>8,094</u>
Accumulated amortization and impairments:		
Technology		(2,951)
Customer relationship		(1,782)
Tradename		(745)
		<u>(5,478)</u>
Intangible assets, net		<u>\$ 2,616</u>

During the year ended December 31, 2019 and 2020, and the three months ended March 31, 2020 and 2021 (unaudited), the Company recorded amortization expenses in the amount of \$630, \$917, \$150 and \$296, respectively, included in cost of revenues and selling and marketing expenses in the statements of operations.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 7: GOODWILL AND INTANGIBLE ASSETS, NET (Cont.)

b. The estimated future amortization expense of intangible assets as of December 31, 2020 is as follows:

	December 31,
2021	\$ 951
2022	641
2023	554
2024 and thereafter	689
	<u>\$ 2,835</u>

The estimated future amortization expense of intangible assets as of March 31, 2021 (unaudited) is as follows:

	March 31,
Remaining of 2021	\$ 699
2022	674
2023	554
2024 and thereafter	689
	<u>\$ 2,616</u>

c. In April 2018, the Company acquired some of the assets of Rapt Media, Inc. ("the Assets") for a consideration that will vary depending on the gains that the Assets derive during a three-year period following the closing date of the purchase of the Assets ("the Transaction").

The Transaction was accounted for as an asset acquisition. The Company recognizes an asset and liability simultaneously when revenue derived from the Assets is recognized. The liability is paid in two installments each year. The useful life of the Assets is four years from the Transaction's closing date. The Assets will enhance the Company's capabilities in the fields of personalized marketing, customer education, recruitment, learning and educational video experiences.

As of December 31, 2019 and 2020 and March 31, 2021 (unaudited), with respect to the Transaction, the Company capitalized \$ 356, \$ 518 and \$ 592, respectively, that were recorded as intangible assets against the respective liability.

d. Changes in goodwill for the years ending December 31, 2019 and 2020 and three months ended March 31, 2021 (unaudited) were as follows:

	Enterprise, Education and Technology	Media and Telecom	Total
Balance as of January 1, 2019	\$ —	\$ 9,381	\$ 9,381
Additions	—	—	—
Balance as of January 1, 2020	—	9,381	9,381
Goodwill acquired during the period	1,689	—	1,689
Balance as of December 31, 2020 and March 31, 2021 (unaudited)	<u>\$ 1,689</u>	<u>\$ 9,381</u>	<u>\$ 11,070</u>

## NOTE 8: LONG-TERM LOAN

a. In February 2011, the Company entered into a long-term loan and security agreement with a bank (the "2011 Loan Agreement"). During the years 2012-2018 the Company entered into

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 8: LONG-TERM LOAN (Cont.)

several modifications, pursuant to which the long-term credit line was increased to an amount equal to \$ 20,000 out of which the Company drew an amount of \$ 15,000. Loan repayment date was extended from February 2017 to February 2020 in one installment.

During 2019, the Company drew an additional amount of \$ 3,000 as part of the Ninth Modification to the 2011 Loan Agreement.

In February 2020 the Company drew an additional amount of \$ 2,000 as part of the Ninth Modification to the 2011 Loan Agreement.

The outstanding principal amount accrues interest at a floating per annum rate equal to the prime rate.

As of December 31, 2020 the Company's outstanding loan balance was \$ 20,000.

- b. In April 2012, the Company entered into a long-term loan and security agreement (the "Additional Loan Agreement"), which provided the Company a long-term line of credit. During the years 2012-2018 the Company entered into three modifications to the agreement, pursuant to which the long-term credit line was increased to an amount equal to \$ 30,000. The Company used the entire credit line pursuant to which the loan repayment date was extended to November 2020. Pursuant to the last amendment, the loan is to be repaid in 36 monthly equal installments.

The outstanding principal amount accrues interest at a floating per annum rate equal to four and a half percentage (4.5%) points above the prime rate, subject to a 9.50% floor and a 12.00% maximum.

As of December 31, 2020 the Company's outstanding loan balance under the Additional Loan Agreement was \$ 28,160.

- c. Under the terms of the Additional Loan Agreement and the 2011 Loan Agreement, the Company is obligated to maintain certain covenants as defined therein. As of December 31, 2020, the Company met these covenants.
- d. In January 2021, the Company refinanced all amounts outstanding under the existing loan agreements as of December 31, 2020, terminated all outstanding commitments, and entered into a new credit agreement (the "Credit Agreement") with an existing lender, which provides for a new senior secured term loan facility in the aggregate principal amount of \$40,000 (the "Term Loan Facility") and a new senior secured revolving credit facility in the aggregate principal amount of \$10,000 (the "Revolving Credit Facility" and, together with the Term Loan Facility, the "Credit Facilities") (see also Note 21b).

Borrowings under the Credit Facilities are subject to interest, determined as follows: (a) Eurodollar loans accrue interest at a rate per annum equal to the Eurodollar rate plus a margin of 3.50% (the Eurodollar rate is calculated based on the applicable LIBOR for U.S. dollar deposits, subject to a 1.00% floor, divided by 1.00 minus the maximum effective reserve percentage for Eurocurrency funding), and (b) Alternate Base Rate ("ABR") loans accrue interest at a rate per annum equal to the ABR plus a margin of 2.50% (ABR is equal to the highest of (i) the prime rate and (ii) the Federal Funds Effective Rate plus 0.50%, subject to a 2.00% floor).

The Term Loan Facility is payable in consecutive quarterly installments on the last day of each fiscal quarter in an amount equal to (i) \$250 for installments payable on April 01, 2021 through December 31, 2021, (ii) \$750 for installments payable on March 31, 2022 through December 31, 2022, and (iii) \$1,500 for installments payable on and after March 31, 2023. The remaining unpaid balance on the Term Loan Facility is due and payable on January 14, 2024, together with accrued and unpaid interest on the



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 8: LONG-TERM LOAN (Cont.)

principal amount to be paid to, but excluding, the payment date. Borrowings under the Revolving Credit Facility do not amortize and are due and payable on January 14, 2024. Amounts outstanding under the Credit Facilities may be voluntarily prepaid at any time and from time to time, in whole or in part, without premium or penalty.

The aggregate principal annual maturities according to the Credit Facilities agreements (as amended after the balance sheet date) are as follows:

Year ended December 31,	
2021	\$ 1,000
2022	3,000
2023	6,000
2024	40,000
	<u>\$ 50,000</u>

e. The carrying amounts of the loans approximate their fair value.

## NOTE 9: ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

	December 31,		March 31,
	2019	2020	2021 (Unaudited)
Accrued expenses	\$ 2,656	\$ 4,687	\$ 5,689
Accrued taxes	2,308	4,984	6,540
Other	158	1,580	1,655
	<u>\$ 5,122</u>	<u>\$ 11,251</u>	<u>\$ 13,884</u>

## NOTE 10: COMMITMENTS AND CONTINGENCIES

a. Lease commitments:

The Company is engaged in operating lease arrangements for its worldwide offices. Future minimum annual payments under non-cancellable operating leases for the period remaining subsequent to December 31, 2020, are as follows:

Year ended December 31,	Rental of premises
2021	\$ 1,936
2022	667
Total	<u>\$ 2,603</u>

Future minimum annual payments under non-cancellable operating leases for the period remaining subsequent to March 31, 2021 (unaudited), are as follows:

Year ended December 31,	Rental of premises
Remaining of 2021	\$ 1,537
2022	650
Total	<u>\$ 2,187</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 10: COMMITMENTS AND CONTINGENCIES (Cont.)

Total rent expenses for the years ended December 31, 2019 and 2020, and three months ended March 31, 2020 and 2021 (unaudited), were \$ 2,121, \$ 2,152, \$566 and \$548, respectively.

## b. Legal claim:

On February 11, 2019, a claim was filed in the U.S. District Court for Delaware against the Company by CoolTVNetwork.com, Inc. ("CoolTVNetwork"), alleging infringement of a U.S. Patent. CoolTVNetwork raised certain claims and allegations which the Company has denied. The case remains pending. Management estimates that the cost to resolve this matter is not material to the financial condition, results of operations, or cash flows.

## c. Purchase commitment:

The Company has entered into various non-cancelable agreements with third-party providers for use of mainly cloud and other services, under which it committed to minimum and fixed purchases through the year ending December 31, 2024. The following table presents details of the aggregate future non-cancelable purchase commitments under such agreement as of December 31, 2020:

Year ended December 31,	
2021	\$ 9,527
2022	8,451
2023	7,738
2024	19,000
Total purchase commitment	<u>\$ 44,716</u>

The following table presents details of the aggregate future non-cancelable purchase commitments under such agreements as of March 31, 2021 (unaudited):

Year ended December 31,	
Remaining of 2021	\$ 8,563
2022	8,451
2023	7,738
2024	19,000
Total purchase commitment	<u>\$ 43,752</u>

## NOTE 11: CAPITAL LEASES

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of December 31, 2020:

Year ended December 31,	
2021	\$ 1,781
2022	143
Total minimum lease payments	1,924
Less: Amount representing interest	44
Present value of net minimum lease payments	<u>\$ 1,880</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 11: CAPITAL LEASES (Cont.)

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of March 31, 2021 (unaudited):

Year ended December 31,	
Remaining of 2021	\$ 1,216
2022	137
Total minimum lease payments	1,353
Less: Amount representing interest	24
Present value of net minimum lease payments	<u>\$ 1,329</u>

## NOTE 12: REVENUES FROM CONTRACTS WITH CUSTOMERS

a. The following table presents disaggregated revenue by category:

	Year Ended December 31, 2019			
	Enterprise, Education and Technology		Media and Telecom	
	Amount	Percentage of revenue	Amount	Percentage of revenue
Subscription	\$ 61,376	94.6 %	\$ 23,349	71.8 %
Professional Services	3,463	5.4 %	9,161	28 %
	<u>\$ 64,839</u>	<u>100 %</u>	<u>\$ 32,510</u>	<u>100 %</u>

	Year Ended December 31, 2020			
	Enterprise, Education and Technology		Media and Telecom	
	Amount	Percentage of revenue	Amount	Percentage of revenue
Subscription	\$ 74,473	92.6 %	\$ 29,591	74 %
Professional Services	5,976	7.4 %	10,400	26 %
	<u>\$ 80,449</u>	<u>100 %</u>	<u>\$ 39,991</u>	<u>100 %</u>

	Three Months Ended March 31, 2020 (unaudited)			
	Enterprise, Education and Technology		Media and Telecom	
	Amount	Percentage of revenue	Amount	Percentage of revenue
Subscription	\$ 15,773	96.3 %	\$ 7,431	78.1 %
Professional Services	614	3.7 %	2,088	21.9 %
	<u>\$ 16,387</u>	<u>100 %</u>	<u>\$ 9,519</u>	<u>100 %</u>

	Three Months Ended March 31, 2021 (unaudited)			
	Enterprise, Education and Technology		Media and Telecom	
	Amount	Percentage of revenue	Amount	Percentage of revenue
Subscription	\$ 23,971	87.7 %	\$ 8,371	80.5 %
Professional Services	3,347	12.3 %	2,024	19.5 %
	<u>\$ 27,318</u>	<u>100 %</u>	<u>\$ 10,395</u>	<u>100 %</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 12: REVENUES FROM CONTRACTS WITH CUSTOMERS (Cont.)

## b. Contract Balances:

Contract liabilities consist of deferred revenue. Revenue is deferred when the Company invoices in advance of performance under a contract. The current portion of the deferred revenue balance is recognized as revenue during the 12-month period after the balance sheet date.

The noncurrent portion of the deferred revenue balance is recognized as revenue following the 12-month period after the balance sheet date.

Substantially all the revenue that was included in the deferred revenue, current as of January 1, 2020, was recognized as revenue during 2020.

## c. Remaining Performance Obligation:

The Company's remaining performance obligations are comprised of product and services revenue not yet delivered. As of December 31, 2020 and March 31, 2021 (unaudited), the aggregate amount of the transaction price allocated to remaining performance obligations was \$140,955 and \$145,963, which consists of both billed consideration in the amount of \$51,365 and \$54,968 and unbilled consideration in the amount of \$89,590 and \$90,995 that the Company expects to recognize as revenue and was yet recognized on the balance sheet. As of December 31, 2020, the Company expects to recognize 63% of its remaining performance obligations as revenue in the year ending December 31, 2021, and the remainder thereafter. As of March 31, 2021 (unaudited), the Company expects to recognize 64% of its remaining performance obligations as revenue over the next 12 months, and the remainder thereafter.

## d. Costs to Obtain a Contract:

The following table represents a rollforward of costs to obtain a contract:

	Year ended December 31,		Three Months ended March 31,
	2019	2020	2021 (unaudited)
Beginning balance after the adoption of ASC 606	\$ 5,467	\$ 9,015	\$ 17,683
Additions to deferred contract acquisition costs during the period	5,926	11,997	3,737
Amortization of deferred contract acquisition costs	(2,378)	(3,329)	(1,244)
Ending balance	\$ 9,015	\$ 17,683	\$ 20,176
Deferred contract acquisition costs, current	2,603	4,788	5,589
Deferred contract acquisition costs, noncurrent	6,412	12,895	14,587
Total deferred costs to obtain a contract	\$ 9,015	\$ 17,683	\$ 20,176

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 12: REVENUES FROM CONTRACTS WITH CUSTOMERS (Cont.)

## e. Costs to fulfill a Contract

The following table represents a rollforward of costs to fulfill a contract:

	Year ended December 31,		Three Months Ended March 31,
	2019	2020	2021 (unaudited)
Beginning balance after adoption of ASC 606	4,241	3,993	4,041
Additions to deferred costs to fulfill a contract during the period	664	950	370
Amortization of deferred costs to fulfill a contract	(912)	(902)	(242)
Ending balance	\$ 3,993	\$ 4,041	\$ 4,169
Deferred fulfillment costs, current	\$ 901	\$ 1,060	\$ 1,099
Deferred fulfillment costs, noncurrent	3,092	2,981	3,070
Total deferred costs to fulfill a contract	\$ 3,993	\$ 4,041	\$ 4,169

## NOTE 13: FAIR VALUE MEASUREMENTS

- a. In July 2016, as part of the Company's stock and warrant purchase agreement with a new investor, the Company issued the new investor a warrant to purchase 7,146,490 shares of common stock of the Company (subject to certain adjustments, as described below) with an exercise price of \$0.0001 per share. The warrant expires in July 2026.

The warrant is exercisable immediately prior to the occurrence of a Triggering Event (as such term is defined in the warrant agreement), or in connection with an exercise of co-sale rights. If the warrant is exercised in connection with a Liquidation Event or Qualified IPO (each as defined in the warrant agreement), the number of shares issuable upon such exercise will be subject to certain adjustments based on the equity valuation implied by such Liquidation Event or Qualified IPO.

In addition, the warrant has a redemption right which entitles the holder, at its sole discretion, to redeem the warrant after the fifth anniversary from the issuance date.

- b. In October 2015, as part of the Second Modification to the Additional Loan Agreement, the Company issued the lender a warrant to purchase 32,841 shares of Series E Preferred stock with an exercise price of \$15.223 per share. The warrant expires in October 2025.
- c. In 2014, 2012 and 2011, the Company issued warrants to purchase 68,965 shares of Series E Preferred stock with an exercise price of \$ 10.15 per share, 56,285 shares of Series D Preferred stock with an exercise price of \$ 5.33 per share and 31,414 shares of Series C Preferred stock with an exercise price of \$ 3.82 per share, respectively. As part of the third amendment to the loan agreement, the expiration date of the Preferred D and E warrants have been extended to October 2025.
- d. The above-mentioned transactions were accounted for in accordance with ASC 815-40, "Derivatives and Hedging - Contracts in Entity's Own Equity," ("ASC 815") and ASC 480-10, "Distinguishing Liabilities from Equity" ("ASC 480"). The warrants are recorded as a liability in the Company's balance sheet and are measured at fair value at each reporting date.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 13: FAIR VALUE MEASUREMENTS (Cont.)

- e. On March 26, 2020, as part of Newrow acquisition, the Company issued to Newrow's former stockholders a warrant to purchase 613,255 shares of common stock subject to certain performance target (the "Newrow Warrant"). The Newrow Warrant was recorded as a liability in the Company's balance sheet and was measured at fair value at each interim reporting date. During 2020, the Company recorded remeasurement expenses related to the Newrow Warrant in the amount of \$1,836. During November 2020, the performance target was achieved and the Newrow Warrant was reclassified to stockholders' deficit.
- f. During the years ended December 31, 2019 and 2020, and the three months ended March 31, 2020 and 2021 (unaudited), the Company recorded financial expenses (income) from changes in the warrants' fair value in the amount of \$5,300, \$41,505, \$(591) and \$4,151 (see also Note 2ad), respectively.
- g. On February 3, 2021, SVB Financial Group ("SVB") converted a Warrant to Purchase Stock issued on February 3, 2011 (the "Series C Warrant") into shares of the Company's Series C Convertible Preferred Stock pursuant to the cashless conversion mechanism described in the Series C Warrant. The conversion was exercised for all of the 31,414 shares covered by the Series C Warrant and resulted in the net issuance of 27,011 shares of the Company's Series C Convertible Preferred Stock. Pursuant to the terms of the Series C Warrant, the number of net shares issued was determined by dividing (a) the aggregate fair market value of the shares otherwise issuable upon exercise of the Series C Warrant minus the aggregate exercise price of such shares by (b) the fair market value of one share of the Company's Series C Convertible Preferred Stock

The Company measures the warrants at fair value by applying the OPM in each reporting period until they are exercised or expired, with changes in fair values being recognized in the Company's consolidated statement of operations as financial income or expenses.

In estimating the warrants' fair value, the Company used the following assumptions:

	2019	2020	2021 (unaudited)
Volatility	48.50 %	65.23 %	69.62 %
Risk-free interest rate	1.39 %	0.09 %	0.04 %
Dividend yield	—	—	—
Expected life	1.5	0.405	0.35

- (1) Dividend yield - was based on the fact that the Company has not paid dividends to its stockholders in the past and does not expect to pay dividends to its stockholders in the foreseeable future.
- (2) Expected volatility - was calculated based on actual historical stock price movements of companies in the same industry over the term that is equivalent to the expected term of the option.
- (3) Risk-free interest - based on yield rate of non-index linked U.S. Federal Reserve treasury stock.
- (4) Expected term - the expected term was based on the expected maturity date of the warrants.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 13: FAIR VALUE MEASUREMENTS (Cont.)

Fair value measurement using significant unobservable inputs (Level 3):

	December 31,		March 31,
	2019	2020 (as restated)	2021 (unaudited)
Balance at January 1	\$ 11,811	\$ 17,111	\$ 56,780
Issuance of warrants	—	1,221	—
Reclassification of warrant to common stocks to equity	—	(3,057)	—
Reclassification of warrant to preferred stocks to mezzanine equity	—	—	(1,149)
Change in fair value of warrants	5,300	41,505	4,151
Balance at the end of the period	\$ 17,111	\$ 56,780	\$ 59,782

## NOTE 14: CONVERTIBLE AND REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT

a. Composition of preferred stock capital of \$ 0.0001 par value each as of December 31, 2019 and 2020:

	December 31, 2019		
	Authorized	Issued and outstanding	Aggregate liquidation preference
	Number of shares		
Series A Preferred stock	1,043,778	1,043,778	\$ 1,921
Series B Preferred stock	3,240,085	3,240,085	12,631
Series C Preferred stock	3,434,556	3,403,141	18,110
Series D Preferred stock	2,870,544	2,814,258	17,287
Series D-1 Preferred stock	714,286	714,286	4,354
Series E Preferred stock	4,042,693	3,940,885	40,000
Series F Preferred stock	1,666,667	1,666,667	80,884
Convertible and redeemable convertible Preferred stock	17,012,609	16,823,100	\$ 175,187

	December 31, 2020		
	Authorized	Issued and outstanding	Aggregate liquidation preference
	Number of shares		
Series A Preferred stock	1,043,778	1,043,778	\$ 1,921
Series B Preferred stock	3,240,085	3,240,085	12,631
Series C Preferred stock	3,434,556	3,403,141	18,110
Series D Preferred stock	2,870,544	2,814,258	17,287
Series D-1 Preferred stock	714,286	714,286	4,354
Series E Preferred stock	4,042,693	3,940,885	40,000
Series F Preferred stock	1,666,667	1,666,667	93,043
Convertible and redeemable convertible Preferred stock	17,012,609	16,823,100	\$ 187,346

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 14: CONVERTIBLE AND REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT (Cont.)

	March 31, 2021 (unaudited)		
	Authorized	Issued and outstanding	Aggregate liquidation preference
	Number of shares		
Series A Preferred stock	1,043,778	1,043,778	\$ 1,921
Series B Preferred stock	3,240,085	3,240,085	12,631
Series C Preferred stock	3,434,556	3,430,152	18,214
Series D Preferred stock	2,870,544	2,814,258	17,287
Series D-1 Preferred stock	714,286	714,286	4,354
Series E Preferred stock	4,042,693	3,940,885	40,000
Series F Preferred stock	1,666,667	1,666,667	96,303
Convertible and redeemable convertible Preferred stock	17,012,609	16,850,111	\$ 190,710

## b. 1. Common stock:

The shares of common Stock confer upon their holders the right to receive notice to participate and vote in general stockholders meetings of the Company, and the right to receive dividends, if declared, and to participate in the distribution of the surplus assets of the Company upon liquidation of the Company, as more fully described in the Company's certificate of incorporation. The voting, dividend and liquidation rights of the holders of the Company's common Stock are subject to and qualified by the rights, powers and preferences of the holders of the Preferred Stock.

## 2. Convertible and Redeemable Convertible Preferred stock:

The Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock, Series D-1 Preferred Stock and Series E Preferred Stock of the Company (the "Series A-E Stock") confer upon their holders all of the rights of the shares of common Stock.

The holders of shares of Series A-E Stock and Series F Stock (the "Series F Stock" and together with the Series A-E Stock, the "Preferred Stock") also have the following rights, preferences and privileges:

Voting rights

Each holder of Series A-E Stock shall be entitled to the number of votes equal to the number of shares of common Stock into which such Series A-E Stock could be converted as of immediately after the close of business on the applicable date and shall have voting rights and powers equal to the voting rights and powers of the common Stock.

The Series F Stock have no voting rights or any other voting power except as expressly set forth in the Restated Certificate (including certain veto rights) or as required by applicable law (provided that in such event, all shares of Series F Stock shall entitle the holders thereof to an aggregate (for all such holders) of one vote).

The holder of the GS Warrant shall be entitled to the number of votes equal to the number of shares of common Stock into which such GS Warrant is exercisable immediately after the close of business on the record date fixed for such meeting or the effective date of such written consent and shall have voting rights and powers equal to the voting rights and powers of the common Stock and shall be entitled to notice of any stockholders' meeting in accordance with the bylaws of the Company.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

**NOTE 14: CONVERTIBLE AND REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT (Cont.)**Conversion rights

Each share of the applicable Series A-E Stock may, at the option of the holder thereof, be converted at any time into fully-paid and nonassessable shares of common stock as is determined by dividing the applicable Series A-E Stock original issuance prices by the applicable conversion price then in effect (which conversion price, in each case, has been proportionally decreased to account for the subdivision of the Company's common stock in connection with the stock split described in Note 14e). The shares of Series A-E Stock shall automatically be converted into common stock at the applicable conversion price then in effect immediately prior to the closing of a Qualified IPO (as such term is defined in the Restated Certificate, which includes an IPO pursuant to the registration statement of which this prospectus forms a part). In addition, the shares of the applicable Series A-E Stock (separately) shall automatically be converted into common stock at the applicable conversion price then in effect upon the affirmative election of the holders of the applicable majority of the outstanding shares of such applicable Series A-E Stock (voting separately), in accordance with the terms and conditions set forth in the Restated Certificate.

The Series F Stock shall be converted into shares of common stock immediately prior to the closing of a Series F Qualified IPO (as such term is defined in the Restated Certificate, which includes an IPO pursuant to the registration statement of which this prospectus forms a part) and only upon certain circumstances in accordance with the terms and conditions set forth in the Restated Certificate.

Dividend rights

The holders of Series F Stock shall be entitled to receive, in preference to the holders of all other Preferred Stock and common stock, cumulative dividends in an amount equal to 10% of the respective original issue price compounded semi-annually, for each outstanding share of Series F Stock; Such dividends shall be payable only when, as and if declared by the Board of Directors of the Company, out of any assets legally available therefor.

Thereafter, holders of the applicable Series E Preferred Stock, Series D-1 Preferred Stock, Series D Preferred Stock, Series C Preferred Stock and Series B Preferred Stock (the "Series B-E Stock") shall be entitled to receive non-cumulative dividends in an amount equal to 8% of the respective original issue price of each such series of Series B-E Stock.

The holders of Series D-1 Preferred Stock, Series D Preferred Stock, Series C Preferred Stock and Series B Preferred Stock (the "Series B/D-1 Stock") are entitled to also receive (in addition to the foregoing dividends) their respective Retained Dividends (as such term is defined in the Sixth Amended and Restated Investor Rights Agreement by and amend the Company and the other parties thereto) for each outstanding share of such applicable Series B/D-1 Stock. The preference order among the Series B-E Stock is such that holders of Series E Stock, Series D-1 and Series D Stock (on a pari passu), Series C Stock and Series B Stock shall be entitled, in their respective order, to receive, prior and in preference to the above order, the dividends described above. Such dividends shall be payable only when, as and if declared by the Board of Directors of the Company, out of any assets legally available therefor.

Liquidation Rights

Upon any Liquidation Event (as defined in the Restated Certificate), before any distribution to the holders of common stock or Series A-E Preferred Stock, the holders of Series F Stock shall be entitled to be paid, out of the assets of the Company legally available for distribution, for each share of Series F Stock held by them, an amount per share of Series F Stock equal to the Series F original issue price plus all accrued but unpaid dividends on the Series F Stock (the "Series F Preference"); less any Prepayments (as defined in the Restated Certificate); provided however, that in the event that the sum of (i) the aggregate amount payable in connection with a Liquidation Event to all holders of Series F Stock on

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

**NOTE 14: CONVERTIBLE AND REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT (Cont.)**

account of the shares of Series F Stock; plus (ii) the aggregate amount payable to all holders of the GS Warrant on account of the shares of common stock issuable upon exercise of the GS Warrant (and to any other stockholder to which the GS Issued Warrant Shares (as defined in the Restated Certificate) were transferred) is less than the Minimum Return Amount (as such term is defined in the Restated Certificate), the aggregate Series F Preference shall be increased, on a dollar-for-dollar basis, until the sum of (i) the aggregate amount payable in connection with a Liquidation Event to all holders of Series F Stock on account of the shares of Series F Stock held thereby; plus (ii) the aggregate amount payable in connection with a Liquidation Event to (a) all holders of the GS Warrant on account of the common stock issuable upon exercise of the GS Warrant, and (b) to any other stockholder holding GS Issued Warrant Shares, on account of the GS Issued Warrant Shares held thereby, will equal the Minimum Return Amount.

Thereafter, holders of shares of Series B-E Stock shall be entitled to be paid, out of the assets of the Company legally available for distribution, for each share of such applicable Series B-E Stock, an amount per share of such applicable Series B-E Stock equal to the respective original issue price of such applicable Series B-E Stock plus an amount equal to all declared but unpaid dividends on such Series B-E Stock (plus, with respect to the Series B/D-1 Stock – also their respective Retained Dividends) and less all amounts previously paid to the holders of such applicable Series B-E Stock on such share.

The liquidation order among the Series B-E Stock is such that holders of Series E Stock, Series D-1 Stock and Series D Stock (on a pari passu basis), Series C Stock and Series B Stock shall be entitled, in their respective order, to receive, prior and in preference to the above order any distribution of any asset, capital, earnings or surplus funds of the Company as described above.

Thereafter, holders of the Series A Preferred Stock shall be entitled to receive, prior to any distribution of any of the assets or surplus funds of the Company to the holders of the common stock, out of the assets of the Company legally available for distribution, for each share of Series A Preferred Stock held by them an amount equal to the original issue price of such Series A Stock.

Thereafter, holders of Series A-E Stock and common stock shall be entitled to receive all declared and unpaid dividends on the common stock, if any, on a pro rata basis.

Thereafter, the remaining assets of the Company legally available for distribution, if any, shall be distributed ratably to the holders of the common stock and the holders of Series B-E Stock (on an as if converted basis), until the holders of each applicable class of Series B-E Stock, as applicable, shall have received pursuant to the applicable provisions in the Restated Certificate, the applicable "Participation Cap" – as set forth in Section 3(h) of Article IV(D) of the Restated Certificate. Thereafter, the remaining assets of the Company legally available for distribution in such Liquidation Event, if any, shall be ratably distributed to the holders of the common stock.

Redemption Rights

At any time after the fifth anniversary of the original issue date set forth in the Restated Certificate, (a) holders of a majority of the Series F Stock may request the redemption of all or any part of the Series F Stock; and (b) the holder(s) of the GS Warrant may request the redemption of all or any part of the GS Warrant.

The Company shall redeem all shares of Series F Stock and the GS Warrant, at a price per share, with respect to each applicable share of Series F Stock, equal to the Series F Liquidation Preference, subject to payment of the Minimum Return Amount, all subject to the terms and conditions in the Restated Certificate.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

**NOTE 14: CONVERTIBLE AND REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT (Cont.)**

At any time after the fifth anniversary of the original issue date set forth in the Restated Certificate, the holders of a certain applicable majority of each applicable series of Series B-E Stock (voting separately as set forth in the Restated Certificate), may request the redemption of the respective series of Series B-E Stock, at a price per share equal to the applicable Preferred Preference amount applicable to the respective series of Series B-E Stock, all subject to the terms and conditions in the Restated Certificate.

The Company presented its Convertible and Redeemable Convertible Preferred Stock as temporary equity in accordance with ASC 480-10-S99-3A. Changes in the redemption value were accreted over the period from the date of issuance (or from the date that it becomes probable that the instrument will become redeemable, if later) to the earliest redemption date of the instrument using an appropriate methodology, usually the interest method.

Beginning the second quarter of 2020, the Company determined that it is not probable that the instruments will become redeemable and stopped the accretion. The Company did not reverse prior measurement adjustments. The calculated redemption value of the Series F Stock based on the accretion method amounted to approximately \$63,168 and \$65,809 as of December 31, 2019 and 2020, respectively.

Series B, Series C, Series D, Series D-1, Series E and Series F Preferred stock are considered redeemable preferred stock and presented outside of permanent equity in the mezzanine section of the consolidated balance sheets.

Series A's liquidation preference provisions are considered contingent redemption provisions that are not solely within the Company's control and have been presented outside of permanent equity in the mezzanine section of the consolidated balance sheet.

c. Receivables on account of stock:

In May 2015, the Company entered into loan agreements with certain of its executive employees for the purpose of exercising vested options (the "Employee Loan Agreements"). In accordance with the Employee Loan Agreements, the amounts granted to the borrowers shall automatically be forgiven and deemed to have been repaid in full upon the consummation of an Exempted IPO, as such term is defined in the Employee Loan Agreements. In February 2021, the Employee Loan Agreements were amended such that the loans will be automatically forgiven and deemed to have been repaid in full immediately prior to the public filing by the Company of a registration statement under the Securities Act of 1933, as amended.

In March 2021, the loans were fully forgiven. Following the forgiveness of the loans, the Company recorded an expense for the three months ended March 31, 2021, in the amount of \$1,724 included in other operating expenses in the consolidated statement of operations. The amount includes the tax gross-up expense that will be paid by the Company following the forgiveness.

d. Stock Option Plans:

Under the Company's 2007 U.S. and Israeli Stock Option Plans ("the 2007 Plans"), options may be granted to officers, directors, employees, advisors and consultants of the Company or its subsidiaries.

In 2017, the Company adopted a new equity incentive plan, the "2017 Equity Incentive Plan" (the "2017 Plan" and together with the 2007 Plans, the "Plans"), and extended the term of the 2007 Israeli Stock Option Plan and the term of the options already granted thereunder for an additional ten-year period.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 14: CONVERTIBLE AND REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT (Cont.)

Pursuant to the Plans, the Company reserved 45,482,679 shares of common stock for issuance. Following the adoption of a new option policy, the Company has reserved an additional 18,106,866 shares of common stock. As of December 31, 2020 and March 31, 2021 (unaudited), an aggregate of 24,610 and 67,954 shares of common stock of the Company were still available for future grants under the 2017 Plan. Each option granted under the Plans is exercisable until the earlier of ten years (or 20 years if granted under the 2007 Israeli Stock Option Plan) from the date of the grant of the option. The options vest primarily over a four year period. Any options that are forfeited or not exercised before expiration become available for future grants.

A summary of the Company's stock option activity with respect to options granted under the Plans is as follows:

	Number of Options	Weighted Average exercise price	Weighted remaining contractual term (years)	Aggregate Intrinsic Value
Outstanding as of January 1, 2020	18,131,737	\$ 1.11	6.55	\$ 7,288
Granted	15,960,637	6.57		
Exercised	(1,281,438)	0.22		11,365
Forfeited	(829,532)	1.56		
Outstanding as of December 31, 2020	31,981,404	\$ 3.86	7.72	\$ 22,134
Granted	—	—		
Exercised	(288,029)	0.74		13,913
Forfeited	(43,347)	2.19		
Outstanding as of March 31, 2021 (unaudited)	31,650,028	\$ 3.89	7.53	\$ 24,418
Exercisable options at December 31, 2020	13,686,784	\$ 1.05	5.24	\$ 18,536
Exercisable options at March 31, 2021 (unaudited)	15,293,261	\$ 1.13	5.51	\$ 22,769

The fair value of each service-based award is estimated on the date of grant using the Black-Scholes model that uses the assumptions noted in the following table:

	Year ended December 31,		Three Months Ended March 31,	
	2019	2020	2020	2021
				(unaudited)
Expected volatility	50%	55%	50%	—
Risk-free interest rate	1.7%-2.6%	0.8% - 0.4%	0.8%-0.6%	—
Dividend yield	—	—	—	—
Expected life	5.93	5.83	5.77	—

These assumptions and estimates were determined as follows:

- (1) Fair value of common stock - As the Company's common stock is not publicly traded, the fair value was determined by the Company's Board of Directors, with input from management and assisted by valuation reports prepared by a third-party valuation specialist.
- (2) Risk-free interest rate - The risk-free rate for the expected term of the options is based on the yields of U.S. Treasury securities with maturities appropriate for the expected term of the employee share option awards.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 14: CONVERTIBLE AND REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT (Cont.)

- (3) Expected life - The expected life represents the period that options are expected to be outstanding. For option grants that are considered to be "plain vanilla," the Company determines the expected term using the simplified method. The simplified method deems the term to be the average of the time-to-vesting and the contractual life of the options.
- (4) Expected volatility - Since the Company has no trading history of its ordinary shares, the expected volatility is derived from the average historical share volatilities of several unrelated public companies within the Company's industry that the Company considers to be comparable to its own business over a period equivalent to the option's expected term.
- (5) Expected dividend yield - The Company has never declared or paid any cash dividends and does not presently plan to pay cash dividends in the foreseeable future. As a result, an expected dividend yield of zero percent was used.

The weighted average fair value of the service-based awards granted in the years ended December 31, 2019 and 2020 and the three months ended March 31, 2020 (unaudited) was \$0.83, \$ 2.78 and \$ 1.4 per option. No service-based awards were granted in the three months ended March 31, 2021 (unaudited).

The fair value of each market-based award is estimated on the date of grant using the Monte Carlo model that uses the assumptions noted in the following table:

	<u>2020</u>
Expected volatility	41%
Risk-free interest rate	0.94%
Dividend yield	—

- (1) Expected volatility - Because the Company has no trading history of its ordinary shares, the expected volatility is derived from the average historical share volatilities of several unrelated public companies within the Company's industry that the Company considers to be comparable to its own business over a period equivalent to the option's expected term.
- (2) Risk-free interest rate - The risk-free rate for the expected term of the options is based on the yields of U.S. Treasury securities with maturities appropriate for the expected term of the employee share option awards.

The weighted average fair value of the market-based awards granted in the year ended December 31, 2020 was \$2.26 per option. These costs are expected to be recognized over a weighted-average period of approximately five and a half years.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 14: CONVERTIBLE AND REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT (Cont.)

The share-based compensation expense by line item in the accompanying consolidated statement of operations is summarized as follows:

	Year ended December 31,		Three months ended March 31,	
	2019	2020 (as restated)	2020	2021 (unaudited)
Cost of revenues	\$ 218	\$ 335	\$ 52	\$ 281
Research and development	617	1,251	141	933
Sales and marketing	329	1,639	82	740
General and administrative	1,158	1,889	387	3,006
Total expenses	\$ 2,322	\$ 5,114	\$ 662	\$ 4,960

As of December 31, 2020 and March 31, 2021 (unaudited), there were \$53,608 and \$48,701, respectively, of total unrecognized compensation cost related to non-vested stock-based compensation arrangements granted under the Plans. These costs are expected to be recognized over a weighted-average period of approximately three and a half years.

## e. Stock split:

In March 2021, the Company's board of directors and the stockholders of the Company approved a four and a half (4.5)-for-one forward stock split of the Company's common stock, which became effective on March 19, 2021. The par value of each class of capital stock was not adjusted as a result of this forward stock split. All common stock, convertible and redeemable convertible preferred stock, stock options, warrants, and per share information presented within these consolidated financial statements have been adjusted to reflect this forward stock split on a retroactive basis for all periods presented.

## NOTE 15: INCOME TAXES

The Company's subsidiaries are separately taxed under the domestic tax laws of the jurisdiction of incorporation of each entity.

## a. Loss before taxes on income is comprised as follows:

	Year ended December 31,	
	2019	2020 (as restated)
Domestic	\$ 20,882	\$ 67,540
Foreign	(6,914)	(12,330)
Loss before taxes on income	\$ 13,968	\$ 55,210

The provision for income taxes was as follows:

	Year ended December 31,	
	2019	2020
Federal	\$ —	\$ —
State	43	57
Foreign	1,561	3,496
Total provision for income taxes	\$ 1,604	\$ 3,553

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 15: INCOME TAXES (Cont.)

## b. Deferred income taxes:

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. As of December 31, 2019 and 2020, the Company has provided a full valuation allowance in respect of deferred tax assets. Management currently believes that it is more likely than not that the deferred tax regarding the tax loss carry forwards and other temporary differences will not be realized in the foreseeable future.

Significant components of the Company's deferred tax assets are as follows:

	December 31,	
	2019	2020
Deferred tax assets:		
Net operating losses carryforward	\$ 48,531	\$ 60,905
Other temporary differences	3,022	5,908
Deferred tax assets before valuation allowance	51,553	66,813
Valuation allowance	(50,808)	(61,588)
Total deferred tax assets	745	5,225
Deferred tax liabilities:		
Acquired Intangible Assets	—	(664)
Deferred contract costs	(745)	(4,561)
Total deferred tax liabilities	(745)	(5,225)
Deferred tax assets, net	\$ —	\$ —

## c. Net operating losses carry forward:

As of December 31, 2020, the U.S. parent company had a net U.S. operating loss carry forward ("NOLs") for federal income tax purposes of approximately \$ 217,519 and U.S. state NOLs of approximately \$ 122,503. Out of the operating losses attributed to the U.S. parent company, \$ 169,095 were generated before January 1, 2018 and are subject to the 20-year carryforward period. The remaining \$ 48,424 can be carried forward indefinitely but are subject to the 80% taxable income limitation.

Utilization of the U.S. net operating losses above may be subject to substantial annual limitations due to the "change in ownership" provisions of the Internal Revenue Code of 1986 and similar state provisions. The annual limitation may result in the expiration of substantial net operating losses before utilization (the 80% limitation was waived for NOLs utilized in 2019 and 2020 under the CARES Act).

The Company has analyzed the impact of Section 382 on its NOLs through 2020 and believes that the NOLs are not materially limited by Section 382. However, any future changes of ownership could impact the Company's ability to utilize NOLs.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 15: INCOME TAXES (Cont.)

d. A reconciliation of the Company's theoretical income tax expense to actual income tax expense is as follows:

	Year ended December 31,	
	2019	2020 (as restated)
Loss before tax as reported at the consolidated statement of operations	\$ 13,968	\$ 55,210
Statutory tax rate	21 %	21 %
Theoretical tax benefit	(2,933)	(11,594)
Non-deductible expenses and other permanent differences	235	269
Remeasurement of warrants to fair value	1,113	8,716
Share-based compensation	517	1,081
Change in valuation allowance	2,636	3,300
Income tax at rate other than the U.S. statutory tax rate	319	1,786
Exchange rate differences	(133)	(113)
Other	(150)	108
Total tax expenses	\$ 1,604	\$ 3,553

The Company recognized an income tax expense of \$1,352 and \$1,806 for the three months ended March 31, 2020 and 2021 (unaudited), respectively. The tax expense for these periods was primarily attributable to pre-tax foreign earnings. The Company's effective tax rates of (37)% and (13)% for the three months ended March 31, 2020 and 2021 (unaudited), respectively, differ from the U.S. statutory tax rate primarily due to U.S. losses for which there is no benefit and the tax rate differences between the United States and foreign countries.

e. The Tax Cuts and Jobs Act:

On December 22, 2017, the U.S. enacted the Tax Cuts and Jobs Act, a comprehensive tax law that includes significant changes to the taxation of business entities. These changes include several key tax provisions, among others: (i) a permanent reduction to the statutory federal corporate income tax rate from 35% to 21% effective for tax years beginning after December 31, 2017; (ii) a partial limitation on the tax deductibility of business interest expenses; (iii) a shift of the U.S. taxation of multinational corporations from a tax on worldwide income to a territorial system (along with certain rules designed to prevent erosion of the U.S. income tax base) and (iv) a one-time deemed repatriation tax on accumulated offshore earnings held in cash and illiquid assets, with the latter taxed at a lower rate.

f. Tax laws applicable to the Company's subsidiary in Israel:

The Israeli corporate tax rate was 23% for the years ended December 31, 2019 and 2020. However, the effective tax rate payable by a company that derives income from a "Benefited Enterprise" or a "Preferred Enterprise" (as discussed below) may be considerably less. Capital gains derived by an Israeli company are generally subject to the prevailing corporate tax rate.

Tax benefits by virtue of the Law for the Encouragement of Capital Investments, 1959 ("the Investment Law"):

Until tax year 2014, Kaltura Israel utilized various tax benefits by virtue of the "Benefited Enterprise" status granted to its enterprise, pursuant to the Investment Law.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****U.S. dollars in thousands (except share and per share data)****NOTE 15: INCOME TAXES (Cont.)**

Kaltura Israel elected benefits under the alternative track of benefits according to which it was exempt from income tax in the first two years (from the date Kaltura Israel earned taxable income) and subject to corporate tax at the rate of 10%-25% for up to a total of seven years commencing with the year in which the Benefited Enterprise first generates taxable income.

According to the provisions of section 51d of the Investment Law, Kaltura Israel elected the year 2011 as the Election Year and started utilizing tax benefits by virtue of the Investment Law.

If a dividend is distributed out of tax exempt income earned by a Benefited Enterprise the amount distributed will be subject to corporate tax at the rate that would have otherwise been applicable on the Benefited Enterprise income. Dividends paid out of income attributed to a Beneficiary Enterprise are generally subject to withholding tax at source at the rate of 15% or such lower rate as may be provided in an applicable tax treaty.

As of December 31, 2020, approximately \$ 369 was derived from tax exempt profits earned by Kaltura Israel's "Beneficiary Enterprise." The Company and its Board of Directors have determined that such tax-exempt income will not be distributed as dividends and intends to reinvest the amount of its tax-exempt income earned by Kaltura Israel. Accordingly, no provision for deferred income taxes has been provided on income attributable to Kaltura Israel's "Beneficiary Enterprise" as such income is essentially permanently reinvested.

If Kaltura Israel's retained tax-exempt income is distributed, the income would be taxed at the applicable corporate tax rate as if it had not elected the alternative tax benefits under the Investment Law and an income tax liability of up to \$ 92 would be incurred as of December 31, 2020.

In 2011, new legislation amending the Investment Law was adopted. Under this new legislation, a unified corporate tax rate applied to all qualifying income generated by a

"Preferred Company" through its Preferred Enterprise (as such terms are defined in the Investment Law) as of January 1, 2011.

Industrial Companies under the Preferred Enterprise status according to the new law as amended in July 2013, and starting January 1, 2014 are entitled to a uniform reduced corporate tax rate of 9% in areas in Israel designated as Development Zone A and 16% elsewhere in Israel.

The 2011 Amendment also provided transitional provisions to address companies already enjoying current benefits under the Investment Law. Under the transition provisions, the Company decided to irrevocably implement the new law, effective January 1, 2015.

Dividends distributed from income which is attributed to a "Preferred Enterprise" will be subject to withholding tax at source at the rate of 20% or such lower rate as may be provided in an applicable tax treaty.

Kaltura Israel's income from other sources is subject to tax at the regular Corporate Income rate.

- i. As of December 31, 2019 and 2020, \$1,438 and \$1,802 of undistributed earnings held by the Company's foreign subsidiaries are designated as indefinitely reinvested. If these earnings were re-patriated to the US, they would be subject to income taxes and to an adjustment for foreign tax credits and foreign withholding taxes. The amount of unrecognized deferred tax liability related to these earnings was not material.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 15: INCOME TAXES (Cont.)

## h. Tax assessment:

Generally, in U.S. federal and state taxing jurisdictions, tax periods in which certain loss and credit carryovers are generated remain open for audit until such time as the limitation period ends for the year in which such losses or credits are utilized. Kaltura Israel received final tax assessments through 2016 while the rest of the Company's subsidiaries did not have any final tax assessments as of December 31, 2020.

## i. Uncertain tax position:

A reconciliation of the opening and closing amounts of total unrecognized tax benefits is as follows:

	Unrecognized Tax Benefits
Balance as of January 1, 2019	\$ 2,006
Increases related to prior years' tax positions	256
Increases related to current years' tax positions	403
Balance as of December 31, 2019	2,665
Increases related to prior years' tax positions	311
Increases related to current years' tax positions	887
Balance as of December 31, 2020	\$ 3,863

As of December 31, 2020, the total amount of gross unrecognized tax benefits was \$ 3,863 and if recognized, would favorably impact the Company's effective tax rate.

The Company recognizes interest related to uncertain tax positions in income tax expense. For the years ended December 31, 2019 and 2020, the Company recorded \$97 and \$90 interest accordingly related to uncertain tax positions.

The Company currently does not expect uncertain tax positions to change significantly over the next 12 months, except in the case of settlements with tax authorities, the likelihood and timing of which is difficult to estimate.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 16: SELECTED STATEMENT OF OPERATIONS DATA

	Year ended December 31,		Three months ended March 31,	
	2019	2020 (as restated)	2020	2021
			(unaudited)	
<b>Financial income:</b>				
Interest income	\$ 133	\$ 18	\$ 16	\$ —
Remeasurement of warrants to fair value	—	—	591	—
Foreign currency translation adjustment	—	—	1,218	700
	<u>133</u>	<u>18</u>	<u>1,825</u>	<u>700</u>
<b>Financial expenses:</b>				
Bank fees	326	370	80	366
Remeasurement of warrants to fair value	5,300	41,505	—	4,151
Interest expense	4,298	4,091	1,008	850
Foreign currency translation adjustments	1,292	666	432	478
Other	106	107	14	4
	<u>11,322</u>	<u>46,739</u>	<u>1,534</u>	<u>5,849</u>
Financial expenses, net	\$ <u>11,189</u>	\$ <u>46,721</u>	\$ <u>(291)</u>	\$ <u>5,149</u>

## NOTE 17: NET LOSS PER SHARE ATTRIBUTABLE TO COMMON STOCKHOLDERS

a. Historical net loss per share attributable to common stockholders:

The following table sets forth the computation of basic and diluted net loss per share attributable to common stockholders for the periods presented:

	Year ended December 31,		Three months ended March 31,	
	2019	2020 (as restated)	2020	2021
			(unaudited)	
<b>Numerator:</b>				
Net loss	\$ 15,572	\$ 58,763	\$ 4,984	\$ 15,556
Preferred stock accretion and cumulative undeclared dividends	9,749	11,934	2,641	3,260
Total loss attributable to common stockholders	<u>25,321</u>	<u>70,697</u>	<u>7,625</u>	<u>18,816</u>
<b>Denominator:</b>				
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	<u>22,754,499</u>	<u>24,939,901</u>	<u>23,993,624</u>	<u>25,662,581</u>
Net loss per share attributable to common stockholders, basic and diluted	\$ <u>1.11</u>	\$ <u>2.83</u>	\$ <u>0.32</u>	\$ <u>0.73</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 17: NET LOSS PER SHARE ATTRIBUTABLE TO COMMON STOCKHOLDERS (Cont.)

Instruments potentially exercisable for common stock that were excluded from the computation of diluted net loss per share attributable to common stockholders for the periods presented because including them would have been anti-dilutive are as follows:

	Year ended December 31,		Three months ended March 31,	
	2019	2020	2020	2021
			(unaudited)	
Convertible and redeemable and convertible preferred stock	16,823,100	16,823,100	16,823,100	16,850,111
Warrants to purchase preferred and common stock	6,164,020	6,777,275	7,949,251	7,917,837
Outstanding stock options	18,131,737	31,981,404	19,820,547	31,650,028
Total	41,118,857	55,581,779	44,592,898	56,417,976

## b. Unaudited pro forma net loss per share attributable to common stockholders:

The unaudited pro forma basic and diluted net loss per share attributable to common stockholders for the year ended December 31, 2020 and for the three months ended March 31, 2021 has been prepared to give effect to the occurrence of (i) the Warrant Exercises, (ii) the Preferred Stock Conversion (as defined in Note 2d above), and (iii) the Series C Warrant Conversion (as defined in Note 2ab above).

The Company has calculated unaudited pro forma basic and diluted net loss per share attributable to common stockholders giving effect to the impact of the foregoing events using the if-converted method, as though each such event had occurred as of the beginning of the period or the original date of issuance of the applicable security, if later.

This calculation does not give effect to any shares of common stock to be issued in the IPO.

	Year ended December 31,	Three months ended March 31,
	2020	2021
	(unaudited)	
<b>Numerator:</b>		
Net loss attributable to common stockholders	\$ 70,697	\$ 18,816
Change in fair value of warrant liabilities	(41,505)	(4,151)
Preferred stock accretion and cumulative undeclared dividends	(11,934)	(3,260)
Forgiveness of Employee Loan Agreements (see also Note 14c)	882	—
Net loss used in unaudited pro forma net loss per share calculation	18,140	11,405
<b>Denominator:</b>		
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	24,939,901	25,662,581
Pro forma adjustment to reflect Warrant Exercises and Preferred Stock Conversion	83,330,651	83,330,651
Weighted average shares used in computing pro forma net loss per share, basic and diluted	108,270,552	108,993,232
Pro forma net loss per share attributable to common stockholders, basic and diluted	\$ 0.17	\$ 0.10

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 18: REPORTABLE SEGMENTS AND GEOGRAPHICAL INFORMATION

## a. Reportable segments:

ASC 280, Segment Reporting, establishes standards for reporting information about operating segments. Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company's chief operating decision maker is its Chief Executive Officer ("CODM"). The Company's CODM does not regularly review asset information by segments and, therefore, the Company does not report asset information by segment.

The Company organizes its operations in two segments: Enterprise, Education and Technology and Media and Telecom. The Enterprise, Education and Technology segment represents products related to industry solutions for education customers, and media services (except for Media and Telecom customers). The Media and Telecom segment primarily represents TV solutions that are sold to media and telecom operators.

The measurement of the reportable operating segments is based on the same accounting principles applied in these financial statements, which includes certain corporate overhead allocations.

	Year ended December 31, 2019		
	Enterprise, Education and Technology	Media and Telecom	Total
Revenues	\$ 64,839	\$ 32,510	\$ 97,349
Gross income	\$ 50,273	\$ 11,458	\$ 61,731
Operating expenses			64,510
Financial expenses, net			11,189
Provision for income taxes			1,604
Net loss			\$ 15,572

	Year ended December 31, 2020		
	Enterprise, Education and Technology	Media and Telecom	Total (as restated)
Revenues	\$ 80,449	\$ 39,991	\$ 120,440
Gross income	\$ 58,539	\$ 14,236	\$ 72,775
Operating expenses			81,264
Financial expenses, net			46,721
Provision for income taxes			3,553
Net loss			\$ 58,763

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 18: REPORTABLE SEGMENTS AND GEOGRAPHICAL INFORMATION (Cont.)

	Three months ended March 31, 2020 (unaudited)		
	Enterprise, Education & Technology	Media and Telecom	Total
Revenues	\$ 16,387	\$ 9,519	\$ 25,906
Gross income	\$ 12,204	\$ 3,286	\$ 15,490
Operating expenses			19,413
Financial income, net			(291)
Provision for income taxes			1,352
Net loss			\$ 4,984

	Three months ended March 31, 2021 (unaudited)		
	Enterprise, Education & Technology	Media and Telecom	Total
Revenues	\$ 27,318	\$ 10,395	\$ 37,713
Gross income	\$ 18,748	\$ 3,383	\$ 22,131
Operating expenses			30,732
Financial expenses, net			5,149
Provision for income taxes			1,806
Net loss			\$ 15,556

## b. Geographical information:

Revenue by location is determined by the billing address of the customer. Total revenues from external customers on the basis of the Company's geographical areas are as follows:

	Year ended December 31,		Three months ended March 31,	
	2019	2020	2020	2021
			(unaudited)	
United States ("US")	\$ 54,476	\$ 68,781	\$ 14,266	\$ 22,298
Europe, the Middle East and Africa ("EMEA")	29,648	37,592	8,231	11,568
Other	13,255	14,067	3,409	3,847
	\$ 97,349	\$ 120,440	\$ 25,906	\$ 37,713

The following presents long-lived assets based on geographical areas:

	December 31,		March 31,	
	2019	2020	(unaudited)	
US	\$ 6,484	\$ 2,850	\$ 4,132	
EMEA	1,312	1,283	1,513	
Other	12	14	27	
	\$ 7,808	\$ 4,147	\$ 5,672	

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 19: RELATED PARTIES

In June 2019, the Company entered into an agreement with a certain investor under which the investor received a one-year subscription to use the Company's software. Under the agreement, the investor has made minimum, non-cancelable revenue commitments, in the amount of \$548. During 2020 the Company and the investor renewed the agreement. During the years ended December 31, 2019, and 2020 and the three months ended March 31, 2020 and 2021 (unaudited), the Company recognized total revenue of \$357, \$524, \$146 and \$125, respectively, related to this agreement. As of December 31, 2019 and 2020, and March 31, 2021 (unaudited), trade receivables included nil and deferred revenue, current included \$191, \$161 and \$42, respectively, associated with this investor.

## NOTE 20: RESTATEMENT OF PREVIOUSLY ISSUED CONSOLIDATED FINANCIAL STATEMENTS

The Company has restated its previously issued consolidated financial statements as of the year ended December 31, 2020 to amend the underlying assumptions used in its common stock valuation work. Management was assisted by a third party valuator on both the initial valuation work and the updated valuation work as of December 31, 2020 conducted as part of the Company's IPO process. The primary changes were in the assumptions used in the updated valuation, such as the probability for an IPO, the valuation of peer companies and the inclusion of the Company's results and forecasts up to and including December 2020.

The previously used underlying assumptions resulted in an understatement of the stock-based compensation of grants made on December 24, 2020 and the fair value of the warrants to purchase preferred and common stock. The impact of the previously used underlying assumptions reported on the December 31, 2020 consolidated balance sheet was an understatement of \$19,680 in the warrants to purchase preferred and common stock. In addition, the impact on the previously reported year ended December 31, 2020 consolidated statement of operation was an understatement of \$37, \$99, \$51 and \$182 in the cost of revenue expenses, research and development expenses, sales and marketing expenses and general and administrative expenses, respectively, as it relates to the stock-based compensation and \$19,680 in the financial expenses, net as it relates to the valuation of the warrants to purchase preferred and common stock.

As a result of such change, the Company has restated its previously issued 2020 consolidated financial statements.

The effects of the restatement on the line items within the Company's consolidated balance sheet as of December 31, 2020 are as follows:

	December 31, 2020		
	As originally reported	Adjusted	As Restated
Warrants to purchase preferred and common stock	\$ 37,100	\$ 19,680	\$ 56,780
Total liabilities	171,818	19,680	191,498
Additional paid in capital	8,019	369	8,388
Accumulated deficit	(243,234)	(20,049)	(263,283)
Total stockholders' deficit	\$ (240,976)	\$ (19,680)	\$ (260,656)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

U.S. dollars in thousands (except share and per share data)

## NOTE 20: RESTATEMENT OF PREVIOUSLY ISSUED CONSOLIDATED FINANCIAL STATEMENTS (Cont.)

The effects of the restatement on the line items within the Company's consolidated statement of operations for the year ended December 31, 2020 are as follows:

	December 31, 2020		
	As originally reported	Adjusted	As Restated
Cost of revenue:			
Subscription	\$ 28,477	\$ 9	\$ 28,486
Professional services	19,151	28	19,179
Total cost of revenue	47,628	37	47,665
Gross profit	72,812	(37)	72,775
Operating expenses:			
Research and development	29,468	99	29,567
Sales and marketing	29,424	51	29,475
General and administrative	22,040	182	22,222
Total operating expenses	80,932	332	81,264
Operating loss	8,120	369	8,489
Financial expenses, net	27,041	19,680	46,721
Net loss	38,714	20,049	58,763
Net loss per share attributable to common stockholders, basic and diluted	\$ 2.03	\$ 0.80	\$ 2.83

The effects of the restatement on the line items within the Company's consolidated statement of changes in convertible and redeemable convertible preferred stock and stockholders' deficit for the year ended December 31, 2020 are as follows:

	December 31, 2020		
	As originally reported	Adjusted	As Restated
Additional paid in capital	\$ 8,019	\$ 369	\$ 8,388
Accumulated deficit	(243,234)	(20,049)	(263,283)
Total stockholders' deficit	\$ (240,976)	\$ (19,680)	\$ (260,656)

Although there was no impact to net cash provided by operating activities, net cash used in investing activities or net cash used in financing activities, the effects of the restatement on the line items within the consolidated statements of cash flows for the year ended December 31, 2020 are as follows:

	December 31, 2020		
	As originally reported	Adjusted	As Restated
Net loss	\$ (38,714)	\$ (20,049)	\$ (58,763)
Stock based compensation expenses	4,745	369	5,114
Change in fair value of warrants to purchase preferred and common stock	\$ (21,825)	\$ (19,680)	\$ (41,505)



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

U.S. dollars in thousands (except share and per share data)

**NOTE 20: RESTATEMENT OF PREVIOUSLY ISSUED CONSOLIDATED FINANCIAL STATEMENTS (Cont.)**

The impacts of the restatement to stock-based compensation expense and the fair value of the warrants to purchase preferred and common stock affect certain notes to the consolidated financial statements, and conforming changes have been made to Notes 13,14, 15, 16, 17 and 18.

**NOTE 21: SUBSEQUENT EVENTS**

- a. The Company has evaluated subsequent events from the balance sheet date through March 1, 2021, the date at which the consolidated financial statements were available to be issued.
- b. In January 2021, the Company repaid all amounts outstanding under the existing loan agreements, terminated all outstanding commitments, and entered into a new credit agreement (the "Credit Agreement") with an existing lender, which provides for a new senior secured term loan facility in the aggregate principal amount of \$40,000 (the "Term Loan Facility") and a new senior secured revolving credit facility in the aggregate principal amount of \$10,000 (the "Revolving Credit Facility" and, together with the Term Loan Facility, the "Credit Facilities").

Borrowings under the Credit Facilities are subject to interest, determined as follows: (a) Eurodollar loans accrue interest at a rate per annum equal to the Eurodollar rate plus a margin of 3.50% (the Eurodollar rate is calculated based on the applicable LIBOR for U.S. dollar deposits, subject to a 1.00% floor, divided by 1.00 minus the maximum effective reserve percentage for Eurocurrency funding), and (b) Alternate Base Rate ("ABR") loans accrue interest at a rate per annum equal to the ABR plus a margin of 2.50% (ABR is equal to the highest of (i) the prime rate and (ii) the Federal Funds Effective Rate plus 0.50%, subject to a 2.00% floor).

The Term Loan Facility is payable in consecutive quarterly installments on the last day of each fiscal quarter in an amount equal to (i) \$250 for installments payable on March 31, 2021 through December 31, 2021, (ii) \$750 for installments payable on March 31, 2022 through December 31, 2022, and (iii) \$1,500 for installments payable on and after March 31, 2023. The remaining unpaid balance on the Term Loan Facility is due and payable on January 14, 2024, together with accrued and unpaid interest on the principal amount to be paid to, but excluding, the payment date. Borrowings under the Revolving Credit Facility do not amortize and are due and payable on January 14, 2024. Amounts outstanding under the Credit Facilities may be voluntarily prepaid at any time and from time to time, in whole or in part, without premium or penalty.

- c. On February 3, 2021, SVB Financial Group ("SVB") converted a Warrant to Purchase Stock issued on February 3, 2011 (the "Series C Warrant") into shares of the Company's Series C Convertible Preferred Stock pursuant to the cashless conversion mechanism described in the Series C Warrant. The conversion was exercised for all of the 31,414 shares covered by the Series C Warrant and resulted in the net issuance of 27,011 shares of the Company's Series C Convertible Preferred Stock. Pursuant to the terms of the Series C Warrant, the number of net shares issued was determined by dividing (a) the aggregate fair market value of the shares otherwise issuable upon exercise of the Series C Warrant minus the aggregate exercise price of such shares by (b) the fair market value of one share of the Company's Series C Convertible Preferred Stock.

**NOTE 22: SUBSEQUENT EVENTS (UNAUDITED)**

- a. The Company has evaluated subsequent events from the balance sheet date through July 12, 2021, the date at which the consolidated financial statements were available to be issued.
- b. In June 2021, the Company entered into an amendment to the Credit Agreement described in Note 8d above (the "First Amendment"). Pursuant to the First Amendment, the Company borrowed an additional aggregate principal amount of \$12,500 (the "Additional Amount"). The

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****U.S. dollars in thousands (except share and per share data)**

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**NOTE 22: SUBSEQUENT EVENTS (UNAUDITED) (Cont.)**

Additional Amount is subject to interest pursuant to the same mechanism as the Credit Facilities described in Note 8d. The timing and amounts of the loan repayments described in Note 8d remain unchanged.

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Through and including \_\_\_\_\_, 2021 (the 25th day after the date of this prospectus), all dealers effecting transactions in the common stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement 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.

15,000,000 Shares



**Kaltura, Inc.**

**Common Stock**

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PRELIMINARY PROSPECTUS

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**Goldman Sachs & Co. LLC**

**BofA Securities**

**Wells Fargo Securities**

**Deutsche Bank Securities**

**Canaccord Genuity**

**JMP Securities**

**KeyBanc Capital Markets**

**Needham & Company**

**Oppenheimer & Co.**

, 2021

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## Part II

### INFORMATION NOT REQUIRED IN PROSPECTUS

#### Item 13. Other Expenses of Issuance and Distribution.

The following table indicates the expenses to be incurred in connection with the offering described in this registration statement, other than underwriting discounts and commissions, all of which will be paid by us. All amounts are estimated except the Securities and Exchange Commission registration fee, the Financial Industry Regulatory Authority, Inc., or FINRA, filing fee and the Nasdaq listing fee.

	<b>Amount</b>
Securities and Exchange Commission registration fee	\$ 20,702
FINRA filing fee	28,963
Nasdaq listing fee	295,000
Accountants' fees and expenses	1,000,000
Legal fees and expenses	2,600,000
Transfer Agent's fees and expenses	4,500
Printing and engraving expenses	225,000
Miscellaneous	825,835
<b>Total expenses</b>	<b>\$ 5,000,000</b>

#### Item 14. Indemnification of Directors and Officers.

The Registrant is governed by the Delaware General Corporation Law (the "DGCL"). Section 145 of the DGCL provides that a corporation may indemnify any person, including an officer or director, who was or is, or is threatened to be made, a party to any threatened, pending or completed legal action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of such corporation), by reason of the fact that such person was or is an officer, director, employee or agent of such corporation or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, provided such officer, director, employee or agent acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the corporation's best interest and, for criminal proceedings, had no reasonable cause to believe that such person's conduct was unlawful. A Delaware corporation may indemnify any person, including an officer or director, who was or is, or is threatened to be made, a party to any threatened, pending or contemplated action or suit by or in the right of such corporation, under the same conditions, except that such indemnification is limited to expenses (including attorneys' fees) actually and reasonably incurred by such person, and except that no indemnification is permitted without judicial approval if such person is adjudged to be liable to such corporation. Where an officer or director of a corporation is successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to above, or any claim, issue or matter therein, the corporation must indemnify that person against the expenses (including attorneys' fees) which such officer or director actually and reasonably incurred in connection therewith.

The Registrant's amended and restated certificate of incorporation, which will be in effect upon the closing of this offering, will authorize the indemnification of its officers and directors, consistent with Section 145 of the DGCL.

Reference is made to Section 102(b)(7) of the DGCL, which enables a corporation in its original certificate of incorporation or an amendment thereto to eliminate or limit the personal liability of a director for violations of the director's fiduciary duty, except (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional

misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the DGCL, which provides for liability of directors for unlawful payments of dividends of unlawful stock purchase or redemptions or (iv) for any transaction from which a director derived an improper personal benefit.

In connection with this offering, we intend to enter into indemnification agreements with each of our directors and officers. These indemnification agreements may require us, among other things, to indemnify our directors and officers for some expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by a director or officer in any action or proceeding arising out of his or her service as one of our directors or officers, or any of our subsidiaries or any other company or enterprise to which the person provides services at our request.

We maintain a general liability insurance policy that covers certain liabilities of directors and officers of our corporation arising out of claims based on acts or omissions in their capacities as directors or officers.

In any underwriting agreement we enter into in connection with the sale of common stock being registered hereby, the underwriters will agree to indemnify, under certain conditions, us, our directors, our officers and persons who control us within the meaning of the Securities Act against certain liabilities.

#### **Item 15. Recent Sales of Unregistered Securities.**

Set forth below is information regarding all unregistered securities sold by us since January 1, 2018. Also included is the consideration received by us for such shares and information relating to the section of the Securities Act, or rule of the Securities and Exchange Commission, under which exemption from registration was claimed.

##### **(a) Issuance of Capital Stock.**

1. In March 2020, we issued an aggregate of 1,226,515 shares of our common stock to the former stockholders of Newrow, Inc. as partial consideration for our acquisition of all outstanding shares of capital stock of such entity.
2. In February 2021, we issued an aggregate of 27,011 shares of our Series C convertible preferred stock pursuant to the automatic cashless exercise of the Series C Warrant.

##### **(b) Equity Awards.**

1. Since January 1, 2018 we have granted stock options to employees, directors and consultants, covering an aggregate of approximately 25,989,790 shares of our common stock, having exercise prices ranging from \$0.0001 to \$13.34 per share, in connection with services provided to us by such parties.
2. Since January 1, 2018, we have issued an aggregate of approximately 3,166,915 shares of our common stock to employees, directors and consultants upon their exercise of stock options, for aggregate cash consideration of approximately \$0.8 million.

Unless otherwise stated, the issuances of the above securities were deemed to be exempt from registration under the Securities Act in reliance upon Section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder, or Rule 701 promulgated under Section 3(b) of the Securities Act as transactions by an issuer not involving any public offering or pursuant to benefit plans and contracts relating to compensation as provided under Rule 701. Individuals who purchased securities as described above represented their intention 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 affixed to the share certificates issued in such transactions.

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions or any public offering.

## Item 16. Exhibits and Financial Statement Schedules.

### (a) Exhibits.

The following documents are filed as exhibits to this registration statement.

<b>Exhibit Number</b>	<b>Description of Exhibit</b>
1.1	<a href="#">Form of Underwriting Agreement</a>
3.1*	<a href="#">Certificate of Incorporation of Kaltura, Inc. (currently in effect)</a>
3.2*	<a href="#">Bylaws of Kaltura, Inc. (currently in effect)</a>
3.3*	<a href="#">Form of Amended and Restated Certificate of Incorporation of Kaltura, Inc. (to be in effect upon the closing of this offering)</a>
3.4*	<a href="#">Form of Amended and Restated Bylaws of Kaltura, Inc. (to be in effect upon the closing of this offering)</a>
4.1*	<a href="#">Form of Certificate of Common Stock</a>
4.2+*	<a href="#">Sixth Amended and Restated Investor Rights Agreement, dated as of July 22, 2016, by and among Kaltura, Inc. and each of the investors listed on Exhibit A thereto, as amended</a>
4.3*	<a href="#">Warrant to Purchase Shares of Series E Convertible Preferred Stock, dated as of October 28, 2015, issued by Kaltura, Inc. to ORIX Finance Equity Investors, LP</a>
4.4+*	<a href="#">Purchase Warrant for Common Stock, dated as of July 22, 2016, by and between Kaltura, Inc. and Goldman, Sachs &amp; Co., as amended</a>
4.5*	<a href="#">Amended and Restated Warrant to Purchase Shares of Series D Convertible Preferred Stock, dated as of November 8, 2018, issued by Kaltura, Inc. to ORIX Finance Equity Investors, LP</a>
4.6*	<a href="#">Amended and Restated Warrant to Purchase Shares of Series E Convertible Preferred Stock, dated as of November 8, 2018, issued by Kaltura, Inc. to ORIX Finance Equity Investors, LP</a>
4.7*	<a href="#">Warrant to Purchase Shares of Common Stock, dated as of March 26, 2020, issued by Kaltura, Inc. to Zarom Holding Limited, as amended</a>
5.1	<a href="#">Opinion of Latham &amp; Watkins LLP</a>
10.1+†	<a href="#">Credit Agreement, dated as of January 14, 2021, by and among Kaltura, Inc., the several banks and other financial institutions or entities from time to time party thereto, Silicon Valley Bank, as the Issuing Lender and the Swingline Lender, and SVB, as Administrative Agent, as amended</a>
10.2+†*	<a href="#">Guarantee and Collateral Agreement, dated as of January 14, 2021, by and among Kaltura, Inc., the other Grantors referred to therein, and Silicon Valley Bank, as Administrative Agent</a>
10.3+†	<a href="#">Debenture, dated as of January 14, 2021, by and among Kaltura Europe Limited and Kaltura, Inc., as Original Chargors, and Silicon Valley Bank, as Administrative Agent, as supplemented</a>
10.4#+*	<a href="#">Kaltura, Inc. 2007 Israeli Share Option Plan and form of option agreements thereunder</a>
10.5#*	<a href="#">Kaltura, Inc. 2007 Stock Option Plan and form of option agreements thereunder</a>
10.6#*	<a href="#">Kaltura, Inc. 2017 Equity Incentive Plan and form of option agreements thereunder</a>
10.7#*	<a href="#">Kaltura, Inc. 2021 Incentive Award Plan</a>
10.8#*	<a href="#">Form of Stock Option Award Agreement under the Kaltura, Inc. 2021 Incentive Award Plan</a>
10.9#*	<a href="#">Form of Restricted Stock Unit Award Agreement under the Kaltura, Inc. 2021 Incentive Award Plan</a>
10.10#+*	<a href="#">Employment Agreement, dated as of May 1, 2012, by and between Kaltura Ltd. and Ron Yekutieli, as amended</a>
10.11#*	<a href="#">Consulting Agreement by and between Kaltura, Inc. and Ron Yekutieli, effective November 1, 2006</a>
10.12#*	<a href="#">Consulting Agreement by and between Kaltura, Inc. and Ron Yekutieli, effective January 1, 2018, as amended</a>
10.13#*	<a href="#">Consulting Agreement by and between Kaltura Europe Limited and Ron Yekutieli, effective May 1, 2014, as amended</a>
10.14#*	<a href="#">Employment Agreement, dated as of June 18, 2017, by and between Kaltura Ltd. and Yaron Garmazi, as amended</a>
10.15#+*	<a href="#">Employment Agreement, dated as of April 1, 2018, by and between Kaltura Ltd. and Michal Tsur, as amended</a>
10.16#*	<a href="#">Employment Agreement, dated as of January 28, 2019, by and between Kaltura Ltd. and Sergei Liakhovetsky, as amended</a>

10.17#*	<a href="#">Kaltura, Inc. Non-Employee Director Compensation Policy</a>
10.18+*	<a href="#">Form of Indemnification Agreement between Kaltura, Inc. and its directors and officers</a>
21.1*	<a href="#">Subsidiaries of Kaltura, Inc.</a>
23.1	<a href="#">Consent of Kost Forer Gabbay &amp; Kasierer, a member of Ernst &amp; Young Global</a>
23.2	<a href="#">Consent of Latham &amp; Watkins LLP (included in Exhibit 5.1)</a>
24.1*	<a href="#">Power of Attorney (included on signature page)</a>
99.1*	<a href="#">Consent of Naama Halevi Davidov to be Named as Director Nominee</a>
99.2*	<a href="#">Consent of Ronen Faier to be Named as Director Nominee</a>

\* Previously filed.

# Indicates management contract or compensatory plan.

† Certain of the schedules and attachments to this exhibit have been omitted pursuant to Regulation S-K, Item 601(a)(5). The registrant hereby undertakes to provide further information regarding such omitted materials to the Commission upon request.

+ Certain portions of this exhibit (indicated by "####") have been redacted pursuant to Regulation S-K, Item 601(a)(6).

(b) Financial Statement Schedules. Schedules not listed above have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes thereto.

### Item 17. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriter, at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned hereby undertakes that:

- (1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.
- (2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.





**Kaltura, Inc.**  
**Common Stock, Par Value \$0.0001 Per Share**

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**Underwriting Agreement**

[ ], 2021

Goldman Sachs & Co. LLC  
BofA Securities, Inc.

As representatives (the "Representatives") of the several Underwriters  
named in Schedule I hereto,

c/o Goldman Sachs & Co. LLC  
200 West Street,  
New York, New York 10282-2198

c/o BofA Securities, Inc.  
One Bryant Park  
New York, New York 10036

Ladies and Gentlemen:

Kaltura, Inc., a Delaware corporation (the "Company"), proposes, subject to the terms and conditions stated in this agreement (this "Agreement"), to issue and sell to the several Underwriters named in Schedule I hereto (the "Underwriters") an aggregate of [ ] shares of Common Stock (as defined below) (the "Firm Shares") and, at the election of the Underwriters, up to [ ] additional shares (the "Optional Shares") of common stock, par value \$0.0001 per share ("Common Stock") of the Company. The Firm Shares and the Optional Shares that the Underwriters elect to purchase pursuant to Section 2 hereof are herein collectively called the "Shares".

1. (a) The Company represents and warrants to, and agrees with, each of the Underwriters that:
  - (i) A registration statement on Form S-1 (File No. 333-253699) (the "Initial Registration Statement") in respect of the Shares has been filed with the Securities and Exchange Commission (the "Commission"); the Initial Registration Statement and any post-effective amendment thereto, each in the form heretofore delivered to the Representatives, have been declared effective by the Commission in such form; other than a registration statement, if any, increasing the size of the offering (a "Rule 462(b) Registration Statement"), filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the "Act"), which became effective upon filing, no other document with respect to the Initial Registration Statement has been filed with the Commission; and no stop order suspending the effectiveness of the Initial Registration Statement, any post-effective amendment thereto or the Rule 462(b) Registration Statement, if any, has been issued and no proceeding for that purpose or pursuant to Section 8A of

the Act has been initiated or, to the Company's knowledge, threatened by the Commission (any preliminary prospectus included in the Initial Registration Statement or filed with the Commission pursuant to Rule 424(a) of the rules and regulations of the Commission under the Act is hereinafter called a "Preliminary Prospectus"; the various parts of the Initial Registration Statement and the Rule 462(b) Registration Statement, if any, including all exhibits thereto and including the information contained in the form of final prospectus filed with the Commission pursuant to Rule 424(b) under the Act in accordance with Section 5(a) hereof and deemed by virtue of Rule 430A under the Act to be part of the Initial Registration Statement at the time it was declared effective, each as amended at the time such part of the Initial Registration Statement became effective or such part of the Rule 462(b) Registration Statement, if any, became or hereafter becomes effective, are hereinafter collectively called the "Registration Statement"; the Preliminary Prospectus relating to the Shares that was included in the Registration Statement immediately prior to the Applicable Time (as defined in Section 1(a)(iii) hereof) is hereinafter called the "Pricing Prospectus"; such final prospectus, in the form first filed pursuant to Rule 424(b) under the Act, is hereinafter called the "Prospectus"; any oral or written communication with potential investors undertaken in reliance on Section 5(d) of the Act or Rule 163B under the Act is hereinafter called a "Testing-the-Waters Communication"; and any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405 under the Act is hereinafter called a "Written Testing-the-Waters Communication"; and any "issuer free writing prospectus" as defined in Rule 433 under the Act relating to the Shares is hereinafter called an "Issuer Free Writing Prospectus");

(ii) (A) No order preventing or suspending the use of any Preliminary Prospectus or any Issuer Free Writing Prospectus has been issued by the Commission, and (B) each Preliminary Prospectus, at the time of filing thereof, conformed in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder, and did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with the Underwriter Information (as defined in Section 8(b) of this Agreement);

(iii) For the purposes of this Agreement, the "Applicable Time" is [ ] p.m. (Eastern time) on the date of this Agreement; the Pricing Prospectus, as supplemented by the information listed on Schedule II(b) hereto, taken together (collectively, the "Pricing Disclosure Package"), as of the Applicable Time, did not, and as of each Time of Delivery (as defined in Section 4(a) of this Agreement) (as supplemented by any post-effective amendment thereto) will not, include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and each Issuer Free Writing Prospectus and each Written Testing-the-Waters Communication does not conflict with the information contained in the Registration Statement, the Pricing Prospectus or the Prospectus, and each Issuer Free Writing Prospectus

and each Written Testing-the-Waters Communication, as supplemented by and taken together with the Pricing Disclosure Package, as of the Applicable Time, did not, and as of each Time of Delivery (as supplemented by any post-effective amendment thereto), will not, include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not apply to statements or omissions made in reliance upon and in conformity with the Underwriter Information;

(iv) The Registration Statement conforms, and the Prospectus and any further amendments or supplements to the Registration Statement and the Prospectus will conform, in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder and do not and will not, as of the applicable effective date as to each part of the Registration Statement, as of the applicable filing date as to the Prospectus and any amendment or supplement thereto, and as of each Time of Delivery, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with the Underwriter Information;

(v) Neither the Company nor any of its subsidiaries has, since the date of the latest audited financial statements included in the Pricing Prospectus and the Prospectus, (i) sustained any material loss or material interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree or (ii) entered into any transaction or agreement (whether or not in the ordinary course of business) that is material to the Company and its subsidiaries taken as a whole or incurred any liability or obligation, direct or contingent, that is material to the Company and its subsidiaries taken as a whole, in each case otherwise than as set forth or contemplated in the Pricing Prospectus; and, since the respective dates as of which information is given in the Registration Statement and the Pricing Prospectus, there has not been (x) any change in the capital stock (other than as a result of (i) the exercise, if any, of stock options or the award, if any, of stock options or restricted stock in the ordinary course of business pursuant to the Company's equity plans that are described in the Pricing Prospectus and the Prospectus or (ii) the issuance, if any, of stock upon the exercise or conversion of Company securities as described in the Pricing Prospectus and the Prospectus) or long term debt of the Company or any of its subsidiaries or (y) any Material Adverse Effect (as defined below); as used in this Agreement, "Material Adverse Effect" shall mean any material adverse change or effect, or any development involving a prospective material adverse change or effect, in or affecting (i) the business, properties, general affairs, management, financial position, stockholders' equity or results of operations of the Company and its subsidiaries, taken as a whole, except as set forth or contemplated in the Pricing Prospectus, or (ii) the ability of the Company to perform its obligations under this Agreement, including the issuance and sale of the Shares, or to

consummate the transactions contemplated in the Pricing Prospectus and the Prospectus;

(vi) The Company and its subsidiaries have good and marketable title in fee simple to all real property and good and marketable title to all personal property owned by them, in each case free and clear of all liens, encumbrances and defects except as are described in the Pricing Prospectus or such as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Company and its subsidiaries; and any real property and buildings held under lease by the Company and its subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not materially interfere with the use made and proposed to be made of such property and buildings by the Company and its subsidiaries;

(vii) Each of the Company and each of its subsidiaries has been (i) duly organized and is validly existing and in good standing under the laws of its jurisdiction of organization, with power and authority (corporate and other) to own and/or lease its properties and conduct its business as described in the Pricing Prospectus, and (ii) duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, except, in the case of this clause (ii), where the failure to be so qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;

(viii) The Company has an authorized capitalization as set forth in the Pricing Prospectus and all of the issued shares of capital stock of the Company have been duly and validly authorized and issued and are fully paid and non-assessable and conform in all material respects to the description of the Stock contained in the Pricing Disclosure Package and the Prospectus; and all of the issued shares of capital stock of each subsidiary of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and (except, in the case of any foreign subsidiary, for directors' qualifying shares) are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims;

(ix) The Shares have been duly and validly authorized and, when issued and delivered against payment therefor as provided herein, will be duly and validly issued and fully paid and non assessable and will conform in all material respects to the description of the Stock contained in the Pricing Disclosure Package and the Prospectus; and the issuance of the Shares is not subject to any preemptive or similar rights that have not been complied with or otherwise effectively waived;

(x) The issue and sale of the Shares and the compliance by the Company with this Agreement and the consummation of the transactions contemplated in this Agreement and the Pricing Prospectus will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, (A) any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any

of the property or assets of the Company or any of its subsidiaries is subject, (B) the certificate of incorporation or by-laws (or other applicable organizational document) of the Company or any of its subsidiaries, or (C) any statute or any judgment, order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties; except in the case of clause (A) and (C) for such defaults, breaches, or violations that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the issue and sale of the Shares or the consummation by the Company of the transactions contemplated by this Agreement, except such as have been obtained under the Act, the approval by the Financial Industry Regulatory Authority ("FINRA") of the underwriting terms and arrangements, the approval for listing the Shares on The Nasdaq Global Select Market ("Nasdaq") and such consents, approvals, authorizations, orders, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Shares by the Underwriters;

(xi) Neither the Company nor any of its subsidiaries is (i) in violation of its certificate of incorporation or by-laws (or other applicable organizational document), (ii) in violation of any statute or any judgment, order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties, or (iii) in default in the performance or observance of any obligation, agreement, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which it is a party or by which it or any of its properties may be bound, except, in the case of the foregoing clauses (ii) and (iii), for such defaults or violations as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;

(xii) The statements set forth in the Pricing Prospectus and the Prospectus under the caption "Description of Capital Stock", insofar as they purport to constitute a summary of the terms of the Stock, under the caption "Certain U.S. Federal Income Tax Consequences to Non-U.S. Holders", and under the caption "Underwriting", insofar as they purport to describe the provisions of the laws and documents referred to therein, are accurate and complete in all material respects;

(xiii) Other than as set forth in the Pricing Prospectus, there are no legal or governmental or regulatory investigations, actions, demands, claims, suits, arbitrations, inquiries or proceedings ("Actions") pending to which the Company or any of its subsidiaries or, to the Company's knowledge, any officer or director of the Company, is a party or of which any property or assets of the Company or any of its subsidiaries or, to the Company's knowledge, any officer or director of the Company, is the subject which, if determined adversely to the Company or any of its subsidiaries (or such officer or director), would individually or in the aggregate reasonably be expected to have a Material Adverse Effect; and, to the Company's knowledge, no such proceedings are threatened or contemplated by governmental authorities or others; there are no current or pending Actions that

are required under the Act to be described in the Registration Statement or the Pricing Prospectus that are not so described therein;

(xiv) The Company is not and, immediately after giving effect to the offering and sale of the Shares in accordance with this Agreement and the application of the proceeds therefrom as described in the Pricing Prospectus and the Prospectus, will not be an "investment company", as such term is defined in the Investment Company Act of 1940, as amended (the "Investment Company Act");

(xv) At the time of filing the Initial Registration Statement and any post-effective amendment thereto, at the earliest time thereafter that the Company or any offering participant made a bona fide offer (within the meaning of Rule 164(h)(2) under the Act) of the Shares, and at the date hereof, the Company was not and is not an "ineligible issuer," as defined in Rule 405 under the Act;

(xvi) Kost Forer Gabbay & Kaiserer, a member of Ernst & Young Global, who have certified certain financial statements of the Company and its subsidiaries, are independent public accountants as required by the Act and the rules and regulations of the Commission thereunder;

(xvii) The Company maintains a system of internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that (i) complies with the requirements of the Exchange Act, as applicable to the Company (ii) has been designed by the Company's principal executive officer and principal financial officer, or under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and (iii) is designed to provide reasonable assurance that (A) transactions are executed in accordance with management's general or specific authorization, (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets, (C) access to assets is permitted only in accordance with management's general or specific authorization and (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences; and the Company's internal control over financial reporting is effective and the Company is not aware of any material weaknesses in its internal control over financial reporting (it being understood that this subsection shall not require the Company to comply with Section 404 of the Sarbanes Oxley Act of 2002 as of an earlier date than it would otherwise be required to so comply under applicable law);

(xviii) Since the date of the latest audited financial statements included in the Pricing Prospectus and the Prospectus, there has been no change in the Company's internal control over financial reporting that has materially and adversely affected, or is reasonably likely to materially and adversely affect, the Company's internal control over financial reporting;

(xix) The Company maintains disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Exchange Act) that comply with the requirements of the Exchange Act applicable to the Company; such disclosure

controls and procedures have been designed to ensure that material information relating to the Company and its subsidiaries is made known to the Company's principal executive officer and principal financial officer by others within those entities; and such disclosure controls and procedures are effective in all material respects;

(xx) This Agreement has been duly authorized, executed and delivered by the Company;

(xxi) Neither the Company nor any of its subsidiaries, nor any director, officer or employee of the Company or any of its subsidiaries nor, to the knowledge of the Company, any agent, affiliate or other person associated with or acting on behalf of the Company or any of its subsidiaries has (i) made, offered, promised or authorized any unlawful contribution, gift, entertainment or other unlawful expense (or taken any act in furtherance thereof); (ii) made, offered, promised or authorized any direct or indirect unlawful payment; or (iii) violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977, as amended, or the rules and regulations thereunder, the Bribery Act 2010 of the United Kingdom or any other applicable anti-corruption, anti-bribery or related law, statute or regulation (collectively, "Anti-Corruption Laws"); the Company and its subsidiaries have conducted their businesses in compliance with Anti-Corruption Laws and have instituted and maintained and will continue to maintain policies and procedures reasonably designed to promote and achieve compliance with such laws and with the representations and warranties contained herein; neither the Company nor any of its subsidiaries will use, directly or indirectly, the proceeds of the offering in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any person in violation of Anti-Corruption Laws;

(xxii) The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with the requirements of applicable anti-money laundering laws, including, but not limited to, the Bank Secrecy Act of 1970, as amended by the USA PATRIOT ACT of 2001, and the rules and regulations promulgated thereunder, and the anti-money laundering laws of the various jurisdictions in which the Company and its subsidiaries conduct business, the rules and regulations thereunder and any related or similar rules, regulation or guidelines issued, administered or enforced by any governmental agency in jurisdictions where the Company and its subsidiaries conduct business (collectively, the "Money Laundering Laws") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened;

(xxiii) Neither the Company nor any of its subsidiaries, nor any director or officer of the Company or any of its subsidiaries nor, to the knowledge of the Company, any agent, employee or affiliate or other person associated with or acting on behalf of the Company or any of its subsidiaries is (i) currently the subject or the target of any sanctions administered or enforced by the U.S. Government, including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC"), or the U.S. Department of State and including, without limitation, the designation as a "specially designated national"

or “blocked person,” the European Union, Her Majesty’s Treasury, the United Nations Security Council, or other relevant sanctions authority (collectively, “Sanctions”), (ii) located, organized, or resident in a country or territory that is the subject or target of comprehensive Sanctions (as of the date of Agreement. Cuba, Iran, North Korea, Syria and Crimea) (the “Sanctioned Jurisdictions”), and the Company will not directly or indirectly use the proceeds of the offering of the Shares hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity (i) to fund or facilitate any activities of or business with any person, or in any country or territory, that, at the time of such funding, is the subject or the target of Sanctions or (ii) in any other manner that will result in a violation by any person (including any person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions; neither the Company nor any of its subsidiaries is engaged in, or has, at any time in the past five years, engaged in, any dealings or transactions with or involving any individual or entity in any country or territory that at the time of such dealing or transaction, was the subject or target of Sanctions or a Sanctioned Jurisdiction; the Company and its subsidiaries have instituted, and maintain, policies and procedures designed to promote and achieve continued compliance with Sanctions;

(xxiv) The financial statements included in the Registration Statement, the Pricing Prospectus and the Prospectus, together with the related schedules and notes, present fairly in all material respects the financial position of the Company and its subsidiaries at the dates indicated and the statement of operations, stockholders’ equity and cash flows of the Company and its subsidiaries for the periods specified; said financial statements have been prepared in conformity with U.S. generally accepted accounting principles (“GAAP”) applied on a consistent basis throughout the periods involved. The supporting schedules, if any, present fairly in all material respects in accordance with GAAP the information required to be stated therein. The selected financial data and the summary financial information included in the Registration Statement, the Pricing Prospectus and the Prospectus present fairly in all material respects the information shown therein and have been compiled on a basis consistent with that of the audited financial statements included therein. Except as included therein, no historical or pro forma financial statements or supporting schedules are required to be included in the Registration Statement, the Pricing Prospectus or the Prospectus under the Act or the rules and regulations promulgated thereunder. All disclosures contained in the Registration Statement, the Pricing Prospectus and the Prospectus regarding “non-GAAP financial measures” (as such term is defined by the rules and regulations of the Commission) comply with Regulation G of the Exchange Act and Item 10 of Regulation S-K of the Act, to the extent applicable;

(xxv) Except as would not reasonably be expected to have a Material Adverse Effect, the Company and each of its subsidiaries (i) own, license or otherwise possess adequate rights to use all patents, trademarks, service marks, trade names, domain names and other source identifiers, social media identifiers and accounts, inventions, copyrights and copyrightable works, know-how, software, systems, technology and all other intellectual property (including trade secrets and other unpatented and/or unpatentable proprietary information) (collectively,



“Intellectual Property Rights”) necessary for, used in or held for use in the conduct of their respective businesses and, to the knowledge of the Company, all such Intellectual Property Rights owned by the Company and its subsidiaries are valid and enforceable, (ii) through the conduct of their respective businesses, do not infringe, misappropriate, or otherwise violate, and have not infringed, misappropriated, or otherwise violated, any Intellectual Property Rights of others, (iii) to the knowledge of the Company, have not received any written notice of, and are not subject to, any pending or threatened action, suit, proceeding or claim, asserting infringement, misappropriation, or other violation of any Intellectual Property Rights of others by the Company or any of its subsidiaries or challenging the Company’s or any of its subsidiaries’ rights in or to, or the enforceability, validity or scope of, any of their Intellectual Property Rights and (iv) have taken commercially reasonable actions to maintain the confidentiality of confidential information and trade secrets and to obtain ownership of the Intellectual Property Rights that are developed by employees and contractors for the Company and its subsidiaries;

(xxvi) Except as described in the Registration Statement or as would not reasonably be expected to have a Material Adverse Effect, (i) the Company and its subsidiaries use and have used any and all software and other materials distributed under a “free,” “open source,” or other license meeting the open source definition of the Open Source Initiative located online at <http://opensource.org/osd> (including but not limited to the MIT License, Apache License, GNU General Public License, GNU Lesser General Public License and GNU Affero General Public License) (“Open Source Software”) in compliance with all license terms applicable to such Open Source Software, (ii) neither the Company nor any of its subsidiaries use or distribute or have used or distributed any Open Source Software in any manner that, to the knowledge of the Company, requires or has required (A) the Company or its subsidiaries to permit reverse-engineering of any software code or other technology owned by the Company or its subsidiaries or (B) any software code or other technology owned by the Company or its subsidiaries to be disclosed or distributed in source code form, licensed for the purpose of making derivative works or redistributed at no charge, and (iii) neither the Company nor any of its subsidiaries has deposited into escrow the source code of any of its software and no such source code has been released to any third party, or is entitled to be released to any third party, by any escrow agent;

(xxvii) Except as would not reasonably be expected to have a Material Adverse Effect, the Company and its subsidiaries’ information technology assets and equipment, computers, systems, networks, hardware, software, websites, applications, and databases (collectively, “IT Systems”) are adequate for, and operate and perform as required in connection with the operation of the business of the Company and its subsidiaries as currently conducted, to the knowledge of the Company, free and clear of all bugs, errors, defects, Trojan horses, time bombs, malware and other corruptants. The Company and its subsidiaries have implemented and maintained commercially reasonable controls, policies, procedures and safeguards which are intended to maintain and protect their material confidential information and the integrity, continuous operation, redundancy and security of all IT Systems and data (including all personal or

personally identifiable data (“Personal Data”) collected, processed, stored, transmitted or otherwise used in connection with their businesses. To the knowledge of the Company, (i) there have been no breaches, violations, outages, unauthorized uses of or accesses to or other compromises of the same which have resulted in the unauthorized access, use, misappropriation or modification of any material data or Personal Data, except for those that have been remedied without material cost or liability or the duty to notify any other person, and (ii) there are no incidents under internal review or investigations relating to the same. The Company and its subsidiaries are presently in compliance with all applicable laws or statutes and all judgments, orders, rules and regulations of any court or arbitrator or governmental or regulatory authority and contractual obligations relating to the collection, processing, storage, transmission and other use, privacy and security of IT Systems and Personal Data, except where the failure to be in compliance would not reasonably be expected to have a Material Adverse Effect.

(xxviii) No labor dispute with the employees of the Company exists or is imminent that would reasonably be expected have a Material Adverse Effect;

(xxix) None of the Company or its subsidiaries is in violation of any statute, any rule, regulation, decision or order of any governmental agency or body or any court, domestic or foreign, relating to the use, disposal or release of hazardous or toxic substances or relating to the protection or restoration of the environment or human exposure to hazardous or toxic substances (collectively, “environmental laws”), owns or operates any real property contaminated with any substance that is subject to any environmental laws, is liable for any off-site disposal or contamination pursuant to any environmental laws, or is subject to any claim relating to any environmental laws, which violation, contamination, liability or claim would individually or in the aggregate reasonably be expected to have a Material Adverse Effect; and the Company is not aware of any pending investigation which would reasonably be expected to lead to such a claim;

(xxx) Nothing has come to the attention of the Company that has caused the Company to believe that the statistical and market-related data included in each of the Registration Statement, the Pricing Prospectus and the Prospectus is not based on or derived from sources that are reliable and accurate in all material respects;

(xxxi) There is and has been no failure on the part of the Company or any of the Company’s directors or officers, in their capacities as such, to comply with any provision of the Sarbanes-Oxley Act of 2002, as amended and the rules and regulations promulgated in connection therewith (the “Sarbanes-Oxley Act”);

(xxxii) Neither the Company nor any of its affiliates has taken and will not take, directly or indirectly, any action that is designed to or that could reasonably be expected to cause or result in the stabilization or manipulation of the price of any security of the Company or any of its subsidiaries in connection with the offering of the Shares;

(xxxiii) The Company and each of its subsidiaries have such permits, licenses, approvals, consents, franchises, certificates of need and other approvals or authorizations of governmental or regulatory authorities (“Permits”) as are

necessary under applicable law to own their respective properties and conduct their respective businesses in the manner described in the Registration Statement, the Pricing Prospectus and the Prospectus, except for any of the foregoing that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Neither the Company nor any of its subsidiaries has received notice of any proceedings related to the revocation or modification of any such Permits that, individually or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would reasonably be expected to have a Material Adverse Effect;

(xxxiv) The Company and its subsidiaries, taken as a whole, are insured against such losses and risks and in such amounts as are prudent and customary in the businesses in which they are engaged and as required by law;

(xxxv) From the time of initial confidential submission of a registration statement relating to the Shares with the Commission through the date hereof, the Company has been and is an “emerging growth company” as defined in Section 2(a)(19) of the Act (an “Emerging Growth Company”);

(xxxvi) There are (and prior to the Closing Date, will be) no debt securities, convertible securities or preferred stock issued or guaranteed by the Company or its subsidiary that are rated by a “nationally recognized statistical rating organization”, as such term is defined in Section 3(a)(62) under the Exchange Act;

(xxxvii) The holders of substantially all of the Common Stock or securities convertible into or exercisable or exchangeable for Common Stock, including any securities that are issuable pursuant to an award granted prior to the date of the effectiveness of the Registration Statement and issued pursuant to any employee benefit plan in effect on the date hereof and described in the Preliminary Prospectus, that have not delivered executed lock-up agreements to the Representatives as of the date hereof are bound by market standoff provisions with the Company pursuant to which such holders have agreed not to sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of such holder’s securities during the Company Lock-Up Period (as defined below) without the consent of the Company (“Market Standoff Provisions”) that are enforceable by the Company. Each such Market Standoff Provision is in full force and effect as of the date hereof and shall remain in full force and effect during the Company Lock-Up Period;

(xxxviii) Assuming that the Underwriters are not otherwise subject to taxation in the State of Israel due to any present or former connection between an Underwriter and the State of Israel (including, without limitation, due to Israeli tax residence or the existence of a permanent establishment in Israel), then no capital gains, income, withholding or other taxes are payable by or on behalf of the Underwriters to the State of Israel or to any political subdivision or authority thereof or therein in connection with (i) the execution, delivery and performance of this Agreement, (ii) the issuance and delivery of the Shares by the Company to the Underwriters or (iii) the initial resale and delivery by the Underwriters of the Shares to the purchasers thereof; and

(xxxix) The Company and each of its subsidiaries have filed all federal, state, local and foreign tax returns required to be filed through the date of this Agreement or have requested extensions thereof (except where the failure to file would not, singly or in the aggregate, have a Material Adverse Effect on the Company and its subsidiaries, taken as a whole) and have paid all taxes required to be paid thereon (except for cases in which the failure to file or pay would not, singly or in the aggregate, have a Material Adverse Effect on the Company and its subsidiaries, taken as a whole, or, except as currently being contested in good faith and for which reserves required by U.S. GAAP have been created in the financial statements of the Company), and no tax deficiency has been determined adversely to the Company or any of its subsidiaries which, singly or in the aggregate, has had (nor does the Company nor any of its subsidiaries have any written notice of any tax deficiency which could reasonably be expected to be determined adversely to the Company or its subsidiaries and which could reasonably be expected to have) a Material Adverse Effect on the Company and its subsidiaries, taken as a whole.

2. Subject to the terms and conditions herein set forth, (a) the Company agrees to issue and sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company, at a purchase price per share of \$[[]], the number of Firm Shares set forth opposite the name of such Underwriter in Schedule I hereto and (b) in the event and to the extent that the Underwriters shall exercise the election to purchase Optional Shares as provided below, the Company agrees to issue and sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company at the purchase price per share set forth in clause (a) of this Section 2 (provided that the purchase price per Optional Share shall be reduced by an amount per share equal to any dividends or distributions declared by the Company and payable on the Firm Shares but not payable on the Optional Shares), that portion of the number of Optional Shares as to which such election shall have been exercised (to be adjusted by the Representatives so as to eliminate fractional shares) determined by multiplying such number of Optional Shares by a fraction, the numerator of which is the maximum number of Optional Shares which such Underwriter is entitled to purchase as set forth opposite the name of such Underwriter in Schedule I hereto and the denominator of which is the maximum number of Optional Shares that all of the Underwriters are entitled to purchase hereunder.

The Company hereby grants to the Underwriters the right to purchase at their election up to [[]] Optional Shares, at the purchase price per share set forth in the paragraph above, provided that the purchase price per Optional Share shall be reduced by an amount per share equal to any dividends or distributions declared by the Company and payable on the Firm Shares but not payable on the Optional Shares. Any such election to purchase Optional Shares may be exercised only by written notice from the Representatives to the Company, given within a period of 30 calendar days after the date of this Agreement, setting forth the aggregate number of Optional Shares to be purchased and the date on which such Optional Shares are to be delivered, as determined by the Representatives but in no event earlier than the First Time of Delivery (as defined in Section 4 hereof) or, unless the Representatives and the Company otherwise agree in writing, earlier than two or later than ten business days after the date of such notice.

3. Upon the authorization by the Representatives of the release of the Shares, the several Underwriters propose to offer the Shares for sale upon the terms and conditions set forth in the Pricing Prospectus and the Prospectus.

4. (a) The Shares to be purchased by each Underwriter hereunder, in definitive or book-entry form, and in such authorized denominations and registered in such names as the Representatives may request upon at least forty-eight hours' prior notice to the Company shall be delivered by or on behalf of the Company to the Representatives, through the facilities of the Depository Trust Company ("DTC"), for the account of such Underwriter, against payment by or on behalf of such Underwriter of the purchase price therefor by wire transfer of Federal (same-day) funds to the account specified by the Company to the Representatives at least forty-eight hours in advance. The time and date of such delivery and payment shall be, with respect to the Firm Shares, 9:30 a.m., New York City time, on [j], 2021 or such other time and date as the Representatives and the Company may agree upon in writing, and, with respect to the Optional Shares, 9:30 a.m., New York time, on the date specified by the Representatives in each written notice given by the Representatives of the Underwriters' election to purchase such Optional Shares, or such other time and date as the Representatives and the Company may agree upon in writing. Such time and date for delivery of the Firm Shares is herein called the "First Time of Delivery", each such time and date for delivery of the Optional Shares, if not the First Time of Delivery, is herein called the "Second Time of Delivery", and each such time and date for delivery is herein called a "Time of Delivery".

(b) The documents to be delivered at each Time of Delivery by or on behalf of the parties hereto pursuant to Section 7 hereof, including the cross receipt for the Shares, will be delivered at the offices of Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 10017 (the "Closing Location"), and the Shares will be delivered at the Designated Office, all at such Time of Delivery. A meeting will be held telephonically or at the Closing Location at 4:00 p.m., New York City time, on the New York Business Day next preceding such Time of Delivery, at which meeting the final drafts of the documents to be delivered pursuant to the preceding sentence will be available for review by the parties hereto. For the purposes of this Section 4, "New York Business Day" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York City are generally authorized or obligated by law or executive order to close.

(c) The Company hereby confirms its engagement of BofA Securities, Inc. as, and BofA Securities, Inc. hereby confirms its agreement with the Company to render services as, a "qualified independent underwriter" within the meaning of FINRA Rule 5121 with respect to the offering and sale of the Shares. BofA Securities, Inc., solely in its capacity as qualified independent underwriter and not otherwise, is referred to herein as the "QIU."

5. The Company agrees with each of the Underwriters:

(a) To prepare the Prospectus in a form approved by the Representatives and to file such Prospectus pursuant to Rule 424(b) under the Act not later than the Commission's close of business on the second business day following the execution and delivery of this Agreement, or, if applicable, such earlier time as may be required by Rule 430A(a)(3) under the Act; to make no further amendment or any supplement to the Registration Statement or the Prospectus prior to the last Time of Delivery which shall be disapproved by the Representatives promptly after reasonable notice thereof; to advise the Representatives, promptly after it receives notice thereof, of the time when any amendment to the Registration Statement has been filed or

becomes effective or any amendment or supplement to the Prospectus has been filed and to furnish the Representatives with copies thereof; to file promptly all materials required to be filed by the Company with the Commission pursuant to Rule 433(d) under the Act; to advise the Representatives, promptly after it receives notice thereof, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or other prospectus in respect of the Shares, of the suspension of the qualification of the Shares for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement or the Prospectus or for additional information; and, in the event of the issuance of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or other prospectus relating to the Shares or suspending any such qualification, to promptly use its best efforts to obtain the withdrawal of such order;

(b) Promptly from time to time to take such action as the Representatives may reasonably request to qualify the Shares for offering and sale under the securities laws of such jurisdictions as the Representatives may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Shares, provided that in connection therewith the Company shall not be required to qualify as a foreign corporation (where not otherwise required), to file a general consent to service of process in any jurisdiction (where not otherwise required) or subject itself to taxation in any jurisdiction in which it is not otherwise subject to taxation as of the date hereof;

(c) Prior to 10:00 a.m., New York City time, on the New York Business Day next succeeding the date of this Agreement (or such other time as may be agreed to by the Representatives and the Company) and from time to time, to furnish the Underwriters with written and electronic copies of the Prospectus in New York City in such quantities as the Representatives may reasonably request, and, if the delivery of a prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) is, required at any time prior to the expiration of nine months after the time of issue of the Prospectus in connection with the offering or sale of the Shares and if at such time any event shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) is delivered, not misleading, or, if for any other reason it shall be necessary during such same period to amend or supplement the Prospectus in order to comply with the Act, to notify the Representatives before amending or supplementing the Registration Statement, the Pricing Disclosure Package or the Prospectus, and upon your request to prepare and furnish without charge to each Underwriter and to any dealer in securities (whose name and address the Underwriters shall furnish to the Company) as many written and electronic copies as the Representatives may from time to time reasonably request of an amended Prospectus or a supplement to the Prospectus which will correct such statement or omission or effect such compliance; and in case any Underwriter is required to deliver a prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) in connection with sales of any of the Shares at any time nine months or more after the time of issue of the Prospectus, upon your request but at the expense of such Underwriter, to prepare and deliver to such Underwriter as many written and electronic copies as the Representatives may request of an amended or supplemented Prospectus complying with Section 10(a)(3) of the Act;

(d) To make generally available to its securityholders as soon as practicable, (which may be satisfied by filing with the Commission's Electronic Data Gathering, Analysis and Retrieval System ("EDGAR")) but in any event not later than sixteen months after the effective date of the Registration Statement (as defined in Rule 158(c) under the Act), an earnings statement of the Company (which need not be audited) complying with Section 11(a) of the Act and the rules and regulations of the Commission thereunder (including, at the option of the Company, Rule 158);

(e) (i) During the period beginning from the date hereof and continuing to and including the date 180 days after the date of the Prospectus (the "Company Lock-Up Period"), not to (i) offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise transfer or dispose of, directly or indirectly, or file with or confidentially submit to the Commission a registration statement under the Act relating to, any securities of the Company that are substantially similar to the Shares, including but not limited to any options or warrants to purchase shares of Common Stock or any securities that are convertible into or exchangeable for, or that represent the right to receive, Common Stock or any such substantially similar securities, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing 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 any such other securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Stock or such other securities, in cash or otherwise (other than the Shares to be sold hereunder or pursuant to employee stock option plans existing on, or upon the conversion or exchange of convertible or exchangeable securities outstanding as of, the date of this Agreement), without the prior written consent of Goldman Sachs & Co. LLC and BofA Securities, Inc.; provided, however, that the foregoing restrictions shall not apply to (1) the Shares to be sold hereunder, (2) any shares of Stock issued upon the conversion or exercise of convertible preferred stock or warrants outstanding on the date of this Agreement in connection with the offering contemplated by this Agreement, (3) any shares of Stock or any securities or other awards (including without limitation options, restricted stock or restricted stock units) convertible into, exercisable for, or that represent the right to receive, shares of Stock pursuant to any stock option plan, incentive plan or stock purchase plan of the Company (collectively, "Company Stock Plans") or otherwise in equity compensation arrangements described in the Registration Statement and the Prospectus, provided that any directors or officers who are the recipients thereof have provided to the Representatives a signed lock-up letter substantially in the form of Annex III hereto, (4) any shares of Common Stock issued upon the conversion, exercise or exchange of convertible, exercisable or exchangeable securities outstanding on the date of this Agreement, in each case if such convertible, exercisable or exchangeable securities is described in the Registration Statement and the Prospectus, provided that any directors or officers who are the recipients thereof have provided to the Representatives a signed lockup-letter substantially in the form of Annex III hereto, (5) the filing by the Company of any registration statement on Form S-8 or a successor form thereto relating to any Company Stock Plan or options granted outside of a Company Stock Plan, each as described in the Registration Statement and the Prospectus, and (6) any shares of Stock or any securities convertible into or exchangeable for, or that represent the right to receive, shares of Stock issued in connection with any joint venture, commercial or collaborative relationship or the acquisition or license by the Company of the securities, businesses, property or other assets of another person or entity or pursuant to any employee benefit plan assumed by the Company in connection with any such acquisition, provided that in the case of clause (6), the aggregate number of shares that the Company may sell or issue or agree to sell or issue pursuant to clause (6), (x) shall not exceed 5% of the total number of

shares of Stock issued and outstanding immediately following the completion of the transactions contemplated by this Agreement) and (y) the recipients thereof provide to the Representatives a signed lock-up letter substantially in the form of Annex III hereto.

(ii) If Goldman Sachs & Co. LLC and BofA Securities, Inc., in their sole discretion, agree to release or waive the restrictions set forth in lock-up letters pursuant to Section 7(i) hereof, in each case, for an officer or director of the Company and provide the Company with notice of the impending release or waiver at least three business days before the effective date of the release or waiver, the Company agrees to announce the impending release or waiver by a press release substantially in the form of Annex II hereto through a major news service at least two business days before the effective date of the release or waiver;

(f) During a period of three years from the effective date of the Registration Statement, so long as the Company is subject to the reporting requirements of either Section 13 or Section 15(d) of the Exchange Act, to furnish to its stockholders as soon as practicable after the end of each fiscal year an annual report (including a balance sheet and statements of income, stockholders' equity and cash flows of the Company certified by independent public accountants) and, as soon as practicable after the end of each of the first three quarters of each fiscal year (beginning with the fiscal quarter ending after the effective date of the Registration Statement), to make available to its stockholders consolidated summary financial information of the Company for such quarter in reasonable detail provided that no reports, documents or other information need to be furnished pursuant to this Section 5(f) to the extent that they are available on EDGAR;

(g) During a period of three years from the effective date of the Registration Statement, so long as the Company is subject to the reporting requirements of either Section 13 or Section 15(d) of the Exchange Act, to furnish to the Representatives copies of all reports or other communications (financial or other) furnished to stockholders, and to deliver to the Representatives (i) as soon as they are available, copies of any reports and financial statements furnished to or filed with the Commission or any national securities exchange on which any class of securities of the Company is listed; and (ii) such additional information concerning the business and financial condition of the Company as the Representatives may from time to time reasonably request (such financial statements to be on a consolidated basis to the extent the accounts of the Company are consolidated in reports furnished to its stockholders generally or to the Commission) provided, that no reports, documents or other information needs to be furnished pursuant to this Section 5(g) to the extent that they are available on EDGAR;

(h) To use the net proceeds received by it from the sale of the Shares pursuant to this Agreement in the manner specified in the Pricing Prospectus under the caption "Use of Proceeds";

(i) To use its best efforts to list, subject to notice of issuance, the Shares on Nasdaq (the "Exchange");

(j) To file with the Commission such information on Form 10-Q or Form 10-K as may be required by Rule 463 under the Act;

(k) If the Company elects to rely upon Rule 462(b), the Company shall file a Rule 462(b) Registration Statement with the Commission in compliance with Rule 462(b) by 10:00 p.m., Washington, D.C. time, on the date of this Agreement, and the Company shall at the time of filing either pay to the Commission the filing fee for the Rule 462(b) Registration Statement or give irrevocable instructions for the payment of such fee pursuant to Rule 111(b) under the Act;



(l) Upon reasonable request of any Underwriter, to furnish, or cause to be furnished, to such Underwriter an electronic version of the Company's trademarks, servicemarks and corporate logo for use on the website, if any, operated by such Underwriter for the purpose of facilitating the on-line offering of the Shares (the "License"); provided, however, that the License shall be used solely for the purpose described above, is granted without any fee and may not be assigned or transferred; and

(m) To promptly notify the Representatives if the Company ceases to be an Emerging Growth Company at any time prior to the later of (i) the completion of the distribution of the Shares within the meaning of the Act and (ii) the last Time of Delivery.

(n) The Company shall not waive or amend the Market Standoff Provisions without the consent of the Representatives, except that this provision shall not prevent the Company from effecting such a waiver or amendment to permit a transfer of securities which would be permissible if such securities were subject to the terms of the lock-up agreement in the form attached as Annex III hereto.

6. (a) The Company represents and agrees that, without the prior consent of the Representatives, it has not made and will not make any offer relating to the Shares that would constitute a "free writing prospectus" as defined in Rule 405 under the Act; each Underwriter represents and agrees that, without the prior consent of the Company and the Representatives, it has not made and will not make any offer relating to the Shares that would constitute a free writing prospectus required to be filed with the Commission; any such free writing prospectus the use of which has been consented to by the Company and the Representatives is listed on Schedule II(a) hereto;

(b) The Company has complied and will comply with the requirements of Rule 433 under the Act applicable to any Issuer Free Writing Prospectus, including timely filing with the Commission or retention where required and legending; and the Company represents that it has satisfied and agrees that it will satisfy the conditions under Rule 433 under the Act to avoid a requirement to file with the Commission any electronic road show;

(c) The Company agrees that if at any time following issuance of an Issuer Free Writing Prospectus or Written Testing-the-Waters Communication any event occurred or occurs as a result of which such Issuer Free Writing Prospectus or Written Testing-the-Waters Communication would conflict with the information in the Registration Statement, the Pricing Prospectus or the Prospectus or would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, the Company will give prompt notice thereof to the Representatives and, if requested by the Representatives, will prepare and furnish without charge to each Underwriter an Issuer Free Writing Prospectus, Written Testing-the-Waters Communication or other document which will correct such conflict, statement or omission; provided, however, that this covenant shall not apply to any statements or omissions in an Issuer Free Writing Prospectus or Written Testing-the-Waters Communication prepared or authorized by the Company made in reliance upon and in conformity with the Underwriter Information;

(d) The Company represents and agrees that (i) it has not engaged in, or authorized any other person to engage in, any Testing-the-Waters Communications, other than Testing-the-Waters Communications with the prior consent of the Representatives with entities that the Company reasonably believes are qualified institutional buyers as defined in Rule 144A under the Act or institutions that are accredited investors as defined in Rule 501(a)(1), (a)(2), (a)(3),

(a)(7) or (a)(8) under the Act; and (ii) it has not distributed, or authorized any other person to distribute, any Written Testing-the-Waters Communications, other than those distributed with the prior consent of the Representatives that are listed on Schedule II(c) hereto; and the Company reconfirms that the Underwriters have been authorized to act on its behalf in engaging in Testing-the-Waters Communications; and

(e) Each Underwriter represents and agrees that any Testing-the-Waters Communications undertaken by it were with entities that such Underwriter reasonably believes are qualified institutional buyers as defined in Rule 144A under the Act or institutions that are accredited investors as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Act.

The Company covenants and agrees with the several Underwriters that the Company will pay or cause to be paid the following: (i) the fees, disbursements and expenses of the Company's counsel and accountants in connection with the registration of the Shares under the Act and all other expenses in connection with the preparation, printing, reproduction and filing of the Registration Statement, any Preliminary Prospectus, any Written Testing-the-Waters Communication, any Issuer Free Writing Prospectus and the Prospectus and amendments and supplements thereto and the mailing and delivering of copies thereof to the Underwriters and dealers; (ii) the cost of printing or producing any Agreement among Underwriters, this Agreement, the Blue Sky Memorandum, closing documents (including any compilations thereof) and any other documents in connection with the offering, purchase, sale and delivery of the Shares; (iii) all expenses in connection with the qualification of the Shares for offering and sale under state securities laws as provided in Section 5(b) hereof, including the fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky survey; (iv) all fees and expenses in connection with listing the Shares on Nasdaq; (v) stamp, registration, recording, documentation, transfer and other similar taxes related to the issuance and delivery of the Shares to the Underwriters; (vi) the filing fees incident to and the fees and disbursements of counsel for the Underwriters in connection with, any required review by FINRA of the terms of the sale of the Shares (such fees and expenses of counsel in an aggregate amount not to exceed \$40,000); (vii) the cost of preparing stock certificates, if applicable; (viii) the cost and charges of any transfer agent or registrar, (ix) subject to the Company's and the Representatives' prior written approval of each such expense, the expenses incurred by the Company in connection with any "road show" presentation to potential investors, any aircraft chartered, in connection with the road show, provided that the Underwriters and the Company shall each pay 50% of the cost of chartering any aircraft to be used by the representatives of the Company and the employees of the Representatives in connection with the road show or any Testing-the-Waters meetings by the Company and the Underwriters, provided that both representatives of the Company and employees of the Representatives are on board the aircraft and (x) all other costs and expenses incident to the performance of its obligations hereunder which are not otherwise specifically provided for in this Section. It is understood, however, that except as provided in this Section, and Sections 8 and 11 hereof, the Underwriters will pay all of their own costs and expenses, including the fees of their counsel, transfer or other similar taxes on resale of any of the Shares by them, and any advertising expenses connected with any offers they may make. All payments (including payments in kind, such as issuance, sale and delivery of Shares at contemplated under this Agreement) made or deemed to be made by or on behalf of the Company under this Agreement shall be exclusive of any value added tax or any other tax of a similar nature ("VAT") which is chargeable thereon and if any VAT is or becomes chargeable in respect of any such payment or deemed payment, the Company shall pay in addition the amount of such VAT (at the same time and in the same manner as the payment to which such VAT relates), and all payments made or

deemed to be made by the Company to the Underwriters under this Agreement, if any, will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the State of Israel or of any jurisdiction in which the Company is organized or incorporated, engaged in business for tax purposes or is otherwise resident for tax purposes or has a permanent establishment, any jurisdiction from or through which such payment is made by or on behalf of the Company, or any political subdivision, authority or agency in or of any of the foregoing having power to tax, unless the Company is or becomes required by law to withhold or deduct such taxes, duties, assessments or other governmental charges. In such event, the Company will pay such additional amounts as will result, after such withholding or deduction, in the receipt by each Underwriter of the amounts that would otherwise have been received by such Underwriter had such deduction or withholding not been required (other than taxes on net income or similar taxes), unless the deduction or withholding of such taxes, duties or charges is due to any present or former connection between an Underwriter and the jurisdiction imposing such tax (including, without limitation, as a result of the Underwriter being resident for tax purposes or having a permanent establishment in such jurisdiction).

7. The obligations of the Underwriters hereunder, as to the Shares to be delivered at each Time of Delivery shall be subject, in their discretion, to the condition that all representations and warranties and other statements of the Company herein are, at and as of the Applicable Time and such Time of Delivery, true and correct, the condition that the Company shall have performed all of its obligations hereunder theretofore to be performed, and the following additional conditions:

(a) The Prospectus shall have been filed with the Commission pursuant to Rule 424(b) under the Act within the applicable time period prescribed for such filing by the rules and regulations under the Act and in accordance with Section 5(a) hereof; all materials required to be filed by the Company pursuant to Rule 433(d) under the Act shall have been filed with the Commission within the applicable time period prescribed for such filing by Rule 433; if the Company has elected to rely upon Rule 462(b) under the Act, the Rule 462(b) Registration Statement shall have become effective by 10:00 p.m., Washington, D.C. time, on the date of this Agreement; no stop order suspending the effectiveness of the Registration Statement or any part thereof shall have been issued and no proceeding for that purpose or pursuant to Section 8A of the Act shall have been initiated or threatened by the Commission; no stop order suspending or preventing the use of the Pricing Prospectus, Prospectus or any Issuer Free Writing Prospectus shall have been initiated or threatened by the Commission; and all requests for additional information on the part of the Commission shall have been complied with to your reasonable satisfaction;

(b) Davis Polk & Wardwell LLP, counsel for the Underwriters, shall have furnished to the Representatives their written opinion and negative assurance letter, each dated such Time of Delivery, in form and substance satisfactory to the Representatives, and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters;

(c) Latham & Watkins LLP, counsel for the Company, shall have furnished to the Representatives their written opinion and negative assurance letter (a form of such opinion and negative assurance letter is attached as Annex I hereto), each dated such Time of Delivery, in form and substance reasonably satisfactory to the Representatives, and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters;

(d) On the date of the Prospectus at a time prior to the execution of this Agreement, at 9:30 a.m., New York City time, on the effective date of any post-effective amendment to the Registration Statement filed subsequent to the date of this Agreement and also at each Time of Delivery, Ernst & Young shall have furnished to the Representatives a letter or letters, dated the respective dates of delivery thereof, in form and substance satisfactory to the Representatives;

(e) (i) Neither the Company nor any of its subsidiaries shall have sustained since the date of the latest audited financial statements included in the Pricing Prospectus any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Pricing Prospectus, and (ii) since the respective dates as of which information is given in the Pricing Prospectus there shall not have been any change in the capital stock (other than as a result of the exercise of stock options outstanding under Company Stock Plans or granted outside of a Company Stock Plan as described in the Pricing Prospectus, or the award of stock options or restricted stock in the ordinary course of business pursuant to the Company Stock Plans that are described in the Pricing Prospectus, or the issuance, if any, of stock upon the exercise or conversion of Company securities as described in the Pricing Prospectus and the Prospectus) or long-term debt of the Company or any of its subsidiaries, or any change or effect, or any development involving a prospective change or effect, in or affecting (x) the business, properties, general affairs, management, financial position, stockholders' equity or results of operations of the Company and its subsidiaries, taken as a whole, except as set forth or contemplated in the Pricing Prospectus, or (y) the ability of the Company to perform its obligations under this Agreement, including the issuance and sale of the Shares, or to consummate the transactions contemplated in the Pricing Prospectus and the Prospectus, the effect of which, in any such case described in clause (i) or (ii), is in your judgment so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares being delivered at such Time of Delivery on the terms and in the manner contemplated in the Pricing Prospectus and the Prospectus;

(f) On or after the Applicable Time there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on either the New York Stock Exchange or Nasdaq; (ii) a suspension or material limitation in trading in the Company's securities on the Exchange; (iii) a general moratorium on commercial banking activities declared by either Federal or New York State authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States; (iv) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war or (v) the occurrence of any other calamity or crisis or any change in financial, political or economic conditions in the United States or elsewhere, if the effect of any such event specified in clause (iv) or (v) in your judgment makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares being delivered at such Time of Delivery on the terms and in the manner contemplated in the Pricing Prospectus and the Prospectus;

(g) The Shares to be sold at such Time of Delivery shall have been duly listed on the Nasdaq;

(h) The Company shall have obtained and delivered to the Underwriters executed copies of an agreement from each director, officer and certain other security holders of the Company which, together with the security holders subject to the Market Standoff Provisions,

represent substantially all of the shares of capital stock of the Company, substantially to the effect set forth in Annex III hereto in form and substance satisfactory to the Representatives;

(i) The Company shall have complied with the provisions of Section 5(c) hereof with respect to the furnishing of prospectuses on the New York Business Day next succeeding the date of this Agreement; and

(j) The Company shall have furnished or caused to be furnished to the Representatives at such Time of Delivery certificates of officers of the Company satisfactory to the Representatives as to the accuracy of the representations and warranties of the Company, herein at and as of such Time of Delivery, as to the performance by the Company of all of its obligations hereunder to be performed at or prior to such Time of Delivery, as to the matters set forth in subsections (a) and (e) of this Section 7.

(k) At each Time of Delivery, the Company shall have furnished or caused to be furnished to the Representatives certificates of the Chief Financial Officer of the Company, dated the respective dates of delivery thereof, in form and substance satisfactory to the Representatives.

8. (a) The Company will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, any Issuer Free Writing Prospectus, any "roadshow" as defined in Rule 433(h) under the Act (a "roadshow"), any "issuer information" filed or required to be filed pursuant to Rule 433(d) under the Act or any Testing-the-Waters Communication, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, or any Issuer Free Writing Prospectus, any roadshow, or any Testing-the-Waters Communication, in reliance upon and in conformity with the Underwriter Information.

(b) Each Underwriter, severally and not jointly, will indemnify and hold harmless the Company against any losses, claims, damages or liabilities to which the Company may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, or any Issuer Free Writing Prospectus, or any roadshow, or any Testing-the-Waters Communication, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Registration

Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, or any Issuer Free Writing Prospectus, or any roadshow, or any Testing-the-Waters Communication, in reliance upon and in conformity with the Underwriter Information; and will reimburse the Company for any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such action or claim as such expenses are incurred. As used in this Agreement with respect to an Underwriter and an applicable document, "Underwriter Information" shall mean the written information furnished to the Company by such Underwriter through the Representatives expressly for use therein; it being understood and agreed upon that the only such information furnished by any Underwriter consists of the following information in the Prospectus furnished on behalf of each Underwriter: the concession and reallowance figures appearing in the fifth paragraph under the caption "Underwriting", and the information contained in the thirteenth paragraph under the caption "Underwriting".

(c) Promptly after receipt by an indemnified party under subsection (a) or (b) of this Section 8 of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; provided that the failure to notify the indemnifying party shall not relieve it from any liability that it may have under the preceding paragraphs of this Section 8 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and provided further that the failure to notify the indemnifying party shall not relieve it from any liability that it may have to an indemnified party otherwise than under the preceding paragraphs of this Section 8. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party.

(d) If the indemnification provided for in this Section 8 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Shares. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law, then each indemnifying party shall contribute to such amount paid or payable by such

indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover page of the Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to this subsection (d) were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this subsection (d) to contribute are several in proportion to their respective underwriting obligations and not joint. The Company and the Underwriters further agree that BofA Securities, Inc. will not receive any additional benefits hereunder for serving as the QIU in connection with the offering and sale of the Shares.

(e) In addition to and without limitation of the Company's obligation to indemnify BofA Securities, Inc. as an Underwriter, the Company also agrees to indemnify and hold harmless the QIU, its affiliates and selling agents and each person, if any, who controls the QIU within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, from and against any and all loss, liability, claim, damage and expense whatsoever, as incurred, incurred as a result of the QIU's participation as a "qualified independent underwriter" within the meaning of FINRA Rule 5121 in connection with the offering of the Shares; *provided, that*, if an indemnity is sought pursuant to this paragraph (e), then, in addition to the fees and expenses of such counsel for the indemnified parties, the indemnifying party shall be liable for the reasonable fees and expenses of not more than one counsel (in addition to any local counsel) separate from its own counsel and that of the other indemnified parties for the QIU in its capacity as a "qualified independent underwriter" and all persons, if any, who control the QIU within the meaning of Section 15 of the Act or Section 20 of the Exchange Act in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances if, in the reasonable judgment of the QIU, there may exist a conflict

of interest between the QIU and the other indemnified parties. Any such separate counsel for the QIU and such control persons of the QIU shall be designated in writing by the QIU.

(f) The obligations of the Company under this Section 8 shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each employee, officer and director of each Underwriter and each person, if any, who controls any Underwriter within the meaning of the Act and each broker-dealer or other affiliate of any Underwriter; and the obligations of the Underwriters under this Section 8 shall be in addition to any liability which the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Company and to each person, if any, who controls the Company within the meaning of the Act.

9. (a) If any Underwriter shall default in its obligation to purchase the Shares that it has agreed to purchase hereunder at a Time of Delivery, the Representatives may in their discretion arrange for the Representatives or another party or other parties to purchase such Shares on the terms contained herein. If within thirty-six hours after such default by any Underwriter the Representatives do not arrange for the purchase of such Shares, then the Company shall be entitled to a further period of thirty-six hours within which to procure another party or other parties satisfactory to the Representatives to purchase such Shares on such terms. In the event that, within the respective prescribed periods, the Representatives notify the Company that the Representatives have so arranged for the purchase of such Shares, or the Company notifies the Representatives that it has so arranged for the purchase of such Shares, the Representatives or the Company shall have the right to postpone such Time of Delivery for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement or the Prospectus, or in any other documents or arrangements, and the Company agrees to file promptly any amendments or supplements to the Registration Statement or the Prospectus which in your opinion may thereby be made necessary. The term "Underwriter" as used in this Agreement shall include any person substituted under this Section with like effect as if such person had originally been a party to this Agreement with respect to such Shares.

(b) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by the Representatives and the Company as provided in subsection (a) above, the aggregate number of such Shares which remains unpurchased does not exceed one-eleventh of the aggregate number of all the Shares to be purchased at such Time of Delivery, then the Company shall have the right to require each non-defaulting Underwriter to purchase the number of Shares which such Underwriter agreed to purchase hereunder at such Time of Delivery and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the number of Shares which such Underwriter agreed to purchase hereunder) of the Shares of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

(c) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by the Representatives and the Company as provided in subsection (a) above, the aggregate number of such Shares which remains unpurchased exceeds one-eleventh of the aggregate number of all of the Shares to be purchased at such Time of Delivery, or if the Company shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase Shares of a defaulting Underwriter or Underwriters, then this Agreement (or, with respect to a Second Time of Delivery, the obligations of the Underwriters to purchase and of the Company to sell the Optional Shares)



shall thereupon terminate, without liability on the part of any non-defaulting Underwriter or the Company, except for the expenses to be borne by the Company and the Underwriters as provided in Section 6 hereof and the indemnity and contribution agreements in Section 8 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

10. The respective indemnities, rights of contribution, agreements, representations, warranties and other statements of the Company and the several Underwriters, as set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Underwriter or any director, officer, employee, affiliate or controlling person of any Underwriter, or the Company, or any officer or director or controlling person of the Company, and shall survive delivery of and payment for the Shares.

11. If this Agreement shall be terminated pursuant to Section 9 hereof, the Company shall not then be under any liability to any Underwriter except as provided in Sections 6 and 8 hereof; but, if for any other reason any Shares are not delivered by or on behalf of the Company as provided herein, or the Underwriters decline to purchase the Shares for any reason permitted under this Agreement, the Company will reimburse the Underwriters through the Representatives for all out-of-pocket expenses approved in writing by the Representatives, including fees and disbursements of counsel, reasonably incurred by the Underwriters in making preparations for the purchase, sale and delivery of the Shares not so delivered, but the Company shall then be under no further liability to any Underwriter except as provided in Sections 6 and 8 hereof.

12. In all dealings hereunder, the Representatives shall act on behalf of each of the Underwriters, and the parties hereto shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or given by the Representatives jointly or by Goldman Sachs & Co. LLC on behalf of the Representatives.

In accordance with the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Underwriters are required to obtain, verify and record information that identifies their respective clients, including the Company, which information may include the name and address of their respective clients, as well as other information that will allow the Underwriters to properly identify their respective clients.

All statements, requests, notices and agreements hereunder shall be in writing, and if to the Underwriters shall be delivered or sent by mail, telex or facsimile transmission to Goldman Sachs & Co. LLC, 200 West Street, New York, New York 10282, Attention: Registration Department, BofA Securities, Inc., One Bryant Park, New York, New York 10036, Attention: Syndicate Department (facsimile: (646) 855-3073), with a copy to ECM Legal (facsimile: (212) 230-8730); and if to the Company shall be delivered or sent by mail, telex or facsimile transmission to the address of the Company set forth on the cover of the Registration Statement, Attention: General Counsel; provided, however, that any notice to an Underwriter pursuant to Section 8(c) hereof shall be delivered or sent by mail, telex or facsimile transmission to such Underwriter at its address set forth in its Underwriters' Questionnaire or telex constituting such Questionnaire, which address will be supplied to the Company by the Representatives upon request; provided further that notices under subsection 5(e) shall be in writing, and if to the Underwriters shall be delivered or sent by mail, telex or facsimile transmission to the Representatives at Goldman Sachs & Co. LLC, 200 West Street, New York, New York 10282, Attention: Control Room. Any such statements, requests, notices or agreements shall take effect upon receipt thereof.

13. This Agreement shall be binding upon, and inure solely to the benefit of, the Underwriters, the Company and, to the extent provided in Sections 8 and 10 hereof, the officers and directors of the Company and each person who controls the Company or any Underwriter, or any director, officer, employee, or affiliate of any Underwriter, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. No purchaser of any of the Shares from any Underwriter shall be deemed a successor or assign by reason merely of such purchase.

14. Time shall be of the essence of this Agreement. As used herein, the term "business day" shall mean any day when the Commission's office in Washington, D.C. is open for business.

15. The Company acknowledges and agrees that (i) the purchase and sale of the Shares pursuant to this Agreement is an arm's-length commercial transaction between the Company, on the one hand, and the several Underwriters, on the other, (ii) in connection therewith and with the process leading to such transaction each Underwriter is acting solely as a principal and not the agent or fiduciary of the Company, (iii) no Underwriter has assumed an advisory or fiduciary responsibility in favor of the Company with respect to the offering contemplated hereby or the process leading thereto (irrespective of whether such Underwriter has advised or is currently advising the Company on other matters) or any other obligation to the Company except the obligations expressly set forth in this Agreement; (iv) the Company has consulted its own legal and financial advisors to the extent it deemed appropriate and (v) none of the activities of the Underwriters in connection with the transactions contemplated herein constitutes a recommendation, investment advice, or solicitation of any action by the Underwriters with respect to any entity or natural person. The Company agrees that it will not claim that the Underwriters, or any of them, has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Company, in connection with such transaction or the process leading thereto.

16. This Agreement supersedes all prior agreements and understandings (whether written or oral) between the Company and the Underwriters, or any of them, with respect to the subject matter hereof.

**17. This Agreement and any transaction contemplated by this Agreement and any claim, controversy or dispute arising under or related thereto shall be governed by and construed in accordance with the laws of the State of New York without regard to principles of conflict of laws that would result in the application of any other law than the laws of the State of New York. The Company agrees that any suit or proceeding arising in respect of this Agreement or any transaction contemplated by this Agreement will be tried exclusively in the U.S. District Court for the Southern District of New York or, if that court does not have subject matter jurisdiction, in any state court located in The City and County of New York and the Company agrees to submit to the jurisdiction of, and to venue in, such courts.**

18. Each of the Company and the Underwriters hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

19. This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including any electronic signature covered by the U.S.

federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g., [www.docusign.com](http://www.docusign.com)) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

20. Notwithstanding anything herein to the contrary, the Company is authorized to disclose to any persons the U.S. federal and state income tax treatment and tax structure of the potential transaction and all materials of any kind (including tax opinions and other tax analyses) provided to the Company relating to that treatment and structure, without the Underwriters imposing any limitation of any kind. However, any information relating to the tax treatment and tax structure shall remain confidential (and the foregoing sentence shall not apply) to the extent necessary to enable any person to comply with securities laws. For this purpose, "tax structure" is limited to any facts that may be relevant to that treatment.

21. Recognition of the U.S. Special Resolution Regimes.

(a) In the event that any Underwriter that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Underwriter of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(b) In the event that any Underwriter that is a Covered Entity or a BHC Act Affiliate of such Underwriter becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement that may be exercised against such Underwriter are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

(c) As used in this section:

"BHC Act Affiliate" has the meaning assigned to the term "affiliate" in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k).

"Covered Entity" means any of the following:

- (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);
- (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or
- (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"U.S. Special Resolution Regime" means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

If the foregoing is in accordance with your understanding, please sign and return to us counterparts hereof, and upon the acceptance hereof by the Representatives, on behalf of each of the Underwriters, this letter and such acceptance hereof shall constitute a binding agreement

among each of the Underwriters and the Company. It is understood that your acceptance of this letter on behalf of each of the Underwriters is pursuant to the authority set forth in a form of Agreement among Underwriters, the form of which shall be submitted to the Company for examination, upon request, but without warranty on your part as to the authority of the signers thereof.

Very truly yours,

Kaltura, Inc.

By: \_\_\_\_\_

Name:

Title:

*[Signature Page to the Underwriting Agreement]*

Accepted as of the date hereof  
in New York, New York:

Goldman Sachs & Co. LLC  
BofA Securities, Inc

Goldman Sachs & Co. LLC

By: .....  
Name:  
Title:

BofA Securities, Inc.

By: .....  
Name:  
Title:

On behalf of each of the Underwriters

SCHEDULE I

Underwriter	Total Number of Firm Shares to be Purchased	Number of Optional Shares to be Purchased if Maximum Option Exercised
Goldman Sachs & Co. LLC	[ ]	[ ]
BofA Securities, Inc.	[ ]	[ ]
Wells Fargo Securities, LLC	[ ]	[ ]
Deutsche Bank Securities Inc.	[ ]	[ ]
Canaccord Genuity LLC	[ ]	[ ]
JMP Securities LLC	[ ]	[ ]
KeyBank Capital Markets Inc.	[ ]	[ ]
Needham & Company, LLC	[ ]	[ ]
Oppenheimer & Co. Inc.	[ ]	[ ]
Total	[ ]	[ ]

**SCHEDULE II**

(a) Issuer Free Writing Prospectuses not included in the Pricing Disclosure Package

[Electronic roadshow dated []]

(b) Information other than the Pricing Prospectus that comprise the Pricing Disclosure Package

The initial public offering price per share for the Shares is \$[]

The number of Shares purchased by the Underwriters is []

[Add any other pricing disclosure].

(c) Written Testing-the-Waters Communications

[]



**FORM OF OPINION AND NEGATIVE ASSURANCE LETTER  
OF COUNSEL FOR THE COMPANY**

[Attached]

## FORM OF PRESS RELEASE

**Kaltura, Inc.**  
**[Date]**

Kaltura, Inc. (the "Company") announced today that Goldman Sachs & Co. LLC and BofA Securities, Inc., the lead book-running managers in the recent public sale of [ ] shares of the Company's common stock, par value \$0.0001 per share, are [waiving] [releasing] a lock-up restriction with respect to shares of the Company's common stock held by [certain officers or directors] [an officer or director] of the Company. The [waiver] [release] will take effect on \_\_\_\_\_, 2021, and the shares may be sold on or after such date.

**This press release is not an offer for sale of the securities in the United States or in any other jurisdiction where such offer is prohibited, and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended.**

**FORM OF LOCK-UP AGREEMENT**

[Attached]

Kaltura, Inc.

**Lock-Up Agreement**

\_\_\_\_\_, 2021

Goldman Sachs & Co. LLC  
BofA Securities, Inc.

c/o Goldman Sachs & Co. LLC  
200 West Street  
New York, New York 10282-2198

c/o BofA Securities, Inc.  
One Bryant Park  
New York, New York 10036

Re: Kaltura, Inc. - Lock-Up Agreement

Ladies and Gentlemen:

The undersigned understands that you, as representatives (the "Representatives"), propose to enter into an underwriting agreement (the "Underwriting Agreement") on behalf of the several underwriters named in Schedule I to such agreement (collectively, the "Underwriters"), with Kaltura, Inc., a Delaware corporation (the "Company"), providing for a public offering (the "Offering") of shares of common stock, par value \$0.0001 per share ("Common Stock") of the Company (the "Shares") pursuant to a registration statement on Form S-1 (as may be amended from time to time, the "Registration Statement") to be filed with the Securities and Exchange Commission (the "SEC"). Capitalized terms used herein and not otherwise defined shall have their meanings set forth in the Underwriting Agreement.

In consideration of the agreement by the Underwriters to offer and sell the Shares, and of other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the undersigned agrees that, subject to the provisions contained herein, during the period beginning from the date of this lock-up agreement (this "Lock-Up Agreement") and continuing to and including the Expiration Date (as defined below) (the "Lock-Up Period"), the undersigned shall not, and shall not cause or direct any of its affiliates to, (i) offer, sell, contract to sell, pledge, grant any option to purchase, lend or otherwise dispose of any shares of Common Stock, or any options or warrants to purchase any shares of Common Stock, or any securities convertible into, exchangeable for or that represent the right to receive shares of Common Stock (such options, warrants or other securities, collectively, "Derivative Instruments"), including without limitation any such shares or Derivative Instruments now owned or hereafter acquired by the undersigned, (ii) engage in any hedging or other transaction or arrangement (including, without limitation, any short sale or the purchase or sale of, or entry into, any put or call option, or combination thereof, forward, swap or any other derivative transaction or instrument, however described or defined) which is designed to or which reasonably could be expected to lead to or result in a sale, loan, pledge or other disposition (whether by the undersigned or someone other than the undersigned), or transfer of any of the

economic consequences of ownership, in whole or in part, directly or indirectly, of any shares of Common Stock or Derivative Instruments, whether any such transaction or arrangement (or instrument provided for thereunder) would be settled by delivery of Common Stock or other securities, in cash or otherwise (any such sale, loan, pledge or other disposition, or transfer of economic consequences, a "Transfer") or (iii) otherwise publicly announce any intention to engage in or cause any action or activity described in clause (i) above or transaction or arrangement described in clause (ii) above. The undersigned represents and warrants that the undersigned is not, and has not caused or directed any of its affiliates to be or become, currently a party to any agreement or arrangement that provides for, is designed to or which reasonably could be expected to lead to or result in any Transfer during the Lock-Up Period. For the avoidance of doubt, the undersigned agrees that the foregoing provisions shall be equally applicable to any issuer-directed or other Shares the undersigned may purchase in the Offering.

The "Expiration Date" means the date that is 180 days after the date set forth on the final prospectus (the "Prospectus") used to sell the Shares in the Public Offering; *provided* that if the Expiration Date would fall during a regularly scheduled blackout period under the Company's insider trading policy, then the Expiration Date shall be 150 days after the date set forth on the Prospectus.

If the undersigned is not a natural person, the undersigned represents and warrants that no single natural person, entity or "group" (within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended), other than a natural person, entity or "group" (as described above) that has executed a Lock-Up Agreement in substantially the same form as this Lock-Up Agreement, beneficially owns, directly or indirectly, 50% or more of the common equity interests, or 50% or more of the voting power, in the undersigned.

If the undersigned is an officer or director of the Company, (i) Goldman Sachs & Co. LLC and BofA Securities, Inc. agree that, at least three business days before the effective date of any release or waiver of the foregoing restrictions in connection with a transfer of shares of Common Stock, Goldman Sachs & Co. LLC and BofA Securities, Inc. will notify the Company of the impending release or waiver, and (ii) the Company has agreed in the Underwriting Agreement to announce the impending release or waiver by press release through a major news service at least two business days before the effective date of the release or waiver. Any release or waiver granted by Goldman Sachs & Co. LLC and BofA Securities, Inc. hereunder to any such officer or director shall only be effective two business days after the publication date of such press release. The provisions of this paragraph will not apply if (a) the release or waiver is effected solely to permit a transfer not for consideration and (b) the transferee has agreed in writing to be bound by the same terms described in this Lock-Up Agreement to the extent and for the duration that such terms remain in effect at the time of the transfer.

Notwithstanding the foregoing, the undersigned may transfer or otherwise dispose of the undersigned's shares of Common Stock:

(i) as a *bona fide* gift or gifts or as a charitable contribution;

(ii) to any trust for the direct or indirect benefit of the undersigned or the immediate family (as defined below) of the undersigned, or if the undersigned is a trust, to a trustor, trustee (or co-trustee) or beneficiary of the trust or to the estate of the beneficiary of such trust;

(iii) in connection with the sale of Common Stock acquired (a) in the Offering (other than any Company-directed Shares acquired by an officer or director of the Company) or (b) in open market transactions after the Offering;

(iv) if the undersigned is a corporation, partnership, limited liability company, trust or other business entity (a) to another corporation, partnership, limited liability company, trust or other business entity that is an affiliate (as defined in Rule 405 promulgated under the Securities Act of 1933) of the undersigned, or to any investment fund or other entity controlled or managed by the undersigned or affiliates of the undersigned, or (b) as part of a distribution, transfer or disposition without consideration by the undersigned to its current or former stockholders, partners, members, beneficiaries or other equity holders, or to the estate of any such stockholder, partner, member, beneficiary or other equity holder;

(v) to the Company in connection with the exercise, vesting, exchange or settlement of any options, restricted stock units, warrants or other rights to acquire shares of Common Stock, including any security convertible into, or exercisable or exchangeable for, or that otherwise represents the right to receive, shares of Common Stock, which option, restricted stock unit, warrant or other right is granted pursuant to an employee benefit plan described in the Prospectus or is otherwise disclosed in the Prospectus (including, in each case, by way of "net" or "cashless" exercise and/or to cover withholding tax obligations in connection with such exercise, vesting, exchange or settlement); provided that any such shares issued upon the exercise, vesting, exchange or settlement of such option, restricted stock unit, warrant or other right (in the case of a net or cashless exercise or tax withholding transaction, after giving effect to the settlement of such net or cashless exercise or tax withholding transaction) shall be subject to the restrictions on transfer set forth herein; and provided further, that any filing under Section 16 of the Exchange Act reporting a change in beneficial ownership shall indicate in the footnotes thereto that the filing relates to the applicable circumstances described in this clause, and no other public announcement shall be required or shall be made voluntarily in connection with such transfer;

(vi) by will or intestacy, provided that no public filing, report or announcement shall be voluntarily made and, if required, any public report or filing under Section 16 of the Exchange Act shall clearly indicate in the footnotes thereto that the filing relates to the transfer of shares by will or intestacy;

(vii) to any immediate family member of the undersigned;

(viii) by operation of law or pursuant to a court or regulatory agency order or a settlement agreement related to the distribution of assets in connection with the dissolution of a marriage, domestic partnership or civil union, provided that no public filing, report or announcement shall be voluntarily made and, if required, any public report or filing under Section 16 of the Exchange Act shall clearly indicate in the footnotes thereto that the filing relates to the transfer of shares by operation of law or pursuant to a court order or a settlement agreement related to the distribution of assets in connection with the dissolution of a marriage, domestic partnership or civil union, as the case may be;

(ix) to the Company pursuant to agreements under which the Company has (a) the option to repurchase such securities or (b) a right of first refusal with respect to transfers of such securities, in each case upon death, disability or termination of service of the undersigned; provided that any filing under Section 16 of the Exchange Act reporting a change in beneficial

ownership shall indicate in the footnotes thereto that the filing relates to the applicable circumstances described in this clause, and no other public announcement shall be required or shall be made voluntarily in connection with such transfer;

(x) in connection with the conversion of outstanding shares of the Company's preferred stock into Common Stock as described in the Registration Statement relating to the Offering, or any reclassification or conversion of the Common Stock; provided that any Common Stock received upon such conversion or reclassification will be subject to the restrictions set forth in this Lock-Up Agreement;

(xi) to a nominee or custodian of a person or entity to which a disposition or transfer would be permissible under any of the foregoing clauses (i), (ii), (iv) or (vi) through (viii); and

(xii) with the prior written consent of Goldman Sachs & Co. LLC and BofA Securities, Inc. on behalf of the Underwriters.

Additionally, the undersigned may establish a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of the undersigned's shares, provided that such plan does not provide for any transfers of Common Stock during the Lock-Up Period and no filing under the Exchange Act nor any other public filing, announcement or disclosure of such trading plan shall be made during the Lock-Up Period unless, in any such case, such filing announcement or other disclosure includes a statement to the effect that no transfer of Common Stock may be made under the plan during the Lock-Up Period.

Further, this Lock-Up Agreement shall not restrict any sale, disposal or transfer of the undersigned's shares of Common Stock or Derivative Instruments to a bona fide third party pursuant to a tender offer for securities of the Company or any merger, consolidation or other business combination involving a Change of Control (as defined below) of the Company occurring after the settlement of the Offering, that, in each case, has been approved by the board of directors of the Company; provided that all of the undersigned's shares of Common Stock and Derivative Instruments subject to this Lock-Up Agreement that are not so transferred, sold, tendered or otherwise disposed of remain subject to this Lock-Up Agreement; and provided, further, that it shall be a condition of transfer, sale, tender or other disposition that if such tender offer or other transaction is not completed, any of the undersigned's shares of Common Stock or Derivative Instruments subject to this Lock-Up Agreement shall remain subject to the restrictions on transfer set forth herein. For the purposes of this paragraph, "Change of Control" means the consummation of any bona fide third party tender offer, merger, consolidation or other similar transaction, the result of which is that any "person" (as defined in Section 13(d)(3) of the Exchange Act), or group of persons, other than the Company or its subsidiaries, becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 of the Exchange Act) of at least 50% of the total voting power of the voting share capital of the Company.

In addition, in the case of transfers pursuant to clauses (i), (ii), (iv), (vi), (vii) and (viii) above, it shall be a condition to such transfer that each transferee, donee or distributee sign and deliver a lock-up agreement substantially in the form of this Lock-Up Agreement, except in the case of clauses (vi) and (viii) where a court of competent jurisdiction requires such transfer or distribution be made without such a restriction; provided further that in the case of transfers pursuant to clauses (i), (ii), (iii), (iv) and (vii) above, no filing under Section 16(a) of the Exchange Act or other public announcement reporting a reduction in beneficial ownership of the

undersigned's shares of Common Stock shall be required or shall be voluntarily made during the Lock-Up Period (other than a filing on Form 5); and provided further in the case of transfers pursuant to clauses (i), (ii), (vi) and (vii) above, any such transfer shall not involve a disposition for value.

For purposes of this Lock-Up Agreement, "immediate family" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin.

[TO BE INCLUDED IN FORM OF LOCK-UP AGREEMENT EXECUTED BY MAJOR HOLDERS: In the event that during the Lock-Up Period, the Representatives grant to any (x) officer or director of the Company or (y) record or beneficial holder, as of the date set forth on the cover page of the Prospectus, of more than 1% of the outstanding shares of Common Stock on an as-converted basis (for purposes of determining record or beneficial ownership of a stockholder, all shares of Common Stock or securities convertible into or exercisable or exchangeable for shares of Common Stock held by investment funds affiliated with such stockholder shall be aggregated) a discretionary release from or waiver of the restrictions contained in this Lock-Up Agreement in connection with a transfer or other disposition of Common Stock, the Representatives will be deemed to have also waived for each Major Holder (as defined below), on the same terms, the prohibitions set forth in this Lock-Up Agreement that would otherwise have applied to such Major Holder with respect to the same percentage of such Major Holder's shares of Common Stock as the number of shares subject to such release or waiver bears to the total number of shares held by the officer, director, or record or beneficial holder, as applicable, receiving the release or waiver. The provisions of this paragraph will not apply (1) to releases or waivers granted to any individual party by the Representatives in an amount less than or equal to an aggregate value of \$2,000,000 (determined as of the date of such release or waiver based on the last reported closing price of the Common Stock on the exchange on which the Common Stock is listed); (2) if the release or waiver is effected solely to permit a transfer not for consideration; (3) the transferee has agreed in writing to be bound by the same terms described in this agreement to the extent and for the duration that such terms remain in effect at the time of the transfer; (4) if the Representatives in their sole judgment determine that a holder of Common Stock should be granted an early release due to circumstances of an emergency or hardship; or (5) if the release or waiver is granted to a Major Holder in connection with a follow-on public offering of Common Stock pursuant to a registration statement on Form S-1 under the Securities Act, *provided* that the undersigned has been given an opportunity to participate in such follow-on public offering on a pro rata basis with other Major Holders. For purposes of this Lock-Up Agreement, each of the following persons is a "**Major Holder**": each record or beneficial owner, as of the date set forth on the cover page of the Prospectus, of more than 5% of the outstanding shares of Common Stock on an as-converted basis (for purposes of determining record or beneficial ownership of a stockholder, all shares of Common Stock or securities convertible into or exercisable or exchangeable for shares of Common Stock held by investment funds affiliated with such stockholder shall be aggregated).]

Notwithstanding the foregoing, if the last reported closing price of the Common Stock on the Nasdaq Global Select Market is at least 30% greater than the initial public offering price per share set forth on the cover page of the Prospectus (the "IPO Price") for at least 10 trading days out of any 15 consecutive trading day period ending on or after the 90<sup>th</sup> day after the date set forth on the cover page of the Prospectus (the last day of such 15 day period, the "Early Release Determination Date"), the undersigned may sell or otherwise transfer up to 20% of the aggregate number of shares of Common Stock and shares of Common Stock underlying



Derivative Instruments held by the undersigned as of the date of the Underwriting Agreement for which all vesting conditions are satisfied as of the Early Release Determination Date beginning at the opening of trading three trading days after the Early Release Determination Date (the "Early Release Date", and such partial release from the restrictions under this Lock-Up Agreement, the "Early Release"), subject to compliance with such procedures as may be specified by the Company; *provided* that if the 90<sup>th</sup> day after the date set forth on the cover page of the Prospectus falls during a regularly scheduled blackout window under the Company's insider trading policy, then references in this paragraph to the 90<sup>th</sup> day shall be replaced with references to the 60<sup>th</sup> day after the date set forth on the cover page of the Prospectus.

The Company shall announce the occurrence of the Early Release Date through a major news service, or on a Form 8-K, at least two business days prior to the opening of trading on the Early Release Date. The undersigned acknowledges and agrees that the Company may impose reasonable procedures relating to the removal of legends and stop transfer instructions relating to this Lock-Up Agreement.

Notwithstanding anything to the contrary herein, the Company may elect, by written notice to Goldman Sachs & Co. LLC and BofA Securities, Inc. at least two business days before the Early Release Date that no Early Release will occur. If the Company so elects that no Early Release will occur, the Company will publicly announce such decision at least one trading day prior to the Early Release Date.

The undersigned now has, and, except as contemplated above, for the duration of this Lock-Up Agreement will have, good and marketable title to the undersigned's shares of Common Stock, free and clear of all liens, encumbrances, and claims whatsoever. The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the undersigned's shares of Common Stock except in compliance with the foregoing restrictions.

The undersigned acknowledges and agrees that none of the Underwriters has made any recommendation or provided any investment or other advice to the undersigned with respect to this Lock-Up Agreement or the subject matter hereof, and the undersigned has consulted its own legal, accounting, financial, regulatory, tax and other advisors with respect to this Lock-Up Agreement and the subject matter hereof to the extent the undersigned has deemed appropriate.

The undersigned understands that the Company and the Underwriters are relying upon this Lock-Up Agreement in proceeding toward consummation of the offering. The undersigned further understands that this Lock-Up Agreement is irrevocable and shall be binding upon the undersigned's heirs, legal representatives, successors, and assigns. This Lock-Up Agreement may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, [www.docusign.com](http://www.docusign.com) or [www.echosign.com](http://www.echosign.com)) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

This Lock-Up Agreement (and, for the avoidance of doubt, the Lock-Up Period described herein) and related restrictions shall automatically terminate and be of no further force and effect upon the earlier to occur of: (i) the Company advising the Underwriters in writing prior to the execution of the Underwriting Agreement that it does not intend to proceed with the Offering; (ii) the termination of the Underwriting Agreement before the closing of the Offering; (iii) the

Registration Statement is withdrawn; or (iv) June 30, 2021, if the Underwriting Agreement has not been executed by that date; provided, however, that the Company may, by written notice to you prior to such date, extend such date for a period of up to an additional 90 days.

*[Remainder of Page Intentionally Left Blank]*

Very truly yours,

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Exact Name of Shareholder

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Authorized Signature

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Title

1271 Avenue of the Americas  
 New York, New York 10020-1401  
 Tel: +1.212.906.1200 Fax: +1.212.751.4864  
 www.lw.com

**LATHAM & WATKINS** LLP

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July 12, 2021

Kaltura, Inc.  
 250 Park Avenue South, 10th Floor  
 New York, New York 10003

Re: Registration Statement No. 333-253699;  
17,250,000 shares of common stock of Kaltura, Inc.

Ladies and Gentlemen:

We have acted as special counsel to Kaltura, Inc., a Delaware corporation (the “**Company**”), in connection with the proposed issuance of up to 17,250,000 shares of the Company’s common stock, par value \$0.0001 per share (the “**Shares**”). The Shares are included in a registration statement on Form S-1 under the Securities Act of 1933, as amended (the “**Act**”), initially filed with the Securities and Exchange Commission (the “**Commission**”) on March 1, 2021 (Registration No. 333-253699) (as amended, the “**Registration Statement**”). The term “Shares” shall include any additional shares of common stock registered by the Company pursuant to Rule 462(b) under the Act in connection with the offering contemplated by the Registration Statement. This opinion is being furnished in connection with the requirements of Item 601(b)(5) of Regulation S-K under the Act, and no opinion is expressed herein as to any matter pertaining to the contents of the Registration Statement or related Prospectus, other than as expressly stated herein with respect to the issue of the Shares.

As such counsel, we have examined such matters of fact and questions of law as we have considered appropriate for purposes of this letter. With your consent, we have relied upon certificates and other assurances of officers of the Company and others as to factual matters without having independently verified such factual matters. We are opining herein as to General Corporation Law of the State of Delaware, and we express no opinion with respect to any other laws.

Subject to the foregoing and the other matters set forth herein, it is our opinion that, as of the date hereof, when the amended and restated certificate of incorporation of the Company in the form most recently filed as an exhibit to the Registration Statement has been duly filed with the Secretary of State of the State of Delaware and when the Shares shall have been duly registered on the books of the transfer agent and registrar therefor in the name or on behalf of the

purchasers and have been issued by the Company against payment therefor (not less than par value) in the circumstances contemplated by the form of underwriting agreement most recently filed as an exhibit to the Registration Statement, the issue and sale of the Shares will have been duly authorized by all necessary corporate action of the Company and the Shares will be validly issued, fully paid and nonassessable. In rendering the foregoing opinion, we have assumed that the Company will comply with all applicable notice requirements regarding uncertificated shares provided in the General Corporation Law of the State of Delaware.

This opinion is for your benefit in connection with the Registration Statement and may be relied upon by you and by persons entitled to rely upon it pursuant to the applicable provisions of the Act. We consent to your filing this opinion as an exhibit to the Registration Statement and to the reference to our firm in the Prospectus under the heading "Legal Matters." We further consent to the incorporation by reference of this letter and consent into any registration statement filed pursuant to Rule 462(b) with respect to the Shares. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Commission thereunder.

Very truly yours,

/s/ Latham & Watkins LLP

**FIRST AMENDMENT**  
**TO CREDIT AGREEMENT**

This First Amendment to Credit Agreement (this “**Amendment**”) dated and effective as of June 29, 2021 by and among **KALTURA, INC.**, a Delaware corporation (the “**Borrower**”), the Subsidiaries of the Borrower party hereto (the “**Guarantors**”), the several banks and other financial institutions or entities party hereto (the “**Lenders**”), and **SILICON VALLEY BANK (“SVB”)**, as the Administrative Agent (SVB, in such capacity, the “**Administrative Agent**”), the Issuing Lender and the Swingline Lender.

W I T N E S S E T H:

WHEREAS, the Borrower, the Administrative Agent, the Issuing Lender and the Swingline Lender are parties to that certain Credit Agreement dated as of January 14, 2021 (as amended, modified, supplemented or restated and in effect from time to time, the “**Credit Agreement**”);

WHEREAS, the Borrower, the Guarantors and the Administrative Agent are party to the Guarantee and Collateral Agreement (as defined in the Credit Agreement); and

WHEREAS, the Borrower has requested that the Lenders and the Administrative Agent agree to modify and amend certain terms and conditions of the Credit Agreement to, among other things, increase the amount of the Total Revolving Commitments to \$35,000,000, subject to the terms and conditions of this Amendment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Capitalized Terms. All capitalized terms used herein and not otherwise defined shall have the same meaning herein as in the Credit Agreement.
2. Amendments to the Credit Agreement.
  - (a) The Credit Agreement and Schedule 1.1A thereto is, effective as of the First Amendment Effective Date (as such term is defined below), amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double underlined text) as reflected in the modifications identified in the document annexed hereto as Annex A.
  - (b) Exhibit B to the Credit Agreement (Compliance Certificate) is, effective as of the First Amendment Effective Date, amended and restated in the form annexed hereto as Annex B.
  - (c) Exhibit I to the Credit Agreement (Borrowing Base Certificate) is, effective as of the First Amendment Effective Date, amended and restated in the form annexed hereto as Annex C.
3. Conditions Precedent to Effectiveness. The effectiveness of this Amendment shall be subject to the prior or concurrent satisfaction of each of the following conditions precedent (the date on which such conditions are satisfied, the “**First Amendment Effective Date**”):
  - (a) Loan Documents. The Administrative Agent shall have received each of the following:

- (i) this Amendment, duly executed and delivered by the Administrative Agent, the Loan Parties and the Lenders;
- (ii) a fully executed copy of the fee letter agreement dated as of the date hereof, between the Borrower and the Administrative Agent, and the payment of all fees specified thereunder;
- (iii) a supplemental UK Debenture, duly executed and delivered by the Borrower, Kaltura Europe and the Administrative Agent; and
- (iv) an updated Collateral Information Certificate duly executed and delivered by the Loan Parties.
- (b) Approvals. All Governmental Approvals and consents and approvals of, or notices to, any other Person (including the holders of any Capital Stock issued by any Loan Party) required in connection with the execution, delivery and performance of this Amendment, shall have been obtained and be in full force and effect.
- (c) Secretary's or Managing Member's Certificates; Certified Operating Documents; Good Standing Certificates. The Administrative Agent shall have received (i) a certificate of each Loan Party, dated the First Amendment Effective Date and executed by the Secretary, Managing Member, director or equivalent officer of such Loan Party, substantially in the form of Exhibit C to the Credit Agreement, with appropriate insertions and attachments, including (A) the Operating Documents of such Loan Party certified, in the case of formation documents, as of a recent date by the secretary of state or similar official of the relevant jurisdiction of organization of such Loan Party or by a director in the case of a Loan Party that is a UK Group Member, (B) the relevant shareholder resolutions, board resolutions or written consents of such Loan Party adopted by such Loan Party for the purposes of authorizing such Loan Party to enter into and perform this Amendment and the Loan Documents (as amended by this Amendment) to which such Loan Party is party, (C) in relation to Kaltura Europe, a copy of a resolution signed by all the holders of the issued shares in a Loan Party approving the terms of, and the transactions contemplated by, this Amendment and Loan Documents (as amended by this Amendment) to which such Loan Party is a party and (D) the names, titles, incumbency and signature specimens of those representatives of such Loan Party who have been authorized by such resolutions and/or written consents to execute this Amendment and the other Loan Documents on behalf of such Loan Party, (ii) where applicable, a long form good standing certificate (or other equivalent document) for each Loan Party from its respective jurisdiction of organization or incorporation, and (iii) (other than in relation to a UK Loan Party) a certificate of foreign qualification from each jurisdiction (other than its jurisdiction of organization or incorporation) where the failure of any Loan Party to be qualified could reasonably be expected to have a Material Adverse Effect.
- (d) Responsible Officer's Certificates. The Administrative Agent shall have received a certificate signed by a Responsible Officer of the Borrower, dated as of the First Amendment Effective Date and in substantially the same form delivered on the Closing Date certifying that the conditions specified in Section 3(e), (f) and (g) below have been satisfied.

- (e) No Material Adverse Effect. There shall not have occurred since December 31, 2020 any event or condition that has had or that could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.
- (f) No Default. No Default or Event of Default shall have occurred and be continuing on the First Amendment Effective Date.
- (g) Representations and Warranties. Immediately after giving effect to this Amendment, each of the representations and warranties set forth in this Amendment, the Credit Agreement, as amended by this Amendment, and after giving effect hereto, and the other Loan Documents to which it is a party (i) that is qualified by materiality shall be true and correct, and (ii) that is not qualified by materiality, shall be true and correct in all material respects, in each case, on and as of such date as if made on and as of such date, except to the extent any such representation and warranty expressly relates to an earlier date, in which case such representation and warranty shall have been true and correct in all material respects (or all respects, as applicable) as of such earlier date.
- (h) Lien Searches. The Administrative Agent shall have received the results of recent Lien, judgment and litigation searches reasonably required by the Administrative Agent, and such searches shall reveal no Liens on any of the assets of the Loan Parties except for Liens permitted by Section 7.3 of the Credit Agreement.
- (i) Opinions. The Administrative Agent shall have received the executed legal opinions of Latham & Watkins, LLP, special New York counsel to the Borrower, and Osborne Clarke LLP, English counsel to the Administrative Agent, in form and substance reasonably satisfactory to the Administrative Agent. Such legal opinions shall cover such customary matters incident to the transactions contemplated by this Amendment and the other Loan Documents as the Administrative Agent may reasonably require.
- (j) Solvency Certificate. The Administrative Agent shall have received a solvency certificate from the chief financial officer or treasurer of the Borrower, in substantially the same form and substance provided under the Credit Agreement.

For purposes of determining compliance with the conditions specified in this Section 3, each Lender that has executed this Amendment shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter either sent (or made available) by the Administrative Agent to such Lender for consent, approval, acceptance or satisfaction, or required thereunder to be consented to or approved by or acceptable or satisfactory to such Lender, unless an officer of the Administrative Agent responsible for the transactions contemplated by the Loan Documents shall have received notice from such Lender prior to the First Amendment Effective Date specifying such Lender's objection thereto and either such objection shall not have been withdrawn by notice to the Administrative Agent to that effect on or prior to the First Amendment Effective Date or, if any extension of credit on the First Amendment Effective Date has been requested, such Lender shall not have made available to the Administrative Agent on or prior to the First Amendment Effective Date such Lender's Revolving Percentage of such requested extension of credit.

4. Representations and Warranties. Each Loan Party hereby represents and warrants to the Administrative Agent and the Lenders, effective as of the First Amendment Effective Date, as follows:



- (a) This Amendment is, and each other Loan Document to which it is or will be a party, when executed and delivered by each Loan Party that is a party thereto, will be the legally valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its respective terms, except as enforcement may be limited by equitable principles (whether enforcement is sought by proceedings in equity or at law) or by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally.
- (b) Immediately after giving effect to this Amendment, the representations and warranties set forth in this Amendment, the Credit Agreement, as amended by this Amendment and after giving effect hereto, and the other Loan Documents to which it is a party (i) that is qualified by materiality shall be true and correct, and (ii) that is not qualified by materiality, shall be true and correct in all material respects, in each case, on and as of such date as if made on and as of such date, except to the extent any such representation and warranty expressly relates to an earlier date, in which case such representation and warranty shall have been true and correct in all material respects (or all respects, as applicable) as of such earlier date.
- (c) The execution and delivery by each Loan Party of this Amendment and the other Loan Documents executed and delivered in connection herewith, and the performance by Loan Parties of their obligations hereunder and thereunder and by the Borrower of its obligations under the Credit Agreement, as amended by this Amendment, (i) have been duly authorized by all necessary organizational action on the part of such Loan Party and (ii) does not (A) violate any provisions of the Operating Documents of such Loan Party or (B) constitute a violation by such Loan Party of any material Requirement of Law or Contractual Obligation of such Loan Party.
- (d) No Default or Event of Default has occurred and is continuing as of the First Amendment Effective Date.

5. Payment of Costs and Fees. The Borrower shall pay to the Administrative Agent all reasonable and documented out-of-pocket costs, expenses, and fees and charges of every kind in connection with the preparation, negotiation, execution and delivery of this Amendment and any documents and instruments relating hereto (which costs include, without limitation, the reasonable fees and expenses of any attorneys retained by the Administrative Agent) not to exceed seventy-five thousand (\$75,000.00) Dollars.

6. Choice of Law, etc. This Amendment and the rights of the parties hereunder, shall be determined under, governed by, and construed in accordance with the internal laws (and not the conflict of law rules) of the State of New York. The provisions of Section 10.14 (Submission to Jurisdiction; Waivers) of the Credit Agreement are incorporated herein by reference *mutatis mutandis* with the same force and effect as if expressly written herein

7. Counterpart Execution. This Amendment may be executed in any number of counterparts, all of which when taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Amendment by signing any such counterpart. Delivery of an executed counterpart of this Amendment by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Amendment.

8. Effect on Loan Documents.

- (a) The Credit Agreement, as amended hereby, and each of the other Loan Documents, as amended hereby, shall be and remain in full force and effect in accordance with their respective terms and hereby are ratified and confirmed in all respects. Each Loan Party hereby further ratifies and reaffirms the validity and enforceability of all of the Liens heretofore granted pursuant to terms and subject to the conditions set forth in the Guarantee and Collateral Agreement, the other Security Documents or any other Loan Document to the Administrative Agent on behalf and for the benefit of the Secured Parties, as collateral security for the obligations under the Loan Documents in accordance with their respective terms, and acknowledges that all of such Liens, and all collateral heretofore pledged as security for such obligations, continues to be and remain collateral for such obligations from and after the date hereof. Each Loan Party hereby further ratifies and reaffirms the validity and enforceability of the appointment of the Administrative Agent as attorney-in-fact under each applicable Loan Document all pursuant to terms and subject to the conditions set forth therein. The execution, delivery, and performance of this Amendment shall not operate, except as expressly set forth herein, as a modification or waiver of any right, power, or remedy of the Administrative Agent or any Lender under the Credit Agreement, the Guarantee and Collateral Agreement or any other Loan Document. Nothing herein contained shall be construed as a substitution or novation of the Obligations outstanding under the Credit Agreement, the Loan Documents or instruments securing the same. The amendments, consents, modifications and other agreements herein are limited to the specifics hereof (including facts or occurrences on which the same are based), shall not apply with respect to any facts or occurrences other than those on which the same are based, shall not excuse any non-compliance with the Loan Documents, and shall not operate as a consent or waiver to any matter under the Loan Documents. Except for the amendments to the Credit Agreement expressly set forth herein, the Credit Agreement, the Guarantee and Collateral Agreement and other Loan Documents shall remain unchanged and in full force and effect. To the extent any terms or provisions of this Amendment conflict with those of the Credit Agreement or other Loan Documents, the terms and provisions of this Amendment shall control.
- (b) To the extent that any terms and conditions in any of the Loan Documents shall contradict or be in conflict with any terms or conditions of the Credit Agreement after giving effect to this Amendment, such terms and conditions are hereby deemed modified or amended accordingly to reflect the terms and conditions of the Credit Agreement as modified or amended hereby.
- (c) This Amendment is a Loan Document.

9. Entire Agreement. This Amendment, and terms and provisions hereof, the Credit Agreement and the other Loan Documents constitute the entire understanding and agreement between the parties hereto with respect to the subject matter hereof and supersedes any and all prior or contemporaneous amendments or understandings with respect to the subject matter hereof, whether express or implied, oral or written.

10. Release of Claims.

- (a) Effective on the date hereof, each Loan Party hereby absolutely and unconditionally releases and forever discharges the Administrative Agent, each Lender, and any and all participants, parent corporations, subsidiary corporations, affiliated corporations, insurers, indemnitors, successors and assigns thereof, together with all of the present and former

directors, officers, agents, attorneys and employees of any of the foregoing (each, a “Releasee” and collectively, the “Releasees”), from any and all claims, demands or causes of action of any kind, nature or description, whether arising in law or equity or upon contract or tort or under any state or federal law or otherwise (each, a “Claim” and collectively, the “Claims”), which such Loan Party has had, now has or has made claim to have against any such person for or by reason of any act, omission, matter, cause or thing whatsoever arising from the beginning of time to and including the date of this Amendment, whether such claims, demands and causes of action are matured or unmatured or known or unknown, in each case, which Claims relate to the Credit Agreement, any other Loan Document or the transactions contemplated thereby, except for the duties and obligations set forth in this Amendment. Each Loan Party understands, acknowledges and agrees that the release set forth above may be pleaded as a full and complete defense to any Claim and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of such release. Each Loan Party agrees that no fact, event, circumstance, evidence or transaction which could now be asserted or which may hereafter be discovered will affect in any manner the final, absolute and unconditional nature of the release set forth above. In connection with the releases set forth above, each Loan Party expressly and completely waives and relinquishes any and all rights and benefits that it has or may ever have pursuant to Section 1542 of the Civil Code of the State of California, or any other similar provision of law or principle of equity in any jurisdiction pertaining to the matters released herein. Section 1542 provides as follows:

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

- (b) Each Loan Party hereby absolutely, unconditionally and irrevocably covenants and agrees with and in favor of each Releasee that it will not sue (at law, in equity, in any regulatory proceeding or otherwise) any Releasee on the basis of any Claim released, remised and discharged by any Loan Party pursuant to Section 10(a) above. If any Loan Party violates the foregoing covenant, the Loan Parties, for themselves and their successors and assigns, and their present and former members, managers, shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers, attorneys, employees, agents, legal representatives and other representatives, agree to pay, in addition to such other damages as any Releasee may sustain as a result of such violation, all attorneys’ fees and costs incurred by any Releasee as a result of such violation.

11. Severability. In case any provision in this Amendment shall be invalid, illegal or unenforceable, such provision shall be severable from the remainder of this Amendment and the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

*[Signature pages follow]*

**IN WITNESS WHEREOF**, the parties hereto have caused this Amendment to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

**BORROWER:**

**KALTURA, INC.**

By: /s/ Yaron Garmazi

Name: Yaron Garmazi

Title: Chief Financial Officer

**GUARANTOR:**

**Executed as a deed by ) Michal Tsur Shalev  
Kaltura Europe Limited)**

acting by ) /s/ Michal Tsur Shalev

.....

Director

in the presence of: )

/s/ Eran Shalev

.....

*Witness Signature*

*Name:* Eran Shalev

*Address:* #####

*Occupation:* Professor

**ADMINISTRATIVE AGENT, ISSUING LENDER,  
SWINGLINE LENDER AND A LENDER:**

**SILICON VALLEY BANK**

By: /s/ Frank Groccia  
Name: Frank Groccia  
Title: Director

Annex A:  
Conformed Credit Agreement  
[See Attached]

**CONFORMED COPY: REFLECTS CHANGES THROUGH  
FIRST AMENDMENT TO CREDIT AGREEMENT**

**SENIOR SECURED CREDIT FACILITIES**

**CREDIT AGREEMENT**

dated as of January 14, 2021,

among

**KALTURA, INC.**,  
as the Borrower,

**THE SEVERAL LENDERS FROM TIME TO TIME PARTY HERETO,**

and

**SILICON VALLEY BANK,**  
as Administrative Agent, Issuing Lender and Swingline Lender



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## CREDIT AGREEMENT

**THIS CREDIT AGREEMENT** (this “*Agreement*”), dated as of January 14, 2021, is entered into by and among **KALTURA, INC.**, a Delaware corporation (the “*Borrower*”), the several banks and other financial institutions or entities from time to time party to this Agreement (each a “*Lender*” and, collectively, the “*Lenders*”), **SILICON VALLEY BANK (“SVB”)**, as the Issuing Lender and the Swingline Lender, and **SVB**, as administrative agent and collateral agent for the Lenders (in such capacities, together with any successors and assigns in such capacities, the “*Administrative Agent*”).

### RECITALS:

**WHEREAS**, the Borrower desires to obtain financing to refinance the Existing Credit Facility (as defined herein), for ongoing working capital and general corporate purposes of the Borrower and its Subsidiaries;

**WHEREAS**, the Lenders have agreed to extend certain credit facilities to the Borrower, upon the terms and conditions specified in this Agreement, in an aggregate principal amount not to exceed \$50,000,000 ([which shall be increased to \\$75,000,000 on the First Amendment Effective Date](#)), consisting of a term loan facility in the aggregate principal amount of \$40,000,000, and a revolving loan facility in an aggregate principal amount of up to \$10,000,000 ([which shall be increased to \\$35,000,000 on the First Amendment Effective Date](#)) including (i) a letter of credit sub-facility in the aggregate availability amount of \$10,000,000 (as a sublimit of the revolving loan facility) and (ii) a swingline sub-facility in the aggregate availability amount of \$5,000,000 (as a sublimit of the revolving loan facility);

**WHEREAS**, the Borrower has agreed to secure all of its Obligations by granting to the Administrative Agent, for the benefit of the Secured Parties, a first priority lien (subject to Liens permitted by the Loan Documents) on substantially all of its assets, all pursuant to the terms of the Guarantee and Collateral Agreement and the other Security Documents; and

**WHEREAS**, each of the Guarantors has agreed to guarantee the Obligations of the Borrower and to secure its respective Obligations in respect of such guarantee by granting to the Administrative Agent, for the benefit of the Secured Parties, a first priority lien (subject to Liens permitted by the Loan Documents) on substantially all of its assets, all pursuant to the terms of the Guarantee and Collateral Agreement and the other Security Documents to which such Guarantor is a party.

**NOW, THEREFORE**, the parties hereto hereby agree as follows:

### SECTION 1 DEFINITIONS

1.1 **Defined Terms.** As used in this Agreement (including the recitals hereof), the terms listed in this [Section 1.1](#) shall have the respective meanings set forth in this [Section 1.1](#).

“**ABR**”: for any day, a rate per annum equal to the highest of (a) the Prime Rate in effect on such day and (b) the Federal Funds Effective Rate in effect for such day plus 0.50%; provided that in no event shall the ABR be deemed to be less than 2.00%. Any change in the ABR due to a change in any of the Prime Rate or the Federal Funds Effective Rate, as the case may be, shall be effective as of the opening of business on the effective day of the change in such rates.

“**ABR Loans**”: Loans, the rate of interest applicable to which is based upon the ABR.

**“Account Debtor”**: any Person who may become obligated to any Person under, with respect to, or on account of, an Account, chattel paper or general intangibles (including a payment intangible). Unless otherwise stated, the term “Account Debtor,” when used herein, shall mean an Account Debtor in respect of an Account of any of the Group Members, as applicable.

**“Accounts”**: all “accounts” (as defined in the UCC) of a Person, including, without limitation, accounts, accounts receivable, monies due or to become due and obligations in any form (whether arising in connection with contracts, contract rights, instruments, general intangibles, or chattel paper), in each case whether arising out of goods sold or services rendered or from any other transaction and whether or not earned by performance, now or hereafter in existence, and all documents of title or other documents representing any of the foregoing, and all collateral security and guaranties of any kind, now or hereafter in existence, given by any Person with respect to any of the foregoing. Unless otherwise stated, the term “Account,” when used herein, shall mean an Account of any of the Group Members, as applicable.

**“Administrative Agent”**: SVB, as the administrative agent under this Agreement and the other Loan Documents, together with any of its successors in such capacity.

**“Advance Rate”**: ~~600~~800%; provided that on the date that the Term Loan has been repaid in full, the Advance Rate shall automatically reset to 350%.

**“Affected Lender”**: as defined in Section 2.23.

**“Affiliate”**: with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified; provided that, neither the Administrative Agent nor the Lenders shall be deemed Affiliates of the Loan Parties as a result of the exercise of their rights and remedies under the Loan Documents.

**“Agent Parties”**: as defined in Section 10.2(c)(ii).

**“Aggregate Exposure”**: with respect to any Lender at any time, an amount equal to the sum of (a) without duplication of clause (b), the aggregate then unpaid principal amount of such Lender’s Term Loans, (b) without duplication of clause (a), the aggregate amount of such Lender’s Term Commitments then in effect, (c) the amount of such Lender’s Revolving Commitment then in effect or, if the Revolving Commitments have been terminated, the amount of such Lender’s Revolving Extensions of Credit then outstanding, and (d) without duplication of clause (c), the L/C Commitment of such Lender then in effect (as a sublimit of the Revolving Commitment of such Lender).

**“Aggregate Exposure Percentage”**: with respect to any Lender at any time, the ratio (expressed as a percentage) of such Lender’s Aggregate Exposure at such time to the Aggregate Exposure of all Lenders at such time.

**“Agreement”**: as defined in the preamble hereto.

**“Agreement Currency”**: as defined in Section 10.19.

**“Annualized Recurring Revenue”**: Monthly Recurring Revenue recognized for the fiscal month most recently ended for which financial statements have been delivered to the Administrative Agent pursuant to Section 6.1, multiplied by twelve (12).

**“Applicable Foreign Obligor Documents”**: is defined in Section 4.30(a).

**“Applicable Margin”**: (a) for Eurodollar Loans, a rate per annum equal to 3.50% and (b) for ABR Loans, a rate per annum equal to 2.50%.

**“Application”**: an application, in such form as the Issuing Lender may specify from time to time, requesting the Issuing Lender to issue a Letter of Credit.

**“Approved Fund”**: any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender, or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

**“Article 55 BRRD”**: Article 55 of Directive 2014/59/EU (as amended or re-enacted) of the European Parliament and the Council of the European Union, establishing a framework for the recovery and resolution of credit institutions and investment firms.

**“Asset Sale”**: any Disposition of property or series of related Dispositions of property (excluding any such Disposition of property permitted by clauses (a) through (m) of [Section 7.5](#)) that yields gross proceeds to any Group Member (valued at the initial principal amount thereof in the case of non-cash proceeds consisting of notes or other debt securities and valued at fair market value in the case of other non-cash proceeds) in excess of \$500,000.

**“Assignment and Assumption”**: an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by [Section 10.6](#)), and accepted by the Administrative Agent, in substantially the form of [Exhibit E](#) or any other form approved by the Administrative Agent.

**“Available Revolving Commitment”**: at any time, an amount equal to (a) the lesser of (i) the Total Revolving Commitments in effect at such time and (ii) the Borrowing Base in effect at such time, minus (b) the aggregate undrawn amount of all outstanding Letters of Credit at such time, minus (c) the aggregate amount of all L/C Disbursements that have not yet been reimbursed or converted into Revolving Loans at such time, minus (d) the aggregate principal balance of any Revolving Loans outstanding at such time; provided that in no event shall the Available Revolving Commitment exceed the Available Total Commitment.

**“Available ~~Revolving Increase Amount~~ Tenor”**: as of any date of determination, ~~an amount equal to and with respect to the then-current Benchmark, as applicable, any tenor for such Benchmark or payment period for interest calculated with reference to such Benchmark, as applicable, that is or may be used for determining the resultlength of (a) \$25,000,000 minus (b) the aggregate principal amount of Increases to the Revolving Commitments previously made~~ an Interest Period pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of Interest Period pursuant to [Section 2.26](#) after the Closing Date [2.17\(b\)\(iv\)](#).

**“Available Total Commitment”**: at any time, an amount equal to (a) the Borrowing Base in effect at such time, minus (b) the aggregate undrawn amount of all outstanding Letters of Credit at such time, minus (c) the aggregate amount of all L/C Disbursements that have not yet been reimbursed or converted into Revolving Loans at such time, minus (d) the aggregate principal balance of any Revolving Loans outstanding at such time minus (e) the aggregate principal balance of any Term Loans outstanding at such time.

**“Bail-In Action”**: the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of any relevant financial institution.

**“Bail-In Legislation”**: (a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 BRRD, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time, and (b) in relation to any state other



than such an EEA Member Country or (to the extent that the United Kingdom is not such an EEA Member Country) the United Kingdom, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation.

**“Bankruptcy Code”:** Title 11 of the United States Code entitled “Bankruptcy.”

**“Basel III”:** (a) the agreements on capital requirements, a leverage ratio and liquidity standards contained in "Basel III: A global regulatory framework for more resilient banks and banking systems", "Basel III: International framework for liquidity risk measurement, standards and monitoring" and "Guidance for national authorities operating the countercyclical capital buffer" published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated, (b) the rules for global systemically important banks contained in "Global systemically important banks: assessment methodology and the additional loss absorbency requirement – Rules text" published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated, and (c) any further guidance or standards published by the Basel Committee on Banking Supervision relating to “Basel III”.

**“Benchmark”:** initially, the Eurodollar Rate; provided that if a Benchmark Transition Event, a Term SOFR Transition Event, or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred with respect to the Eurodollar Rate or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.17(b)(i).

**“Benchmark Replacement”:** (a) for any Available Tenor, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:

(i) the sum of: (A) Term SOFR and (B) the related Benchmark Replacement Adjustment;

(ii) the sum of: (A) Daily Simple SOFR and (B) the related Benchmark Replacement Adjustment;

(iii) the sum of: (A) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (x) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (y) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for Dollar-denominated syndicated credit facilities at such time and (B) the related Benchmark Replacement Adjustment;

provided that, in the case of clause (i), such Unadjusted Benchmark Replacement is displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion.

(b) With respect to any Term SOFR Transition Event, the sum of: (i) Term SOFR and (ii) the related Benchmark Replacement Adjustment. If the Benchmark Replacement as determined pursuant to clause (a) or (b) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

“**Benchmark Replacement Adjustment**”: with respect to any replacement of the then current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement:

(a) for purposes of clauses (a)(i) and (ii) or (b) of the definition of “Benchmark Replacement,” the first alternative set forth in the order below that can be determined by the Administrative Agent:

(i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that has been selected or recommended by the Relevant Governmental Body for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for the applicable Corresponding Tenor;

(ii) the spread adjustment (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that would apply to the fallback rate for a derivative transaction referencing the ISDA Definitions to be effective upon an index cessation event with respect to such Benchmark for the applicable Corresponding Tenor; and

(b) for purposes of clause (a)(iii) of the definition of “Benchmark Replacement,” the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar denominated syndicated credit facilities;

provided that, in the case of clause (a) above, such adjustment is displayed on a screen or other information service that publishes such Benchmark Replacement Adjustment from time to time as selected by the Administrative Agent in its reasonable discretion.

**“Benchmark Replacement Conforming Changes”**: with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “ABR,” the definition of “Business Day,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

**“Benchmark Replacement Date”**: the earliest to occur of the following events with respect to the then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of “Benchmark Transition Event,” the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof);

(b) in the case of clause (c) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein;

(c) in the case of a Term SOFR Transition Event, the date that is thirty (30) days after the Administrative Agent has provided the Term SOFR Notice to the Lenders and the Borrower pursuant to Section 2.17(b)(i)(B); or

(d) in the case of an Early Opt-in Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, so long as the Administrative Agent has not received, by 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, written notice of objection to such Early Opt-in Election from Lenders comprising the Required Lenders.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the Benchmark Replacement Date will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with

respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

**“Benchmark Transition Event”**: the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer representative.

For the avoidance of doubt, a Benchmark Transition Event will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

**“Benchmark Unavailability Period”**: the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (a) or (b) of that definition has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with the Section titled “Benchmark Replacement Setting” and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.17(b).

**“Beneficial Ownership Regulation”**: 31 C.F.R. § 1010.230.

**“Benefitted Lender”**: as defined in Section 10.7(a).

**“Blocked Person”**: as defined in Section 7.22.

**“Board”**: the Board of Governors of the Federal Reserve System of the United States (or any successor).

**“Borrower”**: as defined in the preamble hereto.

**“Borrowing Base”**: the product of (a) the Advance Rate, multiplied by (b) Monthly Recurring Revenue for the most recently ended monthly period, multiplied by (c) the Retention Rate.

**“Borrowing Base Certificate”**: a certificate, including transaction reports, to be executed and delivered from time to time by the Borrower pursuant to the terms of this Agreement, in substantially the form of Exhibit I, or in such other form as shall be acceptable in form and substance to the Administrative Agent.

**“Borrowing Date”**: any Business Day specified by the Borrower in a Notice of Borrowing as a date on which the Borrower requests the relevant Lenders to make Loans hereunder.

**“Business”**: as defined in Section 4.17(b).

**“Business Day”**: a day other than a Saturday, Sunday or other day on which commercial banks in the State of New York or the State of California are authorized or required by law to close; provided that with respect to notices and determinations in connection with, and payments of principal and interest on, Eurodollar Loans, such day is also a day for trading by and between banks in Dollar deposits in the interbank eurodollar market.

**“Capital Lease Obligations”**: as to any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP; provided, that for all purposes hereunder, the amount of obligations under any capital lease shall be the amount thereof calculated without giving effect to Accounting Standards Codification 842 requiring operating leases to be re-characterized or treated as capital leases.

**“Capital Stock”**: with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

**“Cash Collateralize”**: to pledge and deposit with or deliver to (a) with respect to Obligations in respect of Letters of Credit, the Administrative Agent, for the benefit of the Issuing Lender and one or more of the Lenders, as applicable, as collateral for L/C Exposure or obligations of the Lenders to fund participations in respect thereof, cash or deposit account balances or, if the Administrative Agent and the

Issuing Lender shall agree in their sole discretion, other credit support, in each case pursuant to documentation in form and substance reasonably satisfactory to the Administrative Agent and such Issuing Lender; (b) with respect to Obligations arising under any Cash Management Agreement in connection with Cash Management Services, the applicable Cash Management Bank, for its own or any of its applicable Affiliate's benefit, as provider of such Cash Management Services, cash or deposit account balances or, if the Administrative Agent and the applicable Cash Management Bank shall agree in their sole discretion, other credit support, in each case pursuant to documentation in form and substance reasonably satisfactory to the Administrative Agent and such Cash Management Bank; or (c) with respect to Obligations in respect of any Specified Swap Agreements, the applicable Qualified Counterparty, as Collateral for such Obligations, cash or deposit account balances or, if such Qualified Counterparty shall agree in its sole discretion, other credit support, in each case pursuant to documentation in form and substance satisfactory to such Qualified Counterparty.

**“Cash Collateral”** shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

**“Cash Equivalents”**: (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States Government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition; (b) certificates of deposit, time deposits, eurodollar time deposits or overnight bank deposits having maturities of six months or less from the date of acquisition issued by any Lender or by any commercial bank organized under the laws of the United States or any state thereof having combined capital and surplus of not less than \$250,000,000; (c) commercial paper of an issuer rated at least A-1 by S&P or P-1 by Moody's, or carrying an equivalent rating by a nationally recognized rating agency, if both of the two named rating agencies cease publishing ratings of commercial paper issuers generally, and maturing within six months from the date of acquisition; (d) repurchase obligations of any Lender or of any commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than 30 days, with respect to securities issued or fully guaranteed or insured by the United States government; (e) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A by S&P or A by Moody's; (f) securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any Lender or any commercial bank satisfying the requirements of clause (b) of this definition; (g) money market mutual or similar funds that invest exclusively in assets satisfying the requirements of clauses (a) through (f) of this definition; (h) money market funds that (i) comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, as amended, (ii) are rated AAA by S&P and Aaa by Moody's and (iii) have portfolio assets of at least \$5,000,000,000; or (i) in the case of any Group Member organized or having its principal place of business outside the United States, investments denominated in the currency of the jurisdiction in which such Group Member is organized or has its principal place of business which are similar and of comparable credit quality to the items specified in clauses (b) through (h) above.

**“Cash Management Agreement”**: as defined in the definition of “Cash Management Services.”

**“Cash Management Bank”**: any Person that, at the time it enters into a Cash Management Agreement, is a Lender or an Affiliate of a Lender, in its capacity as a party to such Cash Management Agreement.

**“Cash Management Services”**: cash management and other services provided to one or more of the Loan Parties by a Cash Management Bank which may include treasury, depository, return items, overdraft, controlled disbursement, merchant store value cards, e-payables services, electronic funds transfer, interstate depository network, automatic clearing house transfer (including the Automated Clearing House processing of electronic funds transfers through the direct Federal Reserve Fedline system), merchant services, direct deposit of payroll, business credit card (including so-called "purchase cards", "procurement cards" or "p-cards"), letters of credit, credit card processing services, debit cards, stored value cards, and check cashing services identified in such Cash Management Bank's various cash management services or other similar agreements (each, a **“Cash Management Agreement”**).

**“Casualty Event”**: any damage to or any destruction of, or any condemnation or other taking by any Governmental Authority of any property of the Loan Parties.

**“Certificated Securities”**: as defined in Section 4.19(a).

**“Change of Control”**: (a) at any time, any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), shall become, or obtain rights (whether by means of warrants, options or otherwise) to become, the “beneficial owner” (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act), directly or indirectly, of forty percent (40.0%) or more of the ordinary voting power for the election of directors of the Borrower (determined on a fully diluted basis); (b) during any period of twenty four (24) consecutive months, a majority of the members of the board of directors or other equivalent governing body of the Borrower cease to be composed of individuals (disregarding individuals who cease to serve due to death or disability) (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body; or (c) at any time, the Borrower shall cease to own and control, of record and beneficially, directly or indirectly, one hundred percent (100%) of each class of outstanding Capital Stock of each Guarantor (without taking into account any minimal numbers of shares of Capital Stock held to comply with applicable laws requiring a legal entity to have more than one Capital Stock holder for the entity to be reorganized) free and clear of all Liens (except for Liens created by the Security Documents and Liens permitted by Section 7.2). Notwithstanding anything to the contrary in this Agreement or otherwise, a public offering of Capital Stock of the Borrower pursuant to a registration statement filed with the SEC or any successor or similar authority shall not constitute a “Change of Control”.

**“Churn Rate”**: for any calendar month, (a) the aggregate Monthly Recurring Revenue lost (including customer attrition and reduced usage by a customer) during the period of the three consecutive calendar months ended on the last day of such calendar month period (each, a **“Trailing Three Month Period”**) divided by (b) Monthly Recurring Revenue on the day immediately prior to the first day of such Trailing Three Month Period, expressed as a percentage. The Churn Rate shall be calculated by the Administrative Agent based on information provided by the Borrower and acceptable to the Administrative Agent, in its reasonable determination, monthly, on the last day of such calendar month. For the avoidance of doubt, Recurring Revenue derived from new customers that were not customers as of the start of any Trailing Three Month Period will be excluded from the calculation of Churn Rate for such calendar month.

**“Closing Date”**: the date on which all of the conditions precedent set forth in Section 5.1 are satisfied or waived by the Administrative Agent and, as applicable, the Lenders or the Required Lenders, as the case may be.

**“Code”**: the U.S. Internal Revenue Code of 1986.

**“Collateral”**: all property of the Loan Parties, now owned or hereafter acquired, upon which a Lien is purported to be created by any Security Document. For the avoidance of doubt, no Excluded Assets shall constitute “Collateral.”

**“Collateral Information Certificate”**: the Collateral Information Certificate to be executed and delivered by the Borrower pursuant to Section 5.1, substantially in the form of Exhibit J.

**“Collateral-Related Expenses”**: all reasonable costs and expenses of the Administrative Agent paid or incurred in connection with any sale, collection or other realization on the Collateral, including reasonable compensation to the Administrative Agent and its agents and counsel, and reimbursement for all other reasonable costs, expenses and liabilities and advances made or incurred by the Administrative Agent in connection therewith (including as described in Section 6.6 of the Guarantee and Collateral Agreement), and all amounts for which the Administrative Agent is entitled to indemnification under the Security Documents and all advances made by the Administrative Agent under the Security Documents for the account of any Loan Party.

**“Commitment”**: as to any Lender, the sum of its Term Commitment and its Revolving Commitment.

**“Commitment Fee”**: as defined in Section 2.09(b).

**“Commitment Fee Rate”**: 0.25% per annum.

**“Commodity Exchange Act”**: the Commodity Exchange Act (7 U.S.C. Section 1 *et seq.*), as amended from time to time, and any successor statute.

**“Communications”**: as defined in Section 10.2(d)(ii).

**“Compliance Certificate”**: a certificate duly executed by a Responsible Officer substantially in the form of Exhibit B.

**“Connection Income Taxes”**: Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

**“Contractual Obligation”**: as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other written undertaking to which such Person is a party or by which it or any of its property is bound.

**“Control”**: the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. **“Controlling”** and **“Controlled”** have meanings correlative thereto.

**“Control Agreement”**: (a) in relation to a U.S. bank account, any account control agreement in form and substance reasonably satisfactory to the Administrative Agent entered into among the depository institution at which a Loan Party maintains a Deposit Account or the securities intermediary at which a Loan Party maintains a Securities Account, such Loan Party, and the Administrative Agent; and (b) in relation to a UK bank account, any supplemental debenture or other security agreement entered into



among the Loan Party which maintains the relevant Deposit Account or Securities Account and the Administrative Agent, in each case pursuant to which the Administrative Agent is granted a first priority, perfected Lien over such Deposit Account or Securities Account. For the avoidance of doubt, the Administrative Agent will not exercise control under any Control Agreement over any Deposit Account or Securities Account in the U.S. except pursuant to an exercise of remedies by the Administrative Agent under the terms of the Loan Documents.

“Consolidated Adjusted EBITDA”: with respect to the Group Members for any period,

(a) Consolidated Net Income, plus

(b) the sum of, without duplication, of the following amounts for such period but solely to the extent deducted in calculating Consolidated Net Income for such period:

(i) Consolidated Interest Expense and non-cash interest expense; plus

(ii) provisions for Taxes based on income; plus

(iii) total depreciation expense; plus

(iv) total amortization expense (including, without limitation, amortization of intangibles from purchase price accounting); plus

(v) noncash stock based compensation expense; plus

(vi) noncash exchange, transaction or performance losses relating to any foreign currency hedging transactions or currency fluctuations; plus

(vii) costs, fees and expenses in connection with the execution and delivery of this Agreement and the other Loan Documents and any amendments or other modifications thereto, in each case to the extent incurred within 6 months after the Closing Date or the effectiveness of such amendment or other modification (or such later time period as approved in writing by the Administrative Agent in its sole discretion); plus

(viii) one-time costs, fees, and expenses in connection with Permitted Acquisitions, Investments, dispositions, issuances or repurchases of Capital Stock, or the incurrence, amendment or waiver of Indebtedness (in each case, permitted hereunder), in each case, whether or not consummated; provided that, any amounts described in this clause (b) (viii) with respect to transactions that are not consummated shall not exceed \$750,000 in the aggregate for any period; plus

(ix) noncash purchase accounting adjustments (including, but not limited to deferred revenue write down) and any adjustments as required or permitted by the application of FASB 141 (requiring the use of purchase method of accounting for acquisitions and consolidations), FASB 142 (relating to changes in accounting for the amortization of goodwill and certain other intangibles) and FASB 144 (relating to the

write downs of long-lived assets), in each case, in connection with Permitted Acquisitions; plus

(x) noncash charges for goodwill and other intangible write-offs and write-downs in connection with Permitted Acquisitions or otherwise; plus

(xi) the amount of any restructuring charge, accrual or reserve, integration cost or other business optimization expense, including any restructuring costs incurred in connection with acquisitions, mergers or consolidations after the Closing Date and any other restructuring expenses, severance expenses, one-time compensation charges, post-retirement employee benefits plans, any expenses relating to reconstruction, decommissioning or recommissioning fixed assets for alternate use, expenses or charges relating to facility closing costs, acquisition integration costs and signing, retention or completion bonuses or expenses, in an amount not to exceed \$500,000 in any period; plus

(xii) (A) any extraordinary, unusual or non-recurring non-cash expenses or non-cash charges, and (B) any nonrecurring expenses or charges, approved in writing by the Administrative Agent in its sole discretion; plus

(xiii) other noncash items reducing Consolidated Net Income (excluding any such non cash item to the extent that it represents an accrual or reserve for potential cash items in any future period or amortization of a prepaid cash item that was paid in a prior period) approved by the Administrative Agent in writing as an 'add-back' to Consolidated Adjusted EBITDA; plus

(xiv) any Insurance Loss Addback; plus

(xv) expenses and payments that are covered by indemnification or purchase price adjustment provisions in any agreement entered into by a Group Member in connection with any proposed or actual Permitted Acquisition and for which (A) the indemnitor or counterparty has assumed coverage and (B) the Borrower reasonably expects to receive such expenses and payments within one year from the date of calculation (with a deduction to Consolidated Adjusted EBITDA if such amount is not so paid); plus

(xvi) any expense deducted in calculating Consolidated Net Income and reimbursed by third parties (other than a Group Member); plus

(xvii) the amount of earn-out obligations incurred in connection with any Permitted Acquisition, to the extent such earn-outs are permitted under this Agreement and expensed under GAAP standards in an aggregate amount not to exceed \$500,000 in any period, plus

(xviii) write-downs of capitalized software development costs; minus

(c) the sum, without duplication, of the following amounts for such period but solely to the extent increasing Consolidated Net Income for such period (other than in the case of clause ii)):

(i) interest income; plus

(ii) capitalized software development costs, capitalized sales commissions and deferred contract acquisitions costs; plus

(iii) noncash items increasing Consolidated Net Income for such period (excluding any such noncash item to the extent it represents the reversal of an accrual or reserve for potential cash item in any prior period); plus

(iv) any extraordinary, unusual or non-recurring gains, plus

(d), any net positive change (or minus any net negative change) in the deferred revenue for any period, as measured against the same period for the prior fiscal year;

provided that Consolidated Adjusted EBITDA for any period shall be determined on a Pro Forma Basis to give effect to any Permitted Acquisitions or any Disposition of any business or assets consummated during such period, in each case as if such transaction occurred on the first day of such period and in accordance with Regulation S-X promulgated by the SEC.

“**Consolidated Interest Expense**”: for any period, total cash interest expense (including that attributable to Capital Lease Obligations) of the Group Members for such period with respect to all outstanding Indebtedness of such Persons (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers’ acceptance financing and net costs under Swap Agreements in respect of interest rates to the extent such net costs are allocable to such period in accordance with GAAP).

“**Consolidated Net Income**”: for any period, the consolidated net income (or loss) of the Group Members, determined on a consolidated basis in accordance with GAAP; provided that there shall be excluded from the calculation of “Consolidated Net Income” (a) the income (or deficit) of any such Person accrued prior to the date it becomes a Subsidiary of the Borrower or is merged into or consolidated with a Group Member, (b) the income (or deficit) of any such Person (other than a Subsidiary of the Borrower) in which a Group Member has an ownership interest, except to the extent that any such income is actually received by a Group Member in the form of dividends or similar distributions, and (c) the undistributed earnings of any Subsidiary of the Borrower to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any Contractual Obligation (other than under any Loan Document) or Requirement of Law applicable to such Subsidiary.

“**Corresponding Tenor**”: with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

“Daily Simple SOFR”: for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for syndicated business loans; provided, that if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion.

“**Debtor Relief Laws**”: the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States, the United Kingdom or other applicable jurisdictions from time to time in effect.

“**Declined Amount**”: as defined in Section 2.12(e).

“**Default**”: any of the events specified in Section 8.1, whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

“**Default Rate**”: as defined in Section 2.15(c).

“**Defaulting Lender**”: subject to Section 2.24(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two (2) Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender’s reasonable determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, the Issuing Lender, the Swingline Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swingline Loans) within two (2) Business Days of the date when due, (b) has notified the Borrower, the Administrative Agent, the Issuing Lender or the Swingline Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender’s obligation to fund a Loan hereunder and states that such position is based on such Lender’s reasonable determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three (3) Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) become the subject of a Bail-In Action or (iii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender

under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.24(b)) upon delivery of written notice of such determination to the Borrower, the Issuing Lender, the Swingline Lender and each Lender.

**“Deposit Account”**: any “deposit account” as defined in the UCC with such additions to such term as may hereafter be made.

**“Deposit Account Control Agreement”**: any Control Agreement entered into by the Administrative Agent, a Loan Party and a financial institution holding a Deposit Account of such Loan Party pursuant to which the Administrative Agent is (a) in the case of a US account, granted “control” (for purposes of the UCC) over such Deposit Account or (b) in the case of a UK account, granted fixed charge security over such Deposit Account to the extent required pursuant to the UK Debenture.

**“Designated Jurisdiction”**: any country or territory to the extent that such country or territory itself is the subject of any Sanction.

**“Discharge of Obligations”**: subject to Section 10.8, the satisfaction of the Obligations (including all such Obligations relating to Cash Management Services) by the payment in full, in cash (or, as applicable, Cash Collateralization in accordance with the terms hereof) of the principal of and interest on or other outstanding liabilities relating to each Loan and any previously provided Cash Management Services, all reasonable fees and all other expenses or amounts payable under any Loan Document (other than inchoate indemnification obligations and any other obligations which pursuant to the terms of any Loan Document specifically survive repayment of the Loans for which no claim has been made), and other Obligations under or in respect of Specified Swap Agreements and Cash Management Services, to the extent (a) no default or termination event shall have occurred and be continuing thereunder, (b) any such Obligations in respect of Specified Swap Agreements have, if required by any applicable Qualified Counterparties, been Cash Collateralized, (c) no Letter of Credit shall be outstanding (or, as applicable, each outstanding and undrawn Letter of Credit has been Cash Collateralized in accordance with the terms hereof), (d) no Obligations in respect of any Cash Management Services are outstanding (or, as applicable, all such outstanding Obligations in respect of Cash Management Services have been Cash Collateralized in accordance with the terms hereof), and (e) the aggregate Commitments of the Lenders are terminated.

**“Disposition”**: with respect to any property (including, without limitation, Capital Stock of any Group Member), any sale, lease, Sale Leaseback Transaction, assignment, conveyance, transfer, encumbrance or other disposition thereof (in one transaction or in a series of related transactions and whether effected pursuant to a Division or otherwise) and any issuance of Capital Stock of any Group Member. The terms **“Dispose”** and **“Disposed of”** shall have correlative meanings.

**“Disqualified Stock”**: any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is ninety-one (91) days after the date on which the Loans mature. The amount of Disqualified Stock deemed to be outstanding at any time for purposes of this Agreement will be the maximum amount that the Group Members may become obligated to pay upon maturity of, or pursuant to any mandatory redemption provisions of, such Disqualified Stock or portion thereof, plus accrued dividends. Notwithstanding the foregoing, (i) any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to be paid upon liquidation, dissolution,

winding up or pursuant to such other applicable statutory or regulatory obligations of the issuer of such Capital Stock will not constitute Disqualified Stock if the terms of such Capital Stock provide that such payments may not be made with respect to such Capital Stock unless such payments are made in accordance with [Section 7.6](#) hereof and (ii) if such Capital Stock is issued pursuant to a plan or agreement for the benefit of the Borrower's or its Subsidiaries' employees or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Borrower or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's termination, death, or disability.

**“Division”**: in reference to any Person which is an entity, the division of such Person into two (2) or more separate Persons, with the dividing Person either continuing or terminating its existence as part of such division, including as contemplated under Section 18-217 of the Delaware Limited Liability Company Act, or any analogous action taken pursuant to any other applicable Requirements of Law.

**“Distressed Debt Fund”**: any hedge fund or private equity fund that principally invests in distressed debt (other than any Affiliate of any such fund that does not principally invest in distressed debt).

**“Dollars”** and **“\$”**: dollars in lawful currency of the United States.

**“Domestic Subsidiary”**: any Subsidiary of the Borrower organized under the laws of the United States, any state thereof or the District of Columbia.

**“Early Opt-in Election”**: [if the then-current Benchmark is the Eurodollar Rate, the occurrence of:](#)

[\(a\) a notification by the Administrative Agent to \(or the request by the Borrower to the Administrative Agent to notify\) each of the other parties hereto that at least five currently outstanding Dollar denominated syndicated credit facilities at such time contain \(as a result of amendment or as originally executed\) a SOFR-based rate \(including SOFR, Term SOFR or any other rate based upon SOFR\) as a benchmark rate \(and such syndicated credit facilities are identified in such notice and are publicly available for review\), and](#)

[\(b\) the joint election by the Administrative Agent and the Borrower to trigger a fallback from the Eurodollar Rate and the provision by the Administrative Agent of written notice of such election to the Lenders.](#)

**“EBITDA Testing Period”**: [the period prior to the consummation of a Qualified IPO \(a\) commencing on the last day of the applicable fiscal quarter of the Borrower most recently ended at the time EBITDA Trigger Event occurs for which the Borrower was required to deliver to the Administrative Agent financial statements pursuant to Section 6.1\(b\) or \(c\), and \(b\) continuing until the consummation of a Qualified IPO.](#)

**“EBITDA Trigger Event”**: [the Total Revolving Extensions of Credit exceed \\$10,000,000.](#)

**“EEA Member Country”**: any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

**“Eligible Assignee”**: any Person that meets the requirements to be an assignee under Section 10.6(b)(iii), (v) and (vi) (subject to such consents, if any, as may be required under Section 10.6(b)(iii)); provided that none of Borrower, any Affiliate of Borrower or, unless an Event of Default under Section 8.1(a), Section 8.1(c) (as a result of any failure to comply with Section 7.1(a)) or Section 8.1(f) shall have occurred and be continuing, any Listed Competitor or any Distressed Debt Fund, shall be an Eligible Assignee.

**“Environmental Laws”**: any and all foreign, federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, requirements of any Governmental Authority or other Requirements of Law (including common law) regulating, relating to or imposing liability or standards of conduct concerning protection of human health or the environment, as now or may at any time hereafter be in effect.

**“Environmental Liability”**: any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of any Group Member directly or indirectly resulting from or based upon (a) a violation of an Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Materials of Environmental Concern, (c) exposure to any Materials of Environmental Concern, (d) the release or threatened release of any Materials of Environmental Concern into the environment, or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

**“ERISA”**: the Employee Retirement Income Security Act of 1974, as amended, including (unless the context otherwise requires) any rules or regulations promulgated thereunder.

**“ERISA Affiliate”**: each business or entity which is, or within the last six years was, a member of a “controlled group of corporations,” under “common control” or an “affiliated service group” with any Loan Party within the meaning of Section 414(b), (c), (m) or (n) of the Code, required to be aggregated with any Loan Party under Section 414(o) of the Code, or is, or within the last six years was, under “common control” with any Loan Party, within the meaning of Section 4001(a)(14) of ERISA.

**“ERISA Event”**: any of (a) a reportable event as defined in Section 4043 of ERISA with respect to a Pension Plan, excluding, however, such events as to which the PBGC by regulation has waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days of the occurrence of such event; (b) the applicability of the requirements of Section 4043(b) of ERISA with respect to a contributing sponsor, as defined in Section 4001(a)(13) of ERISA, to any Pension Plan where an event described in paragraph (9), (10), (11), (12) or (13) of Section 4043(c) of ERISA is reasonably expected to occur with respect to such plan within the following 30 days; (c) a withdrawal by any Loan Party or any ERISA Affiliate thereof from a Pension Plan or the termination of any Pension Plan resulting in liability under Sections 4063 or 4064 of ERISA; (d) the withdrawal of any Loan Party or any ERISA Affiliate thereof in a complete or partial withdrawal (within the meaning of Section 4203 and 4205 of ERISA) from any Multiemployer Plan if there is any potential liability therefor, or the receipt by any Loan Party or any ERISA Affiliate thereof of notice from any Multiemployer Plan that it is in reorganization or insolvency pursuant to Section 4241 or 4245 of ERISA; (e) the filing of a notice of intent to terminate, the treatment of a plan amendment as a termination under Section 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (f) the imposition of liability on any Loan Party or any ERISA Affiliate thereof pursuant to Sections 4062(e) or 4069 of ERISA or by reason of the application of Section 4212(c) of ERISA; (g) the failure by any Loan Party or any ERISA Affiliate thereof to make any required contribution to a Pension Plan, or the failure to meet the minimum funding standard of Section 412 of the Code with respect to any Pension Plan (whether or

not waived in accordance with Section 412(c) of the Code) or the failure to make by its due date a required installment under Section 430 of the Code with respect to any Pension Plan or the failure to make any required contribution to a Multiemployer Plan; (h) the determination that any Pension Plan is considered an at-risk plan or a plan in endangered to critical status within the meaning of Sections 430, 431 and 432 of the Code or Sections 303, 304 and 305 of ERISA; (i) an event or condition which might reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; (j) the imposition of any liability under Title I or Title IV of ERISA, other than PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any Loan Party or any ERISA Affiliate thereof; (k) an application for a funding waiver under Section 303 of ERISA or an extension of any amortization period pursuant to Section 412 of the Code with respect to any Pension Plan; (l) the occurrence of a material non-exempt prohibited transaction under Sections 406 or 407 of ERISA for which any Group Member may be directly or indirectly liable; (m) a violation of the applicable requirements of Section 404 or 405 of ERISA or the exclusive benefit rule under Section 401(a) of the Code by any fiduciary or disqualified person for which any Loan Party or any ERISA Affiliate thereof may be directly or indirectly liable; (n) the occurrence of an act or omission which could give rise to the imposition on any Loan Party or any ERISA Affiliate thereof of material fines, penalties, taxes or related charges under Chapter 43 of the Code or under Sections 409, 502(c), (i) or (1) or 4071 of ERISA; (o) the assertion of a material claim (other than routine claims for benefits) against any Plan or the assets thereof, or against any Group Member in connection with any such Plan; (p) receipt from the IRS of notice of the failure of any Qualified Plan to qualify for exemption from taxation under Section 501(a) of the Code, or the failure of any trust forming part of any Qualified Plan to qualify for exemption from taxation under Section 501(a) of the Code; (q) the imposition of any lien (or the fulfillment of the conditions for the imposition of any lien) on any of the rights, properties or assets of any Loan Party or any ERISA Affiliate thereof, in either case pursuant to Title I or IV of ERISA, including Section 302(f) or 303(k) of ERISA or to Section 401(a)(29) or 430(k) of the Code; or (r) the establishment or amendment by any Group Member of any “welfare plan” as such term is defined in Section 3(1) of ERISA, that provides post-employment welfare benefits in a manner that would increase the liability of any Group Member.

**“ERISA Funding Rules”**: the rules regarding minimum required contributions (including any installment payment thereof) to Pension Plans, as set forth in Section 412 of the Code and Section 302 of ERISA, with respect to Plan years ending prior to the effective date of the Pension Protection Act of 2006, and thereafter, as set forth in Sections 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA.

**“Erroneous Payment”**: as defined in Section 9.12(a).

**“Erroneous Payment Deficiency Assignment”**: as defined in Section 9.12(d).

**“Erroneous Payment Return Deficiency”**: as defined in Section 9.12(d).

**“Erroneous Payment Subrogation Rights”**: as defined in Section 9.12(d).

**“Eurocurrency Reserve Requirements”**: for any day as applied to a Eurodollar Loan, the aggregate (without duplication) of the maximum rates (expressed as a decimal fraction) of reserve requirements in effect on such day (including basic, supplemental, marginal and emergency reserves) under any regulations of the Board or other Governmental Authority having jurisdiction with respect thereto dealing with reserve requirements prescribed for eurocurrency funding (currently referred to as



“Eurocurrency Liabilities” in Regulation D of the Board) maintained by a member bank of the Federal Reserve System.

“**Eurodollar Base Rate**”: with respect to each day during each Interest Period pertaining to a Eurodollar Loan, the rate per annum determined by the Administrative Agent by reference to the ICE Benchmark Administration London Interbank Offered Rate (“**LIBOR**”) (or any successor thereto if the ICE Benchmark Administration is no longer making LIBOR available) for deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period in Dollars, determined as of approximately 11:00 A.M. (London, England time) two (2) Business Days prior to the beginning of such Interest Period (as set forth by Bloomberg Information Service or any successor thereto or any other commercially available service selected by the Administrative Agent which provides quotations of LIBOR). In the event that the Administrative Agent determines that LIBOR is not available, the “Eurodollar Base Rate” shall be determined by reference to the rate per annum equal to the offered quotation rate to first class banks in the London interbank market by SVB for deposits (for delivery on the first day of the relevant Interest Period) in Dollars of amounts in same day funds comparable to the principal amount of the applicable Loan of the Administrative Agent, in its capacity as a Lender, for which the Eurodollar Base Rate is then being determined with maturities comparable to such period, in the case of a Eurodollar Loan, as of approximately 11:00 A.M. (London, England time) two (2) Business Days prior to the beginning of such Interest Period.

“**Eurodollar Loans**”: Loans the rate of interest applicable to which is based upon the “Eurodollar Rate”.

“**Eurodollar Rate**”: with respect to each day during each Interest Period pertaining to a Eurodollar Loan, a rate per annum determined for such day in accordance with the following formula:

$$\frac{\text{Eurodollar Base Rate}}{1.00 - \text{Eurocurrency Reserve Requirements}}$$

The Eurodollar Rate shall be adjusted automatically as of the effective date of any change in the Eurocurrency Reserve Requirements; provided that the Eurodollar Rate shall not be less than 1.00%.

“**Eurodollar Tranche**”: the collective reference to Eurodollar Loans under a particular Facility (other than the L/C Facility), the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day).

“**EU Bail-In Legislation Schedule**”: the document described as such and published by the Loan Market Association (or any successor Person), as in effect from time to time.

“**Event of Default**”: any of the events specified in Section 8.1; provided that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

“**Exchange Act**”: the Securities Exchange Act of 1934, as amended from time to time and any successor statute.

“**Excluded Assets**”: shall have the meaning ascribed to such term in the Guarantee and Collateral Agreement

“**Excluded Subsidiary**”: any Subsidiary that is (a) a Foreign Subsidiary (other than Kaltura Europe) or (ii) an Immaterial Subsidiary.

**“Excluded Swap Obligations”**: with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guarantee Obligation of such Guarantor with respect to, or the grant by such Guarantor of a Lien to secure, such Swap Obligation (or any guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act at the time such Guarantee Obligation of such Guarantor, or the grant by such Guarantor of such Lien, becomes effective with respect to such Swap Obligation. If such a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guarantee Obligation or Lien is or becomes excluded in accordance with the first sentence of this definition.

**“Excluded Taxes”**: any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.23) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.20, amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient’s failure to comply with Section 2.20(f) or (h) and (d) any withholding Taxes imposed under FATCA.

**“Existing Lender”**: each of (i) SVB, in its capacity as a lender under the Existing SVB Credit Facility and (ii) ORIX Ventures LLC a Delaware limited liability company, as successor in interest to ORIX Venture Finance LLC, a Delaware limited liability company (“**ORIX**”), in its capacity as lender under the Existing Orix Credit Facility.

**“Existing Credit Facility”**: each of the Existing Orix Credit Facility and the Existing SVB Credit Facility.

**“Existing Letters of Credit”**: the letters of credit described on Schedule 1.1B.

**“Existing Orix Credit Facility”**: the credit facilities established pursuant to (including, without limitation, the Indebtedness arising under) that certain Second Amended and Restated Loan and Security Agreement, dated October 28, 2015 (as amended or modified from time to time and in effect as of the date hereof).

**“Existing SVB Credit Facility”**: the credit facilities established pursuant to (including, without limitation, the Indebtedness arising under) that certain Loan and Security Agreement, dated as of February 3, 2011, by and among certain Group Members, the lenders party thereto and SVB, in its capacity as administrative agent for the lenders party thereto (as amended or modified from time to time and in effect as of the date hereof).

**“Facility”**: each of (a) the Term Facility, (b) the L/C Facility (which is a sub-facility of the Revolving Facility), and (c) the Revolving Facility.

**“FASB ASC”**: the Accounting Standards certification of the Financial Accounting Standards Board.

**“FATCA”**: Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

**“Federal Funds Effective Rate”**: for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for the day of such transactions received by SVB from three federal funds brokers of recognized standing selected by it.

**“Fee Letter”**: the letter agreement dated October 16, 2020, between the Borrower and the Administrative Agent.

**“First Amendment Effective Date”**: [June 29, 2021.](#)

**“Flood Laws”**: the National Flood Insurance Reform Act of 1994 and related legislation (including the regulations of the Board of Governors of the Federal Reserve System).

**“Floor”**: [the benchmark rate floor, if any, provided in this Agreement initially \(as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise\) with respect to USD LIBOR.](#)

**“Flow of Funds Agreement”**: the spreadsheet or other similar statement prepared and certified by the Borrower, regarding the disbursement of Loan proceeds on the Closing Date, the funding and the payment of the fees and expenses of the Administrative Agent and the Lenders (including their respective counsel) and such other matters as may be agreed to by the Borrower, the Administrative Agent and the Lenders.

**“Foreign Lender”**: (a) if the Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if the Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes.

**“Foreign Obligor”**: Kaltura Europe and any other Loan Party which is organized in a jurisdiction other than the United States or a state thereof.

**“Foreign Subsidiary”**: any Subsidiary of the Borrower that is not a Domestic Subsidiary.

**“Fronting Exposure”**: at any time there is a Defaulting Lender, as applicable, (a) with respect to the Issuing Lender, such Defaulting Lender’s L/C Percentage of the outstanding L/C Exposure other than L/C Exposure as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof, and (b) with respect to the Swingline Lender, such Defaulting Lender’s Revolving Percentage of outstanding Swingline Loans made by the Swingline Lender other than Swingline Loans as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders.

**“Fund”**: any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course of its activities.

**“Funding Office”**: the Revolving Loan Funding Office or the Term Loan Funding Office, as the context requires.

**“GAAP”**: generally accepted accounting principles in the United States as in effect from time to time, except that for purposes of Section 7.1, GAAP shall be determined on the basis of such principles in effect on the date hereof and consistent with those used in the preparation of the most recent audited financial statements referred to in Section 4.1(b). In the event that any **“Accounting Change”** (as defined below) shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in this Agreement, then the Borrower and the Administrative Agent agree to enter into negotiations to amend such provisions of this Agreement so as to reflect equitably such Accounting Changes with the desired result that the criteria for evaluating the Borrower’s financial condition shall be the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as such an amendment shall have been executed and delivered by the Borrower, the Administrative Agent and the Required Lenders, all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred. **“Accounting Changes”** refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the SEC, or the adoption of IFRS.

**“Governmental Approval”**: any consent, authorization, approval, order, license, franchise, permit, certificate, accreditation, registration, filing or notice, of, issued by, from or to, or other act by or in respect of, any Governmental Authority.

**“Governmental Authority”**: (a) the government of the United States of America, the government of the United Kingdom or the government of any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank), and (b) any group or body charged with setting accounting or regulatory capital rules or standards (including the Financial Standards Board, the Bank for International Settlements, the Basel Committee on Banking Supervision and any successor or similar authority to any of the foregoing).

**“Group Members”**: the collective reference to the Borrower and its Subsidiaries.

**“Guarantee and Collateral Agreement”**: the Guarantee and Collateral Agreement, dated as of the Closing Date, by and among the Loan Parties and the Administrative Agent, substantially in the form of Exhibit A and as amended and restated, supplemented or otherwise modified from time to time.

**“Guarantee Obligation”**: as to any Person (the **“guaranteeing person”**), any obligation, including a reimbursement, counterindemnity or similar obligation, of the guaranteeing person that guarantees or in effect guarantees, or which is given to induce the creation of a separate obligation by another Person (including any bank under any letter of credit) that guarantees or in effect guarantees, any Indebtedness, leases, dividends or other obligations (the **“primary obligations”**) of any other third Person (the **“primary obligor”**) in any manner, whether directly or indirectly, including any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the

purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the lower of (a) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (b) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by the Borrower in good faith.

**"Guarantors"**: a collective reference to each Subsidiary of the Borrower which has become a Guarantor pursuant to the requirements of Section 6.12 hereof and the Guarantee and Collateral Agreement. Notwithstanding the foregoing or any contrary provision herein or in any other Loan Document, (i) no Excluded Subsidiary shall be required to become a Guarantor and (ii) no other Subsidiary shall be required to become a Guarantor if, in the reasonable good faith business judgment of the Administrative Agent in consultation with the Borrower, the burden or cost of providing a guarantee by such Subsidiary shall be excessive considering the benefits that the Administrative Agent and the Lenders may obtain from such guarantee.

**"IFRS"**: international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements delivered under or referred to herein.

~~**"Increase"**: as defined in Section 2.26.~~

~~**"Increase Joinder"**: an instrument, in form and substance reasonably satisfactory to the Administrative Agent, by which a Lender becomes a party to this Agreement pursuant to Section 2.26.~~

**"Immaterial Subsidiary"**: as of the last day of each fiscal quarter and at any other date of determination, any Subsidiary of any Loan Party designated as such by such Loan Party in writing and which as of such date (a) holds assets representing seven and a half percent (7.5%) or less of the Borrower's consolidated total assets as of such date (excluding Investments in Subsidiaries and intercompany receivables that would be eliminated in consolidated financial statements, and goodwill) (determined in accordance with GAAP), (b) which has generated less than seven and a half percent (7.5%) of the Borrower's consolidated total revenues (excluding any intercompany revenues that would be eliminated in consolidated financial statements) determined in accordance with GAAP for the four fiscal quarter period ending on the last day of the most recent period for which financial statements have been delivered after the Closing Date pursuant to Section 6.1(b); provided that all Subsidiaries that are individually **"Immaterial Subsidiaries"** shall not have aggregate consolidated total assets that would represent fifteen percent (15%) or more of the Borrower's consolidated total assets (excluding Investments in Subsidiaries and intercompany receivables that would be eliminated in consolidated financial statements, and goodwill) as of such date or have generated fifteen percent (15%) or more of the Borrower's consolidated total revenues (excluding any intercompany revenue that would be eliminated in consolidated financial statements) for such four fiscal quarter period, in each case determined in

accordance with GAAP, (c) owns no Capital Stock of any Subsidiary that is not an Immaterial Subsidiary and (d) owns no material Intellectual Property.

**“Indebtedness”**: of any Person at any date, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than current trade payables incurred in the ordinary course of such Person’s business), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all Capital Lease Obligations and all Synthetic Lease Obligations of such Person, (f) all obligations of such Person, contingent or otherwise, as an account party or applicant under or in respect of acceptances, letters of credit, surety bonds or similar arrangements, (g) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Capital Stock in such Person or any other Person (including, without limitation, Disqualified Stock), or any warrant, right or option to acquire such Capital Stock, valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends, (h) all Guarantee Obligations of such Person in respect of obligations of the kind referred to in clauses (a) through (g) above, (i) all obligations of the kind referred to in clauses (a) through (h) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on property (including accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligation, and (j) the net obligations of such Person in respect of Swap Agreements. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person’s ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness expressly provide that such Person is not liable therefor.

**“Indemnified Taxes”**: (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any outstanding Obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in clause (a), Other Taxes.

**“Indemnitee”**: as defined in [Section 10.5\(b\)](#).

**“Insolvency Proceeding”**: (a) any case, action or proceeding before any court or other Governmental Authority relating to bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, or (b) any general assignment for the benefit of creditors, composition, marshalling of assets for creditors, or other, similar arrangement in respect of any Person’s creditors generally or any substantial portion of such Person’s creditors, in each case undertaken under U.S. federal, state or foreign law, including any Debtor Relief Law and including, without limitation, any UK Insolvency Proceeding.

**“Insurance Loss Addback”**: [with respect to any fiscal period, the amount of any loss incurred during such fiscal period for which there is insurance or indemnity coverage and for which a related insurance or indemnity recovery is not recorded in accordance with GAAP, but for which such insurance or indemnity recovery is reasonably expected to be received by a Loan Party in a subsequent fiscal period and within one year of the date of the underlying loss.](#)

**“Intellectual Property”**: the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise,

including copyrights, copyright licenses, patents, patent licenses, trademarks, trademark licenses, technology, know-how and processes, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

**“Intellectual Property Security Agreement”**: an intellectual property security agreement entered into between a Loan Party and the Administrative Agent pursuant to the terms of the Guarantee and Collateral Agreement in form and substance satisfactory to the Administrative Agent, together with each other intellectual property security agreement and supplement thereto delivered pursuant to Section 6.12, in each case as amended, restated, supplemented or otherwise modified from time to time.

**“Interest Payment Date”**: (a) as to any ABR Loan (including any Swingline Loan), the first Business Day of each fiscal quarter to occur while such Loan is outstanding and the final maturity date of such Loan, (b) as to any Eurodollar Loan having an Interest Period of three (3) months or less, the last Business Day of such Interest Period, (c) as to any Eurodollar Loan having an Interest Period longer than three (3) months, each day that is three (3) months (or, if such date is not a Business Day, the Business Day next succeeding such date) after the first day of such Interest Period and the last Business Day of such Interest Period, and (d) as to any Loan (other than any Revolving Loan that is an ABR Loan and any Swingline Loan), the date of any repayment or prepayment made in respect thereof.

**“Interest Period”**: as to any Eurodollar Loan, (a) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such Eurodollar Loan and ending one (1), three (3) or six (6) months thereafter, as selected by the Borrower in its Notice of Borrowing or Notice of Conversion/Continuation, as the case may be, given with respect thereto; and (b) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Eurodollar Loan and ending one (1), three (3) or six (6) months thereafter, as selected by the Borrower by irrevocable notice to the Administrative Agent in a Notice of Conversion/Continuation not later than 10:00 A.M. on the date that is three (3) Business Days prior to the last day of the then current Interest Period with respect thereto; provided that all of the foregoing provisions relating to Interest Periods are subject to the following:

(i) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Business Day;

(ii) the Borrower may not select an Interest Period under a particular Facility that would extend beyond the Revolving Termination Date (in the case of Revolving Facility) or beyond the Term Loan Maturity Date (in the case of Term Loans); and

(iii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month.

**“Interest Rate Agreement”**: any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedging agreement or other similar agreement or arrangement, each of which is (a) for the purpose of hedging the interest rate exposure associated with the Group Members’ operations, and (b) not for speculative purposes.

**“Inventory”**: all “inventory,” as such term is defined in the UCC, now owned or hereafter acquired by any Loan Party, wherever located, and in any event including inventory, merchandise, goods and other personal property that are held by or on behalf of any Loan Party for sale or lease or are

furnished or are to be furnished under a contract of service, or that constitutes raw materials, work in process, finished goods, returned goods, or materials or supplies of any kind used or consumed or to be used or consumed in such Loan Party's business or in the processing, production, packaging, promotion, delivery or shipping of the same, including all supplies and embedded software.

**"Investments"**: as defined in [Section 7.8](#).

**"IRS"**: the U.S. Internal Revenue Service.

**"ISDA Definitions"**: [the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time by the International Swaps and Derivatives Association, Inc. or such successor thereto.](#)

**"ISP"**: with respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice (or such later version thereof as may be in effect at the time of issuance).

**"Issuing Lender"**: as the context may require, (a) SVB or any Affiliate thereof, in its capacity as issuer of any Letter of Credit (including, without limitation, any Existing Letter of Credit), and (b) any other Lender that may become an Issuing Lender pursuant to [Section 3.11](#) or [3.12](#), with respect to Letters of Credit issued by such Lender. The Issuing Lender may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of the Issuing Lender or other financial institutions, in which case the term "Issuing Lender" shall include any such Affiliate or other financial institution with respect to Letters of Credit issued by such Affiliate or other financial institution. For the avoidance of any doubt, SVB is the sole Issuing Lender as of the Closing Date.

**"Issuing Lender Fees"**: as defined in [Section 3.3\(a\)](#).

**"Judgment Currency"**: as defined in [Section 10.19](#).

**"Kaltura Europe"**: Kaltura Europe Limited, a limited liability company incorporated in England & Wales (company number 08012257), whose registered office is at Highlands House Basingstoke Road, Spencers Wood, Reading, RG7 1NT, England.

**"L/C Advance"**: each L/C Lender's funding of its participation in any L/C Disbursement in accordance with its L/C Percentage of the L/C Commitment.

**"L/C Commitment"**: as to any L/C Lender, the obligation of such L/C Lender, if any, to purchase an undivided interest in the Issuing Lenders' obligations and rights under and in respect of each Letter of Credit (including to make payments with respect to draws made under any Letter of Credit pursuant to [Section 3.5\(b\)](#)) in an aggregate principal amount not to exceed the amount set forth under the heading "L/C Commitment" opposite such L/C Lender's name on [Schedule 1.1A](#) or in the Assignment and Assumption pursuant to which such L/C Lender becomes a party hereto, as the same may be changed from time to time pursuant to the terms hereof. The L/C Commitment is a sublimit of the Revolving Commitment and the aggregate amount of the L/C Commitments shall not exceed the amount of the Total L/C Commitments at any time.

**"L/C Disbursements"**: a payment or disbursement made by the Issuing Lender pursuant to a Letter of Credit.



**“L/C Exposure”**: at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time, and (b) the aggregate amount of all L/C Disbursements that have not yet been reimbursed or converted into Revolving Loans at such time. The L/C Exposure of any L/C Lender at any time shall equal its L/C Percentage of the aggregate L/C Exposure at such time.

**“L/C Facility”**: the L/C Commitments and the extensions of credit made thereunder.

**“L/C Fee Payment Date”**: as defined in [Section 3.3\(a\)](#).

**“L/C Lender”**: a Lender with an L/C Commitment.

**“L/C Percentage”**: as to any L/C Lender at any time, the percentage of the Total L/C Commitments represented by such L/C Lender’s L/C Commitment, as such percentage may be adjusted as provided in [Section 2.24](#).

**“L/C-Related Documents”**: collectively, each Letter of Credit (including any Existing Letters of Credit), all applications for any Letter of Credit (and applications for the amendment of any Letter of Credit) submitted by the Borrower to the Issuing Lender and any other document, agreement and instrument relating to any Letter of Credit, including any of the Issuing Lender’s standard form documents for letter of credit issuances.

**“Legal Reservations”**:

(a) the principle that certain remedies (including equitable remedies and remedies that are analogous to equitable remedies in the applicable jurisdiction) may be granted or refused at the discretion of the court, the principles of reasonableness and fairness, the limitation of enforcement by laws relating to bankruptcy, insolvency, liquidation, reorganization, court schemes, moratoria, administration, examinership and other laws generally affecting the rights of creditors and secured creditors and similar principles or limitations under the laws of any applicable jurisdiction;

(b) the time barring of claims under applicable limitation laws (including the Limitation Acts) and defenses of acquiescence, set-off or counterclaim and the possibility that an undertaking to assume liability for or to indemnify a person against non-payment of stamp duty may be void and defenses of set-off, counterclaim or acquiescence and similar principles or limitations under the laws of any applicable jurisdiction;

(c) the principle that in certain circumstances security interests granted by way of fixed charge may be re-characterized by a court of competent jurisdiction as a floating charge or that security interests purported to be constituted as an assignment may be re-characterized by a court of competent jurisdiction as a charge;

(d) the principle that additional or default interest imposed pursuant to any relevant agreement may be held to be unenforceable on the grounds that it is a penalty and thus void;

(e) the principle that a court may not give effect to an indemnity for legal costs incurred by an unsuccessful litigant;

(f) the principle that the creation or purported creation of security interests over (i) any asset not beneficially owned by the relevant charging company at the date of the relevant security document or (ii) any contract or agreement which is subject to a prohibition on transfer, assignment or charging, may be void, ineffective or invalid and may give rise to a breach of the contract or agreement over which security interests have purportedly been created;

(g) the possibility that a court may strike out a provision of a contract for rescission or oppression, undue influence or similar reason;

(h) the principle that a court may not give effect to any parallel debt provisions, covenants to pay the Administrative Agent or other similar provisions;

(i) the principle that certain remedies in relation to regulated entities may require further approval from government or regulatory bodies or pursuant to agreements with such bodies;

(j) similar principles, rights and defenses under the laws of any relevant jurisdiction; and

(k) the principles of private and procedural laws of the relevant jurisdiction which affect the enforcement of a foreign court judgment; and

(l) any other matters which are set out as qualifications or reservations (however described) as to matters of law (other than any matters relating to the laws of the United States, any state thereof, the District of Columbia, England or Wales) in the legal opinions delivered under or in connection with the Loan Documents.

**“Lenders”**: as defined in the preamble hereto; provided that unless the context otherwise requires, each reference herein to the Lenders shall be deemed to include the L/C Lenders, the Issuing Lender and the Swingline Lender. The sole Lender as of the Closing Date is SVB. For the avoidance of any doubt, except as expressly provided in Section 10.6, no banks, other financial institutions nor any other Persons shall become Lenders under this Agreement without the prior written consent of the Borrower.

**“Letter of Credit”**: as defined in Section 3.1(a); provided that such term shall include each Existing Letter of Credit.

**“Letter of Credit Availability Period”**: the period from and including the Closing Date to but excluding the Letter of Credit Maturity Date.

**“Letter of Credit Fees”**: as defined in Section 3.3(a).

**“Letter of Credit Fronting Fees”**: as defined in Section 3.3(a).

**“Letter of Credit Maturity Date”**: the date occurring 15 days prior to the Revolving Termination Date then in effect (or, if such day is not a Business Day, the next preceding Business Day).

**“LIBOR”**: as defined in the definition of “Eurodollar Base Rate.”

**“Lien”**: any mortgage, deed of trust, pledge, hypothecation, collateral assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any capital lease having substantially the same economic effect as any of the foregoing).

**“Limitation Acts”**: the Limitation Act 1980 and the Foreign Limitation Periods Act 1984.

**“Liquidity”**: at any time, the sum of (a) the aggregate amount of unrestricted cash and Cash Equivalents held at such time by the Loan Parties in Deposit Accounts or Securities Accounts that are either (i) subject to Control Agreements in favor of the Administrative Agent, (ii) otherwise subject to a first priority perfected Lien in favor of the Administrative Agent or (iii) maintained with SVB in the United States or the UK (solely to the extent that such Deposit Accounts or Securities Accounts are subject to the UK Debenture), and (b) the Available Revolving Commitment at such time.

**“Listed Competitor”**: any Person that appears on the list of competitors of Borrower as submitted in writing by Borrower to the Administrative Agent on or prior to the Closing Date as updated from time to time by written notice delivered by Borrower to the Administrative Agent and provided such updates are reasonably approved in writing in advance by the Administrative Agent; provided that the designation of any Person as a Listed Competitor after the Closing Date shall not become effective until three (3) Business Days after approval by the Administrative Agent (which approval shall not be unreasonably withheld or delayed). For the avoidance of doubt, with respect to any assignee that is an Eligible Assignee or Participant that becomes a Listed Competitor after the applicable Trade Date, (a) such assignee or Participant shall not retroactively be disqualified from becoming a Lender or Participant and (b) such assignment or participation and, in the case of an assignment, the execution by Borrower of an Assignment and Assumption with respect to such assignee, will not by itself result in such assignee no longer being considered a Listed Competitor. Following the date on which any Lender other than SVB shall become a Lender under the Facilities, the Administrative Agent (A) shall have the right (but not the obligation), and Borrower hereby expressly authorizes the Administrative Agent, to post the list of Listed Competitors and any updates thereto from time to time on the Platform, and (B) shall provide the list of Listed Competitors and any updates thereto to each Lender or Participant requesting the same. The Administrative Agent shall not be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions hereof relating to Listed Competitors. Without limiting the generality of the foregoing, the Administrative Agent shall not (x) be obligated to ascertain, monitor or inquire as to whether any Lender or Participant or prospective Lender or Participant is a Listed Competitor or (y) have any liability with respect to or arising out of any assignment or participation of Loans or Commitments, or disclosure of confidential information, to, or restrictions on the exercise of rights or remedies of, any Listed Competitors or otherwise have any responsibility or liability for enforcing Borrower’s or any Lender’s compliance with the terms of any of the provisions set forth herein with respect to Listed Competitors.

**“Loan”**: any loan made or maintained by any Lender pursuant to this Agreement.

**“Loan Documents”**: this Agreement, each Security Document, each Note, the Fee Letter, the Flow of Funds Agreement, each Assignment and Assumption, each Compliance Certificate, each Borrowing Base Certificate, each Notice of Borrowing, each Notice of Conversion/Continuation, each Cash Management Services Agreement, the Solvency Certificate, the Collateral Information Certificate, each L/C-Related Document, and any agreement creating or perfecting rights in Cash Collateral pursuant to the provisions of Section 3.10, or otherwise, and any amendment, waiver, supplement or other modification to any of the foregoing.

**“Loan Parties”**: each Group Member that is a party to a Loan Document, as a Borrower, a Grantor or a Guarantor.

**“Majority Revolving Lenders”**: at any time, (a) if only one Revolving Lender holds the Total Revolving Commitments at such time, such Revolving Lender, both before and after the termination of such Revolving Commitment; and (b) if more than one Revolving Lender holds the Total Revolving Commitment, at least two Revolving Lenders who hold more than 50% of the Total Revolving Commitments (including, without duplication, the L/C Commitments) or, at any time after the termination of the Revolving Commitments when such Revolving Commitments were held by more than one Revolving Lender, at least two Revolving Lenders who hold more than 50% of the Total Revolving Extensions of Credit then outstanding (including, without duplication, any L/C Disbursements that have not yet been reimbursed or converted into Revolving Loans at such time)); provided that the Revolving Commitments of, and the portion of the Revolving Loans and participations in L/C Exposure and Swingline Loans held or deemed held by, any Defaulting Lender shall be excluded for purposes of

making a determination of Majority Revolving Lenders; provided further that a Lender and its Affiliates shall be deemed one Lender.

**“Majority Term Lenders”**: at any time, (a) if only one Term Lender holds the Term Loan, such Term Lender; and (b) if more than one Term Lender holds the Term Loan, at least two Term Lenders who hold more than 50% of the principal sum of all Term Loans outstanding; provided that the portion of the Term Loans held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Majority Term Lenders; provided further that a Lender and its Affiliates shall be deemed one Lender.

**“Mandatory Prepayment Date”**: as defined in Section 2.12(e).

**“Material Adverse Effect”**: (a) a material adverse change in, or a material adverse effect on, the operations, business, assets, properties, liabilities (actual or contingent) or financial condition of the Group Members, taken as a whole; (b) a material impairment of the rights and remedies, taken as a whole, of the Administrative Agent or any Lender under any Loan Document, or of the ability of the Borrower or any Loan Party, taken as a whole, to perform its material respective obligations under any Loan Document to which it is a party; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the Borrower or any Loan Party of any material Loan Document to which it is a party.

**“Materials of Environmental Concern”**: any substance, material or waste that is defined, regulated, governed or otherwise characterized under any Environmental Law as hazardous or toxic or as a pollutant or contaminant (or by words of similar meaning and regulatory effect), any petroleum or petroleum products, asbestos, polychlorinated biphenyls, urea-formaldehyde insulation, molds or fungus, and radioactivity, radiofrequency radiation at levels known to be hazardous to human health and safety.

**“Minority Lender”**: as defined in Section 10.1(b).

**“Monthly Recurring Revenue”**: for any calendar month, Recurring Revenue recognized in such calendar month.

**“Moody’s”**: Moody’s Investors Service, Inc.

**“Mortgaged Properties”**: the real properties as to which, pursuant to Section 6.12(b) or otherwise, the Administrative Agent, for the benefit of the Secured Parties, shall be granted a Lien pursuant to the Mortgages.

**“Mortgages”**: each of the mortgages, deeds of trust, deeds to secure debt or such equivalent documents hereafter entered into and executed and delivered by one or more of the Loan Parties to the Administrative Agent, in each case, as such documents may be amended, amended and restated, supplemented or otherwise modified, renewed or replaced from time to time and in form and substance reasonably acceptable to the Administrative Agent.

**“Multiemployer Plan”**: a “multiemployer plan” (within the meaning of Section 3(37) of ERISA) to which any Loan Party or any ERISA Affiliate thereof makes, is making, or is obligated or has ever been obligated to make, contributions.

**“Net Cash Proceeds”**: (a) in connection with any Asset Sale or any Recovery Event, the proceeds thereof in the form of cash and Cash Equivalents (including any such proceeds received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but only as and when received), net of attorneys’ fees, accountants’ fees,

investment banking fees, amounts required to be applied to the repayment of Indebtedness secured by a Lien expressly permitted hereunder on any asset that is the subject of such Asset Sale or Recovery Event (other than any Lien pursuant to a Security Document) and other customary costs, fees and expenses actually incurred in connection therewith and net of taxes paid and the Borrower's reasonable and good faith estimate of income, franchise, sales, and other applicable taxes required to be paid by any Group Member in connection with such Asset Sale or Recovery Event in the taxable year that such Asset Sale or Recovery Event is consummated, the computation of which shall, in each such case, take into account the reduction in tax liability resulting from any available operating losses and net operating loss carryovers, tax credits, and tax credit carry forwards, and similar tax attributes and (b) in connection with any issuance or sale of Capital Stock or any incurrence of Indebtedness, the cash proceeds received from such issuance or incurrence, net of attorneys' fees, investment banking fees, accountants' fees, underwriting discounts and commissions and other customary costs, fees and expenses actually incurred in connection therewith.

**“Non-Consenting Lender”**: any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all ~~Affected~~[affected](#) Lenders in accordance with the terms of [Section 10.1](#) and (b) has been approved by the Required Lenders.

**“Non-Defaulting Lender”**: at any time, each Lender that is not a Defaulting Lender at such time.

**“Note”**: a Term Loan Note, a Revolving Loan Note or a Swingline Loan Note.

**“Notice of Borrowing”**: a notice substantially in the form of [Exhibit K](#).

**“Notice of Conversion/Continuation”**: a notice substantially in the form of [Exhibit L](#).

**“Obligations”**: (a) the unpaid principal of and interest on (including interest accruing after the maturity of the Loans and interest accruing after the filing of any petition in bankruptcy, or the commencement of any Insolvency Proceeding relating to any Loan Party, whether or not a claim for post-filing or post-petition interest is allowed or allowable in such proceeding) the Loans and all other obligations and liabilities (including any reasonable documented fees or expenses actually incurred after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to any Loan Party, whether or not a claim for post-filing or post-petition interest is allowed or allowable in such proceeding) of the Loan Parties (and the other Group Members in the cash obligations in respect of Cash Management Services) to the Administrative Agent, the Issuing Lender, any other Lender, any applicable Cash Management Bank (in its capacity as in its capacity as a provider of Cash Management Services), and any Qualified Counterparty that is party to a Specified Swap Agreement, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, any other Loan Document, the Letters of Credit, any other letters of credit issued by SVB, any Cash Management Agreement, any Specified Swap Agreement or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, payment obligations, fees, indemnities, costs, expenses (including all reasonable and documented out-of-pocket fees, charges and disbursements of counsel to the Administrative Agent, the Issuing Lender, any other Lender, any applicable Cash Management Bank, to the extent that any applicable Cash Management Agreement requires the reimbursement by any applicable Group Member of any such expenses, and any Qualified Counterparty that is party to a Specified Swap Agreement), in each case, solely to the extent required to be paid by any Group Member pursuant any Loan Document, Cash Management Agreement, Specified Swap Agreement or otherwise, [and \(b\) Erroneous Payment Subrogation Rights](#). For the avoidance of doubt, the Obligations shall not include (a) any obligations arising under any warrants or

other equity instruments issued by any Loan Party to any Lender, or (b) solely with respect to any Guarantor that is not a Qualified ECP Guarantor, any Excluded Swap Obligations of such Guarantor.

“**OFAC**”: the Office of Foreign Assets Control of the United States Department of the Treasury and any successor thereto.

“**Operating Documents**”: for any Person as of any date, such Person’s constitutional documents, formation documents and/or certificate of incorporation (or equivalent thereof), and, (a) if such Person is a corporation, its bylaws or memorandum and articles of association (or equivalent thereof) in current form, (b) if such Person is a limited liability company, its limited liability company agreement (or similar agreement), and (c) if such Person is a partnership, its partnership agreement (or similar agreement), each of the foregoing with all current amendments or modifications thereto.

“**Other Connection Taxes**”: with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

“**Other Taxes**”: all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to [Section 2.23](#)).

“**Overadvance**”: as defined in [Section 2.8](#).

“**Participant**”: as defined in [Section 10.6\(d\)](#).

“**Participant Register**”: as defined in [Section 10.6\(d\)](#).

“**Patriot Act**”: the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, Title III of Pub. L. 107-56, signed into law October 26, 2001.

“**Payment Recipient**”: as defined in [Section 9.12\(a\)](#).

“**Payoff Letter**”: a letter, in form and substance reasonably satisfactory to the Administrative Agent, dated as of a date on or prior to the Closing Date and executed by an Existing Lender and the Borrower to the effect that upon receipt by such Existing Lender of the “payoff amount” (however designated) referenced therein, (a) the obligations of the Group Members under the relevant Existing Credit Facility shall be satisfied in full, (b) the Liens held by such Existing Lender for the benefit of the lenders under the relevant Existing Credit Facility shall terminate without any further action, and (c) the Existing Lender, the Borrower or its designees and/or the Administrative Agent (and their respective counsel and such counsels’ agents) shall be entitled to file UCC-3 termination statements, USPTO releases, USCRO releases, as applicable, and any other releases reasonably necessary to further evidence the termination of such Liens.

“**PBGC**”: the Pension Benefit Guaranty Corporation, or any successor thereto.

**“Pension Plan”**: an employee benefit plan (as defined in Section 3(3) of ERISA) other than a Multiemployer Plan (a) that is or was at any time maintained or sponsored by any Loan Party or any ERISA Affiliate thereof or to which any Loan Party or any ERISA Affiliate thereof has ever made, or was obligated to make, contributions, and (b) that is or was subject to Section 412 of the Code, Section 302 of ERISA or Title IV of ERISA.

**“Perfection Requirements”**: the making or the procuring of the appropriate registrations, filing, endorsements, registrations in the relevant registers, acknowledgement, notarization, stampings and/or notifications of or under the Security Documents and/or the security interests created thereunder and any other actions or steps, necessary or customary in any jurisdiction or under any laws or regulations in order to create or perfect any security interests or the Security Documents or to achieve the relevant priority expressed therein.

**“Permitted Acquisition”**: as defined in [Section 7.8\(l\)](#).

**“Person”**: any natural individual, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

**“Plan”**: (a) an employee benefit plan (as defined in Section 3(3) of ERISA) other than a Multiemployer Plan which is or was at any time maintained or sponsored by any Group Member or to which any Group Member has ever made, or was obligated to make, contributions, (b) a Pension Plan, or (c) a Qualified Plan.

**“Platform”**: is any of Debt Domain, DebtX, Intralinks, Syndtrak or a substantially similar electronic transmission system.

**“Preferred Stock”**: the preferred Capital Stock of the Borrower.

**“Prime Rate”**: the rate of interest per annum from time to time published in the money rates section of the Wall Street Journal or any successor publication thereto as the “prime rate” then in effect; provided that if such rate of interest, as set forth from time to time in the money rates section of the Wall Street Journal, becomes unavailable for any reason as determined by the Administrative Agent, the “Prime Rate” shall mean the rate of interest per annum announced by the Administrative Agent as its prime rate in effect at its principal office in the State of California (such announced Prime Rate not being intended to be the lowest rate of interest charged by the Administrative Agent in connection with extensions of credit to debtors).

**“Pro Forma Basis”**: with respect to any calculation or determination for any period, in making such calculation or determination on the specified date of determination (the “Determination Date”):

(a) pro forma effect will be given to any Indebtedness incurred by a Group Member (including by assumption of then outstanding Indebtedness or by a Person becoming a Subsidiary) (“Incurred”) after the beginning of the applicable period and on or before the Determination Date to the extent the Indebtedness is outstanding or is to be Incurred on the Determination Date, as if such Indebtedness had been Incurred on the first day of such period;

(b) pro forma calculations of interest on Indebtedness bearing a floating interest rate will be made as if the rate in effect on the Determination Date (taking into account any Swap

Agreement applicable to the Indebtedness) had been the applicable rate for the entire reference period; and

(c) pro forma effect will be given to: (A) the acquisition or disposition of companies, divisions or lines of businesses by a Group Member, including any acquisition or disposition of a company, division or line of business since the beginning of the reference period by a Person that became a Subsidiary after the beginning of the applicable period; and (B) the discontinuation of any discontinued operations; in each case of clauses (A) and (B), that have occurred since the beginning of the applicable period and before the Determination Date as if such events had occurred, and, in the case of any disposition, the proceeds thereof applied, on the first day of such period. To the extent that pro forma effect is to be given to an acquisition or disposition of a company, division or line of business, the pro forma calculation will be calculated in good faith by a responsible financial or accounting officer of the Borrower in accordance with Regulation S-X under the Securities Act based upon the most recent four full fiscal quarters for which the relevant financial information is available.

**“Pro Forma Financial Statements”**: balance sheets, income statements and cash flow statements prepared by the Group Members that give effect (as if such events had occurred on such date) to (a) the Loans to be made on the Closing Date and the use of proceeds thereof and (b) the payment of fees and expenses in connection with the foregoing, in each case prepared for (y) the most recently ended fiscal quarter as if such transactions had occurred on such date and (z) on a quarterly basis through the first full fiscal year after the Closing Date or subsequent Borrowing Date, as applicable, and on an annual basis for each fiscal year thereafter through the Term Loan Maturity Date, in each case demonstrating pro forma compliance with the covenants set forth in Section 7.1.

**“Projections”**: as defined in Section 6.2(c).

**“Properties”**: as defined in Section 4.17(a).

**“Protective Overadvance”**: as defined in Section 2.8(b).

**“Qualified Counterparty”**: with respect to any Specified Swap Agreement, any counterparty thereto that is a Lender or an Affiliate of a Lender or, at the time such Specified Swap Agreement was entered into or as of the Closing Date, was the Administrative Agent or a Lender or an Affiliate of the Administrative Agent or a Lender.

**“Qualified ECP Guarantor”**: in respect of any Swap Obligation, (a) each Guarantor that has total assets exceeding \$10,000,000 at the time the relevant Guarantee Obligation of such Guarantor provided in respect of, or the Lien granted by such Guarantor to secure, such Swap Obligation (or guaranty thereof) becomes effective with respect to such Swap Obligation, and (b) any other Guarantor that (i) constitutes an “eligible contract participant” under the Commodity Exchange Act or any regulations promulgated thereunder, or (ii) can cause another Person (including, for the avoidance of doubt, any other Guarantor not then constituting a “Qualified ECP Guarantor”) to qualify as an “eligible contract participant” at such time by entering into a “keepwell, support, or other agreement” as contemplated by Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

**“Qualified IPO”**: an underwritten primary public offering (other than a public offering pursuant to a registration statement on Form S-8) of the Borrower’s common stock pursuant to an effective registration statement filed with the SEC in accordance with the Exchange Act



(whether alone or in connection with any secondary public offering) that yields at least \$100,000,000 of net cash proceeds to the Borrower.

**“Qualified Plan”**: an employee benefit plan (as defined in Section 3(3) of ERISA) other than a Multiemployer Plan (a) that is or was at any time maintained or sponsored by any Loan Party or any ERISA Affiliate thereof or to which any Loan Party or any ERISA Affiliate thereof has ever made, or was ever obligated to make, contributions, and (b) that is intended to be tax-qualified under Section 401(a) of the Code.

**“Recipient”**: the (a) Administrative Agent, (b) any Lender or (c) the Issuing Lender, as applicable.

**“Recovery Event”**: any settlement of or payment in respect of any property or casualty insurance claim or any condemnation proceeding relating to any asset of any Group Member.

**“Recurring Revenue”**: with respect to the Group Members, subscription and support revenue of the Group Members from the execution of monthly, quarterly and annual customer contracts in the ordinary course of such Group Members’ business, calculated in accordance with GAAP, and specifically excluding any revenue amounts received based on (a) sales of inventory, goods or equipment, (b) transaction revenue not received in the ordinary course of business, (c) sales of services not in the ordinary course of business, (d) revenue received due to one-time, non-recurring transactions, installation or set-up fees, (e) add-on purchases by any Group Member’s existing clients not resulting in a continuing stream or revenue and (f) such other exclusions as the Administrative Agent shall determine in its reasonable discretion.

**“Reference Time”**: with respect to any setting of the then-current Benchmark means (i) if such Benchmark is USD LIBOR, 11:00 a.m. (London time) on the day that is two London banking days preceding the date of such setting, and (ii) if such Benchmark is not USD LIBOR, the time determined by the Administrative Agent in its reasonable discretion.

**“Refunded Swingline Loans”**: as defined in Section 2.7(b).

**“Register”**: as defined in Section 10.6(c).

**“Regulation T”**: Regulation T of the Board as in effect from time to time.

**“Regulation U”**: Regulation U of the Board as in effect from time to time.

**“Regulation X”**: Regulation X of the Board as in effect from time to time.

**“Reinvestment Deferred Amount”**: with respect to any Reinvestment Event, the aggregate Net Cash Proceeds received by any Loan Party in connection therewith that are not applied to prepay the Loans or other amounts pursuant to Section 2.12(e) as a result of the delivery of a Reinvestment Notice.

**“Reinvestment Event”**: any Asset Sale or Recovery Event in respect of which the Borrower has delivered a Reinvestment Notice.

**“Reinvestment Notice”**: a written notice executed by a Responsible Officer stating that no Event of Default has occurred and that the Borrower (directly or indirectly through a Guarantor) intends and expects to use all or a specified portion of the Net Cash Proceeds of an Asset Sale or Recovery Event to acquire or repair assets or properties useful in its business.

**“Reinvestment Prepayment Amount”**: with respect to any Reinvestment Event, the Reinvestment Deferred Amount relating thereto less any amount expended prior to the relevant Reinvestment Prepayment Date to acquire or repair assets or properties useful in the Borrower’s business.

**“Reinvestment Prepayment Date”**: with respect to any Reinvestment Event, the earlier of (a) the date occurring one hundred eighty days (180) after such Reinvestment Event (as may be extended with the written consent of the Administrative Agent), and (b) the date on which the Group Members shall have determined not to, or shall have otherwise ceased to, acquire or repair assets useful in the Borrower’s business with all or any portion of the relevant Reinvestment Deferred Amount.

**“Related Parties”**: with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s Affiliates.

**“Relevant Governmental Body”**: [the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.](#)

**“Replacement Lender”**: as defined in [Section 2.23](#).

**“Required Lenders”**: at any time, (a) if only one Lender holds the outstanding Term Loans and the Revolving Commitments, such Lender; and (b) if more than one Lender holds the outstanding Term Loans and Revolving Commitments, then at least two Lenders who hold more than 50% of the sum of (i) the aggregate unpaid principal amount of the Term Loans then outstanding, and (ii) the Total Revolving Commitments (including, without duplication, the L/C Commitments) then in effect or, if the Revolving Commitments have been terminated, the Total Revolving Extensions of Credit then outstanding; provided that for the purposes of this clause (b), the outstanding principal amount of the Term Loans held by any Defaulting Lender and the Revolving Commitments of, and the portion of the Revolving Loans and participations in L/C Exposure and Swingline Loans held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders; provided further that a Lender and its Affiliates shall be deemed one Lender.

**“Requirement of Law”**: as to any Person any law, treaty, rule or regulation or the administration, interpretation, implementation or application or determination of an arbitrator or a court or other Governmental Authority (including, for the avoidance of doubt, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III), in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

**“Resolution Authority”**: any body which has authority to exercise any Write-down and Conversion Powers.

**“Responsible Officer”**: (a) with respect to any Loan Party that is organized in the United States or any state thereof, the chief executive officer, president, vice president, chief financial officer, treasurer, controller or comptroller of such Loan Party, but in any event, with respect to financial matters, the chief financial officer, treasurer, controller or comptroller (or Person with similar title and responsibilities) of such Loan Party; (b) with respect to any Loan Party that is organized in the United Kingdom, any director

of that company, but in any event with respect to financial matters, the director carrying the title of chief financial officer or finance director; and (c) in relation any other entity, the equivalent officers of that entity.

**“Restricted Payments”**: as defined in [Section 7.6](#).

**“Retention Rate”**: a percentage equal to the sum of (a) one hundred percent (100%) minus (b) the product of (i) the Churn Rate multiplied by (ii) four (4), as may be adjusted from time to time by the Administrative Agent in its good faith reasonable business discretion upon consultation with the Borrower.

**“Revolving Commitment”**: as to any Lender, the obligation of such Lender, if any, to make Revolving Loans and participate in Swingline Loans, Letters of Credit in an aggregate principal amount not to exceed the amount set forth under the heading “Revolving Commitment” opposite such Lender’s name on [Schedule 1.1A](#) or in the Assignment and Assumption pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof (including in connection with assignments ~~and Increases~~ permitted hereunder). The original aggregate amount of the Total Revolving Commitments on the Closing Date is \$10,000,000. [The aggregate amount of the Total Revolving Commitments on the First Amendment Effective Date is \\$35,000,000.](#) The L/C Commitment and the Swingline Commitment are each sublimits of the Total Revolving Commitments.

**“Revolving Commitment Period”**: the period from and including the Closing Date to the Revolving Termination Date.

**“Revolving Extensions of Credit”**: as to any Revolving Lender at any time, an amount equal to the sum of (a) the aggregate principal amount of all Revolving Loans held by such Lender then outstanding, plus (b) such Lender’s L/C Percentage of the aggregate undrawn amount of all outstanding Letters of Credit (including the Existing Letters of Credit) at such time, plus (c) such Lender’s L/C Percentage of the aggregate amount of all L/C Disbursements that have not yet been reimbursed or converted into Revolving Loans at such time, plus (d) such Lender’s Revolving Percentage of the aggregate principal amount of Swingline Loans then outstanding.

**“Revolving Facility”**: the Revolving Commitments and the extensions of credit made thereunder.

**“Revolving Lender”**: each Lender that has a Revolving Commitment or that holds Revolving Loans.

**“Revolving Loan Conversion”**: as defined in [Section 3.5\(b\)](#).

**“Revolving Loan Funding Office”**: the office of the Administrative Agent specified in [Section 10.2](#) or such other office as may be specified from time to time by the Administrative Agent as its funding office by written notice to the Borrower and the Lenders.

**“Revolving Loan Note”**: a promissory note in the form of [Exhibit H-1](#), as it may be amended, supplemented or otherwise modified from time to time.

**“Revolving Loans”**: as defined in [Section 2.4\(a\)](#).

**“Revolving Percentage”**: as to any Revolving Lender at any time, the percentage which such Lender’s Revolving Commitment then constitutes of the Total Revolving Commitments or, at any time after the Revolving Commitments of all Lenders shall have expired or terminated, the percentage which the aggregate principal amount of such Lender’s Revolving Loans then outstanding constitutes of the

aggregate principal amount of all Revolving Loans then outstanding; provided that in the event that the Revolving Loans are paid in full prior to the reduction to zero of the Total Revolving Commitments, the Revolving Percentages shall be determined in a manner designed to ensure that the other outstanding Revolving Extensions of Credit shall be held by the Revolving Lenders on a comparable basis.

**“Revolving Termination Date”**: January 14, 2024.

**“S&P”**: Standard & Poor’s Ratings Services.

**“Sale Leaseback Transaction”**: any arrangement with any Person or Persons, whereby in contemporaneous or substantially contemporaneous transactions a Loan Party sells substantially all of its right, title and interest in any property and, in connection therewith, acquires, leases or licenses back the right to use all or a material portion of such property.

**“Sanction(s)”**: any international economic sanction administered or enforced by the United States Government (including OFAC), the United Nations Security Council, the European Union, Her Majesty’s Treasury (being the UK treasury department) or other relevant sanctions authority.

**“SEC”**: the Securities and Exchange Commission, any successor thereto and any analogous Governmental Authority.

**“Secured Parties”**: the collective reference to the Administrative Agent, the Lenders (including any Issuing Lender in its capacity as Issuing Lender and any Swingline Lender in its capacity as Swingline Lender), any Cash Management Bank (in its or their respective capacities as providers of Cash Management Services), and any Qualified Counterparties.

**“Securities Account”**: any “securities account” as defined in the UCC with such additions to such term as may hereafter be made.

**“Securities Account Control Agreement”**: any Control Agreement entered into by the Administrative Agent, a Loan Party and a securities intermediary holding a Securities Account of such Loan Party pursuant to which the Administrative Agent is, (i) in the case of a U.S. account, granted “control” (for purposes of the UCC) over such Securities Account and (ii) in the case of a UK account, granted fixed charge security over such Securities Account to the extent required pursuant to the UK Debenture.

**“Securities Act”**: the Securities Act of 1933, as amended from time to time and any successor statute.

**“Security Documents”**: the collective reference to (a) the Guarantee and Collateral Agreement, (b) the Mortgages (if any), (c) each Intellectual Property Security Agreement, (d) each Deposit Account Control Agreement, (e) each Securities Account Control Agreement, the (f) UK Security Documents, (g) all other security documents hereafter delivered to the Administrative Agent granting a Lien on any property of any Person to secure the Obligations of any Loan Party arising under any Loan Document (if any), (h) each Pledge Supplement (if any), (i) each Assumption Agreement, (j) all other security documents hereafter delivered to any applicable Cash Management Bank granting a Lien on any property of any Person to secure the Obligations of any Group Member arising under any Cash Management Agreement (if any), and (k) all financing statements, fixture filings, patent, trademark and copyright filings, assignments, acknowledgments and other filings, documents and agreements made or delivered pursuant to any of the foregoing.

**“Settlement Date”**: as defined in Section 2.4(c).

“SOFR”: with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator’s Website on the immediately succeeding Business Day.

“SOFR Administrator”: the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“SOFR Administrator’s Website”: the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“Solvency Certificate”: the Solvency Certificate, dated the Closing Date, delivered to the Administrative Agent pursuant to Section 5.1(s), which Solvency Certificate shall be in substantially the form of Exhibit D.

“Solvent”: when used with respect to any Person, as of any date of determination, (a) the amount of the “fair value” of the assets of such Person will, as of such date, exceed the amount of all “liabilities of such Person, contingent or otherwise,” as of such date, as such quoted terms are determined in accordance with applicable federal and state laws governing determinations of the insolvency of debtors, (b) the “present fair saleable value” of the assets of such Person will, as of such date, be greater than the amount that will be required to pay the liability of such Person on its debts as such debts become absolute and matured, as such quoted terms are determined in accordance with applicable federal and state laws governing determinations of the insolvency of debtors, (c) such Person will not have, as of such date, an unreasonably small amount of capital with which to conduct its business, and (d) such Person will be able to pay its debts as they mature. For purposes of this definition, (i) “debt” means liability on a “claim,” and (ii) “claim” means any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (y) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured.

“Specified Swap Agreement”: any Swap Agreement entered into by a Loan Party and any Qualified Counterparty (or any Person who was a Qualified Counterparty as of the Closing Date or as of the date such Swap Agreement was entered into) to the extent permitted under Section 7.13.

“Subordinated Debt Document”: any agreement, certificate, document or instrument executed or delivered by any Group Member and evidencing Indebtedness of any Group Member which is subordinated to the Obligations (including payment, lien and remedies subordination terms, as applicable) in a manner approved in writing by the Administrative Agent, and any renewals, modifications, or amendments thereof which are approved in writing by the Administrative Agent.

“Subordinated Indebtedness”: Indebtedness of a Loan Party subordinated to the Obligations pursuant to subordination terms (including payment, lien and remedies subordination terms, as applicable) reasonably acceptable to the Administrative Agent.

“Subsidiary”: as to any Person, (a) a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled,

directly or indirectly through one or more intermediaries, or both, by such Person, (b) a subsidiary, as defined in Section 1159 of the UK Companies Act 2006, or (c) unless the context otherwise requires, a subsidiary undertaking within the meaning of Section 1162 of the UK Companies Act. Unless otherwise qualified, all references to a “**Subsidiary**” or to “**Subsidiaries**” in this Agreement shall refer to a Subsidiary or Subsidiaries of the Borrower.

“**Surety Indebtedness**”: as of any date of determination, indebtedness (contingent or otherwise) owing to sureties arising from surety bonds issued on behalf of any Group Member as support for, among other things, their contracts with customers, whether such indebtedness is owing directly or indirectly by such Loan Party or any such Subsidiary.

“**SVB**”: as defined in the preamble hereto.

“**Swap Agreement**”: any agreement with respect to any swap, hedge, forward, future, foreign exchange, currency transactions or derivative transaction or option or similar agreement (including without limitation, any Interest Rate Agreement) involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Group Members shall be deemed to be a “Swap Agreement.” For the avoidance of doubt, any stock option or warrant agreement for the purchase of Capital Stock of the Borrower, the purchase of Capital Stock or Indebtedness (including securities convertible into Capital Stock) of the Borrower pursuant to delayed delivery contracts, accelerated stock repurchase agreements, forward contracts or other similar agreements shall not be deemed to be a “Swap Agreement.”

“**Swap Obligation**”: with respect to any Guarantor, any obligation of such Guarantor to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of Section 1a(47) of the Commodity Exchange Act.

“**Swap Termination Value**”: in respect of any one or more Swap Agreements, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Agreements, (a) for any date on or after the date any such Swap Agreement has been closed out and termination value determined in accordance therewith, such termination value, and (b) for any date prior to the date referenced in clause (a), the amount determined as the mark-to-market value for such Swap Agreement, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Agreements (which may include a Qualified Counterparty).

“**Swingline Commitment**”: the obligation of the Swingline Lender to make Swingline Loans pursuant to Section 2.6 in an aggregate principal amount at any one time outstanding not to exceed \$5,000,000.

“**Swingline Lender**”: SVB, in its capacity as the lender of Swingline Loans or such other Lender as the Borrower may from time to time select, in its sole discretion, as the Swingline Lender hereunder pursuant to Section 2.7(f); provided that such Lender has agreed to be a Swingline Lender.

“**Swingline Loan Note**”: a promissory note in the form of Exhibit H-2, as it may be amended, supplemented or otherwise modified from time to time.

“**Swingline Loans**”: as defined in Section 2.6.

“**Swingline Participation Amount**”: as defined in Section 2.7(c).

**“Synthetic Lease Obligation”**: the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease or (b) an agreement for the use of property creating obligations that do not appear on the balance sheet of such Person but which, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

**“Taxes”**: all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Taxing Authority, including any interest, additions to tax or penalties applicable thereto.

**“Taxing Authority”**: any authority included in part (a) of the defined term “Governmental Authority” exercising authority in respect of Taxes.

**“Term Commitment”**: as to any Lender, the obligation of such Lender, if any, to make a Term Loan to the Borrower in an aggregate principal amount not to exceed the amount set forth under the heading “Term Commitment” opposite such Lender’s name on Schedule 1.1A. The original aggregate principal amount of the Term Commitments on the Closing Date is \$40,000,000.

**“Term Facility”**: the Term Commitments and the Term Loans made thereunder.

**“Term Lender”**: each Lender that has a Term Commitment or that holds a Term Loan.

**“Term Loan”**: the term loans made by the Lenders pursuant to Section 2.1.

**“Term Loan Funding Office”**: the office of the Administrative Agent specified in Section 10.2 or such other office as may be specified from time to time by the Administrative Agent as its funding office by written notice to the Borrower and the Lenders.

**“Term Loan Maturity Date”**: January 14, 2024.

**“Term Loan Note”**: a promissory note in the form of Exhibit H-3, as it may be amended, supplemented or otherwise modified from time to time.

**“Term Percentage”**: as to any Term Lender at any time, the percentage which such Lender’s Term Commitments and funded Term Loans then constitutes of the aggregate Term Commitments and funded Term Loans of all Lenders.

**“Term SOFR”**: for the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

**“Term SOFR Notice”**: a notification by the Administrative Agent to the Lenders and Borrower of the occurrence of a Term SOFR Transition Event.

**“Term SOFR Transition Event”**: the determination by the Administrative Agent following Benchmark Transition Event described in any of clauses (a), (b) or (c) of the definition thereof that (a) Term SOFR has been recommended for use by the Relevant Governmental Body, and is determinable for each Available Tenor and (b) the administration of Term SOFR is administratively feasible for the Administrative Agent.

**“Total Credit Exposure”**: is, as to any Lender at any time, the unused Commitments, Revolving Extensions of Credit and outstanding Term Loans of such Lender at such time.

**“Total L/C Commitments”**: at any time, the sum of all L/C Commitments at such time, as the same may be reduced from time to time pursuant to Section 2.10 or 3.5(b). The original amount of the Total L/C Commitments on the Closing Date is \$10,000,000.

**“Total Revolving Commitments”**: at any time, the aggregate amount of the Revolving Commitments then in effect.

**“Total Revolving Extensions of Credit”**: at any time, the aggregate amount of the Revolving Extensions of Credit outstanding at such time.

**“Trade Date”**: as defined in Section 10.6(b)(i)(B).

**“Trailing Three Month Period”**: as defined in the definition of “Churn Rate”.

**“Transactions”**: as defined in Section 5.1(b).

**“Transferee”**: any Eligible Assignee or Participant.

**“Type”**: as to any Loan, its nature as an ABR Loan or a Eurodollar Loan.

**“UK”** and **“United Kingdom”**: the United Kingdom of Great Britain and Northern Ireland.

**“UK Bail-In Legislation”**: (to the extent that the United Kingdom is not an EEA Member Country which has implemented, or implements, Article 55 BRRD) Part I of the United Kingdom Banking Act 2009 and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings).

**“UK Debenture”**: that certain debenture dated on or about the date of this Agreement between Kaltura Europe, the Borrower and the Administrative Agent and as may be amended, modified, supplemented, and/or restated from time to time.

**“UK Group Member”**: any Group Member incorporated or established in England and Wales.

**“UK Insolvency Proceeding”**: in relation to any UK Group Member, any corporate action, legal proceedings or other procedure or step is taken in relation to: (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganization (by way of voluntary arrangement, scheme of arrangement or otherwise) of any UK Group Member, (b) a composition, compromise, assignment or arrangement with any creditor of any UK Group Member, (c) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any UK Group Member or any of its assets, or (d) the enforcement of any security over any assets of any UK Group Member.

**“UK Security Documents”**: the collective reference to (a) the UK Debenture, and (b) any other document entered into by any Loan Party creating or expressed to create any Security under English law over all or any part of its assets located in England and Wales in respect of the obligations of any of the Loan Parties under any of the Loan Documents.

**“UK Security Property”**: (a) the UK Trust Security expressed to be granted in favor of the Administrative Agent as trustee for the Secured Parties and all proceeds of that UK Trust Security, (b) all obligations expressed to be undertaken by any Chargor (as defined in any UK Security Document) to pay



amounts to the Administrative Agent as trustee for the Secured Parties and secured by the UK Trust Security together with all representations and warranties expressed to be given by the Chargor in favor of the Administrative Agent as trustee for the Secured Parties and (c) any other amounts or property, whether rights, entitlements, choses in action or otherwise, actual or contingent, which the Administrative Agent is required by the terms of the UK Security Documents to hold as trustee on trust for the Secured Parties.

“**UK Trust Security**”: the Liens created or evidenced or expressed to be created or evidenced under or pursuant to any UK Security Document.

“**Unadjusted Benchmark Replacement**”: [the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.](#)

“**Unfriendly Acquisition**”: any acquisition that has not, at the time of the first public announcement of an offer relating thereto, been approved by the board of directors (or other legally recognized governing body) of the Person to be acquired; except that with respect to any acquisition of a non-U.S. Person, an otherwise friendly acquisition shall not be deemed to be unfriendly if it is not customary in such jurisdiction to obtain such approval prior to the first public announcement of an offer relating to a friendly acquisition.

“**Uniform Commercial Code**” or “**UCC**”: the Uniform Commercial Code (or any similar or equivalent legislation) as in effect from time to time in the State of New York, or as the context may require, any other applicable jurisdiction.

“**United States**” and “**U.S.**”: the United States of America.

“**USCRO**”: the U.S. Copyright Office.

“**USPTO**”: the U.S. Patent and Trademark Office.

“**U.S. Person**”: any Person that is a “United States person” as defined in Section 7701(a)(30) of the Code.

“**U.S. Tax Compliance Certificate**”: as defined in [Section 2.20\(f\)](#).

“**Withholding Agent**”: as applicable, any of any applicable Loan Party and the Administrative Agent, as the context may require.

“**Write-Down and Conversion Powers**”: (a) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule, (b) in relation to any other applicable Bail-In Legislation: (i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers, and (ii) any similar or analogous powers under that Bail-In Legislation, and (c) in relation to any UK Bail-In Legislation: (i) any powers under that UK Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change

the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that UK Bail-In Legislation that are related to or ancillary to any of those powers and (ii) any similar or analogous powers under that UK Bail-In Legislation.

## 1.2 Other Definitional Provisions.

(a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Loan Documents or any certificate or other document made or delivered pursuant hereto or thereto.

(b) As used herein and in the other Loan Documents, and in any certificate or other document made or delivered pursuant hereto or thereto, (i) accounting terms relating to any Group Member not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP, (ii) the words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation,” (iii) the word “incur” shall be construed to mean incur, create, issue, assume, become liable in respect of or suffer to exist (and the words “incurred” and “incurrence” shall have correlative meanings), (iv) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, Capital Stock, securities, revenues, accounts, leasehold interests and contract rights, (v) references to a given time of day shall, unless otherwise specified, be deemed to refer to Pacific time, and (vi) references to agreements (including this Agreement) or other Contractual Obligations shall, unless otherwise specified, be deemed to refer to such agreements or Contractual Obligations as amended, supplemented, restated, amended and restated or otherwise modified from time to time. Notwithstanding the foregoing clause (i), for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of any Group Member shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 on financial liabilities shall be disregarded.

(c) The words “*hereof*,” “*herein*” and “*hereunder*” and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement, unless otherwise specified. The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise, (i) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (ii) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, and (iii) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time.

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms.

(e) Any reference in any Loan Document to a merger, transfer, consolidation, amalgamation, consolidation, assignment, sale, disposition or transfer, or similar term, shall be deemed to apply to a Division of or by a limited liability company, or an allocation of assets to a series of a limited liability company (or the unwinding of such a Division or allocation), as if it were a merger, transfer, consolidation, amalgamation, consolidation, assignment, sale or transfer, or similar term, as applicable, to, of or with a separate Person. Any Division of a limited liability company shall constitute a separate

Person under the Loan Documents (and each Division of any limited liability company that is a Subsidiary, joint venture or any other like term shall also constitute such a Person) on the first date of its existence. In connection with any Division, if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then such asset shall be deemed to have been transferred from the original Person to the subsequent Person.

(f) Any reference to a provision of law is a reference to that provision as amended or re-enacted.

(g) A “**regulation**” includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or any regulatory, self-regulatory or other authority or organization.

**1.3 Rounding.** Any financial ratios required to be maintained by the Borrower pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

## SECTION 2 AMOUNT AND TERMS OF COMMITMENTS

**2.1 Term Commitments.** Subject to the terms and conditions hereof, each Term Lender severally agrees to make a Term Loan to the Borrower on the Closing Date in an amount equal to the amount of the Term Commitment of such Lender. The Term Loans may from time to time be Eurodollar Loans or ABR Loans, as determined by the Borrower and notified to the Administrative Agent in accordance with Sections 2.2 and 2.13.

**2.2 Procedure for Term Loan Borrowing.** The Borrower shall give the Administrative Agent an irrevocable Notice of Borrowing (which must be received by the Administrative Agent prior to 10:00 A.M. one (1) Business Day prior to the anticipated Closing Date) requesting that the Term Lenders make the Term Loans on the Closing Date and specifying the amount to be borrowed. Upon receipt of such Notice of Borrowing, the Administrative Agent shall promptly notify each Term Lender thereof. Not later than 12:00 P.M. on the Closing Date each Term Lender shall make available to the Administrative Agent at the Term Loan Funding Office an amount in immediately available funds equal to the Term Loan or Term Loans to be made by such Lender. The Administrative Agent shall credit the account of the Borrower on the books of such office of the Administrative Agent with the aggregate of the amounts made available to the Administrative Agent by the Term Lenders in immediately available funds or, if so specified in the Flow of Funds Agreement, the Administrative Agent shall wire transfer or otherwise credit all or a portion of such aggregate amounts to the Existing Lenders for application against amounts in accordance with the wire instructions specified in the Flow of Funds Agreement.

**2.3 Repayment of Term Loans.** Beginning on March 31, 2021, the Term Loans shall be repaid in consecutive quarterly installments on the last day of each fiscal quarter, each of which

installments shall be in an amount equal to such Lender’s Term Percentage multiplied by the installment amount set forth below opposite such installment payment date:

<u>Installment Payment Dates</u>	<u>Installment Amount</u>
March 31, 2021 through December 31, 2021	\$250,000
March 31, 2022 through December 31, 2022	\$750,000
March 31, 2023 through the Term Loan Maturity Date	\$1,500,000

To the extent not previously paid, all Term Loans shall be due and payable on the Term Loan Maturity Date, together with accrued and unpaid interest on the principal amount to be paid to but excluding the date of payment.

#### **2.4 Revolving Commitments.**

(a) Subject to the terms and conditions hereof, each Revolving Lender severally agrees to make revolving credit loans (each, a “**Revolving Loan**” and, collectively, the “**Revolving Loans**”) to the Borrower from time to time during the Revolving Commitment Period in an aggregate principal amount at any one time outstanding which, when added to the aggregate amount of the Swingline Loans, the aggregate undrawn amount of all outstanding Letters of Credit, and the aggregate amount of all L/C Disbursements that have not yet been reimbursed or converted into Revolving Loans, incurred on behalf of the Borrower and owing to such Lender, does not exceed the amount of such Lender’s Revolving Commitment. In addition, (A) such aggregate obligations shall not at any time exceed the lesser of (i) the Total Revolving Commitments in effect at such time, and (ii) the Borrowing Base at such time and (B) in no event shall the aggregate undrawn amount of all outstanding Letters of Credit at such time, the aggregate amount of all L/C Disbursements that have not yet been reimbursed or converted into Revolving Loans at such time, the aggregate principal balance of any Revolving Loans (including Swingline Loans) outstanding at such time, and the aggregate principal balance of any Term Loans outstanding at such time, collectively exceed the Available Total Commitment. During the Revolving Commitment Period the Borrower may use the Revolving Commitments by borrowing, prepaying the Revolving Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof. The Revolving Loans may from time to time be Eurodollar Loans or ABR Loans, as determined by the Borrower and notified to the Administrative Agent in accordance with Sections 2.5 and 2.13.

(b) The Borrower shall repay all outstanding Revolving Loans (including all outstanding Overadvances and Protective Overadvances) on the Revolving Termination Date.

**2.5 Procedure for Revolving Loan Borrowing.** The Borrower may borrow under the Revolving Commitments during the Revolving Commitment Period on any Business Day; provided that the Borrower shall give the Administrative Agent an irrevocable Notice of Borrowing (which must be received by the Administrative Agent prior to 10:00 A.M. (a) three (3) Business Days prior to the requested Borrowing Date, in the case of Eurodollar Loans, or (b) one (1) Business Day prior to the requested Borrowing Date, in the case of ABR Loans) (provided that any such Notice of Borrowing of ABR Loans under the Revolving Facility to finance payments under Section 3.5(a) may be given not later than 10:00 A.M. on the date of the proposed borrowing), in each such case specifying (i) the amount and Type of Revolving Loans to be borrowed, (ii) the requested Borrowing Date, (iii) in the case of Eurodollar Loans, the respective amounts of each such Type of Loan and the respective lengths of the initial Interest Period therefor, and (iv) instructions for remittance of the proceeds of the applicable Loans to be borrowed. Unless otherwise agreed by the Administrative Agent in its sole discretion, no Revolving Loan may be made as, converted into or continued as a Eurodollar Loan having an Interest Period in

excess of one month prior to the date that is 30 days after the Closing Date. Each borrowing under the Revolving Commitments shall be in an amount equal to in the case of ABR Loans, \$100,000 or a whole multiple of \$100,000 in excess thereof (or, if the then Available Revolving Commitment are less than \$100,000, such lesser amount); provided that the Swingline Lender may request, on behalf of the Borrower, borrowings under the Revolving Commitments that are ABR Loans in other amounts pursuant to Section 2.7. Upon receipt of any such Notice of Borrowing from the Borrower, the Administrative Agent shall promptly notify each Revolving Lender thereof. Each Revolving Lender will make the amount of its *pro rata* share of each such borrowing available to the Administrative Agent for the account of the Borrower at the Revolving Loan Funding Office prior to 12:00 P.M. on the Borrowing Date requested by the Borrower in funds immediately available to the Administrative Agent. Such borrowing will then be made available to the Borrower by the Administrative Agent crediting such account as is designated in writing to the Administrative Agent by the Borrower with the aggregate of the amounts made available to the Administrative Agent by the Revolving Lenders and in like funds as received by the Administrative Agent or, if so specified in the Flow of Funds Agreement, the Administrative Agent shall wire transfer all or a portion of such aggregate amounts in accordance with the wire instructions specified therein.

**2.6 Swingline Commitment.** Subject to the terms and conditions hereof, the Swingline Lender agrees to make available a portion of the credit accommodations otherwise available to the Borrower under the Revolving Commitments from time to time during the Revolving Commitment Period by making swing line loans (each a “*Swingline Loan*” and, collectively, the “*Swingline Loans*”) to the Borrower; provided that (a) the aggregate principal amount of Swingline Loans outstanding at any time shall not exceed the Swingline Commitment then in effect, (b) the Borrower shall not request, and the Swingline Lender shall not make, any Swingline Loan if, after giving effect to the making of such Swingline Loan, the Available Revolving Commitment would be less than zero, and (c) the Borrower shall not use the proceeds of any Swingline Loan to refinance any then outstanding Swingline Loan. During the Revolving Commitment Period, the Borrower may use the Swingline Commitment by borrowing, repaying and reborrowing, all in accordance with the terms and conditions hereof. Swingline Loans shall be ABR Loans only. The Borrower shall repay to the Swingline Lender the then unpaid principal amount of each Swingline Loan on the Revolving Termination Date. The Swingline Lender shall not make a Swingline Loan during the period commencing at the time it has received notice (by telephone or in writing) from the Administrative Agent at the request of any Lender, acting in good faith, that one or more of the applicable conditions specified in Section 5.2 (other than Section 5.2(c)) is not then satisfied and has had a reasonable opportunity to react to such notice and ending when such conditions are satisfied or duly waived.

**2.7 Procedure for Swingline Borrowing; Refunding of Swingline Loans.**

(a) Whenever the Borrower desires that the Swingline Lender make Swingline Loans the Borrower shall give the Swingline Lender irrevocable telephonic notice (which telephonic notice must be received by the Swingline Lender not later than 12:00 P.M. on the proposed Borrowing Date) confirmed promptly in writing by a Notice of Borrowing, specifying (i) the amount to be borrowed, (ii) the requested Borrowing Date (which shall be a Business Day during the Revolving Commitment Period), and (iii) instructions for the remittance of the proceeds of such Loan. Each borrowing under the Swingline Commitment shall be in an amount equal to \$100,000 or a whole multiple of \$100,000 in excess thereof (or, if the then Available Revolving Commitment are less than \$100,000, such lesser amount). Promptly thereafter, on the Borrowing Date specified in a notice in respect of Swingline Loans, the Swingline Lender shall make available to the Borrower an amount in immediately available funds equal to the amount of the Swingline Loan to be made by depositing such amount in the account designated in writing to the Administrative Agent by the Borrower. Unless a Swingline Loan is sooner

refinanced by the advance of a Revolving Loan pursuant to Section 2.7(b), such Swingline Loan shall be repaid by the Borrower no later than five (5) Business Days after the advance of such Swingline Loan.

(b) The Swingline Lender, at any time and from time to time in its sole and absolute discretion may, on behalf of the Borrower (which hereby irrevocably directs the Swingline Lender to act on its behalf), on one (1) Business Day's telephonic notice given by the Swingline Lender no later than 12:00 P.M. and promptly confirmed in writing, request each Revolving Lender to make, and each Revolving Lender hereby agrees to make, a Revolving Loan, in an amount equal to such Revolving Lender's Revolving Percentage of the aggregate amount of such Swingline Loan (each a "**Refunded Swingline Loan**") outstanding on the date of such notice, to repay the Swingline Lender. Each Revolving Lender shall make the amount of such Revolving Loan available to the Administrative Agent at the Revolving Loan Funding Office in immediately available funds, not later than 10:00 A.M. one (1) Business Day after the date of such notice. The proceeds of such Revolving Loan shall immediately be made available by the Administrative Agent to the Swingline Lender for application by the Swingline Lender to the repayment of the Refunded Swingline Loan. The Borrower irrevocably authorizes the Swingline Lender to charge the Borrower's accounts with the Administrative Agent (up to the amount available in each such account) immediately to pay the outstanding amount of any Refunded Swingline Loan to the extent amounts received from the Revolving Lenders are not sufficient to repay in full such Refunded Swingline Loan.

(c) If prior to the time that the Borrower has repaid the Swingline Loans pursuant to Section 2.7(a) or a Revolving Loan has been made pursuant to Section 2.7(b), one of the events described in Section 8.1(f) shall have occurred or if for any other reason, as determined by the Swingline Lender in its sole discretion, Revolving Loans may not be made as contemplated by Section 2.7(b), each Revolving Lender shall, on the date such Revolving Loan was to have been made pursuant to the notice referred to in Section 2.7(b) or on the date requested by the Swingline Lender (with at least one (1) Business Day's notice to the Revolving Lenders), purchase for cash an undivided participating interest in the then outstanding Swingline Loans by paying to the Swingline Lender an amount (the "**Swingline Participation Amount**") equal to (i) such Revolving Lender's Revolving Percentage times (ii) the sum of the aggregate principal amount of the outstanding Swingline Loans that were to have been repaid with such Revolving Loans.

(d) Whenever, at any time after the Swingline Lender has received from any Revolving Lender such Lender's Swingline Participation Amount, the Swingline Lender receives any payment on account of the Swingline Loans, the Swingline Lender will distribute to such Lender its Swingline Participation Amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's participating interest was outstanding and funded and, in the case of principal and interest payments, to reflect such Lender's pro rata portion of such payment if such payment is not sufficient to pay the principal of and interest on all Swingline Loans then due); provided that in the event that such payment received by the Swingline Lender is required to be returned, such Revolving Lender will return to the Swingline Lender any portion thereof previously distributed to it by the Swingline Lender.

(e) Each Revolving Lender's obligation to make the Loans referred to in Section 2.7(b) and to purchase participating interests pursuant to Section 2.7(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right that such Revolving Lender or the Borrower may have against the Swingline Lender, the Borrower or any other Person for any reason whatsoever, (ii) the occurrence of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Section 5, (iii) any adverse change in the condition (financial or otherwise) of the Borrower, (iv) any breach of this

Agreement or any other Loan Document by the Borrower, any other Loan Party or any other Revolving Lender, or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

(f) The Swingline Lender may resign at any time by giving 30 days' prior notice to the Administrative Agent, the Lenders and the Borrower. Following such notice of resignation from the Swingline Lender, the Swingline Lender may be replaced at any time by written agreement among the Borrower, the Administrative Agent, the Required Lenders and the successor Swingline Lender. From and after the effective date of any such resignation or replacement, (i) the successor Swingline Lender shall have all the rights and obligations of the Swingline Lender under this Agreement with respect to Swingline Loans to be made by it thereafter and (ii) references herein and in the other Loan Documents to the term "Swingline Lender" shall be deemed to refer to such successor or to any previous Swingline Lender, or to such successor and all previous Swingline Lenders, as the context shall require. After the resignation or replacement of the Swingline Lender hereunder, the retiring Swingline Lender shall remain a party hereto and shall continue to have all the rights and obligations of the Swingline Lender under this Agreement and the other Loan Documents with respect to Swingline Loans made by it prior to such resignation or replacement, but shall not be required or permitted to make any additional Swingline Loans.

## **2.8 Overadvances; Protective Overadvances.**

(a) If at any time or for any reason the aggregate amount of (A) all Revolving Extensions of Credit of all of the Lenders exceeds the lesser of (x) the amount of the Total Revolving Commitments then in effect, and (y) the amount of the Borrowing Base then in effect or (B) the aggregate undrawn amount of all outstanding Letters of Credit at such time, the aggregate amount of Revolving Extensions of Credit and the aggregate principal balance of any Term Loans outstanding at such time collectively exceeds the Available Total Commitment (any such excess, an "**Overadvance**"), the Borrower shall, within one (1) Business Day, from the receipt of a request by the Administrative Agent therefore pay the full amount of such Overadvance to the Administrative Agent, without notice or demand, for application against, first, the Revolving Extensions of Credit in accordance with the terms hereof and second, to prepay the Term Loans in accordance with Section 2.12(b). Any prepayment of any Loan that is a Eurodollar Loan hereunder shall be subject to Borrower's obligation to pay any amounts owing pursuant to Section 2.21.

(b) Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent, in its sole discretion, may make Revolving Loans to the Borrower on behalf of the Lenders, so long as the aggregate amount of such Revolving Loans shall not exceed the lesser of (y) ten percent (10%) of the Borrowing Base (if then applicable) and (z) ten percent (10%) of the Commitments, if the Administrative Agent, in its reasonable credit judgment, deems that such Revolving Loans are necessary or desirable (i) to protect all or any portion of the Collateral, (ii) to enhance the likelihood or maximize the amount of repayment of the Loans and the other Obligations or (iii) to pay any other amount chargeable to the Borrower pursuant to this Agreement (such Revolving Loans, "**Protective Overadvances**"); provided that (A) in no event shall the Total Revolving Extensions of Credit exceed the amount of the Total Revolving Commitments then in effect and (B) the Borrower shall repay each Protective Overadvance on the date which is the earlier of (x) the 30th day after the date of incurrence of such Protective Overadvance and (y) the date the Required Lenders provide written notice to the Administrative Agent and the Borrower requiring the Borrower to repay such Protective Overadvance. Each applicable Lender shall be obligated to advance to the Borrower its Revolving Percentage of each Protective Overadvance made in accordance with this Section 2.8(b). If Protective Overadvances are made in accordance with the preceding sentence, then all Revolving Lenders shall be bound to make, or

permit to remain outstanding, such Protective Overadvances based upon their Revolving Percentages in accordance with the terms of this Agreement. All Protective Overadvances shall be secured by the Collateral and shall bear interest as provided in this Agreement for Revolving Loans generally.

## 2.9 Fees.

(a) Fees. The Borrower agrees to pay to the Administrative Agent the fees specified in the Fee Letter.

(b) Commitment Fee. As additional compensation for the Revolving Commitments, the Borrower shall pay to the Administrative Agent for the account of the Lenders, in arrears, on the last day of each quarter prior to the Revolving Termination Date and on the Revolving Termination Date, a fee (each, a "**Commitment Fee**") for the Borrower's non-use of available funds in an amount equal to the Commitment Fee Rate per annum multiplied by the difference between (x) the Total Revolving Commitments (as they may be reduced from time to time) and (y) the sum of (A) the average for the period of the daily closing balance of the Revolving Loans, excluding the aggregate principal amount of Swingline Loans which shall be deemed to be zero for purposes hereof, (B) the aggregate undrawn amount of all Letters of Credit outstanding at such time and (C) the aggregate amount of all L/C Disbursements that have not yet been reimbursed or converted into Revolving Loans at such time.

(c) [Reserved].

(d) Fees Nonrefundable. All fees payable under this Section 2.9 shall be fully earned on the date paid and nonrefundable.

(e) Increase in Fees. At any time that an Event of Default exists and is continuing, upon the request of the Required Lenders, the amount of any due and payable Commitment Fees shall be increased by adding two percent (2.00%) per annum thereto; provided that the Default Rate shall apply to such Commitment Fees automatically and without any Required Lender request or consent therefor upon the occurrence of any Event of Default arising under Section 8.1(a) or (f), it being clarified that such Default Rate shall be in lieu of (and not in addition to) the aforementioned two percent (2.00%) increase.

**2.10 Termination or Reduction of Revolving Commitments.** The Borrower shall have the right, without premium or penalty, upon not less than three (3) Business Days' notice to the Administrative Agent, to terminate the Revolving Commitments or, from time to time, to reduce the amount of the Revolving Commitments; provided that no such termination or reduction of the Revolving Commitments shall be permitted if, after giving effect thereto and to any prepayments of the Revolving Loans and Swingline Loans made on the effective date thereof, the Total Revolving Extensions of Credit would exceed the Available Revolving Commitment. Any such reduction shall be in an amount equal to \$1,000,000, or a whole multiple thereof (or, if the then Revolving Commitments are less than \$1,000,000, such lesser amount), and shall reduce permanently the Revolving Commitments then in effect; provided further, if in connection with any such reduction or termination of the Revolving Commitments a Eurodollar Loan is prepaid on any day other than the last day of the Interest Period applicable thereto, the Borrower shall also pay any amounts owing pursuant to Section 2.21. The Borrower shall have the right, without premium or penalty, upon not less than three (3) Business Days' notice to the Administrative Agent, to terminate the L/C Commitments or, from time to time, to reduce the amount of the L/C Commitments; provided that no such termination or reduction of L/C Commitments shall be permitted if, after giving effect thereto, the Total L/C Commitments shall be reduced to an amount that would result in the aggregate L/C Exposure exceeding the Total L/C Commitments (as so reduced). Any such reduction shall be in an amount equal to \$1,000,000, or a whole multiple thereof (or, if the then Total L/C



Commitments are less than \$1,000,000, such lesser amount), and shall reduce permanently the L/C Commitments then in effect.

**2.11 Optional Loan Prepayments.** The Borrower may at any time and from time to time prepay the Loans, in whole or in part, without premium or penalty, upon irrevocable notice delivered to the Administrative Agent no later than 10:00 A.M. three (3) Business Days prior thereto, in the case of Eurodollar Loans, and no later than 10:00 A.M. one (1) Business Day prior thereto, in the case of ABR Loans, which notice shall specify the date and amount of the proposed prepayment; provided that if a Eurodollar Loan is prepaid on any day other than the last day of the Interest Period applicable thereto, the Borrower shall also pay any amounts owing pursuant to Section 2.21; provided further that if such notice of prepayment indicates that such prepayment is to be funded with the proceeds of a refinancing, such notice of prepayment may be revoked if the financing is not consummated. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein, together with (except in the case of Revolving Loans that are ABR Loans and Swingline Loans) accrued interest to such date on the amount prepaid. Partial prepayments of Term Loans and Revolving Loans shall be in an aggregate principal amount of \$1,000,000 or a whole multiple thereof (or, if the then outstanding Term Loans or Revolving Loans are less than \$1,000,000, such lesser amount). Partial prepayments of Swingline Loans shall be in an aggregate principal amount of \$100,000 or a whole multiple thereof (or, if the then outstanding Swingline Loans are less than \$100,000, such lesser amount).

**2.12 Mandatory Prepayments.**

(a) [Reserved].

(b) If any Indebtedness shall be incurred by any Group Member (excluding any Indebtedness incurred in accordance with Section 7.2 but including any Overadvance set forth in Section 2.8(a), an amount equal to 100% of the Net Cash Proceeds thereof shall be applied on the date of such incurrence toward the prepayment of the Term Loans and other amounts as set forth in Section 2.12(e).

(c) If on any date any Group Member shall receive Net Cash Proceeds from any Asset Sale or Recovery Event then, unless a Reinvestment Notice shall be delivered in respect thereof, such Net Cash Proceeds shall be applied on such date toward the prepayment of the Loans and other amounts as set forth in Section 2.12(e); provided that notwithstanding the foregoing, on each Reinvestment Prepayment Date, an amount equal to the Reinvestment Prepayment Amount with respect to the relevant Reinvestment Event shall be applied toward the prepayment of the Loans and other amounts as set forth in Section 2.12(e).

(d) [Reserved].

(e) Amounts to be applied in connection with prepayments made pursuant to this Section 2.12 shall be applied to the prepayment of installments due in respect of the Term Loans in reverse order of maturity and in accordance with Sections 2.3 and 2.18(b) (provided that any Term Lender may decline any such prepayment (the aggregate amount of all such prepayments declined in connection with any particular prepayment, collectively, the “**Declined Amount**”), in which case the Declined Amount shall be distributed first, to the prepayment, on a *pro rata* basis, of the Term Loans held by Term Lenders that have elected to accept such Declined Amounts; second, to the extent of any residual, if no Term Loans remain outstanding, to the prepayment of the Revolving Loans in accordance with Section 2.15(c) (with no corresponding permanent reduction in the Revolving Commitments); and third, to the extent of any residual, if no Term Loans or Revolving Loans remain outstanding, to the replacement of outstanding Letters of Credit and/or the deposit of an amount in cash (in an amount not to exceed 105%

of the then existing L/C Exposure) in a Cash Collateral account established with the Administrative Agent for the benefit of the L/C Lenders on terms and conditions satisfactory to the Issuing Lender. Each prepayment of the Loans under this Section 2.12 (except in the case of Revolving Loans that are ABR Loans and Swingline Loans, in the event all Revolving Commitments have not been terminated) shall be accompanied by accrued interest to the date of such prepayment on the amount prepaid. The Borrower shall deliver to the Administrative Agent and each Term Lender notice of each prepayment of Term Loans in whole or in part pursuant to this Section 2.12 not less than five (5) Business Days prior to the date such prepayment shall be made (each, a “**Mandatory Prepayment Date**”). Such notice shall set forth (i) the Mandatory Prepayment Date, (ii) the aggregate amount of such prepayment and (iii) the options of each Term Lender to (x) decline or accept its share of such prepayment and (y) to accept Declined Amounts. Any Term Lender that wishes to exercise its option to decline such prepayment or to accept Declined Amounts shall notify the Administrative Agent by facsimile not later than three (3) Business Days prior to the Mandatory Prepayment Date.

(f) The Borrower shall deliver to the Administrative Agent, at the time of each prepayment required under this Section 2.12, (i) a certificate signed by a Responsible Officer setting forth in reasonable detail the calculation of the amount of such prepayment or reduction and (ii) to the extent practicable, at least ten days prior written notice of such prepayment or reduction (and the Administrative Agent shall promptly provide the same to each Lender). Each notice of prepayment shall specify the prepayment or reduction date, the Type of each Loan being prepaid and the principal amount of each Loan (or portion thereof) to be prepaid.

(g) No prepayment fee shall be payable in respect of any mandatory prepayments made pursuant to this Section 2.12.

### **2.13 Conversion and Continuation Options.**

(a) The Borrower may elect from time to time to convert Eurodollar Loans to ABR Loans by giving the Administrative Agent prior irrevocable notice in a Notice of Conversion/Continuation of such election no later than 10:00 A.M. on the Business Day preceding the proposed conversion date; provided that any such conversion of Eurodollar Loans may only be made on the last day of an Interest Period with respect thereto. The Borrower may elect from time to time to convert ABR Loans to Eurodollar Loans by giving the Administrative Agent prior irrevocable notice in a Notice of Conversion/Continuation of such election no later than 10:00 A.M. on the third (3rd) Business Day preceding the proposed conversion date (which notice shall specify the length of the initial Interest Period therefor); provided that no ABR Loan may be converted into a Eurodollar Loan when any Event of Default has occurred and is continuing. Upon receipt of any such notice, the Administrative Agent shall promptly notify each relevant Lender thereof.

(b) Any Eurodollar Loan may be continued as such upon the expiration of the then current Interest Period with respect thereto by the Borrower giving irrevocable notice in a Notice of Conversion/Continuation to the Administrative Agent, in accordance with the applicable provisions of the term “Interest Period” set forth in Section 1.1, of the length of the next Interest Period to be applicable to such Loans; provided that, unless the Administrative Agent otherwise agrees, no Eurodollar Loan may be continued as such when any Event of Default has occurred and is continuing; provided further that if the Borrower shall fail to give any required notice as described above in this paragraph or if such continuation is not permitted pursuant to the preceding proviso, such Loans shall be automatically converted to ABR Loans on the last day of such then expiring Interest Period. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof.

**2.14 Limitations on Eurodollar Tranches.** Notwithstanding anything to the contrary in this Agreement, all borrowings, conversions and continuations of Eurodollar Loans and all selections of Interest Periods shall be in such amounts and be made pursuant to such elections so that, (a) after giving effect thereto, the aggregate principal amount of the Eurodollar Loans comprising each Eurodollar Tranche shall be equal to \$100,000 or a whole multiple of \$100,000 in excess thereof (or, if the then outstanding principal amount of the Eurodollar Loans are less than \$100,000, such lesser amount), and (b) no more than seven (7) Eurodollar Tranches shall be outstanding at any one time.

**2.15 Interest Rates and Payment Dates.**

(a) Each outstanding Eurodollar Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to (i) the Eurodollar Rate determined for such day plus (ii) the Applicable Margin.

(b) Each outstanding ABR Loan (including any Swingline Loan) shall bear interest at a rate per annum equal to (i) the ABR plus (ii) the Applicable Margin.

(c) During the continuance of an Event of Default, at the request of the Required Lenders, all outstanding Loans and Letter of Credit Fees shall bear interest at a rate per annum equal to the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of this Section plus 2.00% (the “**Default Rate**”); provided that the Default Rate shall apply to all outstanding Loans and all Letter of Credit Fees automatically and without any Required Lender request or consent therefor upon the occurrence of any Event of Default arising under Section 8.1(a) or (f).

(d) Interest shall be payable in arrears on each Interest Payment Date; provided that interest accruing pursuant to Section 2.15(c) shall be payable from time to time on demand.

**2.16 Computation of Interest and Fees.**

(a) Interest and fees payable pursuant hereto shall be calculated on the basis of a 360- day year for the actual days elapsed, except that, with respect to ABR Loans the rate of interest on which is calculated on the basis of the Prime Rate (or, as applicable, on the basis of the Eurodollar Rate), the interest thereon shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of each determination of a Eurodollar Rate. Any change in the interest rate on a Loan resulting from a change in the ABR or the Eurocurrency Reserve Requirements shall become effective as of the opening of business on the day on which such change becomes effective. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of the effective date and the amount of each such change in interest rate.

(b) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Borrower and the Lenders in the absence of manifest error. The Administrative Agent shall, at the request of the Borrower, deliver to the Borrower a statement showing the quotations used by the Administrative Agent in determining any interest rate pursuant to Section 2.16(a).

**2.17 Inability to Determine Interest Rate.**

(a) If prior to the first day of any Interest Period, the Administrative Agent shall have determined (which determination shall be conclusive and binding upon the Borrower) in connection with any request for a Eurodollar Loan or a conversion to or a continuation thereof that, by reason of circumstances affecting the relevant market, (i) Dollar deposits are not being offered to banks in the

London interbank market for the applicable amount and Interest Period of such requested Loan or conversion or continuation, as applicable, (ii) adequate and reasonable means do not exist for ascertaining the Eurodollar Rate for such Interest Period, or (iii) the Eurodollar Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to such Lenders (as conclusively certified by such Lenders) of making or maintaining their affected Loans during such Interest Period, then, in any such case (i), (ii) or (iii), the Administrative Agent shall promptly notify the Borrower and the relevant Lenders thereof as soon as practicable thereafter. Any such determination shall specify the basis for such determination and shall, in the absence of manifest error, be conclusive and binding for all purposes. Thereafter, (x) any Eurodollar Loans under the relevant Facility requested to be made on the first day of such Interest Period shall be made as ABR Loans, (y) any Loans under the relevant Facility that were to have been converted on the first day of such Interest Period to Eurodollar Loans shall be continued as ABR Loans and (z) any outstanding Eurodollar Loans under the relevant Facility shall be converted, on the last day of the then-current Interest Period, to ABR Loans. Until such notice has been withdrawn by the Administrative Agent, no further Eurodollar Loans under the relevant Facility shall be made or continued as such, nor shall the Borrower have the right to convert Loans under the relevant Facility to Eurodollar Loans.

~~(b) If at any time the Administrative Agent determines (which determination shall be conclusive absent manifest error) that (i) the circumstances set forth in Section 2.17(a)(i) or (ii) have arisen and such circumstances are unlikely to be temporary or (ii) the circumstances set forth in Section 2.17(a)(i) or (ii) have not arisen but the supervisor for the administrator of the LIBOR reporting system or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which LIBOR shall no longer be used for determining interest rates for loans, then Administrative Agent and Borrower shall endeavor to establish an alternate rate of interest to LIBOR that gives due consideration to the then-prevailing market convention for determining a rate of interest for syndicated loans in the United States at such time, and shall enter into an amendment to this Agreement to reflect such alternate rate of interest and such other related changes to this Agreement as may be applicable; provided that if such alternate rate of interest shall be less than 1.00%, such rate shall be deemed to be 1.00% for the purposes of this Agreement. Notwithstanding anything to the contrary in Section 12.7, such amendment shall become effective without any further action or consent of any other party to this Agreement (other than the Administrative Agent and the Borrower) so long as the Administrative Agent shall not have received, within five (5) Business Days of the date notice of such alternative rate of interest is provided to the Lenders, a written notice from the Required Lenders stating that such Required Lenders object to such amendment. Until an alternate rate of interest shall be determined in accordance with this clause (b) (but in the case of the circumstances described in clause (ii) of the first sentence of this Section 2.17(b), only to the extent that LIBOR for such Interest Period is not available or published at such time on a current basis), (x) any Eurodollar Loans requested to be made shall be made as ABR Loans, and (y) any outstanding Eurodollar Loans shall be converted, on the last day of the then-current Interest Period, to ABR Loans.~~ [Benchmark Replacement Setting.](#)

~~(i)~~ [Benchmark Replacement.](#)

~~(A)~~ [Notwithstanding anything to the contrary herein or in any other Loan Document \(and any Swap Agreement shall be deemed not to be a "Loan Document" for purposes](#)

of this Section 2.17(b)), if a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (i) if a Benchmark Replacement is determined in accordance with clause (a) or (b) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (ii) if a Benchmark Replacement is determined in accordance with clause (c) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders.

(B) Notwithstanding anything to the contrary herein or in any other Loan Document and subject to the proviso below in this clause (B), if a Term SOFR Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then the applicable Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder or under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document; provided that this clause (A) shall not be effective unless the Administrative Agent has delivered to the Lenders and Borrower a Term SOFR Notice.

(ii) Benchmark Replacement Conforming Changes. In connection with the implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(iii) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify Borrower and the Lenders of (A) any occurrence of a Benchmark Transition Event, a Term SOFR Transition Event, or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date, (B) the implementation of any Benchmark Replacement, (C) the effectiveness of any Benchmark Replacement Conforming Changes, (D) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (iv) below and (E) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.17(b) including any determination with respect

to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.17(b).

(iv) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (A) if the then-current Benchmark is a term rate (including Term SOFR or USD LIBOR) and either (x) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (y) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Administrative Agent may modify the definition of "Interest Period" for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (B) if a tenor that was removed pursuant to clause (A) above either (x) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (y) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(v) Benchmark Unavailability Period. Upon Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, Borrower may revoke any request for a Eurodollar Borrowing of, conversion to or continuation of Eurodollar Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, Borrower will be deemed to have converted any such request into a request for a Borrowing of or conversion to ABR Loans. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of ABR based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of ABR.

#### **2.18 Pro Rata Treatment and Payments.**

(a) Each borrowing by the Borrower from the Lenders hereunder, each payment by the Borrower on account of any Commitment Fee and any reduction of the Commitments shall be made *pro rata* according to the respective Term Percentages, L/C Percentages or Revolving Percentages, as the case may be, of the relevant Lenders.

(b) Except as otherwise provided herein, each payment (including each prepayment) by the Borrower on account of principal of and interest on the Term Loans shall be made *pro rata* according to the respective outstanding principal amounts of the Term Loans then held by the Term Lenders. The amount of each principal prepayment of the Term Loans (whether optional or mandatory) shall be applied to reduce the then remaining installments of the Term Loans on a pro rata basis. Except as otherwise may be agreed by the Borrower and the Required Lenders, any prepayment of Loans shall be

applied to the then outstanding Term Loans on a *pro rata* basis regardless of type. Amounts prepaid on account of the Term Loans may not be reborrowed.

(c) Each payment (including each prepayment) by the Borrower on account of principal of and interest on the Revolving Loans shall be made *pro rata* according to the respective outstanding principal amounts of the Revolving Loans then held by the Revolving Lenders.

(d) All payments (including prepayments) to be made by the Borrower hereunder, whether on account of principal, interest, fees or otherwise, shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff and shall be made prior to 10:00 A.M. on the due date thereof to the Administrative Agent, for the account of the Lenders, at the applicable Funding Office, in Dollars and in immediately available funds. The Administrative Agent shall distribute such payments to the Lenders promptly upon receipt in like funds as received. Any payment received by the Administrative Agent after 10:00 A.M. shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment hereunder (other than payments on the Eurodollar Loans) becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day. If any payment on a Eurodollar Loan becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Business Day. In the case of any extension of any payment of principal pursuant to the preceding two sentences, interest thereon shall be payable at the then applicable rate during such extension.

(e) Unless the Administrative Agent shall have been notified in writing by any Lender prior to the proposed date of any borrowing that such Lender will not make the amount that would constitute its share of such borrowing available to the Administrative Agent, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent on such date in accordance with Section 2, and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount. If such amount is not in fact made available to the Administrative Agent by the required time on the Borrowing Date therefor, such Lender and the Borrower severally agree to pay to the Administrative Agent forthwith, on demand, such corresponding amount with interest thereon, for each day from and including the date on which such amount is made available to the Borrower but excluding the date of payment to the Administrative Agent, at (i) in the case of a payment to be made by such Lender, a rate equal to the greater of (A) the Federal Funds Effective Rate and (B) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, and (ii) in the case of a payment to be made by the Borrower, the rate per annum applicable to ABR Loans under the relevant Facility. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(f) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Lender hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Lender, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders

or the Issuing Lender, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or Issuing Lender, with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. Nothing herein shall be deemed to limit the rights of Administrative Agent or any Lender against any Loan Party.

(g) If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Section 2, and such funds are not made available to the Borrower by the Administrative Agent because the conditions to the applicable extension of credit set forth in Section 5.1 or Section 5.2 are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(h) The obligations of the Lenders hereunder to (i) make Term Loans, (ii) make Revolving Loans, (iii) fund its participations in L/C Disbursements in accordance with its respective L/C Percentage, (iv) fund its respective Swingline Participation Amount of any Swingline Loan, and (v) make payments pursuant to Section 9.7, as applicable, are several and not joint. The failure of any Lender to make any such Loan, to fund any such participation or to make any such payment under Section 9.7 on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan, to purchase its participation or to make its payment under Section 9.7.

(i) Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

(j) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) first, toward payment of interest and fees, Overadvances and Protective Overadvances then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees, Overadvances and Protective Overadvances then due to such parties, and (ii) second, toward payment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(k) If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of the principal of or interest on any Loan made by it, its participation in the L/C Exposure or other obligations hereunder, as applicable (other than pursuant to a provision hereof providing for non-pro rata treatment), in excess of its Term Percentage, Revolving Percentage or L/C Percentage, as applicable, of such payment on account of the Loans or participations obtained by all of the Lenders, such Lender shall (a) notify the Administrative Agent of the receipt of such payment, and (b) within five (5) Business Days of such receipt purchase (for cash at face value) from the other Term Lenders, Revolving Lenders or L/C Lenders, as applicable (through the Administrative Agent), without recourse, such participations in the Term Loans or Revolving Loans made by them and/or participations in the L/C Exposure held by them, as applicable, or make such other adjustments as shall be equitable, as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of the other Lenders in accordance with their respective Term Percentages, Revolving Percentages or L/C Percentages, as applicable; provided, however, that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such



recovery, without interest and (ii) the provisions of this paragraph shall not be construed to apply to (x) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender) or (y) any payment obtained by a Lender as consideration for the assignment or sale of a participation in any of its Loans or participations in L/C Disbursements to any assignee or participant, other than to the Borrower or any of its Affiliates (as to which the provisions of this paragraph shall apply). The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.18(k) may exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation. No documentation other than notices and the like referred to in this Section 2.18(k) shall be required to implement the terms of this Section 2.18(k). The Administrative Agent shall keep records (which shall be conclusive and binding in the absence of manifest error) of participations purchased pursuant to this Section 2.18(k) and shall in each case notify the Term Lenders, the Revolving Lenders or the L/C Lenders, as applicable, following any such purchase. The provisions of this Section 2.18(k) shall not be construed to apply to (i) any payment made by or on behalf of the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), (ii) the application of Cash Collateral provided for in Section 3.10, or (iii) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or sub-participations in any L/C Exposure to any assignee or participant, other than an assignment to the Borrower or any Affiliate thereof (as to which the provisions of this Section shall apply). The Borrower consents on behalf of itself and each other Loan Party to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against each Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of each Loan Party in the amount of such participation. For the avoidance of doubt, no amounts received by the Administrative Agent or any Lender from any Guarantor that is not a Qualified ECP Guarantor shall be applied in partial or complete satisfaction of any Excluded Swap Obligations.

(l) Notwithstanding anything to the contrary in this Agreement, the Administrative Agent may, in its discretion at any time or from time to time, without the Borrower's request and even if the conditions set forth in Section 5.2 would not be satisfied, make a Revolving Loan in an amount equal to the portion of the Obligations constituting overdue interest and fees and Swingline Loans from time to time due and payable to itself, any Revolving Lender, the Swingline Lender or the Issuing Lender, and apply the proceeds of any such Revolving Loan to those Obligations; provided that after giving effect to any such Revolving Loan, the aggregate outstanding Revolving Loans will not exceed the Total Revolving Commitments then in effect.

## **2.19 Illegality; Requirements of Law.**

(a) Illegality. If any Lender determines that any Requirement of Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender to make, maintain or fund Eurodollar Loans, or to determine or charge interest rates based upon the Eurodollar Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, any obligation of such Lender to make or continue Eurodollar Loans or to convert ABR Loans to Eurodollar Loans shall be suspended until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all Eurodollar Loans of such Lender to ABR Loans either on the last day of the Interest Period therefor, if such Lender may

lawfully continue to maintain such Eurodollar Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurodollar Loans. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted.

(b) Requirements of Law. If the adoption of or any change in any Requirement of Law or in the administration, interpretation, implementation or application thereof by any Governmental Authority, or the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority made subsequent to the date hereof:

(i) shall subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes, and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

(ii) shall impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of or credit extended or participated in by, any Lender (except any reserve requirement reflected in the Eurodollar Rate); or

(iii) impose on any Lender or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein; and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining Loans determined with reference to the Eurodollar Rate or of maintaining its obligation to make such Loans, or to increase the cost to such Lender or such other Recipient of issuing, maintaining or participating in Letters of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum receivable or received by such Lender or other Recipient hereunder in respect thereof (whether of principal, interest or any other amount), then, in any such case, upon the request of such Lender or other Recipient, the Borrower will promptly pay such Lender or other Recipient, as the case may be, any additional amount or amounts necessary to compensate such Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered. If any Lender becomes entitled to claim any additional amounts pursuant to this paragraph, it shall promptly notify the Borrower (with a copy to the Administrative Agent) of the event by reason of which it has become so entitled.

(c) If any Lender determines that any change in any Requirement of Law affecting such Lender or any lending office of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit or Swingline Loans held by, such Lender, or the Letters of Credit issued by the Issuing Lender, to a level below that which such Lender or such Lender's holding company could have achieved but for such change in such Requirement of Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy or liquidity), then from time to time the Borrower will pay to such Lender or the Issuing Lender, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Lender or such Lender's or Issuing Lender's holding company for any such reduction suffered.

(d) For purposes of this Agreement, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for

International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case (i) and (ii) be deemed to be a change in any Requirement of Law, regardless of the date enacted, adopted or issued.

(e) A certificate as to any additional amounts payable pursuant to paragraphs (b), (c), or (d) of this Section submitted by any Lender to the Borrower (with a copy to the Administrative Agent) shall be conclusive in the absence of manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation. Notwithstanding anything to the contrary in this Section 2.19, the Borrower shall not be required to compensate a Lender pursuant to this Section 2.19 for any amounts incurred more than nine months prior to the date that such Lender notifies the Borrower of the change in the Requirement of Law giving rise to such increased costs or reductions, and of such Lender's intention to claim compensation therefor; provided that if the circumstances giving rise to such claim have a retroactive effect, then such nine-month period shall be extended to include the period of such retroactive effect. The obligations of the Borrower arising pursuant to this Section 2.19 shall survive the Discharge of Obligations and the resignation of the Administrative Agent.

## **2.20 Taxes.**

For purposes of this Section 2.20, the term "Lender" includes the Issuing Lender and the term "applicable Requirement of Law" includes FATCA.

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable Requirements of Law. If any applicable Requirement of Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Taxing Authority in accordance with such applicable Requirement of Law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 2.20) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes. The Borrower shall timely pay or cause to be paid to the relevant Taxing Authority in accordance with any applicable Requirement of Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(c) Evidence of Payments. As soon as practicable after any payment of Taxes by any Loan Party to a Taxing Authority pursuant to this Section 2.20, the applicable Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Taxing Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(d) Indemnification by Loan Parties. The Loan Parties shall, jointly and severally indemnify each Recipient, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 2.20) payable or paid by such Recipient or required to be withheld or deducted

from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Taxing Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by Lenders. Each Lender shall severally indemnify the Administrative Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.6 relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Taxing Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this Section 2.20(e).

(f) Status of Lenders.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by any applicable Requirement of Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Sections 2.20(f)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if the Lender is not legally entitled to complete, execute or deliver such documentation or, in the Lender's reasonable judgment, such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this

Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable (or any successor form) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable (or any successor form) establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit F-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “**U.S. Tax Compliance Certificate**”) and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable (or any successor form); or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable (or any successor form), a U.S. Tax Compliance Certificate substantially in the form of Exhibit F-2 or Exhibit F-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit F-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of any other form prescribed by any applicable Requirement of Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by any applicable Requirement of Law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by any applicable Requirement of Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender’s obligations under FATCA or to determine

the amount, if any, to deduct and withhold from such payment. Solely for purposes of this clause (D), “FATCA” shall include any amendments made to FATCA after the date of this Agreement.

(iii) Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so. Each Foreign Lender shall promptly notify the Borrower at any time it determines that it is no longer in a position to provide any previously delivered certificate to the Borrower (or any other form of certification adopted by the U.S. taxing authorities for such purpose). Notwithstanding any other provision of this paragraph, a Foreign Lender shall not be required to deliver any form pursuant to this paragraph that such Foreign Lender is not legally able to deliver.

(g) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.20 (including by the payment of additional amounts pursuant to this Section 2.20), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Taxing Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this Section 2.20(g) (plus any penalties, interest or other charges imposed by the relevant Taxing Authority) in the event that such indemnified party is required to repay such refund to such Taxing Authority. Notwithstanding anything to the contrary in this Section 2.20(g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 2.20(g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) On or prior to the date the Administrative Agent (or any successor thereto) becomes a party to this Agreement, with respect to payments received on account of any Lender, the Administrative Agent shall deliver to the Borrower executed copies of (i) IRS Form W-9, or (ii) IRS Form W-8IMY properly completed and duly executed to treat the Administrative Agent as a U.S. person (as described in Section 1.1441-1(e)(3)(v) of the United States Treasury Regulations).

(i) Survival. Each party’s obligations under this Section 2.20 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender and the Discharge of Obligations.

**2.21 Indemnity**. The Borrower agrees to indemnify each Lender for, and to hold each Lender harmless from, any loss or expense that such Lender may sustain or incur as a consequence of (a) a default by the Borrower in making a borrowing of, conversion into or continuation of Eurodollar Loans after the Borrower has given a notice requesting the same in accordance with the provisions of this Agreement, (b) a default by the Borrower in making any prepayment of or conversion from Eurodollar Loans after the Borrower has given a notice thereof in accordance with the provisions of this Agreement, or (c) for any reason, the making of a prepayment of Eurodollar Loans on a day that is not the last day of an Interest Period with respect thereto. Such losses and expenses shall be equal to the excess, if any, of (i) the amount of interest that would have accrued on the amount so prepaid, or not so borrowed, reduced,

converted or continued, for the period from the date of such prepayment or of such failure to borrow, reduce, convert or continue to the last day of such Interest Period (or, in the case of a failure to borrow, reduce, convert or continue, the Interest Period that would have commenced on the date of such failure) in each case at the applicable rate of interest or other return for such Loans provided for herein (excluding, however, the Applicable Margin included therein, if any), over (ii) the amount of interest (as reasonably determined by such Lender) that would have accrued to such Lender on such amount by placing such amount on deposit for a comparable period with leading banks in the interbank eurodollar market. A certificate as to any amounts payable pursuant to this Section submitted to the Borrower by any Lender shall be conclusive in the absence of manifest error. This covenant shall survive the Discharge of Obligations.

**2.22 Change of Lending Office.** Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.19(b), Section 2.19(c), Section 2.20(a), Section 2.20(b) or Section 2.20(d) with respect to such Lender, it will, if requested by the Borrower, use reasonable efforts (subject to overall policy considerations of such Lender) to designate a different lending office for funding or booking its Loans affected by such event or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.19 or 2.20, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender; provided that nothing in this Section shall affect or postpone any of the obligations of the Borrower or the rights of any Lender pursuant to Section 2.19(b), Section 2.19(c), Section 2.20(a), Section 2.20(b) or Section 2.20(d). The Borrower hereby agrees to pay all reasonable and documented costs and expenses incurred by any Lender in connection with any such designation or assignment made at the request of the Borrower.

**2.23 Substitution of Lenders.** Upon the receipt by the Borrower of any of the following (or in the case of clause (a) below, if the Borrower is required to pay any such amount), with respect to any Lender (any such Lender described in clauses (a) through (c) below being referred to as an “**Affected Lender**” hereunder):

(a) a request from a Lender for payment of Indemnified Taxes or additional amounts under Section 2.20 or of increased costs pursuant to Section 2.19(b) or Section 2.19(c) (and, in any such case, such Lender has declined or is unable to designate a different lending office in accordance with Section 2.22 or is a Non-Consenting Lender);

(b) a notice from the Administrative Agent under Section 10.1(b) that one or more Minority Lenders are unwilling to agree to an amendment or other modification approved by the Required Lenders and the Administrative Agent; or

(c) notice from the Administrative Agent that a Lender is a Defaulting Lender; then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent and such Affected Lender: (i) request that one or more of the other Lenders acquire and assume all or part of such Affected Lender’s Loans and Commitment; or (ii) designate a replacement lending institution (which shall be an Eligible Assignee) to acquire and assume all or a ratable part of such Affected Lender’s Loans and Commitment (the replacing Lender or lender in (i) or (ii) being a “**Replacement Lender**”); provided, however, that the Borrower shall be liable for the payment upon demand of all costs and other amounts arising under Section 2.21 that result from the acquisition of any Affected Lender’s Loan and/or Commitment (or any portion thereof) by a Lender or Replacement Lender, as the case may be, on a date other than the last day of the applicable Interest Period with respect to any Eurodollar Loans then outstanding. The Affected Lender replaced pursuant to this Section 2.23 shall be

required to assign and delegate, without recourse, all of its interests, rights and obligations under this Agreement and the related Loan Documents to one or more Replacement Lenders that so agree to acquire and assume all or a ratable part of such Affected Lender's Loans and Commitment upon payment to such Affected Lender of an amount (in the aggregate for all Replacement Lenders) equal to 100% of the outstanding principal of the Affected Lender's Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents from such Replacement Lenders (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts, including amounts under Section 2.21 hereof). Any such designation of a Replacement Lender shall be effected in accordance with, and subject to the terms and conditions of, the assignment provisions contained in Section 10.6 (with the assignment fee to be paid by the Borrower in such instance) (provided that if such Affected Lender does not comply with Section 10.6 within ten (10) Business Days after the Borrower's request, the Administrative Agent is authorized to execute the Assignment and Acceptance on behalf of such Affected Lender) and, if such Replacement Lender is not already a Lender hereunder or an Affiliate of a Lender or an Approved Fund, shall be subject to the prior written consent of the Administrative Agent (which consent shall not be unreasonably withheld). Notwithstanding the foregoing, with respect to any assignment pursuant to this Section 2.23, (a) in the case of any such assignment resulting from a claim for compensation under Section 2.19 or payments required to be made pursuant to Section 2.20, such assignment shall result in a reduction in such compensation or payments thereafter; (b) such assignment shall not conflict with applicable law and (c) in the case of any assignment resulting from a Lender being a Minority Lender referred to in clause (b) of this Section 2.23, the applicable assignee shall have consented to the applicable amendment, waiver or consent. Notwithstanding the foregoing, an Affected Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Affected Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

## **2.24 Defaulting Lenders.**

(a) Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in Section 10.1 and in the definitions of Majority Revolving Lenders, Majority Term Lenders and Required Lenders.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 8 or otherwise, and including any amounts made available to the Administrative Agent by such Defaulting Lender pursuant to Section 10.7), shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, to the payment on a *pro rata* basis of any amounts owing by such Defaulting Lender to the Issuing Lender or to the Swingline Lender hereunder; third, to be held as Cash Collateral for the funding obligations of such Defaulting Lender of any participation in any Letter of Credit; fourth, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; fifth, if so determined by the Administrative Agent and the Borrower, to be held in a Deposit Account and released pro rata to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement, and (y) be held as Cash



Collateral for the future funding obligations of such Defaulting Lender of any participation in any future Letter of Credit; sixth, to the payment of any amounts owing to any L/C Lender, Issuing Lender or Swingline Lender as a result of any judgment of a court of competent jurisdiction obtained by any L/C Lender, Issuing Lender or Swingline Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; seventh, so long as no Default or Event of Default has occurred and is continuing, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and eighth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (A) such payment is a payment of the principal amount of any Loans or L/C Advances in respect of which such Defaulting Lender has not fully funded its appropriate share and (B) such Loans or L/C Advances were made at a time when the conditions set forth in Section 5.2 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and L/C Advances owed to, all Non-Defaulting Lenders on a *pro rata* basis prior to being applied to the payment of any Loans of, or L/C Advances owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Advances and Swingline Loans are held by the Lenders pro rata in accordance with the Commitments under the applicable Facility without giving effect to Section 2.24(a)(iv). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.24(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees.

(A) No Defaulting Lender shall be entitled to receive any fee pursuant to Section 2.9(b) for any period during which such Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to such Defaulting Lender).

(B) Each Defaulting Lender shall be limited in its right to receive Letter of Credit Fees as provided in Section 3.3(d).

(C) With respect to any Letter of Credit Fee not required to be paid to any Defaulting Lender pursuant to clause (A) or (B) above, the Borrower shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in Letters of Credit or Swingline Loans that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (y) pay to the Issuing Lender and the Swingline Lender, as applicable, the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to the Issuing Lender's or the Swingline Lender's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(iv) Reallocation of Pro Rata Share to Reduce Fronting Exposure. During any period in which there is a Defaulting Lender, for purposes of computing the amount of the obligation of each Non-Defaulting Lender to acquire, refinance or fund participations in Letters of Credit pursuant to Section 3.4 or in Swingline Loans pursuant to Section 2.7(c), the L/C Percentage of each Non-Defaulting Lender of any such Letter of Credit and the Revolving Percentage of each Non-Defaulting Lender of any such Swingline Loan, as the case may be, shall be computed without giving effect to the Revolving Commitment of such Defaulting Lender; provided that, the aggregate obligations of each Non-Defaulting Lender to acquire, refinance or fund participations in Letters of Credit and Swingline Loans shall not exceed the positive difference, if any, of (1) the Revolving Commitment of that Non-Defaulting Lender minus (2) the aggregate outstanding amount of the Revolving Loans of that Lender plus the aggregate

amount of that Lender's L/C Percentage of then outstanding Letters of Credit. Subject to Section 10.21, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) Cash Collateral, Repayment of Swingline Loans. If the reallocation described in clause (iv) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under law, (x) first, prepay Swingline Loans in an amount equal to the Swingline Lender's Fronting Exposure and (y) second, Cash Collateralize the Issuing Lender's Fronting Exposure in accordance with the procedures set forth in Section 3.10.

(b) Defaulting Lender Cure. If the Borrower, the Administrative Agent, the Swingline Lender and the Issuing Lender agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), such Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans and funded and unfunded participations in Letters of Credit and Swingline Loans to be held on a *pro rata* basis by the Lenders in accordance with their respective Revolving Percentages, L/C Percentages, and Term Percentages, as applicable (without giving effect to Section 2.24(a)(iv)), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while such Lender was a Defaulting Lender; and provided further that, except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from such Lender having been a Defaulting Lender.

(c) New Swingline Loans/Letters of Credit. So long as any Lender is a Defaulting Lender, (i) the Swingline Lender shall not be required to fund any Swingline Loans unless it is satisfied that it will have no Fronting Exposure after giving effect to such Swingline Loan, and (ii) the Issuing Lender shall not be required to issue, extend, renew or increase any Letter of Credit unless it is satisfied that it will have no Fronting Exposure in respect of Letters of Credit after giving effect thereto.

(d) Termination of Defaulting Lender. The Borrower may terminate the unused amount of the Revolving Commitment of any Revolving Lender that is a Defaulting Lender upon not less than ten (10) Business Days' prior notice to the Administrative Agent (which shall promptly notify the Lenders thereof), and in such event the provisions of Section 2.24(a)(ii) will apply to all amounts thereafter paid by the Borrower for the account of such Defaulting Lender under this Agreement (whether on account of principal, interest, fees, indemnity or other amounts); provided that (i) no Event of Default shall have occurred and be continuing, and (ii) such termination shall not be deemed to be a waiver or release of any claim the Borrower, the Administrative Agent, the Issuing Lender, the Swingline Lender or any other Lender may have against such Defaulting Lender.

**2.25 Notes.** If so requested by any Lender by written notice to the Borrower (with a copy to the Administrative Agent), the Borrower shall execute and deliver to such Lender (and/or, if applicable and if so specified in such notice, to any Person who is an assignee of such Lender pursuant to Section 10.6) (promptly after the Borrower's receipt of such notice) a Note or Notes to evidence such Lender's Loans.

## 2.26 Incremental Facility:

~~(a) At any time during the Revolving Commitment Period, the Borrower may request from time to time from one or more existing Lenders or from other Eligible Assignees reasonably acceptable to the Administrative Agent, the Issuing Lender, the Swingline Lender and the Borrower (but subject to the conditions set forth in clause (b) below) that the Total Revolving Commitments be increased by an amount not to exceed the Available Revolving Increase Amount (each such increase, an "Increase"); provided that the Borrower may not request an Increase on more than three occasions during the Revolving Commitment Period. No Lender shall be obligated to increase its Revolving Commitments in connection with a proposed Increase. The Administrative Agent shall invite each Lender to provide a portion of the Increase ratably in accordance with its Revolving Percentage of each requested Increase (it being agreed that no Lender shall be obligated to provide an Increase and that any Lender may elect to participate in such Increase in an amount that is less than its Revolving Percentage of such requested Increase or more than its Revolving Percentage of such requested Increase if other Lenders have elected not to participate in any applicable requested Increase in accordance with their Revolving Percentage) and to the extent, ten (10) Business Days after receipt of invitation, sufficient Lenders do not agree to provide the full amount of such Increase, then the Administrative Agent may invite any prospective lender approved by the Borrower that satisfies the criteria of being an "Eligible Assignee" to become a Lender in connection with the proposed Increase. Any Increase shall be in an amount of at least \$10,000,000 (or, if the Available Revolving Increase Amount is less than \$10,000,000, such remaining Available Revolving Increase Amount) and integral multiples of \$2,500,000 in excess thereof. Additionally, for the avoidance of doubt, it is understood and agreed that in no event shall the aggregate amount of the Increases to the Revolving Commitments exceed the Available Revolving Increase Amount during the term of the Agreement.~~

~~(b) Each of the following shall be conditions precedent to any Increase of the Revolving Commitments in connection therewith:~~

~~(i) any Increase shall be on the same terms (including the interest rate, and maturity date), as applicable, as, and pursuant to documentation applicable to, the Revolving Facility then in effect; provided that any such Increase may provide for terms (including interest rate) more favorable to such Increase lenders, if any existing Revolving Loans and Revolving Commitments at the time of such Increase are also provided the benefit of such more favorable terms (and the consent of any existing Revolving Lender shall not be required to implement such terms); provided, further, that any upfront fees shall be agreed between the Borrower and the lenders providing such Increase;~~

~~(ii) the Borrower shall have delivered a written request for such Increase at least fifteen (15) Business Days prior to the requested establishment of such Increase (or such later date as may be reasonably approved by the Administrative Agent), which request shall set forth the amount and proposed terms of the Increase;~~

~~(iii) each lender agreeing to such Increase, the Borrower and the Administrative Agent shall have signed an Increase Joinder (any Increase Joinder may, with the consent of the Administrative Agent, the Borrower and the lenders agreeing to such Increase,~~

~~effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate to effectuate the provisions of this Section 2.26 (including the preceding clause (i)) and the Borrower shall have executed any Notes requested by any Lender in connection with the making of the Increase. Notwithstanding anything to the contrary in this Agreement or in any other Loan Document, an Increase Joinder reasonably satisfactory to the Administrative Agent, and the amendments to this Agreement effected thereby, shall not require the consent of any Lender other than the Lender(s) agreeing to establish such Increase;~~

~~(iv) immediately after giving pro forma effect to such Increase and the use of proceeds thereof, each of the conditions precedent in Section 5.2(a) are satisfied;~~

~~(v) immediately after giving pro forma effect to such Increase and the use of proceeds thereof (and assuming that such Increase was fully drawn), (A) no Default or Event of Default shall have occurred and be continuing at the time of such Increase and (B) the Borrower shall be in compliance with the financial covenants set forth in Section 7.1 hereof as of the end of the most recently ended month and quarter for which financial statements are internally available to the Loan Parties prior to such Increase, and the Borrower shall have delivered to the Administrative Agent (which shall promptly provide to the Lenders) a Compliance Certificate evidencing compliance with the requirements of this clause (v);~~

~~(vi) in connection with such Increase, the Borrower shall pay to the Administrative Agent, for the benefit of the Administrative Agent or the Increase lenders, as applicable, all fees that the Borrower has agreed to pay in connection with such Increase (including pursuant to the Fee Letter);~~

~~(vii) upon each Increase in accordance with this Section 2.26, all outstanding Loans, participations hereunder in Letters of Credit and participations hereunder in Swingline Loans held by each Lender shall be reallocated among the Lenders (including any newly added Lenders) in accordance with the Lenders' respective revised Revolving Percentages and L/C Percentages, pursuant to procedures reasonably determined by the Administrative Agent in consultation with the Borrower; and~~

~~(viii) the Borrower shall have delivered any additional documentation reasonably requested by the Administrative Agent or the Lenders providing such Increase, including a harvest analysis reasonably acceptable to the Administrative Agent demonstrating sufficient value of Collateral relative to Increase amount.~~

~~(c) Upon the effectiveness of any Increase, (i) all references in this Agreement and any other Loan Document to the Revolving Loans shall be deemed, unless the context otherwise requires, to include such Increase advanced pursuant to this Section 2.26 and any amendments effected through the Increase Joinder and (ii) all references in this Agreement and any other Loan Document to the Revolving Commitment shall be deemed, unless the context otherwise requires, to include the commitment to advance an amount equal to such Increase pursuant to this Section 2.26.~~

~~(d) The Revolving Loans and Revolving Commitments established pursuant to this Section 2.26 shall constitute Revolving Loans and Revolving Commitments under, and~~

~~shall be entitled to all the benefits afforded by, this Agreement and the other Loan Documents, and shall, without limiting the foregoing, benefit equally and ratably from any guarantees and the security interests created by the Loan Documents. The Borrower shall take any actions reasonably required by Administrative Agent to ensure and demonstrate that the Liens and security interests granted by the Loan Documents continue to be perfected under the UCC or otherwise after giving effect to the establishment of any such new Revolving Commitments.~~

### SECTION 3 LETTERS OF CREDIT

#### 3.1 L/C Commitment.

(a) Subject to the terms and conditions hereof, the Issuing Lender agrees to issue letters of credit ("**Letters of Credit**") for the account of the Borrower on any Business Day during the Letter of Credit Availability Period in such form as may reasonably be approved from time to time by the Issuing Lender; provided that the Issuing Lender shall have no obligation to issue any Letter of Credit if, after giving effect to such issuance, the L/C Exposure would exceed either the Total L/C Commitments or the Available Revolving Commitment at such time. Notwithstanding any other term of any Loan Document or any other agreement, arrangement or understanding between the parties, unless and until any Lender other than SVB shall become a Lender under the Facilities, any letter of credit issued by SVB to a Group Member (including, for the avoidance of any doubt, any Existing Letter of Credit and any letter of credit to be issued by SVB to a Group Member following the Closing Date), shall not, for any intent or purpose under the Loan Documents, be deemed to be a Letter of Credit or Existing Letter of Credit or reduce the Available Revolving Commitment or the Available Total Commitment, but shall instead be deemed to be Cash Management Services. Concurrently with the joinder of any Lender other than SVB under the Facilities, any then-outstanding and future letters of credit issued by SVB at the request of the Borrower shall automatically be deemed to be Letters of Credit hereunder and reduce the Available Revolving Commitment and the Available Total Commitment. Unless otherwise agreed to by the Administrative Agent in its sole discretion, each Letter of Credit shall (i) be denominated in Dollars and (ii) expire no later than the earlier of (x) the first anniversary of its date of issuance and (y) the Letter of Credit Maturity Date, provided that any Letter of Credit with a one-year term may provide for the renewal thereof for additional one-year periods (which shall in no event extend beyond the date referred to in clause (y) above).

(b) The Issuing Lender shall not at any time be obligated to issue any Letter of Credit if:

(i) such issuance would conflict with, or cause the Issuing Lender or any L/C Lender to exceed any limits imposed by, any applicable Requirement of Law;

(ii) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the Issuing Lender from issuing, amending or reinstating such Letter of Credit, or any law, rule or regulation applicable to the Issuing Lender or any request, guideline or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the Issuing Lender shall prohibit, or request that the Issuing Lender refrain from, the issuance, amendment, renewal or reinstatement of letters of credit generally or such Letter of Credit in particular or shall impose upon the Issuing Lender with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the Issuing Lender is not otherwise compensated) not in effect on the Closing Date, or shall impose upon the Issuing Lender any unreimbursed loss, cost or expense

which was not applicable on the Closing Date and which the Issuing Lender in good faith deems material to it;

(iii) the Issuing Lender has received written notice from any Lender, the Administrative Agent or the Borrower, at least one (1) Business Day prior to the requested date of issuance, amendment, renewal or reinstatement of such Letter of Credit, that one or more of the applicable conditions contained in Section 5.2 shall not then be satisfied (which notice shall contain a description of any such condition asserted not to be satisfied);

(iv) any requested Letter of Credit is not in form and substance acceptable to the Issuing Lender, or the issuance, amendment or renewal of a Letter of Credit shall violate any applicable laws or regulations or any applicable general policies of the Issuing Lender;

(v) such Letter of Credit contains any provisions providing for automatic reinstatement of the stated amount after any drawing thereunder;

(vi) except as otherwise agreed by the Administrative Agent and the Issuing Lender, such Letter of Credit is in an initial face amount less than \$250,000; or

(vii) any Lender is at that time a Defaulting Lender, unless the Issuing Lender has entered into arrangements, including the delivery of Cash Collateral pursuant to Section 3.10, satisfactory to the Issuing Lender (in its sole discretion) with the Borrower or such Defaulting Lender to eliminate the Issuing Lender's actual or potential Fronting Exposure (after giving effect to Section 2.24(a)(iv)) with respect to the Defaulting Lender arising from either the Letter of Credit then proposed to be issued or such Letter of Credit and all other L/C Exposure as to which the Issuing Lender has actual or potential Fronting Exposure, as it may elect in its sole discretion.

**3.2 Procedure for Issuance of Letters of Credit.** The Borrower may from time to time request that the Issuing Lender issue a Letter of Credit for the account of the Borrower by delivering to the Issuing Lender at its address for notices specified herein an Application therefor, completed to the satisfaction of the Issuing Lender, and such other certificates, documents and other papers and information as the Issuing Lender may reasonably request. Upon receipt of any Application, the Issuing Lender will process such Application and the certificates, documents and other papers and information delivered to it in connection therewith in accordance with its customary procedures and shall promptly issue the Letter of Credit requested thereby (but in no event shall the Issuing Lender be required to issue any Letter of Credit earlier than three (3) Business Days after its receipt of the Application therefor and all such other certificates, documents and other papers and information relating thereto) by issuing the original of such Letter of Credit to the beneficiary thereof or as otherwise may be agreed to by the Issuing Lender and the Borrower. The Issuing Lender shall furnish a copy of such Letter of Credit to the Borrower promptly following the issuance thereof. The Issuing Lender shall promptly furnish to the Administrative Agent, which shall in turn promptly furnish to the Lenders, notice of the issuance of each Letter of Credit (including the amount thereof).

### **3.3 Fees and Other Charges.**

(a) The Borrower agrees to pay, with respect to each Existing Letter of Credit and each outstanding Letter of Credit issued for the account of (or at the request of) the Borrower, (i) a fronting fee of 0.125% per annum on the daily amount available to be drawn under each such Letter of Credit to the Issuing Lender for its own account (a "**Letter of Credit Fronting Fee**"), (ii) a letter of credit fee equal to 1.00% per annum multiplied by the daily amount available to be drawn under each such outstanding Letter of Credit on the drawable amount of such Letter of Credit to the Administrative Agent

for the ratable account of the L/C Lenders (determined in accordance with their respective L/C Percentages) (a “**Letter of Credit Fee**”), in each case payable quarterly in arrears on the last Business Day of March, June, September and December of each year and on the Letter of Credit Maturity Date (each, an “**L/C Fee Payment Date**”) after the issuance date of such Letter of Credit, and (iii) the Issuing Lender’s standard and reasonable fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit issued for the account of (or at the request of) the Borrower or processing of drawings thereunder (the fees in this clause (iii), collectively, the “**Issuing Lender Fees**”). All Letter of Credit Fronting Fees and Letter of Credit Fees shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

(b) In addition to the foregoing fees, the Borrower shall pay or reimburse the Issuing Lender for such normal and customary costs and expenses as are incurred or charged by the Issuing Lender in issuing, negotiating, effecting payment under, amending or otherwise administering any Letter of Credit.

(c) The Borrower shall furnish to the Issuing Lender and the Administrative Agent such other documents and information pertaining to any requested Letter of Credit issuance, amendment or renewal, including any L/C-Related Documents, as the Issuing Lender or the Administrative Agent may require. This Agreement shall control in the event of any conflict with any L/C-Related Document (other than any Letter of Credit).

(d) Any Letter of Credit Fees otherwise payable for the account of a Defaulting Lender with respect to any Letter of Credit as to which such Defaulting Lender has not provided Cash Collateral satisfactory to the Issuing Lender pursuant to Section 3.10 shall be payable, to the maximum extent permitted by applicable law, to the other L/C Lenders in accordance with the upward adjustments in their respective L/C Percentages allocable to such Letter of Credit pursuant to Section 2.24(a)(iv), with the balance of such fee, if any, payable to the Issuing Lender for its own account.

(e) All fees payable under this Section 3.3 shall be fully earned on the date paid and nonrefundable.

### **3.4 L/C Participations; Existing Letters of Credit.**

(a) **L/C Participations.** The Issuing Lender irrevocably agrees to grant and hereby grants to each L/C Lender, and, to induce the Issuing Lender to issue Letters of Credit, each L/C Lender irrevocably agrees to accept and purchase and hereby accepts and purchases from the Issuing Lender, on the terms and conditions set forth below, for such L/C Lender’s own account and risk an undivided interest equal to such L/C Lender’s L/C Percentage in the Issuing Lender’s obligations and rights under and in respect of each Letter of Credit and the amount of each draft paid by the Issuing Lender thereunder. Each L/C Lender agrees with the Issuing Lender that, if a draft is paid under any Letter of Credit for which the Issuing Lender is not reimbursed in full by the Borrower pursuant to Section 3.5(a), such L/C Lender shall pay to the Issuing Lender upon demand at the Issuing Lender’s address for notices specified herein an amount equal to such L/C Lender’s L/C Percentage of the amount of such draft, or any part thereof, that is not so reimbursed. Each L/C Lender’s obligation to pay such amount shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right that such L/C Lender may have against the Issuing Lender, the Borrower or any other Person for any reason whatsoever, (ii) the occurrence of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Section 5.2, (iii) any adverse change in the condition (financial or otherwise) of the Borrower, (iv) any breach of this Agreement or any other Loan Document by the Borrower, any other Loan Party or any other L/C Lender, or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

(b) **Existing Letters of Credit.** On and after the Closing Date, subject to the provisions set forth in Section 3.1(a) above, the Existing Letters of Credit shall be deemed for all purposes, including for purposes of the fees to be collected pursuant to Sections 3.3(a) and (b), reimbursement of costs and expenses to the extent provided herein and for purposes of being secured by the Collateral, a Letter of Credit outstanding under this Agreement and entitled to the benefits of this Agreement and the other Loan Documents, and shall be governed by the applications and agreements pertaining thereto and by this Agreement (which shall control in the event of a conflict).

### 3.5 Reimbursement.

(a) If the Issuing Lender shall make any L/C Disbursement in respect of a Letter of Credit, the Issuing Lender shall notify the Borrower and the Administrative Agent thereof and the Borrower shall pay or cause to be paid to the Issuing Lender an amount equal to the entire amount of such L/C Disbursement not later than (i) the immediately following Business Day if the Issuing Lender issues such notice before 10:00 a.m. Pacific time on the date of such L/C Disbursement, or (ii) on the second following Business Day if the Issuing Lender issues such notice at or after 10:00 a.m. Pacific time on the date of such L/C Disbursement. Each such payment shall be made to the Issuing Lender at its address for notices referred to herein in Dollars and in immediately available funds; provided that the Borrower may, subject to the satisfaction of the conditions to borrowing set forth herein, request in accordance with Section 2.5 or Section 2.7(a) that such payment be financed with a Revolving Loan or a Swingline Loan, as applicable, in an equivalent amount and, to the extent so financed, the Borrower's obligations to make such payment shall be discharged and replaced by the resulting Revolving Loan or Swingline Loan.

(b) If the Issuing Lender shall not have received from the Borrower the payment that it is required to make pursuant to Section 3.5(a) with respect to a Letter of Credit within the time specified in such Section, the Issuing Lender will promptly notify the Administrative Agent of the L/C Disbursement and the Administrative Agent will promptly notify each L/C Lender of such L/C Disbursement and its L/C Percentage thereof, and each L/C Lender shall pay to the Issuing Lender upon demand at the Issuing Lender's address for notices specified herein an amount equal to such L/C Lender's L/C Percentage of such L/C Disbursement (and the Administrative Agent may apply Cash Collateral provided for this purpose); upon such payment pursuant to this paragraph to reimburse the Issuing Lender for any L/C Disbursement, the Borrower shall be required to reimburse the L/C Lenders for such payments (including interest accrued thereon from the date of such payment until the date of such reimbursement at the rate applicable to Revolving Loans that are ABR Loans plus 2% per annum) on demand; provided that if at the time of and after giving effect to such payment by the L/C Lenders, the conditions to borrowings and Revolving Loan Conversions set forth in Section 5.2 are satisfied, the Borrower may, by written notice to the Administrative Agent certifying that such conditions are satisfied and that all interest owing under this paragraph has been paid, request that such payments by the L/C Lenders be converted into Revolving Loans (a "**Revolving Loan Conversion**"), in which case, if such conditions are in fact satisfied, the L/C Lenders shall be deemed to have extended, and the Borrower shall be deemed to have accepted, a Revolving Loan in the aggregate principal amount of such payment without further action on the part of any party, and the Total L/C Commitments shall be permanently reduced by such amount; any amount so paid pursuant to this paragraph shall, on and after the payment date thereof, be deemed to be Revolving Loans for all purposes hereunder; provided that the Issuing Lender, at its option, may effectuate a Revolving Loan Conversion regardless of whether the conditions to borrowings and Revolving Loan Conversions set forth in Section 5.2 are satisfied.

**3.6 Obligations Absolute.** The Borrower's obligations under this Section 3 shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment that the Borrower may have or have had against the Issuing Lender, any beneficiary of a



Letter of Credit or any other Person. The Borrower also agrees with the Issuing Lender that the Issuing Lender shall not be responsible for, and the Borrower's obligations hereunder shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even though such documents shall in fact prove *post factum* to be invalid, fraudulent or forged, or any dispute between or among the Borrower and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred or any claims whatsoever of the Borrower against any beneficiary of such Letter of Credit or any such transferee. The Issuing Lender shall not be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit, except for errors or omissions found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Issuing Lender. The Borrower agrees that any action taken or omitted by the Issuing Lender under or in connection with any Letter of Credit or the related drafts or documents, if done in the absence of gross negligence or willful misconduct, shall be binding on the Borrower and shall not result in any liability of the Issuing Lender to the Borrower.

In addition to amounts payable as elsewhere provided in the Agreement, the Borrower hereby agrees to pay and to protect, indemnify, and save Issuing Lender harmless from and against any and all claims, demands, liabilities, damages, losses, costs, charges and expenses (including reasonable attorneys' fees) that the Issuing Lender may incur or be subject to as a consequence, direct or indirect, of (a) the issuance of any Letter of Credit, or (b) the failure of Issuing Lender or of any L/C Lender to honor a demand for payment under any Letter of Credit as a result of any act or omission, whether rightful or wrongful, of any present or future de jure or de facto government or Governmental Authority, in each case other than to the extent solely as a result of the gross negligence or willful misconduct of Issuing Lender or such L/C Lender (as finally determined by a court of competent jurisdiction).

**3.7 Letter of Credit Payments.** If any draft shall be presented for payment under any Letter of Credit, the Issuing Lender shall promptly notify the Borrower and the Administrative Agent of the date and amount thereof. The responsibility of the Issuing Lender to the Borrower in connection with any draft presented for payment under any Letter of Credit shall, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining that the documents (including each draft) delivered under such Letter of Credit in connection with such presentment are substantially in conformity with such Letter of Credit.

**3.8 Applications.** To the extent that any provision of any Application related to any Letter of Credit is inconsistent with the provisions of this Section 3, the provisions of this Section 3 shall apply.

**3.9 Interim Interest.** If the Issuing Lender shall make any L/C Disbursement in respect of a Letter of Credit, then, unless either the Borrower shall have reimbursed such L/C Disbursement in full within the time period specified in Section 3.5(a) or the L/C Lenders shall have reimbursed such L/C Disbursement in full on such date as provided in Section 3.5(b), in each case the unpaid amount thereof shall bear interest for the account of the Issuing Lender, for each day from and including the date of such L/C Disbursement to but excluding the date of payment by the Borrower, at the rate per annum that would apply to such amount if such amount were a Revolving Loan that is an ABR Loan; provided that the provisions of Section 2.15(c) shall be applicable to any such amounts not paid when due.

**3.10 Cash Collateral.**

(a) Certain Credit Support Events. Upon the request of the Administrative Agent or the Issuing Lender (i) if the Issuing Lender has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in an L/C Advance by all the L/C Lenders that is not

reimbursed by the Borrower or converted into a Revolving Loan or Swingline Loan pursuant to Section 3.5(b), or (ii) if, as of the Letter of Credit Maturity Date, any L/C Exposure for any reason remains outstanding, the Borrower shall, in each case, immediately Cash Collateralize the then effective L/C Exposure in an amount equal to 105% of such L/C Exposure.

At any time that there shall exist a Defaulting Lender, within one (1) Business Day following the request of the Administrative Agent or the Issuing Lender (with a copy to the Administrative Agent), the Borrower shall deliver to the Administrative Agent Cash Collateral in an amount sufficient to cover 105% of the Fronting Exposure relating to the Letters of Credit (after giving effect to Section 2.24(a)(iv)) and any Cash Collateral provided by such Defaulting Lender).

(b) Grant of Security Interest. All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in blocked, non-interest bearing deposit accounts with the Administrative Agent. The Borrower, and to the extent provided by any Lender or Defaulting Lender, such Lender or Defaulting Lender, hereby grants to (and subjects to the control of) the Administrative Agent, for the benefit of the Administrative Agent, the Issuing Lender and the L/C Lenders, and agrees to maintain, a first priority security interest and Lien in all such Cash Collateral and in all proceeds thereof, as security for the Obligations to which such Cash Collateral may be applied pursuant to Section 3.10(c). If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent or any Issuing Lender as herein provided, or that the total amount of such Cash Collateral is less than 105% of the applicable L/C Exposure, Fronting Exposure and other Obligations secured thereby, the Borrower or the relevant Lender or Defaulting Lender, as applicable, will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency (after giving effect to any Cash Collateral provided by such Defaulting Lender).

(c) Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this Section 3.10, Section 2.24 or otherwise in respect of Letters of Credit shall be held and applied to the satisfaction of the specific L/C Exposure, obligations to fund participations therein (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(d) Termination of Requirement. Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure in respect of Letters of Credit or other Obligations shall no longer be required to be held as Cash Collateral pursuant to this Section 3.10 following (i) the elimination of the applicable Fronting Exposure and other Obligations giving rise thereto (including by the termination of the Defaulting Lender status of the applicable Lender), or (ii) a determination by the Administrative Agent and the Issuing Lender that there exists excess Cash Collateral; provided, however, (A) that Cash Collateral furnished by or on behalf of a Loan Party shall not be released during the continuance of an Event of Default, and (B) that, subject to Section 2.24, the Person providing such Cash Collateral and the Issuing Lender may agree that such Cash Collateral shall not be released but instead shall be held to support future anticipated Fronting Exposure or other obligations, and provided further, that to the extent that such Cash Collateral was provided by the Borrower or any other Loan Party, such Cash Collateral shall remain subject to any security interest and Lien granted pursuant to the Loan Documents including any applicable Cash Management Agreement.

**3.11 Additional Issuing Lenders.** The Borrower may, at any time and from time to time with the consent of the Administrative Agent (which consent shall not be unreasonably withheld) and such Lender, designate one or more additional Lenders to act as an issuing bank under the terms of this

Agreement. Any Lender designated as an issuing bank pursuant to this paragraph shall be deemed to be an “**Issuing Lender**” (in addition to being a Lender) in respect of Letters of Credit issued or to be issued by such Lender, and, with respect to such Letters of Credit, such term shall thereafter apply to the other Issuing Lender and such Lender.

**3.12 Resignation of the Issuing Lender.** The Issuing Lender may resign at any time by giving at least 30 days’ prior written notice to the Administrative Agent, the Lenders and the Borrower. Subject to the next succeeding paragraph, upon the acceptance of any appointment as the Issuing Lender hereunder by a Lender that shall agree to serve as successor Issuing Lender, such successor shall succeed to and become vested with all the interests, rights and obligations of the retiring Issuing Lender and the retiring Issuing Lender shall be discharged from its obligations to issue additional Letters of Credit hereunder without affecting its rights and obligations with respect to Letters of Credit previously issued by it. At the time such resignation shall become effective, the Borrower shall pay all accrued and unpaid fees pursuant to Section 3.3 which are then due and payable. The acceptance of any appointment as the Issuing Lender hereunder by a successor Lender shall be evidenced by an agreement entered into by such successor, in a form satisfactory to the Borrower and the Administrative Agent, and, from and after the effective date of such agreement, (i) such successor Lender shall have all the rights and obligations of the previous Issuing Lender under this Agreement and the other Loan Documents and (ii) references herein and in the other Loan Documents to the term “Issuing Lender” shall be deemed to refer to such successor or to any previous Issuing Lender, or to such successor and all previous Issuing Lenders, as the context shall require. After the resignation of the Issuing Lender hereunder, the retiring Issuing Lender shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Lender under this Agreement and the other Loan Documents with respect to Letters of Credit issued by it prior to such resignation, but shall not be required to issue additional Letters of Credit or to extend, renew or increase any existing Letter of Credit.

**3.13 Applicability of UCP and ISP.** Unless otherwise expressly agreed by the Issuing Lender and the Borrower when a Letter of Credit is issued and subject to applicable laws, the Letters of Credit shall be governed by and subject to (a) with respect to standby Letters of Credit, the rules of the ISP, and (b) with respect to commercial Letters of Credit, the rules of the Uniform Customs and Practice for Documentary Credits, as published in its most recent version by the International Chamber of Commerce on the date any commercial Letter of Credit is issued.

#### **SECTION 4 REPRESENTATIONS AND WARRANTIES**

To induce the Administrative Agent and the Lenders to enter into this Agreement and to make the Loans and issue the Letters of Credit, the Borrower hereby represents and warrants to the Administrative Agent and each Lender, as to itself and each other Group Member (provided that each representation and warranty in the last sentence of Section 4.4 and each representation and warranty under Sections 4.5, 4.19 and 4.30 shall be subject to the Legal Reservations and the Perfection Requirements), that:

##### **4.1 Financial Condition.**

(a) The Pro Forma Financial Statements have been prepared giving effect (as if such events had occurred on such date) to (i) the Loans to be made on the Closing Date and the use of proceeds thereof, and (ii) the payment of fees and expenses in connection with the foregoing. The Pro Forma Financial Statements have been prepared based on the best information available to the Borrower as of the date of delivery thereof, and present fairly in all material respects on a *pro forma* basis the estimated financial position of the Group Members as of the period covered thereby assuming that the events specified in the preceding sentence had actually occurred at such date, it being recognized by the Lenders

that such financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information may differ from the projected results set forth therein by a material amount.

(b) The audited consolidated balance sheets of the Group Members as of December 31, 2019 and December 31, 2018, and the related consolidated statements of income and of cash flows for the fiscal years ended on such dates, present fairly in all material respects the consolidated financial condition of the Group Members as at such date, and the consolidated results of its operations and its consolidated cash flows for the respective fiscal years then ended. The unaudited consolidated balance sheets of the Group Members as at September 30, 2020 and the related unaudited consolidated statements of income and cash flows for the nine-month period ended on such date, present fairly in all material respects the consolidated financial condition of the Group Members as at such date, and the consolidated results of its operations and its consolidated cash flows for the nine-month period then ended (subject to the absence of footnotes and normal year-end audit adjustments). All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by the auditing accounting firm and disclosed therein and with the exception that the unaudited financial statements may not contain all footnotes required by GAAP). No Group Member has, as of the Closing Date, any material Guarantee Obligations, contingent liabilities and liabilities for past due taxes, or any long-term leases or unusual forward or long-term commitments, including any interest rate or foreign currency swap or exchange transaction or other obligation in respect of derivatives, that are not reflected in the most recent financial statements referred to in this paragraph. During the period from December 31, 2019 to and including the date hereof, there has been no Disposition by any Group Member of any material part of its business or property.

**4.2 No Change.** Since December 31, 2019, there has been no development or event that has had or could reasonably be expected to have a Material Adverse Effect.

**4.3 Existence; Compliance with Law.** Each Group Member (a) is duly incorporated or organized, validly existing and (if applicable) in good standing under the laws of the jurisdiction of its organization or incorporation, as applicable, (b) has the power and authority, and the legal right, to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged, (c) is duly qualified as a foreign corporation or other organization and (if applicable) in good standing under the laws of each jurisdiction where the failure to be so qualified or in good standing could reasonably be expected to have a Material Adverse Effect and (d) is in material compliance with all Requirements of Law and the Operating Documents of such Group Member except in such instances in which (i) such Requirement of Law is being contested in good faith by appropriate proceedings diligently conducted and the prosecution of such contest could not reasonably be expected to result in a Material Adverse Effect, or (ii) the failure to comply therewith, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

**4.4 Power, Authorization; Enforceable Obligations.** Each Loan Party has the power and authority, and the legal right, to make, deliver and perform the Loan Documents to which it is a party and, in the case of the Borrower, to obtain extensions of credit hereunder. Each Loan Party has taken all necessary organizational or corporate, as applicable, action to authorize the execution, delivery and performance of the Loan Documents to which it is a party and, in the case of the Borrower, to authorize the extensions of credit on the terms and conditions of this Agreement. No Governmental Approval or consent or authorization of, filing with, notice to or other act by or in respect of, any other Person is required in connection with the extensions of credit hereunder or with the execution, delivery, performance, validity or enforceability of this Agreement or any of the Loan Documents, except (i)

Governmental Approvals, consents, authorizations, filings and notices, which have been obtained or made and are in full force and effect, and (ii) the filings referred to in [Section 4.19](#). Each Loan Document has been duly executed and delivered on behalf of each Loan Party party thereto. This Agreement constitutes, and each other Loan Document upon execution will constitute, a legal, valid and binding obligation of each Loan Party party thereto, enforceable against each such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

**4.5 No Legal Bar.** The execution, delivery and performance of this Agreement and the other Loan Documents, the issuance of Letters of Credit, the extensions of credit hereunder and the use of the proceeds thereof will not violate any material Requirement of Law (except as set forth on [Schedule 4.5](#)), any Operating Document of any Group Member or any material Contractual Obligation of any Group Member and will not result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any Requirement of Law (other than the Liens created by the Security Documents). No Group Member has violated any Requirement of Law, any Operating Document of such Group Member or violated or failed to comply with any Contractual Obligation applicable to such Group Member that could reasonably be expected to have a Material Adverse Effect. The absence of obtaining the Governmental Approvals described on [Schedule 4.5](#) and the violations of Requirements of Law referenced on [Schedule 4.5](#) shall not have a material adverse effect on any rights of the Lenders or the Administrative Agent pursuant to the Loan Documents.

**4.6 Litigation.** No litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of any Group Member, threatened, by or against any Group Member or against any of their respective properties or revenues (a) with respect to any of the Loan Documents or any of the transactions contemplated hereby or thereby, or (b) that could reasonably be expected to have a Material Adverse Effect.

**4.7 No Default.** No Group Member is in default under or with respect to any of its Contractual Obligations in any respect that could reasonably be expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing, nor shall either result from the making of a requested credit extension under this Agreement.

**4.8 Ownership of Property; Liens; Investments.** Each Group Member has title in fee simple to, or a valid leasehold interest in, all of its real property, and good title to, or a valid leasehold interest in, all of its other property, and none of such property is subject to any Lien except as permitted by [Section 7.3](#). No Loan Party owns any Investment except as permitted by [Section 7.8](#), [Section 10](#) of the Collateral Information Certificate sets forth a complete and accurate list of all real property owned by each Loan Party as of the Closing Date, if any. The Collateral Information Certificate sets forth a complete and accurate list of all leases of real property under which any Loan Party is the lessee as of the Closing Date.

**4.9 Intellectual Property.** Each Group Member owns, or is licensed to use, all Intellectual Property necessary for the conduct of its business as currently conducted. No claim has been asserted and is pending by any Person challenging or questioning any Group Member's use of any Intellectual Property or the validity or effectiveness of any Group Member's Intellectual Property, nor does any Group Member know of any valid basis for any such claim, unless such claim could not reasonably be expected to have a Material Adverse Effect. To the knowledge of the Loan Parties, the use of Intellectual Property by each Group Member, and the conduct of such Group Member's business, as currently conducted, does not infringe on or otherwise violate the rights of any Person, unless such infringement

could not reasonably be expected to have a Material Adverse Effect, and there are no claims pending or, to the knowledge of any Loan Party, threatened to such effect.

**4.10 Taxes.** Each Group Member has filed or caused to be filed all U.S. federal and non-U.S. income and all other material Tax returns that are required to be filed and has paid all Taxes shown to be due and payable on said returns or on any assessments made against it in writing or any of its property and all other Taxes imposed in writing on it or any of its property by any Taxing Authority (other than any Taxes (i) the amount of which do not exceed \$500,000 in the aggregate or (ii) the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the relevant Group Member), no tax Lien has been filed that secures Tax liabilities in excess of \$500,000 and, to the knowledge of the Group Members, no claim exceeding \$500,000 in value has been asserted in writing with respect to any such Tax securing such Tax lien.

**4.11 Federal Regulations.** The Borrower is not engaged and will not engage, principally or as one of its important activities, in the business of “buying” or “carrying” “margin stock” (within the respective meanings of each of the quoted terms under Regulation U as now and from time to time hereafter in effect) or extending credit for the purpose of purchasing or carrying margin stock. No part of the proceeds of any Loans, and no other extensions of credit hereunder, will be used for buying or carrying any such margin stock or for extending credit to others for the purpose of purchasing or carrying margin stock in violation of Regulations T, U or X of the Board.

**4.12 Labor Matters.** Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect: (a) there are no strikes or other labor disputes against any Group Member pending or, to the knowledge of the Loan Parties, threatened; (b) hours worked by and payment made to employees of each Group Member have not been in violation of the Fair Labor Standards Act or any other applicable Requirement of Law dealing with such matters, as applicable; and (c) all payments due from any Group Member on account of employee health and welfare insurance have been paid or accrued as a liability on the books of the relevant Group Member.

**4.13 ERISA and Other Pension Matters.**

(a) Schedule 4.13 is a complete and accurate list of all Pension Plans maintained or sponsored by the Borrower or any ERISA Affiliate or to which the Borrower or any ERISA Affiliate contributes as of the Closing Date;

(b) except as in the aggregate could not reasonably be expected to have a Material Adverse Effect, the Borrower and its ERISA Affiliates are in compliance in all material respects with all applicable provisions and requirements of ERISA with respect to each Plan, and have performed all their obligations under each Plan;

(c) except as in the aggregate could not reasonably be expected to result in a material adverse effect to the Borrower or any ERISA Affiliate, no ERISA Event has occurred or is reasonably expected to occur;

(d) except as in the aggregate could not reasonably be expected result in material adverse effect to the Borrower or any ERISA Affiliate, the Borrower and each of its ERISA Affiliates have met all applicable requirements under the ERISA Funding Rules with respect to each Pension Plan, and no waiver of the minimum funding standards under the ERISA Funding Rules has been applied for or obtained;

(e) as of the most recent valuation date for any Pension Plan, the funding target attainment percentage (as defined in Section 430(d)(2) of the Code) is at least 60%, and neither the Borrower nor any of its ERISA Affiliates knows of any facts or circumstances that could reasonably be expected to cause the funding target attainment percentage to fall below 60% as of the most recent valuation date;

(f) except to the extent required under Section 4980B of the Code, or as described on Schedule 4.13, no Plan provides health or welfare benefits (through the purchase of insurance or otherwise) for any retired or former employee of the Borrower or any of its ERISA Affiliates;

(g) as of the most recent valuation date for any Pension Plan, the amount of outstanding benefit liabilities (as defined in Section 4001(a)(18) of ERISA), individually or in the aggregate for all Pension Plans (excluding for purposes of such computation any Pension Plans with respect to which assets exceed benefit liabilities), does not exceed \$500,000;

(h) the execution and delivery of this Agreement and the consummation of the transactions contemplated hereunder will not involve any transaction that is subject to the prohibitions of Section 406 of ERISA or in connection with which taxes could be imposed pursuant to Section 4975(c)(1)(A)-(D) of the Code;

(i) all liabilities under each Plan are (i) funded to at least the minimum level required by law or, if higher, to the level required by the terms governing the Plans, (ii) insured with a reputable insurance company, (iii) provided for or recognized in the financial statements most recently delivered to the Administrative Agent and the Lenders pursuant hereto or (iv) estimated in the formal notes to the financial statements most recently delivered to the Administrative Agent and the Lenders pursuant hereto;

(j) except as in the aggregate could not reasonably be expected to have a Material Adverse Effect, there are no circumstances which may give rise to a liability in relation to any Plan which is not funded, insured, provided for, recognized or estimated in the manner described in clause (g);

(k) (i) the Borrower is not and will not be a “plan” within the meaning of Section 4975(e) of the Code; (ii) the assets of the Borrower do not and will not constitute “plan assets” within the meaning of the United States Department of Labor Regulations set forth in 29 C.F.R. §2510.3-101; (iii) the Borrower is not and will not be a “governmental plan” within the meaning of Section 3(32) of ERISA; and (iv) transactions by or with the Borrower are not and will not be subject to state statutes applicable to the Borrower regulating investments of fiduciaries with respect to governmental plans;

(l) neither the Borrower nor any of its Subsidiaries is or has at any time been an employer (for the purposes of sections 38 to 51 of the UK Pensions Act 2004) of an occupational pension scheme which is not a money purchase scheme (both terms as defined in the UK Pensions Schemes Act 1993); and

(m) neither the Borrower nor any of its Subsidiaries is or has at any time been “connected” with or an “associate” of (as those terms are used in sections 38 and 43 of the UK Pensions Act 2004) such an employer.

**4.14 Investment Company Act; Other Regulations.** No Loan Party is an “investment company,” or a company “controlled” by an “investment company,” within the meaning of the Investment Company Act of 1940, as amended. Except as set forth on Schedule 4.5, no Loan Party is subject to regulation under any Requirement of Law (other than Regulation X of the Board) that limits its

ability to incur Indebtedness or which may otherwise render all or any portion of the Obligations unenforceable.

#### **4.15 Subsidiaries.**

(a) Except as disclosed to the Administrative Agent by the Borrower in writing from time to time after the Closing Date, (a) Schedule 4.15 sets forth the name and jurisdiction of organization of each Subsidiary of the Borrower and, as to each such Subsidiary, the percentage of each class of Capital Stock owned by any Loan Party, and (b) there are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than stock options granted to employees or directors and directors' qualifying shares) of any nature relating to any Capital Stock of any Subsidiary of the Borrower, except as may be created by the Loan Documents.

(b) No Subsidiary which has been designated as an Immaterial Subsidiary fails to satisfy the limitations set forth in the definition thereof.

**4.16 Use of Proceeds.** The proceeds of the Term Loans and the Revolving Loans (including Swingline Loans) shall be used to finance Permitted Acquisitions, to refinance the obligations of the Borrower outstanding under the Existing Credit Facility and to pay related fees and expenses and for working capital and general corporate purposes. .

**4.17 Environmental Matters.** Except as, in the aggregate, could not reasonably be expected to have a Material Adverse Effect:

(a) except as disclosed on Schedule 4.17, the facilities and properties owned, leased or operated by any Group Member (the "**Properties**") do not contain, and, to the knowledge of the Loan Parties, have not previously contained, any Materials of Environmental Concern in amounts or concentrations or under circumstances that constitute or have constituted a violation of, or could give rise to liability under, any Environmental Law;

(b) no Group Member has received or is aware of any notice of violation, alleged violation, non-compliance, liability or potential liability regarding environmental matters or compliance with Environmental Laws with regard to any of the Properties or the business operated by any Group Member (the "**Business**"), nor does any Group Member have knowledge or reason to believe that any such notice will be received or is being threatened;

(c) no Group Member has transported or disposed of Materials of Environmental Concern from the Properties in violation of, or in a manner or to a location that could give rise to liability under, any Environmental Law, nor has any Group Member generated, treated, stored or disposed of Materials of Environmental Concern at, on or under any of the Properties in violation of, or in a manner that could give rise to liability under, any applicable Environmental Law;

(d) no judicial proceeding or governmental or administrative action is pending or, to the knowledge of any Loan Party, threatened, under any Environmental Law to which any Group Member is or will be named as a party with respect to the Properties or the Business, nor are there any consent decrees or other decrees, consent orders, administrative orders or other orders, or other administrative or judicial requirements outstanding under any Environmental Law with respect to the Properties or the Business;

(e) there has been no release or threat of release of Materials of Environmental Concern at or from the Properties arising from or related to the operations of any Group Member or



otherwise in connection with the Business, in violation of or in amounts or in a manner that could give rise to liability under Environmental Laws;

(f) the Properties and all operations of the Group Members at the Properties are in compliance, and have in the last five years been in compliance, with all applicable Environmental Laws, and except as set forth on Schedule 4.17, to the knowledge of the Borrower, there is no contamination at, under or about the Properties or violation of any Environmental Law with respect to the Properties or the Business; and

(g) no Group Member has assumed any liability of any other Person under Environmental Laws.

**4.18 Accuracy of Information, etc.** No statement or information contained in this Agreement, any other Loan Document or any other document, certificate or statement furnished by or on behalf of any Loan Party to the Administrative Agent or the Lenders, or any of them, for use in connection with the transactions contemplated by this Agreement or the other Loan Documents, contained as of the date such statement, information, document or certificate was so furnished (as modified or supplemented by other information so furnished), any untrue statement of a material fact or omitted to state a material fact necessary to make the statements contained herein or therein (when taken as a whole) not misleading in any material respect in light of the circumstances in which they were made (it being recognized by the Lenders that financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information may differ from the projected results set forth therein by a material amount). The projections and *pro forma* financial information contained in the materials referenced above are based upon good faith estimates and assumptions believed by management of the Borrower to be reasonable at the time made, it being recognized by the Lenders that such projections and financial information as they relate to future events are not to be viewed as fact and that actual results during the period or periods covered by such projections and financial information may differ from the projected results set forth therein by a material amount. There is no fact known to any Loan Party that could reasonably be expected to have a Material Adverse Effect that has not been expressly disclosed herein, in the other Loan Documents or in any other documents, certificates and statements furnished to the Administrative Agent and the Lenders for use in connection with the transactions contemplated hereby and by the other Loan Documents other than general conditions affecting the Borrower's industry.

#### **4.19 Security Documents.**

(a) The Guarantee and Collateral Agreement is effective to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a legal, valid and enforceable security interest in the Collateral described therein and proceeds thereof. In the case of the Pledged Stock described in the Guarantee and Collateral Agreement that are securities represented by stock certificates or otherwise constituting certificated securities within the meaning of Section 8-102(a)(15) of the UCC or the corresponding code or statute of any other applicable jurisdiction ("***Certificated Securities***"), when certificates representing such Pledged Stock are delivered to the Administrative Agent, and in the case of the other Collateral constituting personal property described in the Guarantee and Collateral Agreement, when financing statements and other filings specified on Schedule 4.19(a) in appropriate form are filed in the offices specified on Schedule 4.19(a), the Administrative Agent, for the benefit of the Secured Parties, shall have a perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such Collateral and the proceeds thereof, as security for the Obligations, in each case (i) to the extent required herein or in the Security Documents and (ii) prior in right to any other Person (except, in the case of Collateral other than Pledged Stock, Liens permitted by Section 7.3 and

except as otherwise not required under the Loan Documents). As of the Closing Date, none of the Capital Stock of any Group Members (other than any Immaterial Subsidiary) that is a limited liability company or partnership has any Capital Stock that is a Certificated Security.

(b) Each of the Mortgages delivered after the Closing Date will be, upon execution, effective to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a legal, valid and enforceable Lien on the Mortgaged Properties described therein and proceeds thereof, and when the Mortgages are filed in the offices for the applicable jurisdictions in which the Mortgaged Properties are located, each such Mortgage shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in the Mortgaged Properties and the proceeds thereof, as security for the Obligations (as defined in the relevant Mortgage), in each case prior in right to any other Person (other than Liens permitted pursuant to Section 7.3).

(c) Each of the UK Security Documents will be, upon execution, effective to create in favor of the Administrative Agent, for the benefit of the Secured Parties legal, valid and enforceable Liens which those UK Security Documents purport to create and, when such UK Security Documents are filed or registered, as applicable, in the offices for the applicable jurisdictions in which the assets secured by those UK Security Documents are located, those Liens will be valid, effective and enforceable. The Liens created by the UK Security Documents have or will, upon execution, have first ranking priority and are not subject to any prior ranking or *pari passu* ranking Liens (other than Liens permitted by Section 7.3). No restriction or condition of law or any agreement exists or applies to the ability of the applicable Loan Parties to transfer or grant a security interest in or charge the Collateral.

**4.20 Solvency; Voidable Transaction.** Each Loan Party is, and after giving effect to the incurrence of all Indebtedness, Obligations and obligations being incurred in connection herewith, will be Solvent. Each UK Group Member (other than any Immaterial Subsidiary) is not unable to pay its debts (including trade debts) within the meaning of the UK Insolvency Act 1986 and has not stopped paying its debts as they fall due and the value of its assets is not less than the value of its liabilities (taking into account its contingent and prospective liabilities). No transfer of property is being made by any Loan Party and no obligation is being incurred by any Loan Party in connection with the transactions contemplated by this Agreement or the other Loan Documents with the intent to hinder, delay, or defraud either present or future creditors of such Loan Party. No Group Member has taken any corporate or other action nor has any application been made or any other steps been taken or legal proceedings been started or (to the best of such Loan Party's knowledge and belief having made due and proper enquiry with the Group Members) threatened in writing against such Group Member for its winding-up or for the appointment of a liquidator, trustee, receiver, administrative receiver, administrator, examiner or similar officer of it or of any or all of its assets.

**4.21 Regulation H.** No Mortgage encumbers improved real property that is located in an area that has been identified by the Secretary of Housing and Urban Development as an area having special flood hazards and in which flood insurance has not been made available under the National Flood Insurance Act of 1968.

**4.22 Designated Senior Indebtedness.** The Loan Documents and all of the Obligations have been deemed "Designated Senior Indebtedness" or a similar concept thereto, if applicable, for purposes of any other Indebtedness of the Loan Parties.

**4.23 [Reserved].**

**4.24 Insurance.** All insurance maintained by the Loan Parties is in full force and effect, all premiums have been duly paid, no Loan Party has received notice of violation or cancellation thereof, and

there exists no default under any requirement of such insurance. Each Loan Party maintains insurance with financially sound and reputable insurance companies on all its property in at least such amounts and against at least such risks as are usually insured against in the same general area by companies engaged in the same or a similar business.

**4.25 No Casualty.** No Loan Party has received any notice of, nor does any Loan Party have any knowledge of, the occurrence or pendency or contemplation of any Casualty Event affecting all or any material portion of its property.

**4.26 Contracts.** All statements made by the Group Members and all unpaid balances appearing in all invoices, instruments and other documents evidencing Recurring Revenue are and shall be true and correct in all material respects and all such invoices, instruments and other documents, and all of the books and records are genuine and in all material respects what they purport to be. All sales and other transactions underlying or giving rise to each Account shall comply in all material respects with all applicable Requirements of Law. To the Borrower's knowledge, all signatures and endorsements on all documents, instruments, and agreements relating to all Accounts are genuine, and all such documents, instruments and agreements are legally enforceable in accordance with their terms. The applicable Loan Party is the owner of and has legal right to sell, transfer, assign and encumber each contact generating Recurring Revenue, and there are no offsets, counterclaims or agreements for which the Account Debtor may claim any deduction or discount that are not deducted in the Borrowing Base.

**4.27 Capitalization.** Schedule 4.27 sets forth the registered owners of all Capital Stock of the Borrower, and the amount of Capital Stock held by each such owner, as of the Closing Date.

**4.28 OFAC.** No Group Member, nor, to the knowledge of any such Loan Party, any director, officer, employee, agent, affiliate or representative thereof, is an individual or an entity that is, or is owned or controlled by an individual or entity that is (a) currently the subject of any Sanctions, or (b) located, organized or resident in a Designated Jurisdiction.

**4.29 Anti-Corruption Laws.** Each Group Member has conducted its businesses in compliance with applicable anti-corruption laws and has instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

**4.30 Representations as to Foreign Obligors.**

(a) Each Foreign Obligor is subject to civil and commercial Requirements of Law with respect to its Obligations under, as applicable, this Agreement and the other Loan Documents to which it is a party (collectively, as to each such Foreign Obligor, the "**Applicable Foreign Obligor Documents**"), and the execution, delivery and performance by each such Foreign Obligor of the Applicable Foreign Obligor Documents to which it is party constitute and will constitute private and commercial acts and not public or governmental acts. No such Foreign Obligor nor any of its respective property has any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) under the laws of the jurisdiction in which such Foreign Obligor is organized and existing in respect of its Obligations under the Applicable Foreign Obligor Documents to which it is party.

(b) Each of the Applicable Foreign Obligor Documents are in proper legal form under the respective Requirements of Law of the jurisdiction in which the applicable Foreign Obligor party to such Applicable Foreign Obligor Documents is organized and existing (i) for the enforcement thereof against such Foreign Obligor under such Requirements of Law, and (ii) to ensure the legality, validity, enforceability, priority or admissibility in evidence thereof. It is not necessary to ensure the

legality, validity, enforceability, priority or admissibility in evidence of any such Applicable Foreign Obligor Documents that such Applicable Foreign Obligor Documents be filed, registered or recorded with, or executed or notarized before, any court or other authority in the jurisdiction in which the applicable Foreign Obligor is organized and existing or that any registration charge or stamp or similar tax be paid on or in respect of any such Applicable Foreign Obligor Documents or any other document, except for (x) any such filing, registration, recording, execution or notarization that has been made or that is not required to be made until such Applicable Foreign Obligor Document or any such other document is sought to be enforced, (y) any charge or tax as has been timely paid and (z) in the case of the UK Debenture granted by a UK company, filing with UK Companies House.

(c) There is no tax, levy, impost, duty, fee, assessment or other governmental charge, or any deduction or withholding, imposed by any Governmental Authority in or of the jurisdiction in which any Foreign Obligor is organized and existing either (i) on or by virtue of the execution or delivery of the Applicable Foreign Obligor Documents to which any such Foreign Obligor is party, or (ii) on any payment to be made by any such Foreign Obligor (other than a UK Group Member) pursuant to the Applicable Foreign Obligor Documents to which it is party, except as has been disclosed to the Administrative Agent.

## SECTION 5 CONDITIONS PRECEDENT

**5.1 Conditions to Initial Extension of Credit.** The effectiveness of this Agreement and the obligation of each Lender to make its initial extension of credit hereunder shall be subject to the satisfaction or waiver, prior to or concurrently with the making of such extension of credit on the Closing Date, of the following conditions precedent:

(a) Loan Documents. The Administrative Agent shall have received each of the following, each of which shall be in form and substance reasonably satisfactory to the Administrative Agent:

- (i) this Agreement, executed and delivered by the Administrative Agent, the Borrower and each Lender listed on Schedule 1.1A;
- (ii) the Collateral Information Certificate, executed by a Responsible Officer of the Borrower;
- (iii) if required by any Term Lender, a Term Loan Note executed by the Borrower in favor of such Term Lender;
- (iv) if required by any Revolving Lender, a Revolving Loan Note executed by the Borrower in favor of such Revolving Lender;
- (v) if required by the Swingline Lender, the Swingline Loan Note executed by the Borrower in favor of such Swingline Lender;
- (vi) the Guarantee and Collateral Agreement, executed and delivered by each Grantor and Guarantor named therein;
- (vii) each Intellectual Property Security Agreement, executed by the applicable Grantor related thereto;
- (viii) each other Security Document, executed and delivered by the applicable Loan Party party thereto; and

(ix) the Flow of Funds Agreement, executed by the Borrower

(b) Certificate of Incorporation. The Administrative Agent shall have received evidence, which shall be in form and substance reasonably satisfactory to the Administrative Agent, that the certificate of incorporation of the Borrower has been amended to state that no redemption, whether optional or mandatory, of any Preferred Stock shall be consummated unless such redemption is permitted by the terms of the Loan Documents or other documents governing senior Indebtedness of the Group Members.

(c) Pro Forma Financial Statements; Financial Statements. The Administrative Agent shall have received (i) the Pro Forma Financial Statements and (ii) the financial statements of the Group Members referenced in Section 4.1(b).

(d) Approvals. All Governmental Approvals and consents and approvals of, or notices to, any other Person (including the holders of any Capital Stock issued by any Loan Party) required in connection with the execution and performance of the Loan Documents, shall have been obtained and be in full force and effect.

(e) Secretary's or Managing Member's Certificates; Certified Operating Documents; Good Standing Certificates. The Administrative Agent shall have received (i) a certificate of each Loan Party, dated the Closing Date and executed by the Secretary, Managing Member, director or equivalent officer of such Loan Party, substantially in the form of Exhibit C, with appropriate insertions and attachments, including (A) the Operating Documents of such Loan Party certified, in the case of formation documents, as of a recent date by the secretary of state or similar official of the relevant jurisdiction of organization of such Loan Party or by a director in the case of a Loan Party that is a UK Group Member, (B) the relevant shareholder resolutions (if required) board resolutions or written consents of such Loan Party adopted by such Loan Party for the purposes of authorizing such Loan Party to enter into and perform the Loan Documents to which such Loan Party is party, (C) in relation to Kaltura Europe, a copy of a resolution signed by all the holders of the issued shares in a Loan Party approving the terms of, and the transactions contemplated by, the Loan Documents to which such Loan Party is a party and (D) the names, titles, incumbency and signature specimens of those representatives of such Loan Party who have been authorized by such resolutions and/or written consents to execute Loan Documents on behalf of such Loan Party, (ii) where applicable, a long form good standing certificate (or other equivalent document) for each Loan Party from its respective jurisdiction of organization or incorporation, and (iii) (other than in relation to a UK Loan Party) a certificate of foreign qualification from each jurisdiction (other than its jurisdiction of organization or incorporation) where the failure of any Loan Party to be qualified could reasonably be expected to have a Material Adverse Effect.

(f) Responsible Officer's Certificates.

(i) The Administrative Agent shall have received a certificate signed by a Responsible Officer of the Borrower, in form and substance reasonably satisfactory to it, either (A) attaching copies of all consents, licenses and approvals required in connection with the execution, delivery and performance by such Loan Party and the validity against such Loan Party of the Loan Documents to which it is party, and such consents, licenses and approvals shall be in full force and effect, or (B) stating that no such consents, licenses or approvals are so required.

(ii) The Administrative Agent shall have received a certificate signed by a Responsible Officer of the Borrower, dated as of the Closing Date and in form and substance reasonably satisfactory to it, certifying (A) that the conditions specified in Sections 5.2(a) and (d) have been satisfied, and (B) that there has been no event or circumstance since December 31, 2019, that has had or that could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

(g) Patriot Act, etc. The Administrative Agent and each Lender shall have received, prior to the Closing Date, all documentation and other information reasonably requested to comply with applicable “know your customer” and anti-money-laundering rules and regulations, including the Patriot Act, and a properly completed and signed IRS Form W-8 or W-9, as applicable, for each Loan Party.

(h) Due Diligence Investigation. The Administrative Agent shall have completed a due diligence investigation of the Group Members in scope, and with results, reasonably satisfactory to the Administrative Agent and shall have been given such access to the management, records, books of account, contracts and properties of the Group Members and shall have received such financial, business and other information regarding each of the foregoing Persons and businesses as it shall have reasonably requested.

(i) Reports. The Administrative Agent shall have received, in form and substance satisfactory to it, all asset appraisals, field audits, and such other reports and certifications, as it has reasonably requested.

(j) Existing Credit Facility, Etc. The Borrower shall have provided notice to each Existing Lender (in accordance with the applicable terms of the applicable Existing Credit Facility) of its intent to pay all obligations of the Group Members outstanding under the applicable Existing Credit Facility on the Closing Date, (B) the Administrative Agent shall have received Payoff Letters in respect of each Existing Credit Facility executed by the applicable Existing Lender and the Borrower, and (C) all obligations of the Group Members in respect of the Existing Credit Facilities shall, substantially contemporaneously with the funding of certain Loan proceeds on the Closing Date have been paid in full.

(k) Collateral Matters.

(i) Lien Searches. The Administrative Agent shall have received the results of recent lien, judgment and litigation searches reasonably required by the Administrative Agent, and such searches shall reveal no Liens on any of the assets of the Loan Parties except for Liens permitted by Section 7.3, or Liens securing obligations of the Group Members under the Existing Credit Facility, which Liens shall be discharged substantially contemporaneously with the Closing Date pursuant to the Payoff Letter.

(ii) Pledged Stock; Stock Powers; Pledged Notes. The Administrative Agent shall have received (A) the certificates representing the shares of Capital Stock pledged to the Administrative Agent (for the benefit of the Secured Parties) pursuant to the Security Documents, together with an undated stock power for each such certificate executed in blank by a duly authorized officer of the pledgor thereof, and (B) each promissory note (if any) pledged to the Administrative Agent (for the benefit of the Secured Parties) pursuant to the Guarantee and Collateral Agreement, endorsed (without recourse) in blank (or accompanied by an executed transfer form in blank) by the pledgor thereof.

(iii) Filings, Registrations, Recordings, Agreements, Etc. Each document (including any UCC financing statements, Intellectual Property Security Agreements, Deposit Account Control Agreements, Securities Account Control Agreements, and landlord access agreements and/or bailee waivers) required by the Security Documents or reasonably requested by the Administrative Agent to be filed, registered or recorded to create in favor of the Administrative Agent (for the benefit of the Secured Parties), a perfected Lien on the Collateral described therein, prior in right and priority to any Lien in the Collateral held by any other Person (other than with respect to Liens expressly permitted by

Section 7.3), shall have been executed and delivered to the Administrative Agent or, as applicable, be in proper form for filing, registration or recordation.

(iv) Collateral Audit. The Administrative Agent shall have completed a harvest analysis and such other examinations regarding the business and affairs of the Group Members and the Collateral as it reasonably requires.

(l) Insurance. The Administrative Agent shall have received insurance certificates and endorsements satisfying the requirements of Section 6.6 hereof and Section 5.2(b) of the Guarantee and Collateral Agreement, in form and substance reasonably satisfactory to the Administrative Agent.

(m) Fees. The Lenders and the Administrative Agent shall have received all fees required to be paid on or prior to the Closing Date (including pursuant to the Fee Letter), and all reasonable and documented fees and expenses for which invoices have been presented (including the reasonable and documented fees and expenses of legal counsel to the Administrative Agent) for payment on or before the Closing Date (subject to the limitations set forth in the proposal letter agreement dated as of October 16, 2020 between the Borrower and SVB). All such amounts will be paid with proceeds of Loans made on the Closing Date.

(n) Legal Opinions. The Administrative Agent shall have received the executed legal opinion of Latham & Watkins, LLP, special New York counsel to the Borrower, and Osborne Clarke LLP, English counsel to the Administrative Agent, in form and substance reasonably satisfactory to the Administrative Agent. Such legal opinions shall cover such customary matters incident to the transactions contemplated by this Agreement and the other Loan Documents as the Administrative Agent may reasonably require.

(o) Borrowing Notices. The Administrative Agent shall have received, (i) in respect of any Term Loans to be made on the Closing Date, a completed Notice of Borrowing executed by the Borrower and otherwise complying with the requirements of Section 2.2 and (ii) in respect of any Revolving Loans to be made on the Closing Date, a completed Notice of Borrowing executed by the Borrower and otherwise complying with the requirements of Section 2.5.

(p) Solvency Certificate. The Administrative Agent shall have received a Solvency Certificate from the chief financial officer or treasurer of the Borrower.

(q) No Material Adverse Effect. There shall not have occurred since December 31, 2019 any event or condition that has had or could be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

(r) No Litigation. No litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of any Group Member, threatened, that could reasonably be expected to have a Material Adverse Effect and no litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of any Loan Party, threatened in writing, relating to or arising out of the Loan Documents or the transactions contemplated hereby and thereby.

For purposes of determining compliance with the conditions specified in this Section 5.1, each Lender that has executed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter either sent (or made available) by the Administrative Agent to such Lender for consent, approval, acceptance or satisfaction, or required thereunder to be consented to or approved by or acceptable or satisfactory to such Lender, unless an officer of the Administrative Agent responsible for the transactions contemplated by the Loan Documents shall have

received notice from such Lender prior to the Closing Date specifying such Lender's objection thereto and either such objection shall not have been withdrawn by notice to the Administrative Agent to that effect on or prior to the Closing Date or, if any extension of credit on the Closing Date has been requested, such Lender shall not have made available to the Administrative Agent on or prior to the Closing Date such Lender's Revolving Percentage or Term Percentage, as the case may be, of such requested extension of credit.

**5.2 Conditions to Each Extension of Credit.** The agreement of each Lender to make any extension of credit requested to be made by it on any date (including its initial extension of credit, any conversion of Loans pursuant to Section 2.13(a) and any continuation of Loans pursuant to Section 2.13(b)) is subject to the satisfaction of the following conditions precedent (except in the case of any conversion of Loans pursuant to Section 2.13(a) or continuation of Loans pursuant to Section 2.13(b), only the conditions precedent set forth in clause (d) below):

(a) Representations and Warranties. Each of the representations and warranties made by each Loan Party in or pursuant to any Loan Document (i) that is qualified by materiality shall be true and correct, and (ii) that is not qualified by materiality, shall be true and correct in all material respects, in each case, on and as of such date as if made on and as of such date, except to the extent any such representation and warranty expressly relates to an earlier date, in which case such representation and warranty shall have been true and correct in all material respects (or all respects, as applicable) as of such earlier date.

(b) Availability. With respect to any requests for any Revolving Extensions of Credit, after giving effect to such Revolving Extension of Credit, the availability and borrowing limitations specified in Section 2.4 shall be complied with.

(c) Notices of Borrowing. The Administrative Agent shall have received a Notice of Borrowing in connection with any such request for extension of credit which complies with the requirements hereof.

(d) No Default. No Default or Event of Default shall have occurred and be continuing as of or on such date or after giving effect to the extensions of credit requested to be made on such date.

Each borrowing by and issuance of a Letter of Credit on behalf of the Borrower hereunder, each Revolving Loan Conversion and each conversion of a Term Loan shall constitute a representation and warranty by the Borrower as of the date of such extension of credit, Revolving Loan Conversion or conversion of a Term Loan, as applicable, that the conditions contained in this Section 5.2 (or, in the case of Revolving Loan Conversion or continuation of Loans, Section 5.2(d) only) have been satisfied.

**5.3 Post-Closing Conditions Subsequent.** The Borrower shall satisfy each of the conditions subsequent to the Closing Date specified in this Section 5.3 to the satisfaction of the Administrative Agent, in each case, by no later than the date specified for such condition below (or such later date as the Administrative Agent shall agree in its sole discretion):

(a) Within thirty (30) days after the Closing Date, to the extent not delivered to the Administrative Agent on or prior to the Closing Date, deliver to the Administrative Agent insurance certificates and endorsements satisfying the requirements of Section 6.6 hereof and Section 5.2(b) of the Guarantee and Collateral Agreement, in form and substance satisfactory to the Administrative Agent.



**SECTION 6**  
**AFFIRMATIVE COVENANTS**

The Borrower hereby agrees that, at all times prior to the Discharge of Obligations, the Borrower shall, and, where applicable, shall cause each of its Subsidiaries to:

**6.1 Financial Statements.** Furnish to the Administrative Agent, with sufficient copies for distribution to each Lender:

(a) as soon as available, but in any event within 180 days after the end of each fiscal year of the Borrower, a copy of the audited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such fiscal year and the related audited consolidated statements of income and of cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous year, reported on without a “going concern” or like qualification or exception, or qualification arising out of the scope of the audit (in each case, other than a “going concern” or like matter of emphasis solely as a result of the maturity date of any Loan or other Indebtedness incurred in compliance with this Agreement), by any “Big Four” accounting firm, or any other independent certified public accountants of nationally recognized standing and reasonably acceptable to the Administrative Agent;

(b) as soon as available, but in any event within 45 days after the end of each fiscal quarter period of each fiscal year of the Borrower, the unaudited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such fiscal quarter and the related unaudited consolidated statements of income and of cash flows for such fiscal quarter and the portion of the fiscal year through the end of such fiscal quarter, setting forth in each case in comparative form the figures for the previous year, certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year-end audit adjustments and the absence of footnotes); and

(c) as soon as available, but in any event not later than 30 days after the end of each month occurring during each fiscal year of the Borrower (other than the third, sixth, ninth and twelfth such months), the unaudited consolidated balance sheet of the Borrower and its consolidated Subsidiaries as at the end of such month and the related unaudited consolidated statements of income and of cash flows for such month and the portion of the fiscal year through the end of such month, setting forth in each case in comparative form the figures for the previous year, certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year-end audit adjustments and the absence of footnotes).

All such financial statements shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP applied (except as approved by such accountants or officer, as the case may be, and disclosed in reasonable detail therein) consistently throughout the periods reflected therein and with prior periods. Information required to be delivered pursuant to Section 6.1(a) or (c) shall be deemed to have been delivered if such information, or one or more annual or quarterly reports containing such information, shall be available on the website of the SEC at <http://www.sec.gov> or on the website of the Borrower (provided, in each case, that Borrower has notified the Administrative Agent (including by e-mail) that such information is available on such website and, if requested by the Administrative Agent, shall have provided hard copies to the Administrative Agent). Information required to be delivered pursuant to this Section 6.1 may also be delivered by electronic communications pursuant to procedures approved by the Administrative Agent. Each Lender shall be solely responsible for timely accessing posted documents and maintaining its copies of such documents.

**6.2 Certificates; Reports; Other Information.** Furnish (or, in the case of clause (a), use best efforts to furnish) to the Administrative Agent, for distribution to each Lender (or, in the case of clause (h), to the relevant Lender):

(a) [reserved];

(b) concurrently with the delivery of any financial statements pursuant to Section 6.1, (i) a certificate of a Responsible Officer on behalf of the Borrower stating that, to the best of such Responsible Officer's knowledge, each Loan Party during such period has observed or performed all of its covenants and other agreements, and satisfied every condition contained in this Agreement and the other Loan Documents to which it is a party to be observed, performed or satisfied by it during such period, and that such Responsible Officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate and (ii) in the case of monthly, quarterly or annual financial statements, (x) a Compliance Certificate containing all information and calculations necessary for determining compliance by each Loan Party with the provisions of this Agreement referred to therein as of the last day of the month, fiscal quarter or fiscal year of the Borrower, as the case may be, (y) to the extent not previously disclosed to the Administrative Agent, a description of any change in the jurisdiction of organization of any Loan Party and a list of any registered Intellectual Property or other material Intellectual Property issued to, applied for or acquired by any Loan Party since the date of the most recent report delivered pursuant to this clause (y) (or, in the case of the first such report so delivered, since the Closing Date), and (z) to the extent requested by the Administrative Agent, bank statements evidencing compliance with the Liquidity financial covenant;

(c) as soon as available, and in any event no later than 60 days after the end of each fiscal year of the Borrower, a detailed consolidated budget for the following fiscal year (including a projected consolidated balance sheet of the Borrower and its Subsidiaries as of the end of each fiscal quarter of such fiscal year, the related consolidated statements of projected cash flow, projected changes in financial position and projected income and a description of the underlying assumptions applicable thereto), and, as soon as available, significant revisions, if any, of such budget and projections with respect to such fiscal year approved by the Borrower's board of directors (collectively, the "**Projections**"), which board-approved Projections shall in each case be accompanied by a certificate of a Responsible Officer of the Borrower stating that such board-approved Projections are based on estimates, information and assumptions believed by the Borrower to be reasonable at the time made, it being recognized that such board-approved Projections are not to be viewed as fact and that actual results during the period or periods covered by such Projections may differ from the projected results set forth therein by a material amount;

(d) promptly, and in any event within five (5) Business Days after receipt thereof by any Group Member, copies of each notice or other correspondence received from the SEC (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other inquiry by such agency regarding financial or other operational results of any Group Member (other than routine comment letters from the staff of the SEC relating to the Borrower's filings with the SEC);

(e) within five (5) Business Days after the same are sent, copies of, or links to the filings made at the SEC's Edgar site of, each annual report, proxy or financial statement or other material report that any Group Member sends to the holders of any class of its Indebtedness or public equity securities and, within five (5) Business Days after the same are filed, copies of, or links to the filings made at the SEC's Edgar site of, all annual, regular, periodic and special reports and registration statements which the Group Member may file with the SEC under Section 13 or 15(d) of the Exchange

Act, or with any national securities exchange, and not otherwise required to be delivered to the Administrative Agent pursuant hereto;

(f) upon request by the Administrative Agent, within five days after the same are sent or received by any Group Member, copies of all correspondence, reports, documents and other filings with any Governmental Authority regarding compliance with or maintenance of Governmental Approvals or Requirements of Law or that could reasonably be expected to have a Material Adverse Effect on any of the Governmental Approvals or otherwise on the operations of the Group Members;

(g) concurrently with the delivery of the financial statements referred to in Sections 6.1(b) and (c), a Borrowing Base Certificate accompanied by such supporting detail and documentation as shall be requested by the Administrative Agent in its reasonable discretion, including without limitation, details of Recurring Revenue including, without limitation, Monthly Recurring Revenue total Recurring Revenue, total customers, the Advance Rate, Churn Rate and the Retention Rate; and

(h) if requested by the Administrative Agent, concurrently with the delivery of the financial statements referred to in Section 6.1(a), a report of a reputable insurance broker with respect to the insurance coverage required to be maintained pursuant to Section 6.6, together with any supplemental reports with respect thereto which the Administrative Agent may reasonably request; and

(i) promptly, such additional financial and other information regarding the operations, business affairs and financial condition of any Group Member, including, without limitation, any certification or other evidence confirming Borrower's compliance with the terms of this Agreement, as the Administrative Agent or any Lender may from time to time reasonably request.

### **6.3 Contracts.**

(a) Schedules and Documents Relating to Contracts. The Borrower's failure to execute and deliver any required transaction reports, Borrowing Base Certificates and schedules of collections shall not affect or limit the Administrative Agent's Lien and other rights in all of the Accounts (including for the avoidance of doubt any contracts generating Recurring Revenue), nor shall Lenders' failure to advance or lend against a specific contract (to the extent permitted by this Agreement) limit the Administrative Agent's Lien and other rights therein. If requested by the Administrative Agent, the Borrower shall furnish the Administrative Agent with copies of all contracts, orders, invoices, and other similar documents, and all shipping instructions, delivery receipts, bills of lading, and other evidence of delivery, for any goods the sale or disposition of which gave rise to such Accounts. In addition, the Borrower shall deliver to the Administrative Agent, on its request, the originals of all instruments, chattel paper, security agreements, guarantees and other documents and property evidencing or securing any Accounts, in the same form as received, with all necessary endorsements, and copies of all credit memos.

(b) Disputes. The Borrower shall promptly notify the Administrative Agent of all disputes or claims relating to accounts which allege or involve an amount in excess of \$500,000. The Borrower may forgive (completely or partially), compromise, or settle any Account for less than payment in full, or agree to do any of the foregoing at any time so long as (i) the Borrower does so in good faith, in a commercially reasonable manner, in the ordinary course of business, in arm's-length transactions, and reports the same to the Administrative Agent in the regular reports provided to the Administrative Agent; (ii) no Default or Event of Default has occurred and is continuing at such time; and (iii) after taking into account all such discounts, settlements and forgiveness, the aggregate amount of aggregate Revolving Extensions of Credit then outstanding will not exceed the Available Revolving Commitment in effect at such time.

(c) Collection of Accounts. The Group Members shall have the right to collect all Accounts; provided that, if an Event of Default has occurred and is continuing, the Administrative Agent may, in its sole discretion, collect any such Accounts of the Loan Parties. The Loan Parties shall cause all payments on, and proceeds of, Accounts collected in the United States to be deposited directly by the Loan Parties (or instructed by the Loan Parties to be so deposited pursuant to written instructions to the applicable Account Debtor reasonably satisfactory to the Administrative Agent) into one or more lockbox accounts, or such other “blocked accounts” as the Administrative Agent may specify, pursuant to a blocked account arrangement in form and substance reasonably satisfactory to the Administrative Agent (it being agreed that the blocked account arrangement existing on the date hereof is reasonably satisfactory). At any time that an Event of Default exists, any such amounts actually paid to or collected by the Administrative Agent pursuant to this Section 6.3(c) shall be applied by the Administrative Agent (except as otherwise agreed to by the Administrative Agent in writing in its sole discretion) on a daily basis to the reduction of the Loans and to Cash Collateralize then outstanding and Letters of Credit. If (i) no Event of Default is then in effect or (ii) (A) any amount of such payments or collections remains after the application by the Administrative Agent thereof to the payment in full of the outstanding Loans and Cash Collateralization of Letters of Credit, and (B) such remaining amount is not otherwise required to be applied to the Obligations pursuant to any other Section of this Agreement, then such remaining amount shall be returned by the Administrative Agent, within one (1) Business Day, to a depository account of the Borrower maintained with the Administrative Agent and the Loan Parties shall have full and complete access to, and may direct the manner of disposition of, funds in such account.

(d) [Reserved].

(e) Verification. The Administrative Agent may, from time to time, verify directly with the respective Account Debtors the validity, amount and other matters relating to the contracts, either in the name of a Borrower or the Administrative Agent or such other name as the Administrative Agent may choose.

(f) No Liability. The Administrative Agent shall not be responsible or liable for any shortage or discrepancy in, damage to, or loss or destruction of, any goods, the sale or other disposition of which gives rise to a contract, or for any error, act, omission, or delay of any kind occurring in the settlement, failure to settle, collection or failure to collect any Account, or for settling any Account in good faith for less than the full amount thereof, nor shall the Administrative Agent be deemed to be responsible for any of the Borrower’s obligations under any contract or agreement giving rise to an Account. Nothing herein shall, however, relieve the Administrative Agent from liability for its own gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final and non-appealable judgment.

**6.4 Payment of Obligations.** Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent (after giving effect to any extensions granted or grace periods in effect), as the case may be, all its material obligations of whatever nature, except where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on the books of the relevant Group Member.

**6.5 Maintenance of Existence; Compliance.** (a)(i) Preserve, renew and keep in full force and effect its organizational existence and (ii) take all reasonable action to maintain or obtain all Governmental Approvals and all other rights, privileges and franchises necessary or desirable in the normal conduct of its business or necessary for the performance by such Person of its Obligations under any Loan Document, except, in each case, as otherwise permitted by Section 7.4 and except, in the case of clause (ii) above, to the extent that failure to do so could not reasonably be expected to have a Material

Adverse Effect; (b) comply with all Contractual Obligations (including with respect to leasehold interests of the Borrower) and Requirements of Law except to the extent that failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect; and (c) comply with all Governmental Approvals, and any term, condition, rule, filing or fee obligation, or other requirement related thereto, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect. Without limiting the generality of the foregoing, the Borrower shall, and shall cause each of its ERISA Affiliates to: (1) maintain each Plan in compliance in all material respects with the applicable provisions of ERISA, the Code or other Federal or state law; (2) cause each Qualified Plan to maintain its qualified status under Section 401(a) of the Code; (3) make all required contributions to any Plan; (4) not become a party to any Multiemployer Plan; (5) ensure that all liabilities under each Plan are either (x) funded to at least the minimum level required by law or, if higher, to the level required by the terms governing such Plan; (y) insured with a reputable insurance company; or (z) provided for or recognized in the financial statements most recently delivered to the Administrative Agent and the Lenders pursuant hereto; and (6) ensure that the contributions or premium payments to or in respect of each Plan are and continue to be promptly paid at no less than the rates required under the rules of such Plan and in accordance with the most recent actuarial advice received in relation to such Plan and applicable law.

**6.6 Maintenance of Property; Insurance.** (a) Keep all property useful and necessary in its business in good working order and condition, ordinary wear and tear and casualty damage excepted and (b) maintain with financially sound and reputable insurance companies insurance on all its property in at least such amounts and against at least such risks as are usually insured against in the same general area by companies engaged in the same or a similar business.

**6.7 Inspection of Property; Books and Records; Discussions.** (a) Keep proper books of records and account in which full, true and correct entries in conformity with GAAP and all Requirements of Law shall be made of all dealings and transactions in relation to its business and activities and (b) at reasonable times, on five (5) Business Days' notice (provided that no notice is required if an Event of Default has occurred and is continuing), permit representatives and independent contractors of the Administrative Agent (who may be accompanied by any Lender) to visit and inspect any of its properties and examine and make abstracts from any of its books and records and to discuss the business, operations, properties and financial and other condition of the Group Members with officers, directors and employees of the Group Members and with their independent certified public accountants. Such inspections shall not be undertaken more frequently than once every twelve months, unless an Event of Default has occurred and is continuing and shall not be duplicative of the Administrative Agent's rights pursuant to Section 6.11.

**6.8 Notices.** Give prompt written notice to the Administrative Agent of:

(a) the occurrence of any Default or Event of Default;

(b) any (i) default or event of default under any Contractual Obligation of any Group Member or (ii) litigation, investigation or proceeding that may exist at any time between any Group Member and any Governmental Authority, that in either case, if not cured or if adversely determined, as the case may be, could reasonably be expected to have a Material Adverse Effect;

(c) any litigation or proceeding affecting any Group Member (i) in which the amount involved is \$500,000 or more and not covered by insurance, (ii) in which injunctive or similar relief is sought against any Group Member, which, if granted, could reasonably be expected to have a Material Adverse Effect or (iii) which relates to any Loan Document;

(d) (i) promptly after the Borrower has knowledge or becomes aware of the occurrence of any of the following ERISA Events affecting the Borrower or any ERISA Affiliate (but in no event more than ten days after such event), the occurrence of any of the following ERISA Events, and shall provide the Administrative Agent with a copy of any notice with respect to such event that may be required to be filed with a Governmental Authority and any notice delivered by a Governmental Authority to the Borrower or any ERISA Affiliate with respect to such event: (A) an ERISA Event, (B) the adoption of any new Pension Plan by the Borrower or any ERISA Affiliate, (C) the adoption of any amendment to a Pension Plan, if such amendment will result in a material increase in benefits or unfunded benefit liabilities (as defined in Section 4001(a)(18) of ERISA), or (D) the commencement of contributions by the Borrower or any ERISA Affiliate to any Plan that is subject to Title IV of ERISA or Section 412 of the Code; and

(ii) (A) promptly after the giving, sending or filing thereof, or the receipt thereof, copies of (1) each Schedule B (Actuarial Information) to the annual report (Form 5500 Series) filed by the Borrower or any of its ERISA Affiliates with the IRS with respect to each Pension Plan, (2) all notices received by the Borrower or any of its ERISA Affiliates from a Multiemployer Plan sponsor concerning an ERISA Event, and (3) copies of such other documents or governmental reports or filings relating to any Plan as the Administrative Agent shall reasonably request; and (B), without limiting the generality of the foregoing, such certifications or other evidence of compliance with the provisions of Sections 4.13 and 7.9 as any Lender (through the Administrative Agent) may from time to time reasonably request;

(e) (i) any Asset Sale undertaken by any Group Member, and (ii) with respect to any such Asset Sale, the amount of any Net Cash Proceeds received by such Group Member in connection therewith;

(f) any material change in accounting policies or financial reporting practices by any Loan Party;

(g) unless a Loan Party is a public company or an issuer of securities that are registered with SEC under Section 12 of the Exchange Act or that is required to file reports under Section 15(d) of the Exchange Act, any changes to the beneficial ownership information delivered to the Administrative Agent or any Lender on or prior to the Closing Date in the event that any individual, shall become the owner of 25% or more of the voting stock of the Borrower. The Loan Parties understand and acknowledge that the Secured Parties rely on such true, accurate and up-to-date beneficial ownership information to meet their regulatory obligations to obtain, verify and record information about the beneficial owners of their legal entity customers; and

(h) any development or event that has had or could reasonably be expected to have a Material Adverse Effect.

Each notice pursuant to this Section 6.8 shall be accompanied by a statement of a Responsible Officer setting forth details of the occurrence referred to therein and stating what action the relevant Group Member proposes to take with respect thereto.

## **6.9 Environmental Laws.**

(a) Comply in all material respects with, and ensure compliance in all material respects by all tenants and subtenants, if any, with, all applicable Environmental Laws, and obtain and comply in all material respects with and maintain, and ensure that all tenants and subtenants, if any,

obtain and comply in all material respects with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws.

(b) Conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions required under Environmental Laws and promptly comply in all material respects with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws.

**6.10 Operating Accounts.** Except as otherwise agreed to by the Administrative Agent, maintain all of the Borrower's and its Domestic Subsidiaries' depository and operating accounts and excess cash with SVB or with SVB's Affiliates; provided however that to the extent excess cash of the Borrower and its Domestic Subsidiaries exceeds ~~\$50,000,000~~ 75,000,000, the excess above such amount shall not be subject to such restriction and will not be required to be maintained with SVB or with SVB's Affiliates.

**6.11 Audits.** Without duplication of Section 6.7, at reasonable times, on five (5) Business Day's notice (provided that no notice is required if an Event of Default has occurred and is continuing), the Administrative Agent, or its agents, shall have the right to inspect the Collateral, conduct a field examination and the right to audit and copy any and all of any Loan Party's books and records including ledgers, federal and state tax returns, records regarding assets or liabilities, the Collateral, business operations or financial condition, and all computer programs or storage or any equipment containing such information. The foregoing inspections, field examinations and audits shall be at the Borrower's expense and the charge therefor shall be \$1,000 per person per day (or such higher amount as shall represent the Administrative Agent's then-current standard charge for the same), plus reasonable out-of-pocket expenses; provided that, prior to the occurrence and continuance of an Event of Default, in any event the maximum charge shall be Ten Thousand Dollars (\$10,000) per audit. Such inspections, field examinations and audits shall not be undertaken more frequently than once each every twelve months, unless an Event of Default has occurred and is continuing.

**6.12 Additional Collateral, Etc.**

(a) With respect to any property (to the extent included in the definition of Collateral) acquired after the Closing Date by any Loan Party (other than (x) any property described in paragraph (b), (c) or (d) below, and (y) any property subject to a Lien expressly permitted by Section 7.3(g)) as to which the Administrative Agent, for the benefit of the Secured Parties, does not have a perfected Lien, promptly (and in any event within ten (10) Business Days after such acquisition or such longer period as the Administrative Agent shall agree in its sole discretion) (i) execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement or such other documents as the Administrative Agent reasonably deems necessary or advisable to evidence that such Loan Party is a Guarantor and to grant to the Administrative Agent, for the benefit of the Secured Parties, a security interest in such property and (ii) take all actions necessary or advisable in the reasonable opinion of the Administrative Agent to grant to the Administrative Agent, for the benefit of the Secured Parties, a perfected first priority (except as expressly permitted by Section 7.3) security interest and Lien in such property, including the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Guarantee and Collateral Agreement or by law or as may be reasonably requested by the Administrative Agent.

(b) With respect to any fee interest in any real property having a fair market value (together with improvements thereof) of at least \$1,000,000 acquired after the Closing Date by any Loan Party (other than any such real property subject to a Lien expressly permitted by Section 7.3(g)), promptly (and in any event within sixty (60) days (or such longer time period as the Administrative Agent may

agree in its sole discretion)) after such acquisition, to the extent requested by the Administrative Agent, (i) execute and deliver a first priority Mortgage, in favor of the Administrative Agent, for the benefit of the Secured Parties, covering such real property, (ii) if requested by the Administrative Agent, provide the Lenders with title and extended coverage insurance covering such real property in an amount not in excess of the fair market value as reasonably estimated by the Borrower as well as a current ALTA survey thereof, together with a surveyor's certificate, each of the foregoing in form and substance reasonably satisfactory to the Administrative Agent and (iii) if requested by the Administrative Agent, deliver to the Administrative Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent. In connection with the foregoing, no later than five (5) Business Days prior to the date on which a Mortgage is executed and delivered pursuant to this [Section 6.12](#), in order to comply with the Flood Laws, the Administrative Agent (for delivery to each Lender) shall have received the following documents (collectively, the "**Flood Documents**"): (A) a completed standard "life of loan" flood hazard determination form (a "**Flood Determination Form**") and such other documents as any Lender may reasonably request to complete its flood due diligence, (B) if the improvement(s) to the applicable improved real property is located in a special flood hazard area, a notification to the applicable Loan Party (if applicable) ("**Loan Party Notice**") that flood insurance coverage under the National Flood Insurance Program ("**NFIP**") is not available because the community does not participate in the NFIP, (C) documentation evidencing the applicable Loan Party's receipt of any such Loan Party Notice (e.g., countersigned Loan Party Notice, return receipt of certified U.S. Mail, or overnight delivery), and (D) if the Loan Party Notice is required to be given and, to the extent flood insurance is required by any applicable Requirement of Law or any Lenders' written regulatory or compliance procedures and flood insurance is available in the community in which the property is located, a copy of one of the following: the flood insurance policy, the applicable Loan Party's application for a flood insurance policy plus proof of premium payment, a declaration page confirming that flood insurance has been issued, or such other evidence of flood insurance that complies with all applicable laws and regulations reasonably satisfactory to the Administrative Agent and each Lender (any of the foregoing being "**Evidence of Flood Insurance**"). Notwithstanding anything contained herein to the contrary, no Mortgage will be executed and delivered until each Lender has confirmed to the Administrative Agent that such Lender has satisfactorily completed its flood insurance due diligence and compliance requirements. Each of the parties hereto acknowledges and agrees that, if there are any Mortgaged Properties, any increase, extension or renewal of any of the Commitments (excluding (i) any continuation or conversion of borrowings, (ii) the making of any Revolving Loans or (iii) the issuance, renewal or extension of Letters of Credit) shall be subject to (and conditioned upon): (A) the prior delivery of all applicable Flood Documents with respect to such Mortgaged Properties as required by the Flood Laws and as otherwise reasonably required by the Lenders and (B) the Administrative Agent having received written confirmation from each Lenders.

(c) With respect to any new direct or indirect Subsidiary (other than an Excluded Subsidiary) created or acquired after the Closing Date (including pursuant to a Permitted Acquisition), any new Subsidiary formed by Division by any Loan Party (or upon any Subsidiary no longer qualifying as an Excluded Subsidiary), promptly (i) execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement as the Administrative Agent reasonably deems necessary or advisable to grant to the Administrative Agent, for the benefit of the Secured Parties, a perfected first priority security interest in the Capital Stock of such Subsidiary that is owned directly by such Loan Party, (ii) deliver to the Administrative Agent such documents and instruments as may be reasonably required to grant, perfect, protect and ensure the priority of such security interest, including but not limited to, the certificates representing such Capital Stock, together with undated stock powers, in



blank, executed and delivered by a duly authorized officer of the relevant Loan Party, (iii) cause such Subsidiary (A) to become a party to the Guarantee and Collateral Agreement, (B) to take such actions as are necessary or advisable in the reasonable opinion of the Administrative Agent to grant to the Administrative Agent for the benefit of the Secured Parties a perfected first priority security interest in the Collateral described in the Guarantee and Collateral Agreement, with respect to such Subsidiary, including the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Guarantee and Collateral Agreement or by law or as may be reasonably requested by the Administrative Agent and (C) to deliver to the Administrative Agent a certificate of such Subsidiary, in a form reasonably satisfactory to the Administrative Agent, with appropriate insertions and attachments, and (iv) if requested by the Administrative Agent, deliver to the Administrative Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent; it being agreed that if such Subsidiary is formed by a Division, the foregoing requirements shall be satisfied substantially concurrently with the formation of such Subsidiary.

(d) With respect to any new Foreign Subsidiary that is not an Immaterial Subsidiary created or acquired after the Closing Date (including pursuant to a Permitted Acquisition) by any Loan Party (or upon any Foreign Subsidiary that is also an Immaterial Subsidiary no longer qualifying as an Immaterial Subsidiary), promptly (i) execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement, as the Administrative Agent reasonably deems necessary or advisable to grant to the Administrative Agent, for the benefit of the Secured Parties, a perfected first priority security interest in the Capital Stock of such Foreign Subsidiary that is directly owned by any such Loan Party; provided that in no event shall more than sixty-five percent (65%) of the total outstanding voting Capital Stock of any such Foreign Subsidiary be required to be so pledged, (ii) deliver to the Administrative Agent the certificates representing such Capital Stock, together with undated stock powers, in blank, executed and delivered by a duly authorized officer of the relevant Loan Party, and take such other action (including, as applicable, the delivery of any foreign law pledge documents reasonably requested by the Administrative Agent) as may be necessary or, in the reasonable opinion of the Administrative Agent, desirable to perfect the Administrative Agent's security interest therein, and (iii) if reasonably requested by the Administrative Agent, deliver to the Administrative Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent. Any pledge of the voting Capital Stock of any Foreign Subsidiary other than Kaltura Europe (taking into account all direct and indirect pledges by any Loan Parties) in excess of sixty- five percent (65%) shall be void *ab initio*.

(e) At the request of the Administrative Agent, each Loan Party shall use commercially reasonable efforts to obtain a landlord's agreement or bailee letter, as applicable, from the lessor of each leased property or bailee with respect to any warehouse, processor or converter facility or other location that is either the Borrower's corporate headquarters or where Collateral having value exceeding \$1,000,000 is stored or located, which agreement or letter shall contain a waiver or subordination of all Liens or claims that the landlord or bailee may assert against the Collateral at that location, and shall otherwise be reasonably satisfactory in form and substance to the Administrative Agent. After the Closing Date, no Collateral having a value in excess of \$1,000,000 shall be stored at any real property or warehouse space leased by any Loan Party under arrangements established after the Closing Date (excluding the renewal of existing arrangement, which may include changes in the lease terms), without the prior written consent of the Administrative Agent or unless and until a reasonably satisfactory landlord agreement or bailee letter, as appropriate, shall first have been obtained with respect to such location. Each Loan Party shall pay and perform its material obligations under all leases and

other agreements with respect to each leased location or public warehouse where any Collateral is or may be located.

**6.13 [Reserved].**

**6.14 Use of Proceeds.** Use the proceeds of each credit extension only for the purposes specified in Section 4.16.

**6.15 Designated Senior Indebtedness.** Cause the Loan Documents and all of the Obligations (other than any such Obligations arising in connection with Cash Management Services) to be deemed “Designated Senior Indebtedness” or a similar concept thereto, if applicable, for purposes of any Indebtedness of the Loan Parties.

**6.16 Anti-Corruption Laws.** Conduct its business in compliance with all applicable Sanctions and anti-corruption laws and maintain policies and procedures designed to promote and achieve compliance with such laws.

**6.17 Further Assurances.** Execute any further instruments and take such further action as the Administrative Agent reasonably deems necessary to perfect, protect, ensure the priority of or continue the Administrative Agent’s Lien on the Collateral or to effect the purposes of this Agreement.

## **SECTION 7 NEGATIVE COVENANTS**

The Borrower hereby agrees that, at all times prior to the Discharge of Obligations, the Borrower shall not, nor shall it permit any of its Subsidiaries to, directly or indirectly:

## 7.1 Financial Condition Covenants.

(a)

(i)

(a) Annualized Recurring Revenue. ~~Permit~~If the EBITDA Testing Period is not in effect, permit the Annualized Recurring Revenue, as calculated at the last day of each fiscal quarter, to be less than the amount set forth below opposite such fiscal quarter:

<u>Fiscal Quarter Ending</u>	<u>Minimum Annualized Recurring Revenue</u>
December 31, 2020	\$98,000,000
March 31, 2021	\$102,500,000
June 30, 2021	\$106,000,000
September 30, 2021	\$111,000,000
December 31, 2021	\$118,000,000
March 31, 2022	\$124,000,000
June 30, 2022	\$128,000,000
September 30, 2022	\$134,000,000
December 31, 2022	\$140,000,000
March 31, 2023	\$150,000,000
June 30, 2023	\$160,000,000
September 30, 2023	\$170,000,000
December 31, 2023	\$190,000,000

(ii) Consolidated Adjusted EBITA. During the EBITDA Testing Period, permit the Consolidated Adjusted EBITDA of the Borrower and its consolidated Subsidiaries, as of the last day of any fiscal quarter of the Borrower set forth below, on a trailing twelve month basis, to be less than the amount set forth below opposite such fiscal quarter:

<u>Fiscal Quarter Period Ending</u>	<u>Consolidated Adjusted EBITDA (negative Adjusted EBITDA)</u>
<u>June 30, 2021</u>	<u>\$6,000,000</u>
<u>September 30, 2021</u>	<u>\$111,000,000</u>
<u>December 31, 2021</u>	<u>(\$6,000,000)</u>
<u>March 31, 2022</u>	<u>(\$4,000,000)</u>
<u>June 30, 2022</u>	<u>(\$10,000,000)</u>
<u>September 30, 2022</u>	<u>(\$8,000,000)</u>
<u>December 31, 2022</u>	<u>(\$6,000,000)</u>
<u>March 31, 2023</u>	<u>\$2,000,000</u>
<u>June 30, 2023</u>	<u>\$7,000,000</u>
<u>September 30, 2023</u>	<u>\$15,000,000</u>
<u>December 31, 2023</u>	<u>\$16,000,000</u>

(b) Minimum Liquidity. Permit Liquidity at any time, reported as of the last day of any calendar month, to be less than \$10,000,000.

**7.2 Indebtedness.** Create, issue, incur, assume, become liable in respect of or suffer to exist any Indebtedness, except:

(a) Indebtedness of any Loan Party pursuant to any Loan Document and under any Cash Management Agreement;

(b) Indebtedness of (i) any Loan Party owing to any other Loan Party; (ii) any Group Member (which is not a Loan Party) owing to any other Group Member (which is not a Loan Party); (iii) any Group Member (which is not a Loan Party) owing to any Loan Party, which constitutes an Investment permitted by Section 7.8(e)(iii); provided, that, such Indebtedness owing from any Group Member (which is not a Loan Party) to a Loan Party shall be evidenced by a master promissory note and such promissory note shall be pledged as Collateral; and (iv) any Loan Party owing to any Group Member (which is not a Loan Party); provided that such Indebtedness is subordinated to the Obligations on terms and conditions reasonably acceptable to the Administrative Agent;

(c) Guarantee Obligations (i) of any Loan Party of the Indebtedness of any other Loan Party; (ii) of any Group Member (which is not a Loan Party) of the Indebtedness of any Loan Party; (iii) by any Group Member (which is not a Loan Party) of the Indebtedness of any other Group Member (which is not a Loan Party) or (iv) of any Loan Party of the Indebtedness of any Group Member that is not a Loan Party, so long as the aggregate amount of such Guarantee Obligations is an Investment permitted by Section 7.8(e)(iii); provided that, in any case of clauses (i), (ii), (iii) or (iv), the underlying Indebtedness so guaranteed is otherwise permitted by the terms hereof;

(d) Indebtedness outstanding on the date hereof and listed on Schedule 7.2(d) and any refinancings, refundings, renewals or extensions thereof (which do not shorten the maturity thereof or increase the principal amount thereof);

(e) Indebtedness (including, without limitation, Capital Lease Obligations and purchase money financing) secured by Liens permitted by Section 7.3(g) in an aggregate principal amount not to exceed \$5,000,000 at any one time outstanding and any refinancings, refundings, renewals or extensions thereof (which do not shorten the maturity thereof or increase the principal amount thereof except by an amount equal to a reasonable premium and other fees and expenses reasonably incurred in connection therewith);

(f) Surety Indebtedness and any other Indebtedness in respect of letters of credit, banker's acceptances, bank guarantees or similar arrangements, provided that the aggregate amount of any such Indebtedness outstanding at any time shall not exceed \$1,000,000;

(g) Subordinated Indebtedness;

(h) Indebtedness of the Group Members not otherwise permitted by this Section in an aggregate principal amount, for all such Indebtedness taken together, not to exceed \$1,000,000 at any one time outstanding;

(i) obligations (contingent or otherwise) of the Group Members existing or arising under any Specified Swap Agreement, provided that such obligations are (or were) entered into by such Person in accordance with Section 7.13 and not for purposes of speculation;

(j) Indebtedness of a Person (other than the Borrower or a Subsidiary) existing at the time such Person is merged with or into a Borrower or a Subsidiary or becomes a Subsidiary, provided

that (i) such Indebtedness was not, in any case, incurred by such other Person in connection with, or in contemplation of, such merger or acquisition, (ii) such merger or acquisition constitutes a Permitted Acquisition, (iii) with respect to any such Person who becomes a Subsidiary, (A) such Subsidiary and any of its Subsidiaries are the only obligors in respect of such Indebtedness, and (B) to the extent such Indebtedness is permitted to be secured hereunder, only the assets of such Subsidiary and any of its Subsidiaries secure such Indebtedness, and (iv) the aggregate principal amount of such Indebtedness shall not exceed \$2,000,000 at any time outstanding;

(k) Indebtedness in the form of purchase price adjustments, earn outs, deferred compensation, or other arrangements representing acquisition consideration or deferred payments of a similar nature incurred in connection with Investments permitted by Section 7.8; provided that the amount of such obligation shall be deemed part of the cost of such Investment (the amount of which shall be deemed to be the amount required to be accrued as a liability in accordance with GAAP or the amount actually paid);

(l) Indebtedness incurred as a result of endorsing negotiable instruments received in the ordinary course of business;

(m) Indebtedness consisting of the financing of insurance premiums;

(n) Indebtedness incurred with corporate credit cards, in the aggregate amount not to exceed \$1,000,000 at any one time outstanding; and

(o) unsecured Indebtedness of the Group Members to trade creditors in the ordinary course of business, to the extent consisting of accounts payable that are no more than one hundred and twenty (120) days past due (other than accounts payable disputed in good faith by any Group Member); and

(p) to the extent constituting Indebtedness, transfer pricing, cost plus or similar arrangements between any Loan Party and any other Group Member on arm's length terms and in the ordinary course of business.

**7.3 Liens.** Create, incur, assume or suffer to exist any Lien upon any of its property, whether now owned or hereafter acquired, except:

(a) Liens for Taxes not yet due or that are being contested in good faith by appropriate proceedings; provided that adequate reserves with respect thereto are maintained on the books of the applicable Group Member in conformity with GAAP;

(b) carriers', warehousemen's, landlord's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business that are not overdue for a period of more than 30 days or that are being contested in good faith by appropriate proceedings;

(c) pledges or deposits in connection with workers' compensation, unemployment insurance and other social security legislation;

(d) deposits to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business (other than for indebtedness or any Liens arising under ERISA) or deposits made in connection with Permitted Acquisitions;

(e) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business that, in the aggregate, are not substantial in amount and that do not in any

case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the applicable Group Member;

(f) Liens in existence on the date hereof listed on Schedule 7.3(f); provided that (i) no such Lien is spread to cover any additional property after the Closing Date, (ii) the amount of Indebtedness secured or benefitted thereby is not increased, (iii) the direct or any contingent obligor with respect thereto is not changed, and (iv) any renewal or extension of the obligations secured thereby is permitted by Section 7.2(d);

(g) Liens securing Indebtedness incurred pursuant to Section 7.2(e) to finance the acquisition of fixed or capital assets; provided that (i) such Liens shall be created substantially simultaneously with, or within 90 days after, the acquisition of such fixed or capital assets, (ii) such Liens do not at any time encumber any property other than the property financed by such Indebtedness, and (iii) the amount of Indebtedness secured thereby is not increased;

(h) Liens created pursuant to the Security Documents;

(i) (x) any interest or title of a lessor or licensor under any lease or license entered into by a Group Member in the ordinary course of its business and covering only the assets so leased or licensed, (y) leases, licenses, subleases and sublicenses of real or personal property granted to others in the ordinary course of business, and (z) non-exclusive licenses of Intellectual Property in the ordinary course of business;

(j) Liens arising from attachments or judgments, orders or decrees that do not constitute a Default or an Event of Default under Section 8.1(h) of this Agreement and notices of *lis pendens* and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made;

(k) bankers' Liens, rights of setoff and other similar Liens existing solely with respect to cash, Cash Equivalents, securities, commodities and other funds on deposit in one or more accounts maintained by a Group Member, in each case arising in the ordinary course of business in favor of banks, other depository institutions, securities or commodities intermediaries or brokerages with which such accounts are maintained securing amounts owing to such banks or financial institutions with respect to cash management and operating account management or are arising under Section 4-208 or 4-210 of the UCC on items in the course of collection;

(l) (i) cash deposits and liens on cash and Cash Equivalents pledged to secure Indebtedness permitted under Section 7.2(f), (ii) Liens securing reimbursement obligations with respect to letters of credit permitted by Section 7.2(f) that encumber documents and other property relating to such letters of credit, and (iii) Liens securing Obligations under any Specified Swap Agreements permitted by Section 7.2(i);

(m) Liens on property of a Person existing at the time such Person is acquired by, merged into or consolidated with a Group Member or becomes a Subsidiary of a Group Member or acquired by a Group Member; provided that (i) such Liens were not created in contemplation of such acquisition, merger, consolidation or Investment, (ii) such Liens do not extend to any assets other than those of such Person and its Subsidiaries, and (iii) the applicable Indebtedness secured by such Lien is permitted under Section 7.2;

(n) the replacement, extension or renewal of any Lien permitted by clause (m) above upon or in the same property theretofore subject thereto or the replacement, extension or renewal (without increase in the amount or change in any direct or contingent obligor) of the Indebtedness secured thereby;

- (o) Liens on insurance proceeds in favor of insurance companies granted solely to secure financed insurance premiums;
- (p) Liens in favor of custom and revenue authorities arising as a matter of law to secure the payment of custom duties in connection with the importation of goods;
- (q) Liens on any earnest money deposits required in connection with a Permitted Acquisition or consisting of earnest money deposits required in connection with an acquisition of property not otherwise prohibited hereunder;
- (r) other Liens not otherwise permitted by this Section securing obligations in an outstanding amount not to exceed \$1,000,000 at any one time;
- (s) Liens securing Subordinated Indebtedness;
- (t) Liens securing Indebtedness incurred pursuant to Section 7.2(n);
- (u) security given to a public utility or any municipality or Governmental Authority when required by such utility or authority in connection with the operations of that Person in the ordinary course of business;
- (v) zoning by-laws and other activity and land use restrictions, including, without limitation, site plan agreements, development agreements, contract zoning agreements and limitations imposed under Environmental Law to secure remedial obligations; and
- (w) Liens arising from precautionary UCC financing statement filings (or the equivalent in any jurisdiction other than the United States) regarding leases, sublicenses, licenses or consignments.

**7.4 Fundamental Changes.** Consummate any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or Dispose of all or substantially all of its property or business, except that:

- (a) (i) any Group Member that is not a Loan Party may be merged, amalgamated or consolidated with or into (A) any Loan Party (provided that a Loan Party shall be the continuing or surviving Person, or the continuing or surviving Person shall become a Loan Party substantially contemporaneous with such merger, amalgamation or consolidation) or (B) any Group Member that is not a Loan Party, and (ii) any Loan Party may be merged, amalgamated or consolidated with or into with any other Loan Party (provided that if such merger, amalgamation or consolidation involves the Borrower, the Borrower shall be the continuing or surviving Person);
- (b) (i) any Group Member that is not a Loan Party may Dispose of any or all of its assets (including upon voluntary liquidation, dissolution or otherwise) (A) to any other Group Member or (B) pursuant to a Disposition permitted by Section 7.5; and (ii) any Loan Party (other than the Borrower) may Dispose of any or all of its assets (including upon voluntary liquidation, dissolution or otherwise) (A) to any other Loan Party or (B) pursuant to a Disposition permitted by Section 7.5;
- (c) any Investment expressly permitted by Section 7.8 may be structured as a merger, consolidation or amalgamation; and
- (d) any Subsidiary of the Borrower may undertake a Division, so long as each entity resulting from such Division becomes a Loan Party if a Loan Party undertakes such Division.

**7.5 Disposition of Property.** Dispose of any of its property, whether now owned or hereafter acquired, or, in the case of any Subsidiary of the Borrower, issue or sell any shares of such Subsidiary's Capital Stock to any Person, except:

- (a) Dispositions of obsolete or worn out or surplus property in the ordinary course of business;
- (b) Dispositions of Inventory in the ordinary course of business;
- (c) Dispositions permitted by Sections 7.4(b)(i)(A) and (b)(ii)(A) and Section 7.4(d);
- (d) the sale or issuance of the Capital Stock of (A) the Borrower in connection with any transaction that does not result in a Change of Control, or (B) any Subsidiary of the Borrower (i) to the Borrower or any other Loan Party, or (ii) in connection with any transaction that does not result in a Change of Control;
- (e) the use or transfer of money or Cash Equivalents in a manner that is not prohibited by the terms of this Agreement or the other Loan Documents;
- (f) the non-exclusive licensing of patents, trademarks, copyrights, and other Intellectual Property rights in the ordinary course of business;
- (g) the Disposition of property (i) from any Loan Party to any other Loan Party, (ii) from any Group Member (which is not a Loan Party) to any other Group Member; provided that in each case in which there is a Lien over the relevant property in favor of the Administrative Agent in advance of the Disposition, an equivalent Lien will be granted to the Administrative Agent by the Group Member which acquires the property, and (iii) from a Loan Party to any Subsidiary (which is not a Loan Party) pursuant to an Investment permitted under Section 7.8(e)(iii);
- (h) Dispositions of property subject to a Casualty Event;
- (i) leases or subleases of real property;
- (j) subject, in the case of any UK Accounts, to the terms of the UK Debenture, the sale or discount without recourse of accounts receivable arising in the ordinary course of business in connection with the compromise or collection thereof;
- (k) any abandonment, cancellation, non-renewal or discontinuance of use or maintenance of Intellectual Property (or rights relating thereto) of any Group Member that the Borrower determines in good faith is desirable in the conduct of its business and not materially disadvantageous to the interests of the Lenders;
- (l) Restricted Payments permitted by Section 7.6, Investments permitted by Section 7.8 and Liens permitted by Section 7.3;
- (m) Dispositions of other property (not being shares or securities or intellectual property) listed in Schedule 7.5(m); and
- (n) Dispositions of other property (not being shares or securities or intellectual property) having a fair market value not to exceed \$1,000,000 in the aggregate for any fiscal year of the Group Members, provided that at the time of any such Disposition, no Event of Default shall have occurred and be continuing or would result from such Disposition; provided further that the Net Cash Proceeds thereof are used to prepay the Term Loans in accordance with Section 2.12;



provided, however, that any Disposition made pursuant to this Section 7.5 (other than Dispositions (x) solely between Loan Parties, (y) Dispositions solely between Group Members that are not Loan Parties or (z) Dispositions between a Loan Party and a Group Member that is not a Loan Party in which the terms thereof in favor of a Loan Party are at least arm's length terms) shall be made in good faith on an arm's length basis for fair value.

**7.6 Restricted Payments.** Make any payment or prepayment of principal of, premium, if any, or interest on, or redemption, purchase, retirement, defeasance (including in-substance or legal defeasance), sinking fund or similar payment with respect to, any Subordinated Indebtedness, pay any earn-out payment, seller debt or deferred purchase price payments, declare or pay any dividend (other than dividends payable solely in Capital Stock (other than Disqualified Stock) of the Person making such dividend) on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any Capital Stock of any Group Member, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of any Group Member (collectively, "**Restricted Payments**"), except that, so long as no Event of Default shall have occurred and be continuing at the time of any action described below or would result therefrom:

(a) any Group Member may make Restricted Payments to any Loan Party, and any Group Member that is not a Loan Party may make Restricted Payments to any other Group Member;

(b) each Group Member may (i) purchase common stock or common stock options from present or former officers, service provider or employees of any Group Member upon the death, disability or termination of services or employment of such officer, service provider or employee; provided that the aggregate amount of payments made under this clause (i) shall not exceed \$500,000 during any fiscal year of the Borrower, and (ii) declare and make dividend payments or other distributions payable solely in Capital Stock (other than Disqualified Stock) of the Borrower;

(c) each Group Member may deliver its common Capital Stock upon conversion of any convertible Indebtedness having been issued by the Borrower; provided that such Indebtedness is otherwise permitted by Section 7.2;

(d) the Group Members may make earn-out payments, payments in respect of seller debt or deferred purchase price payments in connection with a Permitted Acquisition so long as immediately after giving effect to such payment Liquidity shall equal or exceed \$15,000,000, and immediately after giving effect to such purchase or other acquisition, the Group Members shall be in compliance with each of the covenants set forth in Section 7.1(a) and (b), based upon financial statements delivered to the Administrative Agent which give pro forma effect to the making of such payment (provided that if any such payment obligations constitute Subordinated Indebtedness, such payment must be permitted under Section 7.21);

(e) any Group Member may make payments in respect of Subordinated Indebtedness solely to the extent such payment is made in accordance with Section 7.21;

(f) the Group Members may make Restricted Payments not otherwise permitted by one of the foregoing clauses of this Section 7.6; provided that the aggregate amount of all such Restricted Payments made pursuant to this clause (f) shall not exceed \$1,000,000 in any fiscal year;

(g) each Group Member may purchase, redeem or otherwise acquire Capital Stock issued by it with the proceeds received from the substantially concurrent issue of new shares of its Capital

Stock (other than Disqualified Stock); provided that any such issuance is otherwise permitted hereunder (including by Section 7.5(d)); and

(h) (i) each Group Member may make repurchases of Capital Stock deemed to occur upon exercise of stock options or warrants if such repurchased Capital Stock represents a portion of the exercise price of such options or warrants, and (ii) each Group Member may make repurchases of Capital Stock deemed to occur upon the withholding of a portion of the Capital Stock issued, granted or awarded to a current or former officer, director, employee or consultant to pay for the taxes payable by such Person upon such issuance, grant or award (or upon vesting thereof); and (i) so long as the Borrower or any of its Subsidiaries are members of a consolidated, combined or unitary tax group for U.S. federal, state, local or non-U.S. Tax purposes, the Borrower and its Subsidiaries may declare or make Restricted Payments to or for the benefit of the common parent filing a consolidated, combined, unitary or affiliated Tax return at such times and in such amounts as shall be necessary to permit such common parent to discharge its Tax liabilities to the extent attributable to the income of the Borrower and such Subsidiaries; provided, however, that the total amount of such Restricted Payments made pursuant to this clause for any taxable period shall not exceed the amount that the Borrower and its Subsidiaries would be required to pay as a stand-alone Tax group in respect of U.S. Federal, state, local or non-U.S. Taxes for such period.

**7.7 [Reserved].**

**7.8 Investments.** Make any advance, loan, extension of credit (by way of guarantee or otherwise) or capital contribution to, or purchase any Capital Stock, bonds, notes, debentures or other debt securities of, or any assets constituting a business unit of, or make any other investment in, any Person (all of the foregoing, “*Investments*”), except:

(a) extensions of trade credit in the ordinary course of business;

(b) Investments in cash and Cash Equivalents;

(c) Guarantee Obligations permitted by Section 7.2 and Guarantee Obligations of obligations not constituting Indebtedness in the ordinary course of business;

(d) (i) loans and advances to employees, officers and directors of any Group Member in the ordinary course of business (including for travel, entertainment and relocation expenses) in an aggregate amount for all Group Members not to exceed \$500,000 at any one time outstanding (excluding quarterly scheduled bonus payments under annual bonus plans), (ii) loans and advances to employees, officers and directors of any Group Member listed in Section 24 of the Collateral Information Certificate, and (iii) loans to employees, officers and directors relating to the purchase of Capital Stock of the Borrower pursuant to employee stock purchase plans or agreements approved by the Borrower’s board of directors in an aggregate amount for all Group Members not to exceed \$500,000 at any one time outstanding;

(e) intercompany Investments by (i) any Loan Party in any other Loan Party, (ii) any Group Member that is not a Loan Party in any other Group Member, or (iii) any Loan Party in any Group Member that is not a Loan Party to the extent that (A) no Default or Event of Defaults exists or would result therefrom, (B) such Investment is made in cash to fund the current, ordinary course operating expenses of such Subsidiary promptly after receipt of such proceeds, and (C) (x) if immediately after giving effect to such Investment, Liquidity is at least \$20,000,000, such Investments do not exceed \$50,000,000 in any fiscal year of the Group Members, or (y) otherwise, such Investments do not exceed \$2,500,000 in any fiscal year of the Group Members;

(f) Investments in the ordinary course of business consisting of endorsements of negotiable instruments for collection or deposit;

(g) Investments received in settlement of amounts due to any Group Member effected in the ordinary course of business or owing to such Group Member as a result of Insolvency Proceedings involving an account debtor or upon the foreclosure or enforcement of any Lien in favor of such Group Member on settlement of any delinquent obligations of, or other disputes with, customers or suppliers in the ordinary course of business in accordance with Section 6.3(b);

(h) Investments held by any Person as of the date such Person is acquired in connection with a Permitted Acquisition, provided that (A) such Investments were not made, in any case, by such Person in connection with, or in contemplation of, such Permitted Acquisition, and (B) with respect to any such Person which becomes a Subsidiary as a result of such Permitted Acquisition, such Subsidiary remains the only holder of such Investment (except in the case of Cash Equivalents);

(i) so long as no Event of Default exists at the time of such Investment or immediately after giving effect thereto, in addition to Investments otherwise expressly permitted by this Section, Investments by the Group Members the aggregate amount of all of which Investments (valued at cost) does exceed \$1,000,000 during any fiscal year of the Group Members;

(j) deposits made to secure the performance of leases, licenses or contracts in the ordinary course of business, and other deposits made in connection with the incurrence of Liens permitted under Section 7.3;

(k) promissory notes and other non-cash consideration received in connection with Dispositions permitted by Section 7.5, to the extent not exceeding the limits specified therein with respect to the receipt of non-cash consideration in connection with such Dispositions; and

(l) purchases or other acquisitions by any Group Member of the Capital Stock in a Person that, upon the consummation thereof, will be a Subsidiary (including as a result of a merger or consolidation) or all or substantially all of the assets of, or assets constituting one or more business units of, any Person (each, a "**Permitted Acquisition**"); provided that, with respect to each such purchase or other acquisition:

(i) the newly-created or acquired Subsidiary (or assets acquired in connection with such asset sale) shall be (x) in the same or a related line of business as that conducted by the Borrower on the date hereof, or (y) in a business that is permitted by Section 7.17

(ii) all transactions related to such purchase or acquisition shall be consummated in all material respects in accordance with all Requirements of Law;

(iii) no Loan Party shall, as a result of or in connection with any such purchase or acquisition, assume or incur any direct or contingent liabilities (whether relating to environmental, tax, litigation or other matters) that, as of the date of such purchase or acquisition, could reasonably be expected to result in the existence or incurrence of a Material Adverse Effect;

(iv) the Borrower shall give the Administrative Agent at least twenty (20) Business Days' prior written notice of any such purchase or acquisition (or if the execution of the acquisition agreement will occur simultaneously with the closing, then ten (10) Business Days' prior notice, or such shorter period as the Administrative Agent may agree to);

(v) the Borrower shall provide to the Administrative Agent as soon as available but in any event not later than five (5) Business Days after the execution thereof, a copy of any executed purchase agreement or similar agreement with respect to any such purchase or acquisition;

(vi) any such newly-created or acquired Subsidiary, or the Loan Party that is the acquirer of assets in connection with an asset acquisition, shall comply with the requirements of Section 6.12, except to the extent compliance with Section 6.12 is prohibited by pre-existing Contractual Obligations or Requirements of Law binding on such Subsidiary or its properties;

(vii) Liquidity shall equal or exceed \$15,000,000 as of the date the definitive agreements relating to any such acquisition or other purchase are executed (after giving effect to the consummation of such acquisition or other purchase);

(viii) (x) immediately before and immediately after giving effect to any such purchase or other acquisition, no Default or Event of Default shall have occurred and be continuing and (y) immediately after giving effect to such purchase or other acquisition, the Group Members shall be in compliance with each of the covenants set forth in Section 7.1, based upon financial statements delivered to the Administrative Agent which give effect to such acquisition or other purchase;

(ix) the Borrower shall not, based upon the knowledge of the Borrower as of the date any such acquisition or other purchase is consummated, reasonably expect such acquisition or other purchase to result in a Default or an Event of Default under Section 8.1(c), at any time during the term of this Agreement, as a result of a breach of any of the financial covenants set forth in Section 7.1;

(x) no Indebtedness is assumed or incurred in connection with any such purchase or acquisition other than Indebtedness permitted by the terms of Section 7.2(j);

(xi) such purchase or acquisition shall not constitute an Unfriendly Acquisition; and

(xii) (A) the aggregate amount of the consideration (excluding Capital Stock of the Borrower that is not Disqualified Stock) paid by such Group Member in connection with any particular Permitted Acquisition shall not exceed \$25,000,000, and (B) the aggregate amount of the consideration (excluding Capital Stock of the Borrower that is not Disqualified Stock) paid by all Group Members in connection with all such Permitted Acquisitions consummated from and after the Closing Date shall not exceed \$75,000,000; and

(xiii) each such Permitted Acquisition is of a Person which (i) is organized under the laws of the United States and engaged in business activities primarily conducted within the United States and becomes a Borrower or a Guarantor or, (ii) notwithstanding any other terms of this Agreement or any other Loan Document to the contrary, shall become a Borrower or a Guarantor (and all of its Capital Stock pledged to the Administrative Agent), provided however, that in each case no Immaterial Subsidiary shall be required to become a Borrower or a Guarantor;

(xiv) the Borrower shall have delivered to the Administrative Agent, at least five Business Days prior to the date on which any such purchase or other acquisition is to be consummated (or such later date as is agreed by the Administrative Agent in its sole discretion), a certificate of a Responsible Officer, in form and substance reasonably satisfactory to the Administrative Agent, certifying that all of the requirements set forth in this definition have been satisfied or will be satisfied on or prior to the consummation of such purchase or other acquisition; and

(xv) the assets being acquired or the target whose stock is being acquired had *pro forma* Consolidated EBITDA that was equal to or greater than negative \$15,000,000 during the 12- month consecutive period most recently concluded prior to the date such acquisition or other purchase is consummated;

(m) (i) the licensing or contribution of Intellectual Property on a non-exclusive basis pursuant to joint marketing or joint venture arrangements with other Persons in the ordinary course of business, or (ii) the licensing or contribution of immaterial Intellectual Property pursuant to joint marketing or joint venture arrangements with other Persons;

(n) Investments existing on the Closing Date and set forth on Schedule 7.8;

(o) the formation of Subsidiaries after the Closing Date, subject to compliance with Section 6.12(c) or (d); and

(p) Specified Swap Agreements and Interest Rate Agreements permitted under Section 7.13.

**7.9 ERISA and Other Pension Matters.** The Borrower shall not, and shall not permit any of its ERISA Affiliates to: (a) terminate any Pension Plan so as to result in any material liability to the Borrower or any ERISA Affiliate, (b) permit to exist any ERISA Event, or any other event or condition, which presents the risk of a material liability to any ERISA Affiliate, (c) make a complete or partial withdrawal (within the meaning of ERISA Section 4201) from any Multiemployer Plan so as to result in any material liability to the Borrower or any ERISA Affiliate, (d) enter into any new Plan or modify any existing Plan so as to increase its obligations thereunder which could result in any material liability to any ERISA Affiliate, (e) permit the present value of all nonforfeitable accrued benefits under any Plan (using the actuarial assumptions utilized by the PBGC upon termination of a Plan) materially to exceed the fair market value of Plan assets allocable to such benefits, all determined as of the most recent valuation date for each such Plan, or (f) engage in any transaction which would cause any obligation, or action taken or to be taken, hereunder (or the exercise by the Administrative Agent or any Lender of any of its rights under this Agreement, any Note or the other Loan Documents) to be a non-exempt (under a statutory or administrative class exemption) prohibited transaction under ERISA or Section 4975 of the Code. The Borrower shall ensure that no UK Group Member is or has been at any time an employer (for the purposes of sections 38 to 51 of the UK Pensions Act 2004) of an occupational pension scheme which is not a money purchase scheme (both terms as defined in the UK Pension Schemes Act 1993) or “connected” with or an “associate” of (as those terms are used in sections 38 or 43 of the UK Pensions Act 2004) such an employer.

**7.10 Optional Payments and Modifications of Certain Preferred Stock and Debt Instruments.** (a) Amend, modify, waive or otherwise change, or consent or agree to any amendment, modification, waiver or other change to, any of the terms of the Preferred Stock (i) that would move to an earlier date the scheduled redemption date (but only to the extent that moving any such scheduled redemption date would result in the redemption to be prior to ninety-one (91) days after the Revolving Termination Date) or increase the amount of any scheduled redemption payment or increase the rate or move to an earlier date any date for payment of dividends thereon or (ii) that could reasonably be expected to be otherwise materially adverse to any Lender or any other Secured Party; or (b) other than pursuant to any refinancing or replacement of Indebtedness permitted by Section 7.2, amend, modify, waive or otherwise change, or consent or agree to any amendment, modification, waiver or other change to, any of the terms of any Indebtedness permitted by Section 7.2 (other than Indebtedness pursuant to any Loan Document and Subordinated Indebtedness which is addressed in Section 7.21) that would shorten the maturity (but only to the extent such shortening, would result in the maturity of such

Indebtedness to be prior to 91 days after the Revolving Termination Date) or increase the amount of any payment of principal thereof or the rate of interest thereon or shorten any date for payment of interest thereon or that could reasonably be expected to be otherwise materially adverse to any Lender or any other Secured Party. Notwithstanding anything to the contrary herein, the conversion of Preferred Stock into Common Stock of the Borrower shall not be prohibited or limited hereunder

**7.11 Transactions with Affiliates.** Enter into any transaction, including any purchase, sale, lease or exchange of property, the rendering of any service or the payment of any management, advisory or similar fees, with any Affiliate (other than any other Loan Party) unless such transaction is (a) (i) otherwise permitted under this Agreement, (ii) in the ordinary course of business of the relevant Group Member, and (iii) upon fair and reasonable terms no less favorable to the relevant Group Member than it would obtain in a comparable arm's length transaction with a Person that is not an Affiliate (b) a Restricted Payment permitted by Section 7.6, (c) reasonable and customary indemnification arrangements, employee benefits, compensation arrangements (including equity-based compensation and bonuses), and reimbursement of expenses of employees, consultants, officers, and directors, in each case, approved by the board of directors or management of the Borrower or its Subsidiaries, or (d) equity (other than Disqualified Stock) or debt financings with the Borrower's investors so long as any such debt financings constitute Subordinated Indebtedness and such Indebtedness is permitted by Section 7.2.

**7.12 Sale Leaseback Transactions.** Enter into any Sale Leaseback Transaction, except in connection with transactions that would be permitted under this Section 7.

**7.13 Swap Agreements.** Enter into any Swap Agreement, except Specified Swap Agreements which are entered into by a Group Member to (a) hedge or mitigate risks to which such Group Member has actual exposure, or (b) effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of such Group Member.

**7.14 Accounting Changes.** Make any change in its (a) accounting policies or reporting practices, except as required by GAAP, or (b) fiscal year.

**7.15 Negative Pledge Clauses.** Enter into or suffer to exist or become effective any agreement that prohibits or limits the ability of any Loan Party to create, incur, assume or suffer to exist any Lien upon any of its property or revenues, whether now owned or hereafter acquired, to secure its Obligations under the Loan Documents to which it is a party, other than (a) this Agreement and the other Loan Documents, (b) any agreements governing any purchase money Liens or Capital Lease Obligations otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the assets financed thereby), (c) customary restrictions on the assignment of leases, licenses and other agreements, (d) any agreement in effect at the time any Subsidiary becomes a Subsidiary of a Loan Party, so long as such agreement was not entered into solely in contemplation of such Person becoming a Subsidiary or, in any such case, that is set forth in any agreement evidencing any amendments, restatements, supplements, modifications, extensions, renewals and replacements of the foregoing, so long as such amendment, restatement, supplement, modification, extension, renewal or replacement applies only to such Subsidiary and does not otherwise expand in any material respect the scope of any restriction or condition contained therein, and (e) any restriction pursuant to any document, agreement or instrument governing or relating to any Lien permitted under Sections 7.3 or any agreement or option to Dispose any asset of any Group Member, the Disposition of which is permitted by Section 7.5 (in each case, provided that any such restriction relates only to the assets or property subject to such Lien or being Disposed).

**7.16 Clauses Restricting Subsidiary Distributions.** Enter into or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Subsidiary to (a) make Restricted Payments in respect of any Capital Stock of such Subsidiary held by, or to pay any Indebtedness owed to, any other Group Member, (b) make loans or advances to, or other Investments in, any other Group Member, or (c) transfer any of its assets to any other Group Member, except for such encumbrances or restrictions existing under or by reason of (i) any restrictions existing under the Loan Documents, (ii) any restrictions with respect to a Subsidiary imposed pursuant to an agreement that has been entered into in connection with a Disposition permitted hereby of all or substantially all of the Capital Stock or assets of such Subsidiary, (iii) customary restrictions on the assignment of leases, licenses and other agreements, (iv) restrictions of the nature referred to in clause (c) above under agreements governing purchase money liens or Capital Lease Obligations otherwise permitted hereby which restrictions are only effective against the assets financed thereby, or (v) any agreement in effect at the time any Subsidiary becomes a Subsidiary of a Borrower, so long as such agreement applies only to such Subsidiary, was not entered into solely in contemplation of such Person becoming a Subsidiary or in each case that is set forth in any agreement evidencing any amendments, restatements, supplements, modifications, extensions, renewals and replacements of the foregoing, so long as such amendment, restatement, supplement, modification, extension, renewal or replacement does not expand in any material respect the scope of any restriction or condition contained therein.

**7.17 Lines of Business.** Enter into any business, either directly or through any Subsidiary, except for those businesses in which the Group Members are engaged in on the date of this Agreement or that are reasonably related, ancillary or incidental thereto.

**7.18 Designation of other Indebtedness.** Designate any Indebtedness or indebtedness other than the Obligations as “Designated Senior Indebtedness” or a similar concept thereto, if applicable.

**7.19 Amendments to Organizational Agreements and Material Contracts.** (a) Amend or permit any amendments to any Loan Party’s organizational documents if such amendment would be adverse to the rights of the Administrative Agent or the Lenders under the Loan Documents in any material respect; or (b) amend or permit any amendments to, or terminate or waive any provision of, any material Contractual Obligation if such amendment, termination, or waiver would be adverse to the rights of the Administrative Agent or the Lenders under the Loan Documents in any material respect.

**7.20 Use of Proceeds.** Use the proceeds of any Loan or extension of credit hereunder, whether directly or indirectly, and whether immediately, incidentally or ultimately, (a) to purchase or carry margin stock (within the meaning of Regulation U of the Board) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund Indebtedness originally incurred for such purpose, in each case in violation of, or for a purpose which violates, or would be inconsistent with, Regulation T, U or X of the Board; (b) to finance an Unfriendly Acquisition; (c) to fund any activities of or business with any individual or entity, or in any Designated Jurisdiction, that, at the time of such funding, is the subject of Sanctions, or in any other manner that will result in a violation by any individual or entity (including any individual or entity participating in the transaction, whether as Lender, Arranger, Administrative Agent, Issuing Lender, Swingline Lender, or otherwise) of Sanctions (or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other individual or entity in violation of the foregoing); or (d) for any purpose which would breach the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, or other similar legislation in other jurisdictions.

**7.21 Subordinated Debt.**

(a) Amendments. Amend, modify, supplement, waive compliance with, or consent to noncompliance with, any Subordinated Debt Document, unless the amendment, modification,

supplement, waiver or consent (i) does not adversely affect the Group Members' ability to pay and perform each of their Obligations at the time and in the manner set forth herein and in the other Loan Documents and is not otherwise adverse to the Administrative Agent and the Lenders, and (ii) is in compliance with the subordination provisions therein and any subordination agreement with respect thereto in favor of the Administrative Agent and the Lenders.

(b) Payments. Make any payment (including any interest payment, other than paid-in-kind interest), prepayment or repayment on, redemption, exchange or acquisition for value of, any sinking fund or similar payment with respect to, any Subordinated Indebtedness, except as permitted by the subordination provisions in the applicable Subordinated Debt Documents and any subordination agreement with respect thereto in favor of the Administrative Agent and the Lenders.

**7.22 Anti-Terrorism Laws.** Conduct, deal in or engage in or permit any Affiliate or agent of any Loan Party within its control to conduct, deal in or engage in any of the following activities: (a) conduct any business or engage in any transaction or dealing with any person blocked pursuant to Executive Order No. 13224 (a "**Blocked Person**"), including the making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person; (b) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to Executive Order No. 13224; or (c) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in Executive Order No. 13224 or the Patriot Act.

## SECTION 8 EVENTS OF DEFAULT

**8.1 Events of Default.** The occurrence of any of the following shall constitute an Event of Default:

(a) the Borrower shall fail to pay any amount of principal of any Loan when due in accordance with the terms hereof; or the Borrower shall fail to pay any amount of interest on any Loan, or any other amount payable hereunder or under any other Loan Document, within three (3) Business Days after any such interest or other amount becomes due in accordance with the terms hereof; or

(b) any representation or warranty made or deemed made by any Loan Party herein or in any other Loan Document or that is contained in any certificate, document or financial or other statement furnished by it at any time under or in connection with this Agreement or any such other Loan Document (i) if qualified by materiality, shall be incorrect or misleading when made or deemed made, or (ii) if not qualified by materiality, shall be incorrect or misleading in any material respect when made or deemed made; or

(c) (i) any Loan Party shall default in the observance or performance of any agreement contained in, Section 5.3, Section 6.1, Section 6.2, Section 6.3(c), clause (i) or (ii) of Section 6.5(a), Section 6.6(b), Section 6.8(a), Section 6.10, Section 6.16 or Section 7 of this Agreement or (ii) an "Event of Default" under and as defined in any Security Document shall have occurred and be continuing; or

(d) any Loan Party shall default in the observance or performance of any other agreement contained in this Agreement or any other Loan Document (other than as provided in paragraphs (a) through (c) of this Section 8.1), and such default shall continue unremedied for a period of 30 days thereafter; or



(e) (i) any Group Member shall (A) default in making any payment of any principal of any Indebtedness (including any Guarantee Obligation, but excluding the Loans) on the scheduled or original due date with respect thereto; (B) default in making any payment of any interest, fees, costs or expenses on any such Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Indebtedness was created; (C) default in making any payment or delivery under any such Indebtedness constituting a Swap Agreement beyond the period of grace, if any, provided in such Swap Agreement; or (D) default in the observance or performance of any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to (1) cause, or to permit the holder or beneficiary of, or, in the case of any such Indebtedness constituting a Swap Agreement, counterparty under, such Indebtedness (or a trustee or agent on behalf of such holder, beneficiary, or counterparty) to cause, with the giving of notice if required, such Indebtedness to become due prior to its stated maturity or (in the case of any such Indebtedness constituting a Guarantee Obligation) to become payable or (in the case of any such Indebtedness constituting a Swap Agreement) to be terminated, or (2) to cause, with the giving of notice if required, any Group Member to purchase, redeem, mandatorily prepay or make an offer to purchase, redeem or mandatorily prepay such Indebtedness prior to its stated maturity; provided that, unless such Indebtedness constitutes a Specified Swap Agreement, a default, event or condition described in clauses (i)(A), (B), (C), or (D) of this Section 8.1(e) shall not at any time constitute an Event of Default unless, at such time, one or more defaults, events or conditions of the type described in any of clauses (i)(A), (B), (C), or (D) of this Section 8.1(e) shall have occurred with respect to Indebtedness, the outstanding principal amount (and, in the case of Swap Agreements, other than Specified Swap Agreements, the Swap Termination Value) of which, individually or in the aggregate for all such Indebtedness, exceeds \$1,000,000; or (ii) any default or event of default (however designated) shall occur with respect to any Subordinated Indebtedness of any Group Member; or

(f) (i) any Group Member shall commence any case, proceeding or other action (a) under any Debtor Relief Law seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (b) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or any Group Member shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against any Group Member any case, proceeding or other action of a nature referred to in clause (i) above that (x) results in the entry of an order for relief or any such adjudication or appointment or (y) remains undismitted, undischarged or unbonded for a period of 60 days (provided that, during such 60 day period, no Loan shall be advanced or Letters of Credit issued hereunder); or (iii) there shall be commenced against any Group Member any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets that results in the entry of an order for any such relief that shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof (provided that, during such 60 day period, no Loan shall be advanced or Letters of Credit issued hereunder); or (iv) (1) any UK Group Member (A) is unable or admits inability to pay its debts as they fall due within the meaning of the Insolvency Act of 1986, (B) is deemed to, or is declared to, be unable to pay its debts under applicable law, (C) suspends or threatens to suspend making payments on any of its debts or (D) by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding the Administrative Agent or any Lender in its capacity as such) with a view to rescheduling any of its indebtedness, or (2) a moratorium is declared in respect of any indebtedness of any UK Group Member; provided that if a moratorium occurs, the ending of the moratorium will not remedy any Event of Default caused by that moratorium; or (4) any UK Insolvency

Proceedings occur in relation to any UK Group Member, save for any winding-up petition (or equivalent) which is frivolous or vexatious and is discharged, stayed or dismissed within 14 days of commencement; or (5) any expropriation, attachment, sequestration, distress or execution affects any asset or assets of a UK Group Member; or (v) any Group Member shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), (iii) or (iv) above; or (vi) any Group Member shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(g) there shall occur one or more ERISA Events which individually or in the aggregate results in or otherwise is associated with liability of any Loan Party or any ERISA Affiliate thereof in excess of \$1,000,000 during the term of this Agreement; or there exists an amount of unfunded benefit liabilities (as defined in Section 4001(a)(18) of ERISA), individually or in the aggregate for all Pension Plans (excluding for purposes of such computation any Pension Plans with respect to which assets exceed benefit liabilities) which exceeds \$1,000,000; or

(h) there is entered against any Group Member (i) one or more final judgments or orders for the payment of money involving in the aggregate a liability (not paid or fully covered by insurance as to which the relevant insurance company has acknowledged coverage) of \$1,000,000 or more, or (ii) one or more non-monetary final judgments that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within sixty (60) days from the entry thereof; or

(i) any of the Security Documents shall cease, for any reason, to be in full force and effect (other than pursuant to the terms thereof), or any Loan Party shall so assert, or any Lien created by any of the Security Documents shall cease to be enforceable and of the same effect and priority purported to be created thereby (other than a result of the failure by Administrative Agent or any Lender to file a financing or continuation statement or to maintain possession or any possessory collateral in its possession), in each case, with respect to Collateral having a fair market value in excess of \$1,000,000; or

(j) any court order enjoins, restrains or prevents a Loan Party from conducting all or any material part of its business; or

(k) the guarantee contained in Section 2 of the Guarantee and Collateral Agreement shall cease, for any reason, to be in full force and effect or any Loan Party shall so assert; or

(l) a Change of Control shall occur; or

(m) any of the Governmental Approvals necessary for any Loan Party to operate its business in the ordinary course shall have been (i) revoked, rescinded, suspended, modified in an adverse manner or not renewed in the ordinary course for a full term or (ii) subject to any decision by a Governmental Authority that designates a hearing with respect to any applications for renewal of any of such Governmental Approvals or that could result in the Governmental Authority taking any of the actions described in clause (i) above, and such decision or such revocation, rescission, suspension, modification or nonrenewal (x) has, or could reasonably be expected to have, a Material Adverse Effect, or (y) materially adversely affects the legal qualifications of any Group Member to hold any material Governmental Approval in any applicable jurisdiction and such revocation, rescission, suspension, modification or nonrenewal could reasonably be expected to materially adversely affect the status of or legal qualifications of any Group Member to hold any material Governmental Approval in any other jurisdiction; or

(n) any Loan Document (including the subordination provisions of any subordination or intercreditor agreement governing Subordinated Indebtedness) not otherwise referenced in Section 8.1(i) or (j), at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or the Discharge of Obligations, ceases to be in full force and effect; or any Loan Party or any other Person contests in any manner the validity or enforceability of any Loan Document; or any Loan Party denies that it has any liability or obligation under any Loan Document to which it is a party, or purports to revoke, terminate or rescind any such Loan Document; or

(o) a Material Adverse Effect shall occur.

**8.2 Remedies Upon Event of Default.** If any Event of Default occurs and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders, take any or all of the following actions:

(a) if such event is an Event of Default specified in clause (i) or (ii) of paragraph (f) of Section 8.1 with respect to the Borrower, the Commitments shall immediately terminate automatically and the Loans (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents shall automatically immediately become due and payable, and

(b) if such event is any other Event of Default, any of the following actions may be taken: (i) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower declare the Revolving Commitments, the Term Commitments, the Swingline Commitments and the L/C Commitments to be terminated forthwith, whereupon the Revolving Commitments, the Term Commitments, the Swingline Commitments and the L/C Commitments shall immediately terminate; (ii) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower, declare the Loans (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents to be due and payable forthwith, whereupon the same shall immediately become due and payable; (iii) any Cash Management Bank may terminate any Cash Management Agreement then outstanding and declare all Obligations then owing by the Group Members under any such Cash Management Agreements then outstanding to be due and payable forthwith, whereupon the same shall immediately become due and payable; and (iv) the Administrative Agent may exercise on behalf of itself, any Cash Management Bank, the Lenders and the Issuing Lender all rights and remedies available to it, any such Cash Management Bank, the Lenders and the Issuing Lender under the Loan Documents.

With respect to all Letters of Credit with respect to which presentment for honor shall not have occurred at the time of an acceleration pursuant to this paragraph, the Borrower shall Cash Collateralize an amount equal to 105% of the aggregate then undrawn and unexpired amount of such Letters of Credit. Amounts so Cash Collateralized shall be applied by the Administrative Agent to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after all such Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay other Obligations of the Borrower hereunder and under the other Loan Documents in accordance with Section 8.3.

In addition, (x) the Borrower shall also Cash Collateralize the full amount of any Swingline Loans then outstanding, and (y) to the extent elected by any applicable Cash Management Bank, the Borrower shall also Cash Collateralize the amount of any Obligations in respect of Cash Management Services then outstanding, which Cash Collateralized amounts shall be applied by the Administrative Agent to the payment of all such outstanding Cash Management Services, and any unused portion thereof remaining after all such Cash Management Services shall have been fully paid and

satisfied in full shall be applied by the Administrative Agent to repay other Obligations of the Loan Parties hereunder and under the other Loan Documents in accordance with the terms of Section 8.3.

(c) After all such Letters of Credit and Cash Management Agreements shall have been terminated, expired or fully drawn upon, as applicable, and all amounts drawn under any such Letters of Credit shall have been reimbursed in full and all other Obligations of the Borrower and the other Loan Parties (including any such Obligations arising in connection with Cash Management Services) shall have been paid in full, the balance, if any, of the funds having been so Cash Collateralized shall be returned to the Borrower (or such other Person as may be lawfully entitled thereto). Except as expressly provided above in this Section, presentment, demand, protest and all other notices of any kind are hereby expressly waived by the Borrower.

**8.3 Application of Funds.** After the exercise of remedies provided for in Section 8.2, any amounts received by the Administrative Agent on account of the Obligations shall be applied by the Administrative Agent in the following order:

First, to the payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (other than principal and interest but including any Collateral-Related Expenses, fees, charges and disbursements of counsel to the Administrative Agent and amounts payable under Sections 2.19, 2.20 and 2.21 (including interest thereon)) payable to the Administrative Agent, in its capacity as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal, interest, and Letter of Credit Fees) payable to the Lenders, the Issuing Lender ((including any Letter of Credit Fronting Fees and Issuing Lender Fees), and any Qualified Counterparty and any applicable Cash Management Bank (in its respective capacity as a provider of Cash Management Services), and the reasonable and documented out-of-pocket fees, charges and disbursements of counsel to the respective Lenders and the Issuing Lender, and amounts payable under Sections 2.19, 2.20 and 2.21), in each case, ratably among them in proportion to the respective amounts described in this clause Second payable to them;

Third, to the extent that the Swingline Lender has advanced any Swingline Loans that have not been refunded by each Lender's Swingline Participation Amount, payment to the Swingline Lender of that portion of the Obligations constituting the unpaid principal of and interest upon the Swingline Loans advanced by the Swingline Lender;

Fourth, to the payment of that portion of the Obligations constituting accrued and unpaid Letter of Credit Fees and interest in respect of any Cash Management Services and on the Loans and L/C Disbursements which have not yet been converted into Revolving Loans, and to payment of premiums and other fees (including any interest thereon) under any Specified Swap Agreements and any Cash Management Agreements, in each case, ratably among the Lenders, any applicable Cash Management Bank (in its respective capacity as a provider of Cash Management Services), and any Qualified Counterparties, in each case, ratably among them in proportion to the respective amounts described in this clause Fourth payable to them;

Fifth, to payment of that portion of the Obligations constituting unpaid principal of the Loans, L/C Disbursements which have not yet been converted into Revolving Loans, and settlement amounts, payment amounts and other termination payment obligations under any Specified Swap Agreements and Cash Management Agreements, in each case, ratably among the Lenders, any applicable Cash Management Bank (in its respective capacity as a provider of Cash Management Services), and any

applicable Qualified Counterparties, in each case, ratably among them in proportion to the respective amounts described in this clause Fifth and payable to them;

Sixth, to the Administrative Agent for the account of the Issuing Lender, to Cash Collateralize that portion of the L/C Exposure comprised of the aggregate undrawn amount of Letters of Credit pursuant to Section 3.10;

Seventh, for the account of any applicable Qualified Counterparty and any applicable Cash Management Bank, to any settlement amounts, payment amounts and other termination payment obligations under any Specified Swap Agreements and Cash Management Agreements not paid pursuant to clause Fifth and to cash collateralize Obligations arising under any then outstanding Specified Swap Agreements and Cash Management Services, in each case, ratably among them in proportion to the respective amounts described in this clause Seventh payable to them;

Eighth, to the payment of all other Obligations of the Loan Parties that are then due and payable to the Administrative Agent and the other Secured Parties on such date, in each case, ratably among them in proportion to the respective aggregate amounts of all such Obligations described in this clause Eighth and payable to them;

Last, the balance, if any, after the Discharge of Obligations, to the Borrower or as otherwise required by Law.

Subject to Sections 2.24(a), 3.4, 3.5 and 3.10, amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Sixth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral for Letters of Credit after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above.

Notwithstanding the foregoing, no Excluded Swap Obligation of any Guarantor shall be paid with amounts received from such Guarantor or from any Collateral in which such Guarantor has granted to the Administrative Agent a Lien (for the benefit of the Secured Parties) pursuant to the Guarantee and Collateral Agreement; provided, however, that each party to this Agreement hereby acknowledges and agrees that appropriate adjustments shall be made by the Administrative Agent (which adjustments shall be controlling in the absence of manifest error) with respect to payments received from other Loan Parties to preserve the allocation of such payments to the satisfaction of the Obligations in the order otherwise contemplated in this Section 8.3.

## **SECTION 9 THE ADMINISTRATIVE AGENT**

### **9.1 Appointment and Authority.**

(a) Each of the Lenders hereby irrevocably appoints SVB to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto.

(b) The provisions of Section 9 are solely for the benefit of the Administrative Agent, the Lenders, the Issuing Lender, and the Swingline Lender, and neither the Borrower nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties

or obligations, except those expressly set forth herein and in the other Loan Documents, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Administrative Agent. It is understood and agreed that the use of the term “agent” herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

(c) The Administrative Agent shall also act as the collateral agent under the Loan Documents, and each of the Lenders (in their respective capacities as a Lender and, as applicable, Qualified Counterparty and provider of Cash Management Services) hereby irrevocably (i) authorizes the Administrative Agent to enter into all other Loan Documents, as applicable, including the Guarantee and Collateral Agreement and any Subordination Agreements, and (ii) appoints and authorizes the Administrative Agent to act as the agent of the Secured Parties for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto. The Administrative Agent, as collateral agent and any co-agents, sub-agents and attorneys-in-fact appointed by the Administrative Agent pursuant to Section 9.2 for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Security Documents, or for exercising any rights and remedies thereunder at the direction of the Administrative Agent, shall be entitled to the benefits of all provisions of this Section 9 and Section 10 (including Section 9.7, as though such co-agents, sub-agents and attorneys-in-fact were the collateral agent under the Loan Documents) as if set forth in full herein with respect thereto. Without limiting the generality of the foregoing, the Administrative Agent is further authorized on behalf of all the Lenders, without the necessity of any notice to or further consent from the Lenders, from time to time to take any action, or permit the any co-agents, sub-agents and attorneys-in-fact appointed by the Administrative Agent to take any action, with respect to any Collateral or the Loan Documents which may be necessary to perfect and maintain perfected the Liens upon any Collateral granted pursuant to any Loan Document.

**9.2 Delegation of Duties.** The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Section shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the Facilities provided for herein as well as activities as the Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub agents.

**9.3 Exculpatory Provisions.** The Administrative Agent shall have no duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder and thereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent shall not:

(a) be subject to any fiduciary or other implied duties, regardless of whether any Default or any Event of Default has occurred and is continuing;

(b) have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), as applicable; provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may affect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(c) except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and the Administrative Agent shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by any Person serving as the Administrative Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 8.2 and 10.1), or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment.

The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Section 5.1, Section 5.2 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

**9.4 Reliance by Administrative Agent.** The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for any of the Loan Parties), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any

action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Required Lenders (or such other number or percentage of Lenders as shall be provided for herein or in the other Loan Documents) as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Loan Documents in accordance with a request of the Required Lenders (or such other number or percentage of Lenders as shall be provided for herein or in the other Loan Documents), and such request and any action taken or failure to act pursuant thereto shall be binding upon the Lenders and all future holders of the Loans.

**9.5 Notice of Default.** The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless the Administrative Agent has received notice in writing from a Lender or a Loan Party referring to this Agreement, describing such Default or Event of Default and stating that such notice is a “*notice of default.*” In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders (or, if so specified by this Agreement, all Lenders); provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action or refrain from taking such action with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

**9.6 Non-Reliance on Administrative Agent and Other Lenders.** Each Lender expressly acknowledges that neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys in fact or Affiliates has made any representations or warranties to it and that no act by the Administrative Agent hereafter taken, including any review of the affairs of a Group Member or any Affiliate of a Group Member, shall be deemed to constitute any representation or warranty by the Administrative Agent to any Lender. Each Lender represents to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties, and based on such documents and information as it has deemed appropriate, made its own appraisal of, and investigation into, the business, operations, property, financial and other condition and creditworthiness of the Group Members and their Affiliates and made its own credit analysis and decision to make its Loans hereunder and enter into this Agreement. Each Lender also agrees that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties, and based on such documents and information as it shall from time to time deem appropriate, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under or based upon this Agreement, the other Loan Documents or any related agreement or any document furnished hereunder or thereunder, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Group Members and their Affiliates. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall have no duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of any Group Member or any Affiliate of a Group Member that may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys in fact or Affiliates.

**9.7 Indemnification.** Each of the Lenders agrees to indemnify each of the Administrative Agent, the Issuing Lender and the Swingline Lender and each of its Related Parties in its capacity as such (to the extent not reimbursed by any Loan Party and without limiting the obligation of the Loan Parties to do so) according to its Aggregate Exposure Percentage in effect on the date on which indemnification is sought under this Section 9.7 (or, if indemnification is sought after the date upon which the Commitments



shall have terminated and the Loans shall have been paid in full, in accordance with its Aggregate Exposure Percentage immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Loans) be imposed on, incurred by or asserted against the Administrative Agent or such other Person in any way relating to or arising out of, the Commitments, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Administrative Agent or such other Person under or in connection with any of the foregoing and any other amounts not reimbursed by the Loan Parties; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted primarily from the Administrative Agent's or such other Person's gross negligence, bad faith or willful misconduct, and that with respect to such unpaid amounts owed to any Issuing Lender or Swingline Lender solely in its capacity as such, only the Revolving Lenders shall be required to pay such unpaid amounts, such payment to be made severally among them based on such Revolving Lenders' Revolving Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought). The agreements in this Section shall survive the payment of the Loans and all other amounts payable hereunder.

**9.8 Agent in Its Individual Capacity.** The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Group Members or any Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

**9.9 Successor Administrative Agent.**

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the "**Resignation Effective Date**"), then the retiring Administrative Agent may (but shall not be obligated to), on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications set forth above; provided that in no event shall any such successor Administrative Agent be a Defaulting Lender. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by applicable law, by notice in writing to the Borrower and such Person remove such Person as Administrative Agent and, in consultation with the Borrower, appoint a successor. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders) (the "**Removal Effective Date**"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (i) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Secured Parties under any of the Loan Documents, the retiring or removed Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed and such collateral security is assigned to such successor Administrative Agent) and (ii) except for any indemnity payments owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above in this Section. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Administrative Agent (other than any rights to indemnity payments owed to the retiring or removed Administrative Agent), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of Section 9 and Section 10.5 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as the Administrative Agent.

#### **9.10 Collateral and Guaranty Matters.**

(a) The Lenders irrevocably authorize the Administrative Agent, at its option and in its discretion,

(i) to release any Lien on any Collateral or other property granted to or held by the Administrative Agent under any Loan Document (A) upon the Discharge of Obligations (other than contingent indemnification obligations) and the expiration or termination of all Letters of Credit (other than Letters of Credit as to which other arrangements satisfactory to the Administrative Agent and the applicable Issuing Lender shall have been made), (B) that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other disposition permitted hereunder or under any other Loan Document, or (C) subject to Section 10.1, if approved, authorized or ratified in writing by the Required Lenders;

(ii) to subordinate any Lien on any Collateral or other property granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by Sections 7.3(g); and

(iii) to release any Guarantor from its obligations under the Guarantee and Collateral Agreement or any other guarantee of the Obligations if such Person ceases to be a Subsidiary as a result of a transaction permitted under the Loan Documents.

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under the guaranty pursuant to this Section 9.10.

(b) The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent's Lien thereon, or any certificate prepared by any Loan Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

(c) Notwithstanding anything contained in any Loan Document, no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce any guaranty of the Obligations (including any such guaranty provided by the Guarantors pursuant to the Guarantee and Collateral Agreement or any other guarantee of the Obligations), it being understood and agreed that all powers, rights and remedies under the Loan Documents may be exercised solely by the Administrative Agent on behalf of the Secured Parties in accordance with the terms thereof; provided that, for the avoidance of doubt, in no event shall a Secured Party be restricted hereunder from filing a proof of claim on its own behalf during the pendency of a proceeding relative to any Loan Party under any Debtor Relief Law or any other judicial proceeding. In the event of a foreclosure by the Administrative Agent on any of the Collateral pursuant to a public or private sale or other disposition, the Administrative Agent or any Secured Party may be the purchaser or licensor of any or all of such Collateral at any such sale or other disposition, and the Administrative Agent, as agent for and representative of such Secured Party (but not any Lender or Lenders in its or their respective individual capacities unless the Required Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any Collateral payable by the Administrative Agent on behalf of the Secured Parties at such sale or other disposition. Each Secured Party, whether or not a party hereto, will be deemed, by its acceptance of the benefits of the Collateral and of the guarantees of the Obligations provided by the Loan Parties under the Guarantee and Collateral Agreement, any other Security Document or any other guarantee of the Obligations, to have agreed to the foregoing provisions. In furtherance of the foregoing, and not in limitation thereof, no Specified Swap Agreement and no Cash Management Agreement, the Obligations under which constitute Obligations, will create (or be deemed to create) in favor of any Secured Party that is a party thereto any rights in connection with the management or release of any Collateral or of the Obligations of any Loan Party under any Loan Document except as expressly provided herein or in the Guarantee and Collateral Agreement or the other Security Documents. By accepting the benefits of the Collateral and of the guarantees of the Obligations provided by the Loan Parties under the Guarantee and Collateral Agreement, any other Security Document or any other guarantee of the Obligations, any Secured Party that is a Cash Management Bank or a Qualified Counterparty shall be deemed to have appointed the Administrative Agent to serve as administrative agent and collateral agent under the Loan Documents and to have agreed to be bound by the Loan Documents as a Secured Party thereunder, subject to the limitations set forth in this paragraph.

(d) In addition to the foregoing, the following subsections shall apply in relation to the UK Security Documents and the Liens created thereby:

(i) The Administrative Agent shall hold the Liens created by the UK Security Documents in trust for the Secured Parties on the terms contained in this Section and in the UK Security Documents.

(ii) Each of the Lenders authorizes the Administrative Agent to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to it in its capacity as security trustee in respect of the UK Security Documents together with any other incidental rights, powers, authorities and discretions.

(iii) Notwithstanding its appointment as security trustee under the UK Security Documents, the Administrative Agent shall have only those duties, obligations and responsibilities expressly specified in the Loan Documents (and no others shall be implied), and the Administrative Agent (in its capacity as security trustee under the UK Security Documents) is not obliged to do or omit to do anything if it would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

(iv) The rights, powers, authorities and discretions given to the Administrative Agent under the Loan Documents shall be supplemental to the United Kingdom Trustee Act 1925 and the United Kingdom Trustee Act 2000 and in addition to any which may be vested in the Administrative Agent in its capacity as security trustee under the UK Security Documents by law or regulation or otherwise.

(v) Section 1 of the United Kingdom Trustee Act 2000 shall not apply to the duties of the Administrative Agent in relation to the trusts constituted in respect of the UK Security Agreements. Where there are any inconsistencies between the United Kingdom Trustee Act 1925 or the United Kingdom Trustee Act 2000 and the provisions of the Loan Documents, the provisions of the Loan Documents shall, to the extent permitted by law and regulation, prevail and, in the case of any inconsistency with the United Kingdom Trustee Act 2000, the provisions of the Loan Documents shall constitute a restriction or exclusion for the purposes of that Act.

(vi) Nothing in any Loan Document constitutes (i) the Administrative Agent as an agent, trustee or fiduciary of any Loan Party.

(vii) The Administrative Agent shall not be bound to account to any Secured Party for any sum or the profit element of any sum received by it for its own account.

**9.11 Administrative Agent May File Proofs of Claim.** In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan or Obligation in respect of any Letter of Credit shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated), by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, Obligations in respect of any Letter of Credit and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under Sections 2.9 and 10.5) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.9 and 10.5.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

#### 9.12 ~~Reserved~~Erroneous Payments.

(a) If the Administrative Agent notifies a Lender, Issuing Lender, Swingline Lender, or Secured Party, or any Person who has received funds on behalf of a Lender, Issuing Lender, Swingline Lender, or Secured Party (any such Lender, Issuing Lender, Swingline Lender, Secured Party or other recipient, a “**Payment Recipient**”) that the Administrative Agent has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding clause (b)) that any funds received by such Payment Recipient from the Administrative Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender, Issuing Lender, Swingline Lender, Secured Party or other Payment Recipient on its behalf) (any such funds, whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an “**Erroneous Payment**”) and demands the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Administrative Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Administrative Agent, and such Lender, Issuing Lender, Swingline Lender, or Secured Party shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two Business Days thereafter, return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Administrative Agent to any Payment Recipient under this clause (a) shall be conclusive, absent manifest error.

(b) Without limiting immediately preceding clause (a), each Lender, Issuing Lender, Swingline Lender or Secured Party, or any Person who has received funds on behalf of a Lender, Issuing Lender, Swingline Lender or Secured Party, hereby further agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates), or (z) that such Lender, Issuing Lender, Swingline Lender, or Secured Party, or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part) in each case:

(i) (A) in the case of immediately preceding clauses (x) or (y), an error shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or (B) an error has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and

(ii) such Lender, Issuing Lender, Swingline Lender or Secured Party shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Business Day of its knowledge of such error) notify the Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Administrative Agent pursuant to this Section 9.12(b).

(c) Each Lender, Issuing Lender, Swingline Lender or Secured Party hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Lender, Issuing Lender, Swingline Lender or Secured Party under any Loan Document, or otherwise payable or distributable by the Administrative Agent to such Lender, Issuing Lender, Swingline Lender or Secured Party from any source, against any amount due to the Administrative Agent under clause (a) hereof or under the indemnification provisions of this Agreement.

(d) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor by the Administrative Agent in accordance with clause (a) hereof, from any Lender, Issuing Lender or Swingline Lender that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an “**Erroneous Payment Return Deficiency**”), upon the Administrative Agent’s notice to such Lender, Issuing Lender or Swingline Lender at any time, (i) such Lender, Issuing Lender or Swingline Lender shall be deemed to have assigned its Loans (but not its Commitments) with respect to which such Erroneous Payment was made in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Loans (but not Commitments), the “**Erroneous Payment Deficiency Assignment**”) at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Administrative Agent in such instance), and is hereby (together with the Borrower) deemed to execute and deliver an Assignment and Assumption with respect to such Erroneous Payment Deficiency Assignment, and such Lender, Issuing Lender or Swingline Lender shall deliver any Notes evidencing such Loans to the Borrower or the Administrative Agent, (ii) the Administrative Agent as the assignee Lender shall be deemed to acquire the Erroneous Payment Deficiency Assignment, (iii) upon such deemed acquisition, the Administrative Agent as the assignee Lender shall become a Lender, Issuing Lender or Swingline Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender, assigning Issuing Lender or assigning Swingline Lender shall cease to be a Lender, Issuing Lender or Swingline Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, **for the avoidance of doubt**, its obligations under the indemnification provisions of this Agreement and its applicable Commitments which shall survive as to such assigning Lender, assigning Issuing Lender or assigning Swingline Lender and (iv) the Administrative Agent may reflect in the Register its ownership interest in the Loans subject to the Erroneous Payment Deficiency Assignment. The

Administrative Agent may, in its discretion, sell any Loans acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender, Issuing Lender or Swingline Lender shall be reduced by the net proceeds of the sale of such Loan (or portion thereof), and the Administrative Agent shall retain all other rights, remedies and claims against such Lender, Issuing Lender or Swingline Lender (and/or against any recipient that receives funds on its respective behalf). For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Commitments of any Lender, Issuing Lender or Swingline Lender and such Commitments shall remain available in accordance with the terms of this Agreement. In addition, each party hereto agrees that, except to the extent that the Administrative Agent has sold a Loan (or portion thereof) acquired pursuant to an Erroneous Payment Deficiency Assignment, and irrespective of whether the Administrative Agent may be equitably subrogated, the Administrative Agent shall be contractually subrogated to all the rights and interests of the applicable Lender, Issuing Lender, Swingline Lender or Secured Party under the Loan Documents with respect to each Erroneous Payment Return Deficiency (the “**Erroneous Payment Subrogation Rights**”).

(e) The parties hereto agree that an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower or any other Loan Party, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrower or any other Loan Party for the purpose of making such Erroneous Payment.

(f) To the extent permitted by applicable law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment received, including without limitation any defense based on “discharge for value” or any similar doctrine

(g) Each party’s obligations, agreements and waivers under this Section 9.12 shall survive the resignation or replacement of the Administrative Agent, any transfer of rights or obligations by, or the replacement of, a Lender, a Swingline Lender or Issuing Lender, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

**9.13 Cash Management Bank and Qualified Counterparty Reports.** Each Cash Management Bank and each Qualified Counterparty agrees to furnish to the Administrative Agent, as frequently as the Administrative Agent may reasonably request, with a summary of all Obligations in respect of Cash Management Services and/or Specified Swap Agreements, as applicable, due or to become due to such Cash Management Bank or Qualified Counterparty, as applicable. In connection with any distributions to be made hereunder, the Administrative Agent shall be entitled to assume that no amounts are due to any Cash Management Bank or Qualified Counterparty (in its capacity as a Cash Management Bank or Qualified Counterparty and not in its capacity as a Lender) unless the Administrative Agent has received written notice thereof from such Cash Management Bank or Qualified Counterparty and if such notice is received, the Administrative Agent shall be entitled to assume that the

only amounts due to such Cash Management Bank or Qualified Counterparty on account of Cash Management Services or Specified Swap Agreements are set forth in such notice.

**9.14 Survival.** This Section 9 shall survive the Discharge of Obligations.

## **SECTION 10 MISCELLANEOUS**

### **10.1 Amendments and Waivers.**

(a) Neither this Agreement, any other Loan Document (other than any L/C Related Document), nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 10.1. The Required Lenders and each Loan Party party to the relevant Loan Document may, or, with the written consent of the Required Lenders, the Administrative Agent and each Loan Party party to the relevant Loan Document may, from time to time, (i) enter into written amendments, supplements or modifications hereto and to the other Loan Documents for the purpose of adding any provisions to this Agreement or the other Loan Documents or changing in any manner the rights of the Lenders or of the Loan Parties hereunder or thereunder or (ii) waive, on such terms and conditions as the Required Lenders or the Administrative Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Loan Documents or any Default or Event of Default and its consequences; provided that no such waiver and no such amendment, supplement or modification shall (A) forgive the principal amount or extend the final scheduled date of maturity of any Loan, extend the scheduled date of any amortization payment in respect of any Term Loan, reduce the stated rate of any interest or fee payable hereunder (except that no amendment or modification of defined terms used in the financial covenants in this Agreement or waiver of any Default or Event of Default or the right to receive interest at the Default Rate shall constitute a reduction in the rate of interest or fees for purposes of this clause (A)) or extend the scheduled date of any payment thereof, or increase the amount or extend the expiration date of any Lender's Revolving Commitment or Term Commitment, in each case, without the written consent of each Lender directly affected thereby; (B) eliminate or reduce the voting rights of any Lender under this Section 10.1 without the written consent of such Lender; (C) reduce any percentage specified in the definition of Required Lenders, consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement and the other Loan Documents, release all or substantially all of the Collateral, contractually subordinate the Obligations or the Administrative Agent's Lien on all or substantially all of the Collateral or release all or substantially all of the value of the guarantees (taken as a whole) of the Guarantors from their obligations under the Guarantee and Collateral Agreement, in each case without the written consent of all Lenders; (D) (i) amend, modify or waive the *pro rata* requirements of Section 2.18 or any other provision of the Loan Documents requiring *pro rata* treatment of the Lenders without the written consent of all Lenders; (E) reduce the percentage specified in the definition of Majority Revolving Lenders without the written consent of all Revolving Lenders or reduce the percentage specified in the definition of Majority Term Lenders without the written consent of all Term Lenders; (F) amend, modify or waive any provision of Section 9 without the written consent of the Administrative Agent; (G) amend, modify or waive any provision of Section 2.6 or 2.7 without the written consent of the Swingline Lender; (H) amend, modify or waive any provision of Section 3 without the written consent of the Issuing Lender; or (I) (i) amend or modify the application of payments set forth in Section 2.12(e) or Section 8.3 without the written consent of all Lenders, or (ii) amend or modify the application of payments provisions set forth in Section 8.3 in a manner that adversely affects the Issuing Lender, any Cash Management Bank or any Qualified Counterparty, as applicable, without the written consent of the Issuing Lender, such Cash Management Bank or any such Qualified Counterparty, as applicable. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding



upon the Loan Parties, the Lenders, the Administrative Agent, the Issuing Lender, each Cash Management Bank, each Qualified Counterparty, and all future holders of the Loans. In the case of any waiver, the Loan Parties, the Lenders and the Administrative Agent shall be restored to their former position and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured during the period such waiver is effective; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon. Notwithstanding the foregoing, the Borrower and the Issuing Lender may amend any of the L/C Related Documents without the consent of the Administrative Agent or any other Lender and the Issuing Lender, Administrative Agent and the Borrower may make customary technical amendments if any Letter of Credit shall be issued hereunder in a currency other than U.S. Dollars. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Revolving Commitment of any Defaulting Lender may not be increased or extended without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender disproportionately adversely relative to other affected Lenders shall require the consent of such Defaulting Lender.

(b) Notwithstanding anything to the contrary contained in Section 10.1(a) above, in the event that the Borrower requests that this Agreement or any of the other Loan Documents be amended or otherwise modified in a manner which would require the consent of all of the Lenders and such amendment or other modification is agreed to by the Borrower, the Required Lenders and the Administrative Agent, then, with the consent of the Borrower, the Administrative Agent and the Required Lenders, this Agreement or such other Loan Document may be amended without the consent of the Lender or Lenders who are unwilling to agree to such amendment or other modification (each, a “**Minority Lender**”), to provide for:

(i) the termination of the Commitment of each such Minority Lender;

(ii) the assumption of the Loans and Commitment of each such Minority Lender by one or more Replacement Lenders pursuant to the provisions of Section 2.23; and

(iii) the payment of all interest, fees and other obligations payable or accrued in favor of each Minority Lender and such other modifications to this Agreement or to such Loan Documents as the Borrower, the Administrative Agent and the Required Lenders may determine to be appropriate in connection therewith.

(c) [Reserved].

(d) Notwithstanding any other provision, no consent of any Lender (or other Secured Party other than the Administrative Agent) shall be required to effectuate any amendment to implement any ~~Incremental Facility permitted by Section 2.26 or to effect an~~ alternate interest rate in a manner consistent with Section 2.17.

(e) Notwithstanding any provision herein to the contrary, any Cash Management Agreement may be amended or otherwise modified by the parties thereto in accordance with the terms thereof without the consent of the Administrative Agent or any Lender.

(f) Notwithstanding any provision herein or in any other Loan Document to the contrary, no Cash Management Bank and no Qualified Counterparty shall have any voting or approval

rights hereunder (or be deemed a Lender) solely by virtue of its status as the provider or holder of Cash Management Services or Specified Swap Agreements or Obligations owing thereunder, nor shall the consent of any such Cash Management Bank or Qualified Counterparty, as applicable, be required for any matter, other than in their capacities as Lenders, to the extent applicable.

(g) The Administrative Agent may, with the consent of the Borrower only, amend, modify or supplement this Agreement or any of the Loan Documents to cure any omission, mistake or defect.

**10.2 Notices.** All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by facsimile or electronic mail), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three (3) Business Days after being deposited in the mail, postage prepaid, or, in the case of facsimile or electronic mail notice, when received, addressed as follows in the case of the Borrower and the Administrative Agent, and as set forth in an administrative questionnaire delivered to the Administrative Agent in the case of the Lenders, or to such other address as may be hereafter notified by the respective parties hereto:

Borrower:

Kaltura, Inc.  
250 Park Ave. South, 10<sup>th</sup> Floor  
New York, NY 10003  
Attention: General Counsel  
E-Mail: legal@kaltura.com

with a copy to:

H-F&Co.  
Rubinstein House, 10<sup>th</sup> Floor  
20 Lincoln St.  
Tel-Aviv, Israel  
Attention: Yuval Oren  
Email: #####

Administrative Agent:

Silicon Valley Bank  
275 Grove Street, Suite 2-200  
Newton, MA 02466  
Attention: Ryan Aberdale  
E-Mail: #####

With a copy (which shall not constitute notice) to:

Morrison & Foerster LLP  
200 Clarendon Street  
Boston, Massachusetts 02116  
Attention: Charles W. Stavros, Esq.  
E-Mail: #####

provided that any notice, request or demand to or upon the Administrative Agent or the Lenders shall not be effective until received.

(a) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications (including email and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices to any Lender pursuant to Section 2 unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or any Loan Party may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications. Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an email address shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return email or other written acknowledgment); and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its email address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii), if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient.

(b) Any party hereto may change its address, email or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

(c) (i) Each Loan Party agrees that the Administrative Agent may, but shall not be obligated to, make the Communications (as defined below) available to the Issuing Lender and the other Lenders by posting the Communications on the Platform.

(ii) The Platform is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "**Agent Parties**") have any liability to the Borrower or the other Loan Parties, any Lender or any other Person for damages of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of the Borrower's, any Loan Party's or the Administrative Agent's transmission of communications through the Platform. "**Communications**" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Loan Party pursuant to any Loan Document or the transactions contemplated therein which is distributed to the Administrative Agent, any Lender or the Issuing Lender by means of electronic communications pursuant to this Section, including through the Platform.

**10.3 No Waiver; Cumulative Remedies.** No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

**10.4 Survival of Representations and Warranties.** All representations and warranties made hereunder, in the other Loan Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans and other extensions of credit hereunder.

**10.5 Expenses; Indemnity; Damage Waiver.**

(a) Costs and Expenses. The Borrower shall pay (i) subject to the limitations set forth in the proposal letter agreement dated as of October 16, 2020 between the Borrower and SVB, all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent), in connection with the syndication of the Facilities, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents, or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable and documented out-of-pocket expenses incurred by the Issuing Lender in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder, and (iii) all reasonable documented out-of-pocket expenses incurred by the Administrative Agent or any Lender (limited in respect of legal costs and expenses to, in each case, the reasonable fees and disbursements of one special counsel and one local counsel in each relevant jurisdiction for the Administrative Agent and, after the occurrence and during the continuance of an Event of Default, for the group of Lenders (and, solely in the case of any actual or potential conflict of interest as determined by the affected Lender, one additional counsel for the affected Lenders as a whole)) in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made or Letters of Credit issued or participated in hereunder, including all such reasonable documented out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender (including the Issuing Lender), and each Related Party of any of the foregoing Persons (each such Person being called an “**Indemnitee**”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any Person (including the Borrower or any other Loan Party) other than such Indemnitee and its Related Parties arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the Issuing Lender to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Materials of Environmental Concern on or from any property owned or operated by the Group Members, or any Environmental Liability related in any way to the Group Members, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any other Loan Party, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the bad faith, gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by the

Borrower or any other Loan Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Borrower or such Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. This Section 10.5(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Reimbursement by Lenders. To the extent that the Borrower for any reason fails indefeasibly to pay any amount required under paragraph (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof), the Issuing Lender, the Swingline Lender or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), the Issuing Lender, the Swingline Lender or such Related Party, as the case may be, such Lender's *pro rata* share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's share of the Total Credit Exposure at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); provided that with respect to such unpaid amounts owed to the Issuing Lender or the Swingline Lender solely in its capacity as such, only the Revolving Lenders shall be required to pay such unpaid amounts, such payment to be made severally among them based on such Revolving Lenders' Revolving Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought); provided further, that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), the Issuing Lender or the Swingline Lender in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent), the Issuing Lender or the Swingline Lender in connection with such capacity. The obligations of the Lenders under this paragraph (c) are subject to the provisions of Sections 2.1, 2.4 and 2.20(e).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable law, the Borrower and each other Loan Party shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit, or the use of the proceeds thereof. No Indemnitee referred to in paragraph (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) Payments. All amounts due under this Section shall be payable promptly after demand therefor.

(f) Survival. Each party's obligations under this Section shall survive the Discharge of Obligations.

#### **10.6 Successors and Assigns; Participations and Assignments.**

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (which, for purposes of this Section 10.6, shall include any Cash Management Bank and any Qualified Counterparty, except that neither the Borrower nor any other Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender, and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of paragraph (b) of

this Section, (ii) by way of participation in accordance with the provisions of Section 10.6(d), or (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 10.6(e) (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in paragraph (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that (in each case with respect to any Facility) any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Loans at the time owing to it (in each case with respect to any Facility) or contemporaneous assignments to related Approved Funds (determined after giving effect to such assignments) that equal at least the amount specified in paragraph (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in paragraph (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "**Trade Date**" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than \$2,000,000, in the case of any assignment in respect of the Revolving Facility, or \$1,000,000, in the case of any assignment in respect of the Term Loan Facility, unless each of the Administrative Agent and, so long as no Default or Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Commitment assigned, except that this clause (ii) shall not prohibit any Lender from assigning all or a portion of its rights and obligations among separate Facilities on a non-pro rata basis.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by paragraph (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (1) a Default or an Event of Default has occurred and is continuing at the time of such assignment, or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within ten (10) Business Days after having received notice thereof;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of (i) the Revolving Facility or any unfunded Commitments with respect to the Term Loan Facility if such assignment is to a Person that is not a Lender with a Commitment in respect of such Facility, an Affiliate of such Lender or an Approved Fund with respect to such Lender, or (ii) any Term Loans to a Person who is not a Lender, an Affiliate of a Lender or an Approved Fund; and

(C) the consent of the Issuing Lender and the Swingline Lender (such consent not to be unreasonably withheld or delayed) shall be required for any assignment in respect of the Revolving Facility.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500; provided that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent any such administrative questionnaire as the Administrative Agent may request.

(v) No Assignment to Certain Persons. No such assignment shall be made to (A) the Borrower or any of the Borrower's Affiliates or Subsidiaries or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B) or (C) unless an Event of Default under Section 8.1(a), Section 8.1(c) (as a result of any failure to comply with Section 7.1(a)) or Section 8.1(f) shall have occurred and be continuing, any Listed Competitor or any Distressed Debt Fund.

(vi) No Assignment to Natural Persons. No such assignment shall be made to a natural Person (or a holding company, investment vehicle or trust established for, or owned and operated for the primary benefit of, a natural Person).

(vii) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, the Issuing Lender, the Swingline Lender and each other Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit and Swingline Loans in accordance with its Revolving Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to paragraph (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and

Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 2.19, 2.20, 2.21 and 10.5 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section.

(c) Register. The Administrative Agent, acting solely for this purpose as a non- fiduciary agent of the Borrower, shall maintain at one of its offices in California a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than (i) a natural Person, (ii) a holding company, investment vehicle or trust established for, or owned and operated for the primary benefit of, a natural Person, (iii) the Borrower or any of the Borrower's Affiliates or Subsidiaries or (iv) unless an Event of Default under Section 8.1(a), Section 8.1(c) (as a result of any failure to comply with Section 7.1(a)) or Section 8.1(f) or has occurred and is continuing, any Listed Competitor or any Distressed Debt Fund (each, a "**Participant**") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Borrower, the Administrative Agent, the Issuing Lender and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnities under Sections 2.20(e) and 9.7 with respect to any payments made by such Lender to its Participant(s).

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver which affects such Participant and for which the consent of such Lender is required (as described in Section 10.1). The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.19, 2.20 and 2.21 (subject to the requirements and limitations therein, including the requirements under Section 2.20(f) (it being understood that the documentation required under Section 2.20(f) shall be delivered by such Participant to the Lender granting such participation)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 10.6(b); provided that such Participant (A) agrees to be subject to the provisions of Sections 2.23 as if it were an assignee under Section 10.6(b); and (B) shall not be entitled to receive any greater payment under Sections 2.19 or 2.20, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater



payment results from a change in any Requirement of Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.23 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.7 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.18(k) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "**Participant Register**"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations and Proposed United States Treasury Regulations Section 1.163-5(b) (or, in each case, any amended or successor version). The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) Notes. The Borrower, upon receipt by the Borrower of written notice from the relevant Lender, agrees to issue Notes to any Lender requiring Notes to facilitate transactions of the type described in Section 10.6.

(g) Representations and Warranties of Lenders. Each Lender, upon execution and delivery hereof or upon succeeding to an interest in the Commitments or Loans, as the case may be, represents and warrants as of the Closing Date or as of the effective date of the applicable Assignment and Assumption that (i) it is an Eligible Assignee; (ii) it has experience and expertise in the making of or investing in commitments, loans or investments such as the Commitments and Loans; and (iii) it will make or invest in its Commitments and Loans for its own account in the ordinary course of its business and without a view to distribution of such Commitments and Loans within the meaning of the Securities Act or the Exchange Act, or other federal securities laws (it being understood that, subject to the provisions of this Section 10.6, the disposition of such Commitments and Loans or any interests therein shall at all times remain within its exclusive control).

#### **10.7 Adjustments; Set-off.**

(a) Except to the extent that this Agreement expressly provides for payments to be allocated to a particular Lender or to the Lenders under a particular Facility, if any Lender (a "**Benefitted Lender**") shall, at any time after the Loans and other amounts payable hereunder shall immediately become due and payable pursuant to Section 8.2, receive any payment of all or part of the Obligations owing to it, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 8.1(f), or otherwise), in a greater

proportion than any such payment to or collateral received by any other Lender, if any, in respect of the Obligations owing to such other Lender, such Benefitted Lender shall purchase for cash from the other Lenders a participating interest in such portion of the Obligations owing to each such other Lender, or shall provide such other Lenders with the benefits of any such collateral, as shall be necessary to cause such Benefitted Lender to share the excess payment or benefits of such collateral ratably with each of the Lenders; provided that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefitted Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) Upon (i) the occurrence and during the continuance of any Event of Default and (ii) obtaining the prior written consent of the Administrative Agent, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, without prior notice to any Loan Party, any such notice being expressly waived by each Loan Party, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final), in any currency, at any time held or owing, and any other credits, indebtedness, claims or obligations, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender, its Affiliates or any branch or agency thereof to or for the credit or the account of any Loan Party, against any and all of the obligations of such Loan Party now or hereafter existing under this Agreement or any other Loan Document to such Lender or its Affiliates, irrespective of whether or not such Lender or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of such Loan Party may be contingent or unmatured or are owed to a branch, office or Affiliate of such Lender different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness; provided, that in the event that any Defaulting Lender or any of its Affiliates shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.23 and, pending such payment, shall be segregated by such Defaulting Lender or Affiliate thereof from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender or Affiliate thereof as to which it exercised such right of setoff. Each Lender agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application made by such Lender or any of its Affiliates; provided that the failure to give such notice shall not affect the validity of such setoff and application. The rights of each Lender and its Affiliates under this Section 10.7 are in addition to other rights and remedies (including other rights of set-off) which such Lender or its Affiliates may have.

**10.8 Payments Set Aside.** To the extent that any payment by or on behalf of the Borrower is made to the Administrative Agent or any Lender, or the Administrative Agent or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any Insolvency Proceeding or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Effective Rate from time to time in effect. The obligations of the Lenders under clause (b) of the preceding sentence shall survive the Discharge of Obligations.

**10.9 Interest Rate Limitation.** Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable law (the “**Maximum Rate**”). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

**10.10 Counterparts; Electronic Execution of Assignments.**

(a) This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement by facsimile or other electronic mail transmission shall be effective as delivery of an original executed counterpart hereof. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

(b) The words “execution,” “signed,” “signature,” and words of like import in any Loan Document or any other written instrument delivered pursuant thereto shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

**10.11 Severability.** Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section 10.11, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited under or in connection with any Insolvency Proceeding, as determined in good faith by the Administrative Agent or the Issuing Lender, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

**10.12 Integration.** This Agreement and the other Loan Documents represent the entire agreement of the Borrower, the other Loan Parties, the Administrative Agent and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent or any Lender relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

**10.13 GOVERNING LAW. THIS AGREEMENT, THE OTHER LOAN DOCUMENTS, AND ANY CLAIM, CONTROVERSY, DISPUTE, CAUSE OF ACTION, OR PROCEEDING (WHETHER BASED IN CONTRACT, TORT, OR OTHERWISE) BASED UPON, ARISING OUT OF, CONNECTED WITH, OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (EXCEPT, AS TO ANY OTHER LOAN DOCUMENT, AS EXPRESSLY SET**

**FORTH THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY, AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO AND THERETO, SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE INTERNAL LAWS (AND NOT THE CONFLICT OF LAW RULES) OF THE STATE OF NEW YORK.** This Section 10.13 shall survive the Discharge of Obligations.

**10.14 Submission to Jurisdiction; Waivers. Each party hereto hereby irrevocably and unconditionally:**

(a) agrees that all disputes, controversies, claims, actions and other proceedings involving, directly or indirectly, any matter in any way arising out of, related to, or connected with, this Agreement, any other Loan Document, any contemplated transactions related hereto or thereto, or the relationship between any Loan Party, on the one hand, and the Administrative Agent or any Lender or any other Secured Party, on the other hand, and any and all other claims of any Group Member against the Administrative Agent or any Lender or any other Secured Party of any kind, shall be brought only in a state court located in the Borough of Manhattan, or in a federal court sitting in the Borough of Manhattan; provided that nothing in this Agreement shall be deemed to operate to preclude the Administrative Agent or any Lender or any other Secured Party from bringing suit or taking other legal action in any other jurisdiction to realize on the Collateral or any other security for the Obligations, or to enforce a judgment or other court order in favor of Administrative Agent or such Lender or any other Secured Party. The Borrower, on behalf of itself and each other Loan Party, (i) expressly submits and consents in advance to such jurisdiction in any action or suit commenced in any such court and to the selection of any referee referred to below, (ii) hereby waives any objection that it may have based upon lack of personal jurisdiction, improper venue, or forum non conveniens and hereby consents to the granting of such legal or equitable relief as is deemed appropriate by such court, and (iii) agrees that it shall not file any motion or other application seeking to change the venue of any such suit or other action. The Borrower, on behalf of itself and each other Loan Party, hereby waives personal service of any summons, complaints, and other process issued in any such action or suit and agrees that service of any such summons, complaints, and other process may be made by registered or certified mail addressed to the Borrower at the address set forth in Section 10.2 of this Agreement and that service so made shall be deemed completed upon the earlier to occur of the Borrower's actual receipt thereof or three days after deposit in the U.S. mails, proper postage prepaid;

(b) **WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ITS RIGHT TO A JURY TRIAL OF ANY CLAIM, CAUSE OF ACTION, OR PROCEEDING (WHETHER BASED IN CONTRACT, TORT, OR OTHERWISE) BASED UPON, ARISING OUT OF, CONNECTED WITH, OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT, OR ANY TRANSACTION CONTEMPLATED HEREBY AND THEREBY, AMONG ANY OF THE PARTIES HERETO AND THERETO. THIS WAIVER IS A MATERIAL INDUCEMENT FOR THE PARTIES HERETO TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS. THE BORROWER HAS REVIEWED THIS WAIVER WITH ITS COUNSEL; and**

(c) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages; provided that nothing herein shall limit the right of any Indemnified Person to be indemnified as provided in this Agreement and the other Loan Documents.

This Section 10.14 shall survive the Discharge of Obligations.

**10.15 Acknowledgements.** The Borrower hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents;

(b) in connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrower, on behalf of each Group Member, acknowledges and agrees that: (i) (A) the arranging and other services regarding this Agreement provided by the Administrative Agent and any Affiliate thereof, and the Lenders and any Affiliate thereof are arm's-length commercial transactions between the Borrower, each other Loan Party and their respective Affiliates, on the one hand, and the Administrative Agent, the Lenders and their respective applicable Affiliates (collectively, solely for purposes of this Section, the "Lenders"), on the other hand, (B) each of the Borrower and the other Loan Parties has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) the Borrower and each other Loan Party is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) the Administrative Agent, its Affiliates, each Lender and their Affiliates is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for Borrower, any other Loan Party or any of their respective Affiliates, or any other Person and (B) neither the Administrative Agent, its Affiliates, any Lender nor any of their Affiliates has any obligation to the Borrower, any other Loan Party or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Administrative Agent, its Affiliates, the Lenders and their Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower, the other Loan Parties and their respective Affiliates, and neither the Administrative Agent, its Affiliates, any Lender nor any of their Affiliates has any obligation to disclose any of such interests to the Borrower, any other Loan Party or any of their respective Affiliates. To the fullest extent permitted by law, each of the Borrower and each other Loan Party hereby waives and releases any claims that it may have against the Administrative Agent, its Affiliates, each Lender and any of their Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated hereby; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among the Group Members and the Lenders.

**10.16 Releases of Guarantees and Liens.**

(a) Notwithstanding anything to the contrary contained herein or in any other Loan Document, the Administrative Agent is hereby irrevocably authorized by each Lender (without requirement of notice to or consent of any Lender except as expressly required by Section 10.1) to take any action requested by the Borrower having the effect of releasing any Collateral or guarantee obligations (1) to the extent necessary to permit consummation of any transaction not prohibited by any Loan Document or that has been consented to in accordance with Section 10.1 or (2) under the circumstances described in Section 10.16(b) below.

(b) Upon the Discharge of Obligations, the Collateral (other than any cash collateral securing any Specified Swap Agreements, any Cash Management Services or outstanding Letters of Credit) shall be released from the Liens created by the Security Documents and Cash Management

Agreements (other than any Cash Management Agreements used to Cash Collateralize any Obligations arising in connection with Cash Management Agreements), and all obligations (other than those expressly stated to survive such termination) of the Administrative Agent and each Loan Party under the Security Documents and Cash Management Agreements (other than any Cash Management Agreements used to Cash Collateralize any Obligations arising in connection with Cash Management Agreements) shall terminate, all without delivery of any instrument or performance of any act by any Person.

**10.17 Treatment of Certain Information; Confidentiality.** Each of the Administrative Agent and each Lender agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential); (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners); (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process; (d) to any other party hereto; (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder; (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder; (g) on a confidential basis to (i) any rating agency in connection with rating any Group Member or the Facilities or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the Facilities; (h) with the consent of the Borrower; or (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section, or (y) becomes available to the Administrative Agent, any Lender or any of their respective Affiliates on a non-confidential basis from a source other than the Borrower. In addition, the Administrative Agent, the Lenders, and any of their respective Related Parties, may (A) disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Administrative Agent or the Lenders in connection with the administration of this Agreement, the other Loan Documents, and the Commitments; and (B) use any information (not constituting Information subject to the foregoing confidentiality restrictions) related to the syndication and arrangement of the credit facilities contemplated by this Agreement in connection with marketing, press releases, or other transactional announcements or updates provided to investor or trade publications, including the placement of “tombstone” advertisements in publications of its choice at its own expense.

Notwithstanding anything herein to the contrary, any party to this Agreement (and any employee, representative, or other agent of any party to this Agreement) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions contemplated by this Agreement and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such tax treatment and tax structure. However, any such information relating to the tax treatment or tax structure is required to be kept confidential to the extent necessary to comply with any applicable federal or state securities laws, rules, and regulations.

For purposes of this Section, “**Information**” means all information received from the Group Members relating to the Group Members or any of their respective businesses, other than any such information that is available to the Administrative Agent or any Lender on a non-confidential basis prior to disclosure by the Group Members; provided that, in the case of information received from the Group

Members after the date hereof, such information is clearly identified at the time of delivery as confidential or if not so marked, is of a character that a reasonable person would know that such information is confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

**10.18 Automatic Debits.** With respect to any principal, interest, fee, or any other cost or expense (including attorney costs of the Administrative Agent or any Lender payable by the Borrower hereunder) due and payable to the Administrative Agent or any Lender under the Loan Documents, the Borrower hereby irrevocably authorizes the Administrative Agent to debit any deposit account of the Borrower maintained with the Administrative Agent in an amount such that the aggregate amount debited from all such deposit accounts does not exceed such principal, interest, fee or other cost or expense. If there are insufficient funds in such deposit accounts to cover the amount then due, such debits will be reversed (in whole or in part, in the Administrative Agent's sole discretion) and such amount not debited shall be deemed to be unpaid. No such debit under this Section 10.18 shall be deemed a set-off.

**10.19 Judgment Currency.** If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any other Loan Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of the Borrower and each other Loan Party in respect of any such sum due from it to the Administrative Agent or any Lender hereunder or under any other Loan Document shall, notwithstanding any judgment in a currency (the "**Judgment Currency**") other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the "**Agreement Currency**"), be discharged only to the extent that on the Business Day following receipt by the Administrative Agent or such Lender, as the case may be, of any sum adjudged to be so due in the Judgment Currency, the Administrative Agent or such Lender, as the case may be, may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the Administrative Agent or any Lender from the Borrower or any other Loan Party in the Agreement Currency, the Borrower and each other Loan Party agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Administrative Agent or such Lender, as the case may be, against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to the Administrative Agent or any Lender in such currency, the Administrative Agent or such Lender, as the case may be, agrees to return the amount of any excess to the Borrower or other Loan Party, as applicable (or to any other Person who may be entitled thereto under applicable law).

**10.20 Patriot Act; Other Regulations.** Each Lender and the Administrative Agent (for itself and not on behalf of any other party) hereby notifies the Borrower and each other Loan Party that, pursuant to the requirements of "know your customer" and anti-money laundering rules and regulations, including the Patriot Act and the Beneficial Ownership Regulation, it is required to obtain, verify and record information that identifies each Loan Party and certain related parties thereto, which information includes the names and addresses and other information that will allow such Lender or the Administrative Agent, as applicable, to identify each Loan Party and certain of their beneficial owners and other officers in accordance with the Patriot Act and the Beneficial Ownership Regulation. The Borrower and each other Loan Party will, and will cause each of their respective Subsidiaries to, provide, to the extent commercially reasonable or required by any Requirement of Law, such information and documents and take such actions as are reasonably requested by the Administrative Agent or any Lender to assist the Administrative Agent and the Lenders in maintaining compliance with "know your customer"

requirements under the PATRIOT Act, the Beneficial Ownership Regulation or other applicable anti-money laundering laws.

**10.21 Acknowledgement and Consent to Bail-In.** Notwithstanding any other term of any Loan Document or any other agreement, arrangement or understanding between the parties, each party hereto acknowledges and accepts that any liability of any party to any other party under or in connection with the Loan Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

(a) any Bail-In Action in relation to any such liability, including (without limitation):

(i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;

(ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and

(iii) a cancellation of any such liability; and

(b) a variation of any term of any Finance Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

*[Remainder of page left blank intentionally]*

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

**BORROWER:**

**KALTURA, INC.**

By: \_\_\_\_\_

Name:

Title:



**ADMINISTRATIVE AGENT:**

**SILICON VALLEY BANK**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**LENDERS:**

**SILICON VALLEY BANK**

as Issuing Lender, Swingline Lender and as a Lender

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Annex B

Exhibit B

**FORM OF COMPLIANCE CERTIFICATE**

FORM OF COMPLIANCE CERTIFICATE

KALTURA, INC.

Date: \_\_\_\_\_, 20\_\_

This Compliance Certificate is delivered pursuant to Section 6.2(b)(ii) of that certain Credit Agreement, dated as of January 14, 2021, among **KALTURA, INC.**, a Delaware corporation (the "**Borrower**"), the Lenders party thereto, Silicon Valley Bank ("**SVB**"), as Administrative Agent, and SVB as the Issuing Lender and the Swingline Lender (as amended, restated, amended and restated, supplemented, restructured or otherwise modified from time to time, the "**Credit Agreement**"). Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

The undersigned, a duly authorized and acting Responsible Officer of the Borrower, hereby certifies, in his/her capacity as an officer of the Borrower, and not in any personal capacity, as follows:

I have reviewed and am familiar with the contents of this Compliance Certificate.

I have reviewed the terms of the Credit Agreement and the other Loan Documents and have made, or caused to be made under my supervision, a review in reasonable detail of the transactions and condition of the Borrower and its respective Subsidiaries during the accounting period covered by the financial statements attached hereto as Attachment 1 (the "**Financial Statements**"). Except as set forth on Attachment 2, such review did not disclose the existence during or at the end of the accounting period covered by the Financial Statements, and I have no knowledge of the existence as of the date of this Compliance Certificate, of any condition or event which constitutes a Default or an Event of Default.

To the extent required to be tested by the Credit Agreement, attached hereto as Attachment 3 are the computations showing compliance with the covenants set forth in Section 7.1 of the Credit Agreement.

[To the extent not previously disclosed to the Administrative Agent, a description of any change in the jurisdiction of organization of any Loan Party is attached hereto as Attachment 4.]

[To the extent not previously disclosed to the Administrative Agent, attached hereto as Attachment 5 is a list of any registered patents, registered trademarks or registered copyrights issued to or acquired by any Loan Party since [the Closing Date][the date of the most recent report delivered].]

*[Remainder of page intentionally left blank; signature page follows]*

IN WITNESS WHEREOF, I have executed this Compliance Certificate as of the date first written above.

**KALTURA, INC.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[Attach Financial Statements]

Attachment 2  
to Compliance Certificate

Except as set forth below, no Default or Event of Default has occurred. [If a Default or Event of Default has occurred, the following describes the nature of the Default or Event of Default in reasonable detail and the steps, if any, being taken or contemplated by the Borrower to be taken on account thereof.]

Compliance Certificate Calculations

The information described herein is as of [\_\_\_\_], [\_\_\_\_] (the “**Statement Date**”), and pertains to the four consecutive fiscal quarter period ending on the Statement Date.

**I. Section 7.1(a)(i) — Annualized Recurring Revenue**

A. Annualized Recurring Revenue

1. Monthly Recurring Revenue recognized for the fiscal month most recently ended for which financial statements have been delivered to the Administrative Agent pursuant to Section 6.1 of the Credit Agreement, multiplied by twelve (12): \$ \_\_\_\_\_

*Minimum required:* \$ \_\_\_\_\_<sup>1</sup>

*Covenant compliance:*      Yes      No

**II. Section 7.1(a)(ii) — Consolidated Adjusted EBITDA**

A. Consolidated Adjusted EBITDA

1. Consolidated Net Income: \$ \_\_\_\_\_

1. If the EBITDA Testing Period is not in effect, the Annualized Recurring Revenue, as calculated at the last day of each fiscal quarter, shall not be less than the amount set forth below opposite such fiscal quarter:

<u>Fiscal Quarter Ending</u>	<u>Minimum Annualized Recurring Revenue</u>
December 31, 2020	\$98,000,000
March 31, 2021	\$102,500,000
June 30, 2021	\$106,000,000
September 30, 2021	\$111,000,000
December 31, 2021	\$118,000,000
March 31, 2022	\$124,000,000
June 30, 2022	\$128,000,000
September 30, 2022	\$134,000,000
December 31, 2022	\$140,000,000
March 31, 2023	\$150,000,000
June 30, 2023	\$160,000,000
September 30, 2023	\$170,000,000
December 31, 2023	\$190,000,000



2. Consolidated Interest Expense and non-cash interest expense: \$ \_\_\_\_\_
3. provisions for Taxes based on income: \$ \_\_\_\_\_
4. total depreciation expense: \$ \_\_\_\_\_
5. total amortization expense (including, without limitation, amortization of intangibles from purchase price accounting): \$ \_\_\_\_\_
6. noncash stock based compensation expense: \$ \_\_\_\_\_
7. noncash exchange, transaction or performance losses relating to any foreign currency hedging transactions or currency fluctuations: \$ \_\_\_\_\_
8. costs, fees and expenses in connection with the execution and delivery of the Credit Agreement and the other Loan Documents and any amendments or other modifications thereto, in each case to the extent incurred within 6 months after the Closing Date or the effectiveness of such amendment or other modification (or such later time period as approved in writing by the Administrative Agent in its sole discretion): \$ \_\_\_\_\_
9. one-time costs, fees, and expenses in connection with Permitted Acquisitions, Investments, dispositions, issuances or repurchases of Capital Stock, or the incurrence, amendment or waiver of Indebtedness (in each case, permitted hereunder), in each case, whether or not consummated; provided that, any amounts described in this clause (9) with respect to transactions that are not consummated shall not exceed \$750,000 in the aggregate for any period: \$ \_\_\_\_\_

10. noncash purchase accounting adjustments (including, but not limited to deferred revenue write down) and any adjustments as required or permitted by the application of FASB 141 (requiring the use of purchase method of accounting for acquisitions and consolidations), FASB 142 (relating to changes in accounting for the amortization of goodwill and certain other intangibles) and FASB 144 (relating to the write downs of long-lived assets), in each case, in connection with Permitted Acquisitions: \$ \_\_\_\_\_
11. noncash charges for goodwill and other intangible write-offs and write-downs in connection with Permitted Acquisitions or otherwise: \$ \_\_\_\_\_
12. the amount of any restructuring charge, accrual or reserve, integration cost or other business optimization expense, including any restructuring costs incurred in connection with acquisitions, mergers or consolidations after the Closing Date and any other restructuring expenses, severance expenses, one-time compensation charges, post-retirement employee benefits plans, any expenses relating to reconstruction, decommissioning or recommissioning fixed assets for alternate use, expenses or charges relating to facility closing costs, acquisition integration costs and signing, retention or completion bonuses or expenses, in an amount not to exceed \$500,000 in any period: \$ \_\_\_\_\_
13. (A) any extraordinary, unusual or non-recurring non-cash expenses or non-cash charges, and (B) any nonrecurring expenses or charges, approved in writing by the Administrative Agent in its sole discretion: \$ \_\_\_\_\_
14. other noncash items reducing Consolidated Net Income (excluding any such non cash item to the extent that it represents an accrual or reserve for potential cash items in any future period or amortization of a prepaid cash item that was paid in a prior period) approved by the Administrative Agent in writing as an 'add-back' to Consolidated Adjusted EBITDA: \$ \_\_\_\_\_

15. any Insurance Loss Addback: \$ \_\_\_\_\_
16. expenses and payments that are covered by indemnification or purchase price adjustment provisions in any agreement entered into by a Group Member in connection with any proposed or actual Permitted Acquisition and for which (A) the indemnitor or counterparty has assumed coverage and (B) the Borrower reasonably expects to receive such expenses and payments within one year from the date of calculation (with a deduction to Consolidated Adjusted EBITDA if such amount is not so paid): \$ \_\_\_\_\_
17. any expense deducted in calculating Consolidated Net Income and reimbursed by third parties (other than a Group Member): \$ \_\_\_\_\_
18. the amount of earn-out obligations incurred in connection with any Permitted Acquisition, to the extent such earn-outs are permitted under this Agreement and expensed under GAAP standards in an aggregate amount not to exceed \$500,000 in any period: \$ \_\_\_\_\_
19. write-downs of capitalized software development costs: \$ \_\_\_\_\_
20. interest income: \$ \_\_\_\_\_
21. capitalized software development costs, capitalized sales commissions and deferred contract acquisitions costs: \$ \_\_\_\_\_
22. noncash items increasing Consolidated Net Income for such period (excluding any such noncash item to the extent it represents the reversal of an accrual or reserve for potential cash item in any prior period): \$ \_\_\_\_\_
23. any extraordinary, unusual or non-recurring gains: \$ \_\_\_\_\_
24. any net positive change (or *minus* any net negative change) in the deferred revenue for any period, as measured against the same period for the prior fiscal year: \$ \_\_\_\_\_

25. Consolidated Adjusted EBITDA  
 (the sum of Lines II.A.1 through II.A.19<sup>2</sup> minus the sum of Lines  
 II.A.20 through II.A.23<sup>3</sup> plus Line II.A.24):<sup>4</sup> \$ \_\_\_\_\_

*Minimum required:* \$ \_\_\_\_\_ 5

2. The sum, without duplication, of the amounts for such period but solely to the extent deducted in calculating Consolidated Net Income for such period.
3. The sum, without duplication, of the amounts for such period but solely to the extent increasing Consolidated Net Income for such period (other than in the case of clause (21)).
4. Provided that Consolidated Adjusted EBITDA for any period shall be determined on a Pro Forma Basis to give effect to any Permitted Acquisitions or any Disposition of any business or assets consummated during such period, in each case as if such transaction occurred on the first day of such period and in accordance with Regulation S-X promulgated by the SEC.
5. During the EBITDA Testing Period, the Consolidated Adjusted EBITDA of the Borrower and its consolidated Subsidiaries, as of the last day of any fiscal quarter of the Borrower set forth below, on a trailing twelve month basis, shall not be less than the amount set forth below opposite such fiscal quarter:

Fiscal Quarterly Period Ending	Consolidated Adjusted EBITDA (negative Adjusted EBITDA)
June 30, 2021	\$6,000,000
September 30, 2021	(\$1,000,000)
December 31, 2021	(\$6,000,000)
March 31, 2022	(\$4,000,000)
June 30, 2022	(\$10,000,000)
September 30, 2022	(\$8,000,000)
December 31 2022	(\$6,000,000)
March 31, 2023	\$2,000,000
June 30, 2023	\$7,000,000
September 30, 2023	\$15,000,000
December 31, 2023	\$16,000,000

Covenant      Yes      No  
Compliance:

**III.      Section 7.1(b) — Minimum Liquidity**

A.      Liquidity

1.      the aggregate amount of unrestricted cash and Cash Equivalents held as of the Statement Date by the Loan Parties in Deposit Accounts or Securities Accounts that are either (i) subject to Control Agreements in favor of the Administrative Agent, (ii) otherwise subject to a first priority perfected Lien in favor of the Administrative Agent or (iii) maintained with SVB in the United States or the UK (solely to the extent that such Deposit Accounts or Securities Accounts are subject to the UK Debenture):      \$ \_\_\_\_\_

2.      the Available Revolving Commitment as of the Statement Date:      \$ \_\_\_\_\_

3.      Liquidity (the sum of Lines III.A.1 through III.A.2):      \$ \_\_\_\_\_

*Minimum permitted:*      \$      10,000,000

Covenant compliance:      Yes      No

[ ]

[ ]

## FORM OF [SECRETARY'S][MANAGING MEMBER'S] CERTIFICATE

## KALTURA, INC.

This Certificate is delivered pursuant to Section 5.1(e) of that certain Credit Agreement, dated as of January 14, 2021, among Kaltura, Inc., a Delaware corporation (the "**Borrower**"), the Lenders party thereto, Silicon Valley Bank ("**SVB**"), as Administrative Agent, and SVB as the Issuing Lender and the Swingline Lender (as amended, restated, amended and restated, supplemented, restructured or otherwise modified from time to time, the "**Credit Agreement**"). Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement. The undersigned [Secretary][Director][Managing Member] of [the Borrower][insert the name of the certifying Loan Party, a [ ] [corporation][limited liability company], the "**Certifying Loan Party**")] hereby certifies as follows:

1. The representations and warranties of [the Borrower][the Certifying Loan Party] set forth in each of the Loan Documents to which it is a party or which are contained in any certificate furnished by or on behalf of [the Borrower][the Certifying Loan Party] pursuant to any of the Loan Documents to which it is a party are, (i) to the extent qualified by materiality, true and correct, and (ii) to the extent not qualified by materiality, true and correct in all material respects, in each case, on and as of the date hereof with the same effect as if made on the date hereof, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date.
2. I am the duly elected and qualified [Secretary][Director][Managing Member] of [the Borrower][the Certifying Loan Party].
3. No Default or Event of Default has occurred and is continuing as of the date hereof or after giving effect to the Loans to be made on the date hereof and the use of proceeds thereof.
4. There are no liquidation or dissolution proceedings pending or, to my knowledge, threatened against [the Borrower][the Certifying Loan Party], nor has any other event occurred which could be reasonably likely to materially adversely affect or threaten the continued [corporate][company] existence of [the Borrower][the Certifying Loan Party].
5. [The Borrower][The Certifying Loan Party] is a [corporation][limited liability company] duly [incorporated][organized], validly existing and in good standing under the laws of the jurisdiction of its organization.
6. [Attached hereto as Annex 1 is a true and complete copy of the resolutions duly adopted by the Board of [Directors][Managers] of [the Borrower][the Certifying Loan Party] authorizing the execution, delivery and performance of the Loan Documents to which [the Borrower][the Certifying Loan Party] is a party and all other agreements, documents and instruments to be executed, delivered and performed in connection therewith. Such resolutions have not in any way been amended, modified, revoked or rescinded, and have been in full force and effect since their adoption up to and including the date hereof and are now in full force and effect.][Attached hereto as Annex 1 is a true and complete copy of the resolutions duly adopted by the shareholders of [name of UK Group Member] authorizing the execution, delivery and performance of the Loan Documents to which [UK Group Member] is a party and all other



agreements, documents and instruments to be executed, delivered and performed in connection therewith. Such resolutions have not in any way been amended, modified, revoked or rescinded, and have been in full force and effect since their adoption up to and including the date hereof and are now in full force and effect.]

7. Attached hereto as Annex 2 is a true and complete copy of the [By- Laws][Operating Agreement][articles of association] of [the Borrower][the Certifying Loan Party] as in effect on the date hereof.

8. Attached hereto as Annex 3 is a true and complete copy of the Certificate of [Incorporation][Formation] of [the Borrower][the Certifying Loan Party] as in effect on the date hereof, along with a long-form good-standing certificate for [the Borrower][the Certifying Loan Party] from the jurisdiction of its organization and a certificate of foreign qualification from each jurisdiction where the failure of [the Borrower][the Certifying Loan Party] to be qualified could reasonably be expected to have a Material Adverse Effect.

9. The following persons are now duly elected and qualified officers of [the Borrower][the Certifying Loan Party] holding the offices indicated next to their respective names below, and the signatures appearing opposite their respective names below are the true and genuine signatures of such officers, and each of such officers, acting alone, is duly authorized to execute and deliver on behalf of [the Borrower][the Certifying Loan Party] each of the Loan Documents to which it is a party and any certificate or other document to be delivered by [the Borrower][the Certifying Loan Party] pursuant to the Loan Documents to which it is a party:

<u>Name</u>	<u>Office</u>	<u>Signature</u>
[_____]	[_____]	_____
[_____]	[_____]	_____
[_____]	[_____]	_____
[_____]	[_____]	_____

10. Latham & Watkins LLP may rely on this certificate in connection with rendering its legal opinion.

*[Signature page follows]*

IN WITNESS WHEREOF, I have hereunto set my hand as of the date set forth below.

\_\_\_\_\_  
Name: \_\_\_\_\_

Title: [Secretary][Managing Member][Director]

I, \_\_\_\_\_, in my capacity as the \_\_\_\_\_ of [the Borrower][the Certifying Loan Party], do hereby certify in the name and on behalf of [the Borrower][the Certifying Loan Party] that \_\_\_\_\_ is the duly elected and qualified [Secretary][Managing Member] of [the Borrower][the Certifying Loan Party] and that the signature appearing above is [her][his] genuine signature.

Date: \_\_\_\_\_

\_\_\_\_\_  
Name : \_\_\_\_\_

Title: \_\_\_\_\_

**RESOLUTIONS**

**[BY-LAWS][OPERATING AGREEMENT]**

**[CERTIFICATE OF INCORPORATION][CERTIFICATE OF FORMATION]**

**[AND]**

**GOOD-STANDING CERTIFICATE**

**[AND]**

**[CERTIFICATE(S) OF FOREIGN QUALIFICATION]**

## FORM OF SOLVENCY CERTIFICATE

KALTURA, INC.

Date: \_\_\_\_\_, 20\_\_\_\_

To the Administrative Agent,  
and each of the Lenders party  
to the Credit Agreement referred to below:

This **SOLVENCY CERTIFICATE** (this "**Certificate**") is delivered pursuant to Section 5.1(p) of that certain Credit Agreement, dated as of January 14, 2021, among Kaltura, Inc., a Delaware corporation (the "**Borrower**"), the Lenders party thereto, Silicon Valley Bank ("**SVB**"), as Administrative Agent, and SVB as the Issuing Lender and the Swingline Lender (as amended, restated, amended and restated, supplemented, restructured or otherwise modified from time to time, the "**Credit Agreement**"). Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement. The undersigned [Treasurer][Chief Financial Officer] of the Borrower, in such capacity only and not in her/his individual capacity, does hereby certify on behalf of each Loan Party as of the date hereof that:

Each Loan Party is, and immediately after giving effect to the incurrence of all Indebtedness and Obligations being incurred in connection herewith, will be, Solvent. Each UK Group Member (other than any Immaterial Subsidiary) is not unable to pay its debts (including trade debts) within the meaning of the UK Insolvency Act 1986 and has not stopped paying its debts as they fall due and the value of its assets is not less than the value of its liabilities (taking into account its contingent and prospective liabilities). No transfer of property is being made by any Loan Party and no obligation is being incurred by any Loan Party in connection with the transactions contemplated by the Credit Agreement or the other Loan Documents with the intent to hinder, delay, or defraud either present or future creditors of such Loan Party. No Group Member has taken any corporate or other action nor has any application been made or any other steps been taken or legal proceedings been started or (to the best of such Loan Party's knowledge and belief having made due and proper enquiry with the Group Members) threatened in writing against such Group Member for its winding-up or for the appointment of a liquidator, trustee, receiver, administrative receiver, administrator, examiner or similar officer of it or of any or all of its assets.

*(Signature page follows)*

I represent the foregoing information to be, to the best of my knowledge and belief, true and correct and execute this Certificate as of the date first written above.

By: \_\_\_\_\_

Name: \_\_\_\_\_

as [Treasurer][Chief Financial Officer] of:

**KALTURA, INC.,**

a Delaware corporation

Exhibit D

FORM OF ASSIGNMENT AND ASSUMPTION

KALTURA, INC.

This Assignment and Assumption Agreement (the "Assignment Agreement") is dated as of the Assignment Effective Date set forth below and is entered into by and between the Assignor identified in item 1 below (the "Assignor") and the Assignee identified in item 2 below (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment Agreement as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Assignment Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including without limitation any letter of credit deposits, guarantees, and swingline loans included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by the Assignor to the Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as the "Assigned Interest"). Each such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment Agreement, without representation or warranty by the Assignor.

1. Assignor: \_\_\_\_\_  
\_\_\_\_\_

2. Assignee: \_\_\_\_\_

[for Assignee, if applicable, indicate [Affiliate][Approved Fund] of [identify Lender]]

3. Borrower: KALTURA, INC., a Delaware corporation

4. Administrative Agent: SILICON VALLEY BANK



5. Credit Agreement: Credit Agreement, dated as of January 14, 2021, among the Borrower, the Lenders party thereto, SILICON VALLEY BANK (“SVB”), as Administrative Agent, and SVB as the Issuing Lender and the Swingline Lender

6. Assigned Interest[s]:

Assignor	Assignee	Facility Assigned <sup>1</sup>	Aggregate Amount of Commitment / Loans for all Lenders <sup>2</sup>	Amount of Commitment / Loans Assigned <sup>3</sup>	Percentage Assigned of Commitment / Loans <sup>4</sup>	CUSIP Number
			\$	\$	%	
			\$	\$	%	
			\$	\$	%	

[7. Trade Date: \_\_\_\_\_]<sup>5</sup>

Assignment Effective Date: \_\_\_\_\_, 20\_\_ [TO BE INSERTED BY THE ADMINISTRATIVE AGENT AND WHICH SHALL BE THE ASSIGNMENT EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

[Signature pages follow]

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<sup>1</sup> Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment Agreement (e.g. “Revolving Facility”, “Term Facility”, etc.)

<sup>2</sup> Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Assignment Effective Date.

<sup>3</sup> Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Assignment Effective Date.

<sup>4</sup> Set forth, to at least 9 decimals, as a percentage of the applicable Commitment/Loans of all Lenders thereunder.

<sup>5</sup> To be completed if the Assignor(s) and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.

The terms set forth in this Assignment Agreement are hereby agreed to:

ASSIGNOR<sup>1</sup>  
[NAME OF ASSIGNOR]

By \_\_\_\_\_  
Name:  
Title:

ASSIGNOR<sup>2</sup>  
[NAME OF ASSIGNOR]

By \_\_\_\_\_  
Name:  
Title:

---

<sup>1</sup> Add additional signature blocks as needed.

<sup>2</sup> Add additional signature blocks as needed.

Consented to and Accepted:

SILICON VALLEY BANK,  
as Administrative Agent

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

[Consented to:]<sup>3</sup>  
[NAME OF RELEVANT PARTY]

By \_\_\_\_\_  
Name:  
Title:

[NAME OF RELEVANT PARTY]

By \_\_\_\_\_  
Name:  
Title:

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<sup>3</sup> To be added only if the consent of the Borrower and/or other parties (e.g. Swingline Lender, Issuing Lender) is required by the terms of the Credit Agreement

STANDARD TERMS AND CONDITIONS FOR  
ASSIGNMENT AND ASSUMPTION1. Representations and Warranties.

1.1. Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment Agreement and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of any Loan Party, any of their respective Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by any Loan Party, any of their respective Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document or any other instrument or document furnished pursuant hereto or thereto.

1.2. Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment Agreement and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an Eligible Assignee, including the requirements under Section 10.6(b) of the Credit Agreement (subject to such consents, if any, as may be required under Section 10.6(b)(iii) of the Credit Agreement), (iii) from and after the Assignment Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 6.1 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment Agreement and to purchase the Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment Agreement and to purchase the Assigned Interest, and (vii) if it is a Non-U.S. Lender, attached to the Assignment Agreement is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on any of the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Assignment Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Assignment

Effective Date and to the Assignee for amounts which have accrued from and after the Assignment Effective Date.

3. General Provisions. This Assignment Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment Agreement may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment Agreement by telecopy (or other electronic method of transmission) shall be effective as delivery of a manually executed counterpart of this Assignment Agreement. This Assignment Agreement shall be governed by, and construed and interpreted in accordance with, the internal laws (and not the conflict of law rules) of the State of New York.

**FORM OF U.S. TAX COMPLIANCE CERTIFICATE**  
**(For Foreign Lenders That Are Not Partnerships for U.S. Federal Income Tax Purposes)**

[Date]

Reference is made to that certain Credit Agreement, dated as of January 14, 2021 (as amended, supplemented or otherwise modified from time to time, the “**Credit Agreement**”), among Kaltura, Inc., a Delaware corporation (the “**Borrower**”), the Lenders party thereto, Silicon Valley Bank (“**SVB**”), as administrative agent and collateral agent for such Lenders (in such capacities, together with any successors and assigns in such capacities; the “**Administrative Agent**”), and SVB as the Issuing Lender and the Swingline Lender.

Pursuant to the provisions of Section 2.20 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 881(c)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN or W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

IN WITNESS WHEREOF, the undersigned has caused this certificate to be duly executed and delivered by its proper and duly authorized signatory as of the day and year first written above.

[Name of Lender]

By \_\_\_\_\_  
Name:  
Title:

**FORM OF U.S. TAX COMPLIANCE CERTIFICATE**  
**(For Foreign Participants That Are Not Partnerships for U.S. Federal Income Tax Purposes)**

[Date]

Reference is made to that certain Credit Agreement, dated as of January 14, 2021 (as amended, supplemented or otherwise modified from time to time, the “**Credit Agreement**”), among Kaltura, Inc., a Delaware corporation (the “**Borrower**”), the Lenders party thereto, Silicon Valley Bank (“**SVB**”), as administrative agent and collateral agent for such Lenders (in such capacities, together with any successors and assigns in such capacities; the “**Administrative Agent**”), and SVB as the Issuing Lender and the Swingline Lender.

Pursuant to the provisions of Section 2.20 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN or W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

IN WITNESS WHEREOF, the undersigned has caused this certificate to be duly executed and delivered by its proper and duly authorized signatory as of the day and year first written above.

[Name of Participant]

By \_\_\_\_\_

Name:

Title:

**FORM OF U.S. TAX COMPLIANCE CERTIFICATE**  
**(For Foreign Participants That Are Partnerships for U.S. Federal Income Tax Purposes)**

[Date]

Reference is made to that certain Credit Agreement, dated as of January 14, 2021 (as amended, supplemented or otherwise modified from time to time, the “**Credit Agreement**”), among Kaltura, Inc., a Delaware corporation (the “**Borrower**”), the Lenders party thereto, Silicon Valley Bank (“**SVB**”), as administrative agent and collateral agent for such Lenders (in such capacities, together with any successors and assigns in such capacities; the “**Administrative Agent**”), and SVB as the Issuing Lender and the Swingline Lender.

Pursuant to the provisions of Section 2.20 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or W-8BEN-E from each of such partner’s/member’s beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

IN WITNESS WHEREOF, the undersigned has caused this certificate to be duly executed and delivered by its proper and duly authorized signatory as of the day and year first written above.

[Name of Participant]

By \_\_\_\_\_  
Name:  
Title:



**FORM OF U.S. TAX COMPLIANCE CERTIFICATE**  
**(For Foreign Lenders That Are Partnerships for U.S. Federal Income Tax Purposes)**

[Date]

Reference is made to that certain Credit Agreement, dated as of January 14, 2021 (as amended, supplemented or otherwise modified from time to time, the “**Credit Agreement**”), among Kaltura, Inc., a Delaware corporation (the “**Borrower**”), the Lenders party thereto, Silicon Valley Bank (“**SVB**”), as administrative agent and collateral agent for such Lenders (in such capacities, together with any successors and assigns in such capacities; the “**Administrative Agent**”), and SVB as the Issuing Lender and the Swingline Lender.

Pursuant to the provisions of Section 2.20 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or W-8BEN-E from each of such partner’s/member’s beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

IN WITNESS WHEREOF, the undersigned has caused this certificate to be duly executed and delivered by its proper and duly authorized signatory as of the day and year first written above.

[Name of Lender]

By \_\_\_\_\_  
Name:  
Title:

**[RESERVED]**

## FORM OF REVOLVING LOAN NOTE

KALTURA, INC.

THIS REVOLVING LOAN NOTE AND THE OBLIGATIONS REPRESENTED HEREBY MAY NOT BE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE TERMS AND PROVISIONS OF THE CREDIT AGREEMENT REFERRED TO BELOW. TRANSFERS OF THIS REVOLVING LOAN NOTE AND THE OBLIGATIONS REPRESENTED HEREBY MUST BE RECORDED IN THE REVOLVING LOAN REGISTER MAINTAINED BY THE ADMINISTRATIVE AGENT PURSUANT TO THE TERMS OF SUCH CREDIT AGREEMENT.

\$[\_\_\_\_\_]

Santa Clara, California  
[\_\_\_\_] [\_\_], 20[\_\_\_\_]

FOR VALUE RECEIVED, the undersigned, KALTURA, INC., a Delaware corporation (the “**Borrower**”), hereby unconditionally promises to pay to [\_\_\_\_\_] (the “**Lender**”) or its registered assigns at the Funding Office specified in the Credit Agreement (as hereinafter defined) in Dollars and in immediately available funds, on the Revolving Termination Date the principal amount of (a) [\_\_\_\_\_] (\$[\_\_\_\_\_]), or, if less, (b) the aggregate unpaid principal amount of all Revolving Loans made by the Lender to the Borrower pursuant to Section 2.4 of the Credit Agreement referred to below. The Borrower further agrees to pay interest in like money at such office on the unpaid principal amount hereof from time to time outstanding at the rates and on the dates specified in the Credit Agreement.

The holder of this Revolving Loan Note (this “**Note**”) is authorized to indorse on the schedules annexed hereto and made a part hereof or on a continuation thereof which shall be attached hereto and made a part hereof the date, Type and amount of each Revolving Loan made pursuant to the Credit Agreement and the date and amount of each payment or prepayment of principal thereof, each continuation thereof, each conversion of all or a portion thereof to another Type and, in the case of Eurodollar Loans, the length of each Interest Period with respect thereto. Each such indorsement shall constitute prima facie evidence of the accuracy of the information indorsed. The failure to make any such indorsement or any error in any such indorsement shall not affect the obligations of the Borrower in respect of any Revolving Loan.

This Note (a) is one of the Revolving Loan Notes referred to in the Credit Agreement, dated as of January 14, 2021, among the Borrower, the Lenders party thereto, Silicon Valley Bank (“**SVB**”), as Administrative Agent, and SVB as the Issuing Lender and the Swingline Lender (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”), (b) is subject to the provisions of the Credit Agreement and (c) is subject to optional and mandatory prepayment in whole or in part as provided in the Credit Agreement. This Note is secured and guaranteed as provided in the Loan Documents. Reference is hereby made to the Loan Documents for a description of the properties and assets in which a security interest has been granted, the nature and extent of the security and the guarantees, the terms and conditions upon which the security interests and each guarantee were granted and the rights of the holder of this Note in respect thereof.

Upon the occurrence and during the continuance of any one or more Events of Default, all principal and all accrued interest then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable, all as provided in the Credit Agreement. All parties now and

hereafter liable with respect to this Note, whether maker, principal, surety, guarantor, endorser or otherwise, hereby waive presentment, demand, protest and all other notices of any kind.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

**NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN OR IN THE CREDIT AGREEMENT, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT PURSUANT TO AND IN ACCORDANCE WITH THE REGISTRATION AND OTHER PROVISIONS OF SECTION 10.6 OF THE CREDIT AGREEMENT.**

**THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE INTERNAL LAWS (AND NOT THE CONFLICT OF LAW RULES) OF THE STATE OF NEW YORK.**

**KALTURA, INC**

By \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## FORM OF SWINGLINE LOAN NOTE

KALTURA, INC.

THIS SWINGLINE LOAN NOTE AND THE OBLIGATIONS REPRESENTED HEREBY MAY NOT BE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE TERMS AND PROVISIONS OF THE CREDIT AGREEMENT REFERRED TO BELOW. TRANSFERS OF THIS SWINGLINE LOAN NOTE AND THE OBLIGATIONS REPRESENTED HEREBY MUST BE RECORDED IN THE REVOLVING LOAN REGISTER MAINTAINED BY THE ADMINISTRATIVE AGENT PURSUANT TO THE TERMS OF SUCH CREDIT AGREEMENT.

\$[\_\_\_\_\_]

Santa Clara, California  
[\_\_\_\_] [\_\_], 20[\_\_\_\_]

FOR VALUE RECEIVED, the undersigned, KALTURA, INC., a Delaware corporation (the "**Borrower**"), hereby unconditionally promises to pay to SILICON VALLEY BANK (the "**Lender**") or its registered assigns at the Funding Office specified in the Credit Agreement (as hereinafter defined) in Dollars and in immediately available funds, on the Revolving Termination Date, the principal amount of (a) [\_\_\_\_\_] (\$[\_\_\_\_\_]), or, if less, (b) the aggregate unpaid principal amount of all Swingline Loans made by the Lender to the Borrower pursuant to Section 2.6 of the Credit Agreement referred to below. The Borrower further agrees to pay interest in like money at such office on the unpaid principal amount hereof from time to time outstanding at the rates and on the dates specified in the Credit Agreement.

The holder of this Swingline Loan Note (this "**Note**") is authorized to indorse on the schedules annexed hereto and made a part hereof or on a continuation thereof which shall be attached hereto and made a part hereof the date and amount of each Swingline Loan made pursuant to the Credit Agreement and the date and amount of each payment or prepayment of principal thereof. Each such indorsement shall constitute prima facie evidence of the accuracy of the information indorsed. The failure to make any such indorsement or any error in any such indorsement shall not affect the obligations of the Borrower in respect of any Swingline Loan.

This Note (a) is the Swingline Loan Note referred to in the Credit Agreement, dated as of January 14, 2021, among the Borrower, the Lenders party thereto, Silicon Valley Bank ("**SVB**"), as Administrative Agent, and SVB as the Issuing Lender and the Swingline Lender (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), (b) is subject to the provisions of the Credit Agreement and (c) is subject to optional and mandatory prepayment in whole or in part as provided in the Credit Agreement. This Note is secured and guaranteed as provided in the Loan Documents. Reference is hereby made to the Loan Documents for a description of the properties and assets in which a security interest has been granted, the nature and extent of the security and the guarantees, the terms and conditions upon which the security interests and each guarantee were granted and the rights of the holder of this Note in respect thereof.

Upon the occurrence and during the continuance of any one or more Events of Default, all principal and all accrued interest then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable, all as provided in the Credit Agreement.

All parties now and hereafter liable with respect to this Note, whether maker, principal, surety, guarantor, indorser or otherwise, hereby waive presentment, demand, protest and all other notices of

any kind. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

**NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN OR IN THE CREDIT AGREEMENT, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT PURSUANT TO AND IN ACCORDANCE WITH THE REGISTRATION AND OTHER PROVISIONS OF SECTION 10.6 OF THE CREDIT AGREEMENT.**

**THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE INTERNAL LAWS (AND NOT THE CONFLICT OF LAW RULES) OF THE STATE OF NEW YORK.**

**KALTURA, INC**

By \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## FORM OF TERM LOAN NOTE

## KALTURA, INC.

THIS TERM LOAN NOTE AND THE OBLIGATIONS REPRESENTED HEREBY MAY NOT BE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE TERMS AND PROVISIONS OF THE CREDIT AGREEMENT REFERRED TO BELOW. TRANSFERS OF THIS TERM LOAN NOTE AND THE OBLIGATIONS REPRESENTED HEREBY MUST BE RECORDED IN THE TERM LOAN REGISTER MAINTAINED BY THE ADMINISTRATIVE AGENT PURSUANT TO THE TERMS OF SUCH CREDIT AGREEMENT.

\$\_[\_\_\_\_\_]

Santa Clara, California

[\_] [\_\_\_\_]. 20[\_\_\_\_]

FOR VALUE RECEIVED, the undersigned, KALTURA, INC., a Delaware corporation (the “**Borrower**”), hereby unconditionally promises to pay to [\_\_\_\_\_] (the “**Lender**”) or its registered assigns at the Funding Office specified in the Credit Agreement (as hereinafter defined) in Dollars and in immediately available funds, the principal amount of (a) [\_\_\_\_\_] (\$[\_\_\_\_\_]), or, if less, (b) the aggregate unpaid principal amount of the Term Loans made by the Lender pursuant to the Credit Agreement referred to below. The principal amount hereof shall be paid in the amounts and on the dates specified in Section 2.3 of the Credit Agreement. The Borrower further agrees to pay interest in like money at such office on the unpaid principal amount hereof from time to time outstanding at the rates and on the dates specified in the Credit Agreement.

The holder of this Term Loan Note (this “**Note**”) is authorized to indorse on the schedules annexed hereto and made a part hereof or on a continuation thereof which shall be attached hereto and made a part hereof the date, Type and amount of the Term Loan and the date and amount of each payment or prepayment of principal with respect thereto, each conversion of all or a portion thereof to another Type, each continuation of all or a portion thereof as the same Type and, in the case of Eurodollar Loans, the length of each Interest Period with respect thereto. Each such indorsement shall constitute *prima facie* evidence of the accuracy of the information indorsed. The failure to make any such indorsement or any error in any such indorsement shall not affect the obligations of the Borrower in respect of the Term Loan.

This Note (a) is one of the Term Loan Notes referred to in the Credit Agreement, dated as of January 14, 2021, among the Borrower, the Lenders party thereto, Silicon Valley Bank (“**SVB**”), as Administrative Agent, and SVB as the Issuing Lender and the Swingline Lender (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”), (b) is subject to the provisions of the Credit Agreement, and (c) is subject to optional and mandatory prepayment in whole or in part as provided in the Credit Agreement. This Note is secured and guaranteed as provided in the Loan Documents. Reference is hereby made to the Loan Documents for a description of the properties and assets in which a security interest has been granted, the nature and extent of the security and the guarantees, the terms and conditions upon which the security interests and each guarantee were granted and the rights of the holder of this Note in respect thereof.

Upon the occurrence and during the continuance of any one or more Events of Default, all principal and all accrued interest then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable, all as provided in the Credit Agreement.

All parties now and hereafter liable with respect to this Note, whether maker, principal, surety, guarantor, indorser or otherwise, hereby waive presentment, demand, protest and all other notices of any kind.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

**NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN OR IN THE CREDIT AGREEMENT, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT PURSUANT TO AND IN ACCORDANCE WITH THE REGISTRATION AND OTHER PROVISIONS OF SECTION 10.6 OF THE CREDIT AGREEMENT.**

**THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE INTERNAL LAWS (AND NOT THE CONFLICT OF LAW RULES) OF THE STATE OF NEW YORK.**

**KALTURA, INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



**FORM OF BORROWING BASE CERTIFICATE**

*(Please see attached form)*

**FORM OF COLLATERAL INFORMATION CERTIFICATE**

*(Please see attached form)*

## FORM OF NOTICE OF BORROWING

KALTURA, INC.

Date: \_\_\_\_\_

To: **SILICON VALLEY BANK**  
 3003 Tasman Drive  
 Santa Clara, CA 95054  
 Attention: Corporate Services Department

RE: Credit Agreement, dated as of January 14, 2021 (as amended, modified, supplemented or restated from time to time, the "Credit Agreement"), by and among Kaltura, Inc., a Delaware corporation (the "Borrower"), the Lenders party thereto, Silicon Valley Bank ("SVB"), as administrative agent and collateral agent for such Lenders (in such capacities, together with any successors and assigns in such capacities; the "Administrative Agent"), and SVB as the Issuing Lender and the Swingline Lender. Capitalized terms used but not otherwise defined herein shall have the respective meanings given to such terms in the Credit Agreement.

Ladies and Gentlemen:

The undersigned refers to the Credit Agreement and hereby gives you irrevocable notice, pursuant to Section [2.2] [2.5] [2.7(a)] of the Credit Agreement, of the borrowing of a [Term Loan][Revolving Loan][Swingline Loan].

1. The requested Borrowing Date, which shall be a Business Day, is \_\_\_\_\_.
2. The aggregate amount of the requested Loan is \$\_\_\_\_\_.
3. The requested Loan shall consist of \$\_\_\_\_\_ Eurodollar Loans of ABR Loans and \$\_\_\_\_\_ of
4. The duration of the Interest Period for the Eurodollar Loans included in the requested Loan shall be \_\_\_\_\_  
[one][three][six] months.
5. [Insert instructions for remittance of the proceeds of the applicable Loans to be borrowed]

6. The undersigned, in his/her capacity as a Responsible Officer of the Borrower and not in his/her individual capacity, hereby certifies that the following statements are true on the date hereof, and will be true on the date of the proposed Loan before and after giving effect thereto, and to the application of the proceeds therefrom, as applicable:

(a) each representation and warranty of each Loan Party contained in or pursuant to any Loan Document (i) to the extent qualified by materiality, is true and correct, and (ii) to the extent not qualified by materiality, is true and correct in all material respects, in each case, on and as of the date

hereof as if made on and as of the date hereof, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date; [and]

(b) no Default or Event of Default exists or will occur after giving effect to the extensions of credit requested herein [; and]

[(c) after giving effect to such Revolving Extension of Credit, the availability and borrowing limitations specified in Section 2.4 of the Credit Agreement will be satisfied.]

*[Signature page follows]*

IN WITNESS WHEREOF, the undersigned has caused this notice to be duly executed and delivered by its proper and duly authorized officer as of the day and year first written above.

**KALTURA, INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

*For internal Bank use only*

Eurodollar Pricing Date	Eurodollar Rate	Eurodollar Variance	Maturity Date
		_____%	

FORM OF NOTICE OF CONVERSION/CONTINUATION

KALTURA, INC.

Date: \_\_\_\_\_

To: **SILICON VALLEY BANK**  
3003 Tasman Drive  
Santa Clara, CA 95054  
Attention:

Re: Credit Agreement, dated as of January 14, 2021 (as amended, modified, supplemented or restated from time to time, the “**Credit Agreement**”), by and among Kaltura, Inc., a Delaware corporation (the “**Borrower**”), the Lenders party thereto, Silicon Valley Bank (“**SVB**”), as administrative agent and collateral agent for such Lenders (in such capacities, together with any successors and assigns in such capacities; the “**Administrative Agent**”), and SVB as the Issuing Lender and the Swingline Lender. Capitalized terms used but not otherwise defined herein shall have the respective meanings given to such terms in the Credit Agreement.

Ladies and Gentlemen:

The undersigned, in his/her capacity as a Responsible Officer of the Borrower and not in his/her individual capacity, refers to the Credit Agreement and hereby gives you irrevocable notice pursuant to Section [2.13(a)] [2.13(b)] of the Credit Agreement, of the [conversion] [continuation] of the Loans specified herein, that:

1. The date of the [conversion] [continuation] is \_\_\_\_\_.
2. The aggregate amount of the proposed Loans to be [converted] [continued] is \$\_\_\_\_\_.
3. The Loans are to be [converted into] [continued as] [Eurodollar] [ABR] Loans.
4. The duration of the Interest Period for the Eurodollar Loans included in the [conversion] [continuation] shall be [one][three] [six] months.
5. The undersigned on behalf of the Borrower, hereby certifies that the following statements are true on the date hereof, and will be true on the date of the proposed [conversion] [continuation], before and after giving effect thereto and to the application of the proceeds therefrom:

no Default or Event of Default exists or shall occur after giving effect to the [conversion] [continuation] requested to be made on such date.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned has caused this notice to be duly executed and delivered by its proper and duly authorized officer as of the day and year first written above.

**KALTURA, INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

*For internal Bank use only*

Eurodollar Pricing Date	Eurodollar Rate	Eurodollar Variance	Maturity Date
		_____%	

## **Debenture - Kaltura**

- (1) The entities listed in Schedule 1  
(as Original Chargors)
- (2) Silicon Valley Bank  
(as Administrative Agent)

Dated 14 January 2021



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**This Deed** is made on

**Between**

- (1) **Each person listed in Schedule 1** to this Deed (the "**Original Chargors**"); and
- (2) **Silicon Valley Bank** a California corporation with its principal place of business at 3003 Tasman Drive, Santa Clara, California 95054 US as administrative agent and collateral agent for the Secured Parties (the "**Administrative Agent**").

**This Deed witnesses** as follows:

**1. Definitions and interpretation**

1.1 In this Deed, unless the context otherwise requires, the following definitions shall apply:

**"Accession Deed"** means a document substantially in the form set out in Schedule 4 (*Form of Accession Deed*) or such other form as the Administrative Agent may require (acting reasonably).

**"Administrator"** means a person appointed under Schedule B1 to the Insolvency Act 1986 to manage a Chargor's affairs, business and property.

**"Assigned Contract"** means each contract specified in Part 4 of Schedule 2 (*Security Assets*) and (with effect from the date of the relevant Accession Deed or a Supplemental Debenture) each contract specified as an Assigned Contract in an Accession Deed or Supplemental Debenture (as the case may be).

**"Authorisation"** means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

**"Borrower"** means Kaltura, Inc., a Delaware corporation.

**"Chargors"** means each Original Chargor and any person that executes and delivers an Accession Deed in favour of the Administrative Agent after the date of this Deed.

**"Credit Agreement"** means that certain Credit Agreement dated on or about the date hereof and made between the Borrower and Silicon Valley Bank as original lender, issuing lender, administrative agent and collateral agent.

**"Declared Default"** means the Administrative Agent exercising any of its rights under section 8.2 (*Remedies upon Event of Default*) of the Credit Agreement.

**"Delegate"** means any delegate, agent, attorney or co-trustee appointed by the Administrative Agent.

**"Derivative Asset"** means all allotments, rights, benefits and advantages (including all voting rights) at any time accruing, offered or arising in respect of or incidental to any asset and all money or property accruing or offered at any time by way of conversion, redemption, bonus, preference, option, dividend, distribution, interest or otherwise in respect of an asset in each case to the extent legally or beneficially owned by a Chargor.

**"Excluded Assets"** has the meaning given to that term in the Guarantee and Collateral Agreement.

**"Floating Charge Asset"** means an asset charged under clause 3.3 (*Floating Charge*) or clause 4.1(a) (*Security*) of an Accession Deed.

**"Guarantee and Collateral Agreement"** has the meaning given to that term in the Credit Agreement.

**"Insurance Proceeds"** means all monies from time to time payable to a Chargor under or pursuant to the Insurances, including the refund of any premium.

**"Insurances"** means all policies of insurance and all proceeds of them either now or in the future held by, or written in favour of, a Chargor or in which it is otherwise interested, but excluding any third party liability or public liability insurance and any directors and officers insurance.

**"Intellectual Property"** means all any patents, trademarks, service marks, designs, business names, copyrights, database rights, computer software, design rights, domain names, moral rights, inventions, confidential information, trade secrets, knowhow, brand names, trade names, any uniform resource identifier and other intellectual property rights and interests (which may now or in the future subsist), whether registered or unregistered, the benefit of all applications and rights to use those assets and any Related Rights and Derivative Assets arising in relation to any of the aforementioned assets.

**"Investment"** means any stock, share, debenture, loan stock, interest in any investment fund and any other security (whether or not marketable) whether owned directly by or to the order of a Chargor or by any trustee, fiduciary or clearance system on its behalf, including any Derivative Asset and any Related Rights in respect of any of the foregoing.

**"LPA"** means the Law of Property Act 1925.

**"Obligations"** has the meaning given to that term in the Credit Agreement.

**"Obligors"** means the Borrower and each Chargor.

**"Party"** means a party to this Deed.

**"Plant and Machinery"** means all plant and machinery, equipment, fittings, installations and apparatus, tools, motor vehicles and all other similar assets (other than any assets that are deemed by law to be immoveable property), wherever they are situated, which are now, or at any time after the date of this Deed become, the property of a Chargor.

**"Property"** means:

- (a) all freehold, leasehold or other immovable property of a Chargor situate in England and Wales;
- (b) any buildings, fixtures, fittings, plant and machinery from time to time on or forming part of the property referred to in paragraph (a) above; and
- (c) any Related Rights arising in relation to any of the assets described in paragraphs (a) and (b) above (inclusive),

and **"Properties"** shall be construed accordingly.

**"Receivables"** means all present and book debts, accounts receivable, contract rights, and other obligations owed to a Chargor in connection with its sale or lease of goods (including licensing software and other technology) or provision of services, all credit insurance, guarantees, other security and all merchandise returned to or reclaimed by a Chargor and any records relating to any of the foregoing.

**"Receiver"** means a receiver or receiver and manager or administrative receiver of the whole or any part of the Security Assets.

**"Related Rights"** means, where used in relation to an asset, the following:

- (a) the proceeds of sale and/or other realisation of that asset (or any part thereof or interest therein);
- (b) all Authorisations, options, agreements, rights, easements, benefits, indemnities, guarantees, warranties or covenants for title in respect of such asset; and
- (c) all rights under any lease, licence or agreement for lease, sale or use in respect of such asset.

**"Secured Liabilities"** means the Obligations.

**"Security Interest"** means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

**"Security Assets"** means:

- (a) the assets mortgaged, charged or assigned by way of security to the Administrative Agent by this Deed, any Accession Deed or any Supplemental Debenture; and
- (b) any assets held on trust by a Chargor for the Administrative Agent.

**"Security Period"** means the period from the date of this Deed (or, if relevant to a Chargor, the date of the Accession Deed to which it is a party) until the Discharge of Obligations.

**"Shares"** means:

- (a) the shares described in Part 3 of Schedule 2 (*Security Assets*) and Part 3 of the schedule to each Accession Deed (if any);
- (b) all Derivative Assets in relation to the Shares; and
- (c) all Related Rights in respect of paragraphs (a) to (b) above (inclusive).

**"Supplemental Debenture"** means a supplemental debenture to this Deed in the form set out in Schedule 5 (*Supplemental Debenture*) or such other form as the Administrative Agent may require.

**"SVB Operating Accounts"** means the accounts designated as SVB Operating Accounts in Part 1 of Schedule 2 (*Security Assets*) or such other accounts as may be agreed in writing between a Chargor and the Administrative Agent for this purpose and all monies standing to the credit of each such account and all Related Rights in respect of each such account.

**"Third Party Accounts"** means the accounts designated as Third Party Accounts in Part 1 of Schedule 2 (*Security Assets*) and any future accounts of a Chargor not held with the Administrative Agent and all monies standing to the credit of each such account and all Related Rights in respect of each such account.

**"UK Chargor"** means a Chargor incorporated or established in England & Wales.

**"UK Receivable"** means any Receivable that is due to a UK Chargor, or is paid into a bank account located in the United Kingdom and held in the name of a UK Chargor or is due under any contract or agreement governed by English law to which the UK Chargor is a party or is paid to a UK Chargor by a person located in the United Kingdom.

**"US Chargor"** means Kaltura, Inc., a Delaware corporation.

## 1.2 **Construction**

- (a) Unless otherwise defined in this Deed, terms defined in the Credit Agreement have the same meaning in this Deed as they do in the Credit Agreement.
- (b) In this Deed:
  - (i) clause headings are inserted for convenience only and shall not affect the construction of this Deed and unless otherwise specified, all references to clauses and to Schedules (if any) are to clauses of, and the schedules to, this Deed and references to sub-clauses are to sub-clauses of the clause in which the reference appears;
  - (ii) Section 61 of the Law of Property Act 1925 shall govern the construction hereof, and where the context so admits, any reference herein to any statute or any provision of any statute shall be deemed to include reference to any statutory modification or re-enactment thereof and to any regulations or orders made thereunder and from time to time in force;
  - (iii) The singular shall include the plural and vice versa;
  - (iv) references to persons shall include references to bodies corporate and unincorporate;
  - (v) references to any document are to be construed as references to such document as amended or supplemented from time to time;
  - (vi) references to the Administrative Agent include references to any person or persons to whom the Administrative Agent may dispose of this Deed or any interest or right created by or existing under it and the successors in title to any such person in respect of any such interest or right;
  - (vii) any references to the Administrative Agent or any Receiver shall include its Delegates; and
  - (viii) any reference to the security constituted by this Deed becoming "**enforceable**" shall mean the Security Interests created under this Deed have become enforceable under clause 8.1 (*Enforcement*).

## 1.3 **Law of Property (Miscellaneous Provisions) Act 1989**

To the extent necessary for any agreement for the disposition of the Security Assets in this Deed to be a valid agreement under section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the other Loan Documents and of any side letters between the parties to this Deed are incorporated into this Deed.

## 1.4 **Implied Covenants for Title**

The obligations of each Chargor under this Deed shall be in addition to the covenants for title deemed to be included in this Deed by virtue of Part I of the Law of Property (Miscellaneous Provisions) Act 1994.

## 1.5 **Effect as a Deed**

This Deed is intended to take effect as a deed notwithstanding that the Administrative Agent may have executed it under hand only.

## 1.6 **Loan Document**

This Deed is a Loan Document.

### 1.7 **Third Party Rights**

A person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed.

### 1.8 **Trusts**

- (a) The Administrative Agent holds the benefit of this Deed and any Accession Deed on trust for the Secured Parties in accordance with the terms of Section 9 of the Credit Agreement.
- (b) The perpetuity period for any trusts created by this Deed is 125 years.

### 1.9 **Security Limitations**

Solely to the extent of any conflict or inconsistency between the terms of this Deed and the terms of the Guarantee and Collateral Agreement then, insofar as such conflict or inconsistency relates to any Security Asset expressed to be charged or assigned under this Deed which is from time to time located in the jurisdiction covered by the Guarantee and Collateral Agreement, the terms of the Guarantee and Collateral Agreement shall prevail.

## 2. **Covenant to Pay**

Each Chargor as primary obligor covenants with the Administrative Agent (as trustee for the Secured Parties) that it will on demand pay to the Administrative Agent the Secured Liabilities when the same fall due for payment.

## 3. **Security Assets**

### 3.1 **Fixed Charges**

- (a) Subject to Clause 3.7 (*Property Restricting Charging*), each Chargor, as security for the payment discharge and performance of the Secured Liabilities, charges in favour of the Administrative Agent, with full title guarantee, the following assets (other than any Excluded Assets), from time to time owned by it or in which it has an interest:
  - (i) by way of first legal mortgage, each Property legal title to which is vested in it on the date of this Deed specified in Part 5 of Schedule 2 (*Security Assets*); and
  - (ii) by way of first fixed charge:
    - (A) all Property not effectively mortgaged under clause 3.1 (a)(i);
    - (B) all Plant and Machinery;
    - (C) all Shares;
    - (D) all Investments other than the Shares;
    - (E) all the monies from time to time standing to the credit of the SVB Operating Accounts;
    - (F) all the monies from time to time standing to the credit of the Third Party Accounts;
    - (G) all Intellectual Property specified in Part 2 of Schedule 2 (*Security Assets*);

- (H) all other Intellectual Property;
- (I) all Receivables not effectively assigned pursuant to Clause 3.2 ( *Security Assignment*); and
- (J) its goodwill and uncalled capital.

### 3.2 **Security Assignment**

Subject to Clause 3. 7 (*Property Restricting Charging*), as further security for the payment of the Secured Liabilities, each Chargor assigns, by way of security, with full title guarantee to the Administrative Agent all its rights, title and interest in:

- (a) the Insurances and the Insurance Proceeds;
- (b) each Assigned Contract;
- (c) all Receivables; and
- (d) all Related Rights in respect of each of the above,

in each case excluding any Excluded Assets and subject in each case to reassignment by the Administrative Agent to the relevant Chargor of all such rights, title and interest upon payment or discharge in full of the Secured Liabilities.

### 3.3 **Floating Charge**

- (a) Subject to Clause 3. 7 (*Property Restricting Charging*), as further security for the payment of the Secured Liabilities, each Chargor charges with full title guarantee in favour of the Administrative Agent by way of first floating charge its undertaking and all its present and future assets other than:
  - (i) those assets which are effectively charged by way of first fixed charge or legal mortgage under clause 3.1 (*Fixed Charges*) or which are effectively assigned by way of security under clause 3.2 ( *Security Assignment*); and
  - (ii) any Excluded Assets.
- (b) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to the floating charge created by this Deed to the extent such floating charge is created by a "company" as defined in Schedule B1 to the Insolvency Act 1986.

### 3.4 **Conversion of Floating Charge by Notice**

- If:
- (a) the security constituted by this Deed has become enforceable pursuant to the terms of this Deed; or
  - (b) the Administrative Agent is of the view (acting reasonably and in good faith) that any legal process or execution is being enforced against any Floating Charge Asset or (acting reasonably) that any Floating Charge Asset is in danger of being seized, sold or is otherwise in jeopardy,

the Administrative Agent may, by written notice to a Chargor, convert the floating charge created under this Deed into a fixed charge as regards those assets which it specifies in that notice. The relevant Chargor shall as soon as reasonably practicable following request by the Administrative



Agent execute a fixed charge or legal or equitable assignment over those assets in such form as the Administrative Agent may require.

### 3.5 **Automatic Conversion of Floating Charge**

If, without the prior written consent of the Administrative Agent:

- (a) a Chargor creates any Security Interest (other than a Lien permitted under Section 7.3 (*Liens*) of the Credit Agreement) over all or any of the Security Assets or attempts to do so;
- (b) any person levies or attempts to levy any attachment, execution or other legal process against any of such Security Assets;
- (c) a resolution is passed or an order is made for the winding up, dissolution, administration or other reorganisation of a Chargor; or
- (d) any steps are taken for the appointment of, or notice is given of intention to appoint (by a person entitled to do so), or a petition is filed or application is made, or a competent court makes an order for the appointment of an administrator, in relation to a Chargor,

then the floating charge created by this Deed over the Floating Charge Assets of that Chargor will automatically, without notice, be converted into a fixed charge as soon as such event occurs.

### 3.6 **Part A 1 moratorium**

- (a) Subject to Clause 3.6(b) below, the obtaining of a moratorium under Part A1 of the Insolvency Act 1986, or anything done with a view to obtaining such a moratorium (including any preliminary decision or investigation), shall not be an event causing any floating charge created by this Deed to crystallise or causing restrictions which would not otherwise apply to be imposed on the disposal of any asset by a Chargor or a ground for the appointment of a Receiver.
- (b) Clause 3.6(a) above does not apply in respect of any floating charge referred to in subsection (4) of section A52 of Part A1 of the Insolvency Act 1986.

### 3.7 **Property Restricting Charging**

- (a) There shall be excluded from the charge or assignment, as applicable, created by Clauses 3.1 (*Fixed Charges*), 3.2 (*Security Assignment*) and 3.3 (*Floating Charge*) and the operation of Clause 5.1 (*General*) ( and the corresponding provision in any Accession Deed):
  - (i) any leasehold property held by a UK Chargor under a lease which prohibits either absolutely or conditionally (including requiring the consent of any third party) that Chargor from creating any charge over its leasehold interest;
  - (ii) any Intellectual Property in which a UK Chargor has an interest under any licence or other agreement which prohibits either absolutely or conditionally (including requiring the consent of any third party) that UK Chargor from creating any charge over its interest in that Intellectual Property; and
  - (iii) any Receivables in which a UK Chargor any agreement which prohibits either absolutely or conditionally (including requiring the consent of any third party) that UK Chargor from creating any charge or assignment over its interest in that Receivable,

in each case until the relevant condition, consent or waiver has been satisfied or obtained.

- (b) To the extent that any leasehold property, Intellectual Property or Receivable is not effectively charged pursuant to Clause 3.1 (*Fixed Charges*) or Clause 3.3 (*Floating Charge*) (each a "**Non-Charged Asset**"), each Chargor shall use its commercially reasonable endeavours to obtain the consent to charge, or a waiver of the prohibition on assignment on charging (as the case may be), that Non-Charged Asset, as soon as reasonably practicable following the date of this Deed and shall keep the Administrative Agent informed of the progress of such matters provided that if the relevant Chargor has used its commercially reasonable endeavours to obtain the consent to charge, or a waiver of the prohibition on assignment on charging (as the case may be) for 20 Business Days, then thereafter that Chargor shall be deemed to have complied with its obligation under this Clause 3.7(b).
- (c) Pending receipt of the consent or waiver described in Clause 3.7(b), each Chargor shall hold all of its right, benefit and interest in a Non-Charged Asset on trust for the Administrative Agent **provided that** the terms of such trust shall be no more onerous than the terms of the assignments expressed to be created by this Deed.
- (d) Immediately upon the relevant condition being satisfied or receipt of the relevant waiver or consent, the formerly excluded leasehold property, Intellectual Property or Receivables shall stand charged or assigned, as applicable, to the Administrative Agent pursuant to the terms of this Deed or the relevant Accession Deed.

### 3.8 **Supplemental Debenture**

Each Chargor shall, at the request of the Administrative Agent, grant to the Administrative Agent a supplemental charge (in the agreed form based on the template set out in Schedule 5 (*Supplemental Debenture*)) on its acquisition of any Property.

## 4. **Nature of Security**

### 4.1 **Continuing Security**

- (a) The Security Interests created by this Deed are to be a continuing security interests notwithstanding any intermediate payment or settlement of all or any part of the Secured Liabilities or any other matter or thing.
- (a) If any purported obligation or liability of any Obligor to the Administrative Agent or Secured Parties which if valid would have been the subject of any obligation or charge created by this Deed is or becomes unenforceable, invalid or illegal on any ground whatsoever whether or not known to the Administrative Agent, the Chargors shall nevertheless be liable in respect of that purported obligation or liability as if the same were fully valid and enforceable and the Chargors were the principal debtors in respect thereof. Each Chargor hereby agrees to keep the Administrative Agent and the Secured Parties fully indemnified against all damages, losses, costs and expenses arising from any failure of any Obligor to carry out any such purported obligation or liability.
- (b) The obligations and liabilities of each Chargor under this Deed will not be affected by any act, omission, matter or thing which, but for this sub-clause, would reduce, release or prejudice any of its obligations or liabilities under this Deed (without limitation and whether or not known to any Secured Party) including:
  - (i) any time, waiver or consent granted to, or composition with, any Obligor or other person;

- (ii) the release of any Obligor or any other person under the terms of any composition or arrangement with any creditor of any person;
  - (iii) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over any assets of any Obligor or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security Interests;
  - (iv) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any Obligor or any other person;
  - (v) any amendment (however fundamental) or replacement of any Loan Document or any other document or Security Interest;
  - (vi) any unenforceability, illegality or invalidity of any obligation of any person under any Loan Document or any other document or Security Interest; or
  - (vii) any insolvency or similar proceedings.
- (c) Until the Security Period has ended and unless the Administrative Agent otherwise directs, a Chargor will not exercise any rights which it may have by reason of performance by it of its obligations under this Deed:
- (i) to be indemnified by any other Obligor (including any rights it may have by way of subrogation);
  - (ii) to claim any contribution from any guarantor of any other Obligor of the obligations under the Loan Documents;
  - (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any right of the Administrative Agent or any of the other Secured Parties under any Loan Document or of any other guarantee or Security Interest taken pursuant to, or in connection with, the Loan Documents;
  - (iv) to claim, rank, prove or vote as a creditor of any other Obligor or its estate in competition with the Administrative Agent or any of the other Secured Parties; and/or
  - (v) receive, claim or have the benefit of any payment, distribution or security from or on account of any other Obligor, or exercise any right of set-off against any other Obligor.
- (d) Each Chargor shall hold on trust for and immediately pay or transfer to the Administrative Agent any payment or distribution or benefit of Security Interests received by it contrary to this sub-clause.
- (e) Each Chargor waives any right it may have of first requiring the Administrative Agent to proceed against or enforce any other rights or Security Interest or claim payment from any person before claiming from an Obligor under a Loan Document. This waiver applies irrespective of any law or any provision of the Loan Document to the contrary.
- (f) Until the Security Period has ended, the Administrative Agent may refrain from applying or enforcing any other moneys, Security Interest or rights held or received by the Administrative Agent in respect of that amount, and may or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and a Chargor shall not be entitled to the benefit of the same.

- (g) Without prejudice to the generality of sub-clause 4.1 (b ), each Chargor expressly confirms that it intends that the Security Interests constituted by this Deed shall extend from time to time to any (however fundamental) variation, increase, novation, extension or addition of or to the Secured Liabilities as a result of the amendment and/or restatement of the Credit Agreement and/or any of the other Loan Documents and/or any additional facility or amount which is made available under any of the Loan Documents (including any Increase) for any purpose including, without limitation, the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

#### **4.2 Non-merger of Security Interests**

The Security Interests created by this Deed are to be in addition to and shall neither be merged in nor in any way exclude or prejudice or be affected by any other Security Interests or other right which the Administrative Agent may now or after the date of this Deed hold for any of the Secured Liabilities, and this Deed may be enforced against any Chargor without first having recourse to any other rights of the Administrative Agent.

### **5. Further Assurances and Protection of Priority**

#### **5.1 General**

- (a) Each Chargor shall, at its own expense, promptly do all such acts or execute all such documents (including Supplemental Debentures, assignments, transfers, mortgages, charges, notices and instructions) as the Administrative Agent may reasonably specify in writing (and in such form as the Administrative Agent may reasonably require in favour of the Administrative Agent or its nominee(s) or any purchaser):
- (i) to perfect or protect the Security Interests created or intended to be created under, or evidenced by, this Deed (which may include the execution of a Supplemental Debenture, mortgage, charge, assignment or other Security Interests over all or any of the assets which are, or are intended to be, the subject of this Deed) or for the exercise of any rights, powers and remedies of the Administrative Agent provided by or pursuant to this Deed or by law;
  - (ii) to confer on the Administrative Agent, Security Interests over any assets of a Chargor, located in any jurisdiction, equivalent or similar to the Security Interests intended to be conferred by or pursuant to this Deed and, pending the conferring of such Security Interests, hold such assets upon trust (or in any manner required by the Administrative Agent) for the Administrative Agent; and/or
  - (iii) to facilitate the realisation or enforcement of the assets which are, or are intended to be, the subject of the Security Interests created, or intended to be created, by this Deed.
- (b) Each Chargor shall take all such action (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security Interest conferred or intended to be conferred on the Administrative Agent by or pursuant to this Deed.

#### **5.2 HM Land Registry**

- (a) In relation to each Property from time to time charged by way of legal mortgage under this Deed, such Chargor hereby irrevocably consents to the Administrative Agent applying to the Chief Land Registrar for a restriction to be entered on the Register of Title of all that Property (including any unregistered properties subject to compulsory first registration at the date of this Deed) on the prescribed Land Registry form and in the following or substantially similar terms:

*"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge not being a charge registered before the entry of this restriction is to be registered without a written consent signed by the proprietor for the time being of the debenture dated • in favour of Silicon Valley Bank referred to in the charges register. "*

- (b) The Administrative Agent must perform its obligations under the Credit Agreement (including any obligation to make available further advances). In relation to each Property from time to time charged by way of legal mortgage under this Deed, the Administrative Agent may apply to the Chief Land Registrar for a notice to be entered onto the Register of Title of all that Property (including any unregistered properties subject to compulsory first registration at the date of this Deed) of the obligation to make further advances.

### 5.3 **Register of Intellectual Property**

Each Chargor shall as soon as reasonably practicable, if requested by the Administrative Agent, execute all such documents and do all such acts (including but not limited to the payment of any applicable registration fees) as the Administrative Agent may reasonably require to record the interests of the Administrative Agent in any registers relating to registered Intellectual Property charged under this Deed (**provided that** the Administrative Agent shall only require a registration pursuant to this Clause 5.3 where it believes (acting reasonably) that:

- (a) the value of any such Intellectual Property in the jurisdiction (in terms of the earnings or revenue generated in that jurisdiction using that Intellectual Property) in which any such recordation is required; or
- (b) there is another legal reason that,
- justifies any costs involved in such recordation.

### 5.4 **Notices**

Each Chargor shall give notice of:

- (a) promptly following the date of this Deed, the charge over its Third Party Accounts under this Deed to the person at which such accounts are maintained in the form set out in *Part 1 of Schedule 3 (Form of notice in relation to a Third Party Account)*;
- (b) if the Administrative Agent so requires at any time whilst an Event of Default is continuing, the assignment or charge of any other Security Asset to the relevant third party (in the form of *Part 2 of Schedule 3 (Form of notice to counterparties)*),

and, in each case, shall use all reasonable endeavours (without incurring any material costs or expenses) to procure that each person on whom a notice is served, executes and delivers to the Administrative Agent an acknowledgement of that notice in the relevant form scheduled to this Deed or in such other form as the Administrative Agent may require within 20 Business Days after the date of sending any such notice. If the UK Chargor has used its reasonable endeavours but has not been able to obtain an acknowledgement, its obligation to obtain acknowledgement shall cease on the date falling 20 Business Days after the date of sending any such notice.

## 6. Representations and Warranties

Each Chargor makes the representations and warranties listed below in favour of each of the Administrative Agent.

### 6.1 Security Assets

Save in respect of any Security Assets lawfully assigned to the Administrative Agent pursuant to this Deed, it is the legal and beneficial owner of the Security Assets with the right to transfer with full title guarantee all or any part of the Security Assets and has good and marketable title to the Security Assets.

### 6.2 Investments and Shares

- (a) All Investments and the Shares are fully paid and none are subject to any option to purchase or similar rights.
- (b) It has not appointed any nominee to exercise or enjoy all or any of its rights in relation to the Investments or the Shares.
- (c) The constitutional documents of any company whose shares are the subject of the Security Interests created by this Deed do not and could not restrict or prohibit any transfer of those shares on creation or on enforcement of that Security Interest.

### 6.3 Repetition

The representations in this clause 6 are deemed to be made by each Chargor by reference to the facts and circumstances then existing on the date of this Deed and each day on which the representations and warranties contained in the Credit Agreement are repeated.

## 7. Undertakings

### 7.1 Duration of Undertakings

Each Chargor undertakes to the Administrative Agent in the terms of this clause 7 for the duration of the Security Period.

### 7.2 General Undertakings

#### (a) Negative Pledge and Disposal Restrictions

It will not:

- (i) create or agree to create or permit to subsist or arise any Security Interest over all or any part of the Security Assets; or
- (ii) sell, transfer, lease out, lend or otherwise dispose of all or any part of the Security Assets (save for Floating Charge Assets on arm's length terms in the ordinary course of trading) or agree or attempt to do the same,

except as permitted by the Credit Agreement or with the prior written consent of the Administrative Agent.

#### (b) Deposit of Documents or Title Deeds

It will deposit with the Administrative Agent:

- (i) to the extent that the relevant documents have not been deposited with a clearance system, settlement system or custodian, all deeds, stock and share

certificates or other documents of title (or documents evidencing title or the right to title) and agreements relating to a Security Asset (including all deeds and documents of title relating to the Investments or the Property);

- (ii) any stock transfer forms or other instruments of transfer duly completed and executed to the Administrative Agent's satisfaction (acting reasonably);
- (iii) to the extent requested by the Administrative Agent from time to time (but no more than once a calendar month) certified copies of all the Assigned Contracts;
- (iv) any other document which the Administrative Agent may reasonably require for the purposes of perfecting the Security Interests created or expressed to be created by this Deed.

The Administrative Agent may retain any document delivered to it under clause 7.2(b) above or otherwise only until such time as the security created under this Deed is released.

(c) *Registration and Notifications*

It shall promptly (but in any event within 10 Business Days of the entry into any such contract, conveyance, transfer or other disposition) notify the Administrative Agent of any contract, conveyance, transfer or other disposition or the acquisition by it of the legal or beneficial interest in any Property.

**7.3 Investments and Shares**

(a) *Exercise of Rights*

- (i) Prior to the occurrence of an Event of Default which is continuing, it may exercise or refrain from exercising (or direct the same) any of the powers or rights conferred upon or exercisable by the legal or beneficial owner of the Investments or the Shares unless such exercise or refrain from exercising (or direction to do the same):
  - (A) Breaches any term of the Credit Agreement; or
  - (B) would, or would be reasonably likely to, affect any rights or powers of the relevant Chargor arising from its legal or beneficial ownership of the Investment or the Shares.
- (ii) Whilst an Event of Default is continuing, it shall not, without the prior written consent of the Administrative Agent, exercise or refrain from exercising (or direct the same) any of the powers or rights conferred upon or exercisable by the legal or beneficial owner of the Investments or the Shares.

(b) *Registration of Transfers*

If requested by the Administrative Agent at any time whilst an Event of Default is continuing, it shall procure that all Investments and Shares which are in registered form are duly registered in the name of the Administrative Agent or its nominee once a transfer relating to those Investments and Shares is presented for that purpose.

(c) *Clearance Systems etc*

If requested by the Administrative Agent at any time whilst an Event of Default is continuing, it shall instruct any clearance system, settlement system, custodian or similar person to transfer any Investments then held by any such person for its or some

nominee's account to the account of the Administrative Agent (or its nominee) with such clearance system (or as otherwise required by the Administrative Agent).

(d) *Dividends*

- (i) Prior to the occurrence of an Event of Default which is continuing, it shall be entitled to receive and retain all dividends, distributions and other monies paid on or derived from its Shares and Investments.
- (ii) Whilst an Event of Default is continuing, it shall promptly pay all dividends or other monies received by it in respect of the Investments and the Shares into a SVB Operating Account.

(e) *Nominees*

It shall notify the Administrative Agent promptly (but in any event within 10 Business Days) after appointing any nominee to exercise or enjoy all or any of its rights in relation to the Investments or the Shares.

**7.4 Receivables**

(a) During the Security Period, each Chargor shall:

- (i) collect and realise all Receivables (other than UK Receivables) in the ordinary course of its business
- (ii) whilst an Event of Default is continuing, not at any time factor or discount any of such UK Receivables or their proceeds or enter into any agreement for such factoring or discounting and shall not, without the prior written consent of the Administrative Agent (not to be unreasonably withheld or delayed), release, exchange, compound, set off, grant time or indulgence in respect of, or in any other manner deal with all or any of such UK Receivables or their proceeds; and
- (iii) if called upon so to do by the Administrative Agent at any time whilst an Event of Default is continuing, execute a legal assignment of the UK Receivables to the Administrative Agent in such terms as the Administrative Agent in its discretion may require, give such notice of that legal assignment to the debtors from whom the UK Receivables are due, owing or incurred and take any such other step as the Administrative Agent in its discretion may require to perfect such legal assignment.

(b) *Other Bank Accounts*

- (i) Whilst an Event of Default is continuing, if the Administrative Agent has served written notice on the Chargors requiring the same, no Chargor shall, except with the prior written consent of the Administrative Agent, withdraw or attempt or be entitled to withdraw from any of its bank accounts (including the SVB Operating Accounts and the Third Party Accounts) all or any monies standing to the credit of such bank accounts.
- (ii) The Administrative Agent shall not request any information regarding the bank accounts from an account bank unless an Event of Default is continuing or it is otherwise permitted to do so under the terms of the Credit Agreement.

(c) This Clause 7.4 does not impose any affirmative duty on the Administrative Agent to perform any act in respect of the Receivables or otherwise.



## 7.5 **Power to Remedy**

If a Chargor fails to comply with any covenant set out in clause 7.2 (*General Undertakings*) to 7.4 (*Receivables*) (inclusive), and that failure is not remedied within 10 Business Days of the Administrative Agent giving notice to the relevant Chargor or the relevant Chargor becoming aware of the failure to comply, it will allow (and irrevocably authorises) the Administrative Agent or any Receiver to take any action on its behalf which the Administrative Agent or the Receiver deems necessary to ensure that those covenants are complied with. The relevant Chargor shall reimburse to the Administrative Agent and/or any Receiver, on demand, all amounts expended by the Administrative Agent or any Receiver in remedying such failure together with interest at the Default Rate from the date of payment by the Administrative Agent or Receiver (as the case may be) until the date of reimbursement.

## 7.6 **To repair**

Each Chargor shall:

- (a) at all times keep in good and substantial repair and condition all the Property including all buildings, erections and structures on and in the Property; and
- (b) keep all Plant and Machinery in good repair, working order and condition and fit for its purpose, subject to normal wear and tear.

## 7.7 **To allow entry**

Each Chargor shall, at reasonable times on five business Days' notice (**provided that** no notice is required whilst an Event of Default is continuing) allow, and shall procure that any person occupying the whole or any part of the Property under any lease will allow, the Administrative Agent and its agents, with or without surveyors, workmen or others authorised by it upon five (5) Business Days' prior notice (except in an emergency) to enter the Property from time to time in order to view the Property, to carry out any repairs on the Property which the Administrative Agent considers necessary or to do anything the Administrative Agent is entitled to do pursuant to this Agreement.

## 7.8 **Alterations**

Except as permitted by the Credit Agreement no Chargor shall except with the prior written consent of the Administrative Agent (not to be unreasonably withheld), make any alterations to the Property.

## 8. **Enforcement and Powers of the Administrative Agent**

### 8.1 **Enforcement**

The Security Interests created pursuant to this Deed shall become immediately enforceable following the a Declared Default, following which the Administrative Agent may in its absolute discretion and without notice to the Chargors or any of them or the prior authorisation of any court:

- (a) enforce all or any part of the Security Interests created by this Deed and take possession of or dispose of all or any of the Security Assets in each case at such times and upon such terms as it sees fit; and
- (b) whether or not it has appointed a Receiver, exercise all of the powers, authorities and discretions:

- (i) conferred from time to time on mortgagees by the LPA (as varied or extended by this Deed) or by law; and
- (ii) granted to a Receiver by this Deed or from time to time by law; and
- (c) exercise all the rights, powers and discretions conferred on a Receiver by this Deed, the LPA, the Insolvency Act 1986 or otherwise by law, without first appointing a Receiver or notwithstanding the appointment of a Receiver.

## 8.2 **Power of Sale, Leasing and Other Powers**

- (a) For the purpose of all rights and powers implied or granted by law, the Secured Liabilities are deemed to have fallen due on the date of this Deed. The power of sale and other powers conferred by section 101 of the LPA and all other enforcement powers conferred by this Deed shall be immediately exercisable by the Administrative Agent following the occurrence of a Declared Default.
- (b) Following the occurrence of a Declared Default, the Administrative Agent may lease, make agreements for leases at a premium or otherwise, accept surrenders of leases and grant options or vary or reduce any sum payable under any leases or tenancy agreements as it thinks fit, without the need to comply with any of the provisions of sections 99 and 100 of the LPA.
- (c) In the exercise of the powers conferred by this Deed following the occurrence of a Declared Default, the Administrative Agent may sever and sell plant, machinery or other fixtures separately from the property to which they may be annexed and it may apportion any rent or other amount without the consent of any Chargor.

## 8.3 **Statutory Restrictions**

The restriction on the consolidation of mortgages and on the power of sale imposed by sections 93 and 103 respectively of the LPA shall not apply to the Security Interests constituted by this Deed.

## 8.4 **Appropriation**

- (a) In this deed, "**financial collateral**" has the meaning given to that term in the Financial Collateral Arrangements (No.2) Regulations 2003.
- (b) At any time after the occurrence of a Declared Default, the Administrative Agent may appropriate all or part of the financial collateral forming part of the Security Assets in or towards satisfaction of the Secured Liabilities.
- (c) The Parties agree that the value of any such Security Assets appropriated in accordance with paragraph (b) above shall be the market price of such Security Assets at the time the right of appropriation is exercised as determined by the Administrative Agent by reference to such method or source of valuation as the Administrative Agent may reasonably select, including by independent valuation. The Parties agree that the methods or sources of valuation provided for or selected by the Administrative Agent in accordance with this paragraph (c) shall constitute a commercially reasonable manner of valuation for the purposes of the Financial Collateral Arrangements (No.2) Regulations 2003.
- (d) The Administrative Agent shall notify the relevant Chargor, as soon as reasonably practicable, of the exercise of its right of appropriation as regards such of the Security Assets as are specified in such notice.

## 9. Appointment of a Receiver or Administrator

### 9.1 Appointment

- (a) At any time after the occurrence of a Declared Default, or at the request of a Chargor or its directors, the Administrative Agent may, without prior notice to the Chargors or any of them, in writing (under seal, by deed or otherwise under hand) appoint:
  - (i) a Receiver in respect of the Security Assets or any part thereof and may in like manner from time to time (and insofar as it is lawfully able to do) remove any Receiver and appoint another in his place; or
  - (ii) one or more persons to be an Administrator in accordance with paragraph 14 of Schedule B1 to the Insolvency Act 1986.
- (b) Nothing in paragraph (a) above shall restrict the exercise by the Administrative Agent of any one or more of the rights of the Administrative Agent under Schedule B1 to the Insolvency Act 1986 and the rules thereunder or at common law.
- (c) Section 109(1) of the LPA shall not apply to this Deed.

### 9.2 Several Receivers

If at any time there is more than one Receiver, each Receiver may separately exercise all of the powers conferred by this Deed (unless the document appointing such Receiver states otherwise).

### 9.3 Remuneration of Receiver

The Administrative Agent may from time to time fix the remuneration of any Receiver. For the purpose of this clause 9.3, the limitation set out in Section 109(6) LPA shall not apply.

### 9.4 Liability of the Administrative Agent for Actions of a Receiver or Administrator

- (a) Each Receiver shall be the agent of the relevant Chargor which shall be solely responsible for his acts or defaults, and for his remuneration and expenses, and be liable on any agreements or engagements made or entered into by him. The Administrative Agent shall not be responsible for any misconduct, negligence or default of a Receiver.
- (b) The Administrative Agent shall not have any liability for the acts or omissions of an Administrator.

## 10. Powers of a Receiver

A Receiver shall have (and be entitled to exercise) in relation to the Security Assets over which he is appointed the following powers (as the same may be varied or extended by the provisions of this Deed):

- (a) all of the specific powers set out in Schedule 6 (*Powers of Receiver*);
- (b) all of the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);
- (c) all of the powers conferred from time to time on receivers, mortgagors and mortgagees in possession by the LPA;
- (d) all of the powers conferred on the Administrative Agent under this Deed;
- (e) all the powers and rights of a legal and beneficial owner and the power to do or omit to do anything which a Chargor itself could do or omit to do;

- (f) the power to do all things which, in the opinion of the Receiver, are incidental to any of the powers, functions, authorities or discretions conferred or vested in the Receiver pursuant to this Deed or upon receivers by statute or law generally (including the bringing or defending of proceedings in the name of, or on behalf of, a Chargor; the collection and/or realisation of Security Assets in such manner and on such terms as the Receiver sees fit; and the execution of documents in the name of a Chargor (whether under hand, or by way of deed or by utilisation of the company seal of a Chargor).

## 11. Application of Moneys

### 11.1 Order of Application

All amounts from time to time received or recovered by the Administrative Agent pursuant to the terms of this Deed or in connection with the realisation or enforcement of all or any part of the Security Interests created by this Deed (for the purposes of this clause 11, the "**Recoveries**") shall be applied in accordance with Section 8.3 (*Application of Funds*) of the Credit Agreement.

### 11.2 Prospective Liabilities

Following the occurrence of a Declared Default, the Administrative Agent may, in its discretion, hold any amount of the Recoveries in an interest bearing suspense or impersonal account(s) in the name of the Administrative Agent with such financial institution (including itself) and for so long as the Administrative Agent shall think fit (the interest being credited to the relevant account) for later application under clause 11.1 (*Order of Application*) in respect of:

- (a) any sum owed to the Administrative Agent; and
- (b) any part of the Secured Liabilities,

that the Administrative Agent reasonably considers, in each case, might become due or owing at any time in the future.

### 11.3 Investment of Proceeds

Prior to the application of the proceeds of the Recoveries in accordance with clause 11.1( *Order of Application*) the Administrative Agent may, in its discretion, hold all or part of those proceeds in an interest bearing suspense or impersonal account(s) in the name of the Administrative Agent with such financial institution (including itself) and for so long as the Administrative Agent shall think fit (the interest being credited to the relevant account) pending the application from time to time of those moneys in the Administrative Agent's discretion in accordance with the provisions of clause 11.1( *Order of Application*).

### 11.4 Currency Conversion

- (a) For the purpose of, or pending the discharge of, any of the Secured Liabilities the Administrative Agent may convert any moneys received or recovered by the Administrative Agent from one currency to another, at a market rate of exchange.
- (b) The obligations of any Obligor to pay in the due currency shall only be satisfied to the extent of the amount of the due currency purchased after deducting the costs of conversion.

### 11.5 Permitted Deductions

The Administrative Agent shall be entitled, in its discretion:

- (a) to set aside by way of reserve, amounts required to meet, and to make and pay, any deductions and withholdings (on account of taxes or otherwise) which it is or may be

required by any applicable law to make from any distribution or payment made by it under this Deed; and

- (b) to pay all Taxes which may be assessed against it in respect of any of the Security Assets, or as a consequence of performing its duties, or by virtue of its capacity as the Administrative Agent under any of the Loan Documents or otherwise.

## 12. **Protection of Third Parties**

### 12.1 ***No Obligation to Enquire***

No purchaser from, or other person dealing with, the Administrative Agent shall be obliged or concerned to enquire whether:

- (a) the right of the Administrative Agent to exercise any of the powers conferred by this Deed has arisen or become exercisable or as to the propriety or validity of the exercise or purported exercise of any such power; or
- (b) any of the Secured Liabilities remains outstanding or be concerned with notice to the contrary and the title and position of such a purchaser or other person shall not be impeachable by reference to any of those matters.

### 12.2 ***Receipt Conclusive***

The receipt of the Administrative Agent or any Receiver shall be an absolute and a conclusive discharge to a purchaser, and shall relieve such purchaser of any obligation to see to the application of any moneys paid to or by the direction of the Administrative Agent or any Receiver.

## 13. **Protection of the Administrative Agent**

### 13.1 ***No Liability***

The Administrative Agent shall not be liable in respect of any of the Security Assets or for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, their respective powers unless caused by the Administrative Agent's fraud, gross negligence or wilful misconduct.

### 13.2 ***Possession of Security Assets***

Without prejudice to clause 13.1 (*No Liability*), if the Administrative Agent enters into possession of the Security Assets, it will not be liable to account as mortgagee in possession and may at any time at its discretion go out of such possession.

### 13.3 ***No proceedings***

No Party (other than the Administrative Agent, a Receiver or a Delegate in respect of its own officers, employees or agents) may take any proceedings against any officer, employee or agent of the Administrative Agent in respect of any claim it might have against the Administrative Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Loan Document or any Security Asset and any officer, employee or agent of the Administrative Agent may rely on this clause.

## 14. **Cumulative Powers and Avoidance of Payments**

### 14.1 ***Cumulative Powers***

The powers which this Deed confers on the Administrative Agent and any Receiver appointed under this Deed are cumulative, without prejudice to their respective powers under the general

law, and may be exercised as often as the relevant person thinks appropriate. The Administrative Agent or the Receiver may, in connection with the exercise of their powers, join or concur with any person in any transaction, scheme or arrangement whatsoever. The respective powers of the Administrative Agent and the Receiver will in no circumstances be suspended, waived or otherwise prejudiced by anything other than an express consent or amendment.

#### **14.2 Amounts Avoided**

If any amount paid by a Chargor in respect of the Secured Liabilities is capable of being avoided or set aside on the liquidation or administration of a Chargor or otherwise, then for the purposes of this Deed that amount shall not be considered to have been paid. No interest shall accrue on any such amount, unless and until such amount is so avoided or set aside.

#### **14.3 Discharge Conditional**

Any settlement or discharge between a Chargor and the Administrative Agent shall be conditional upon no security or payment to the Administrative Agent by a Chargor or any other person being avoided, set aside, ordered to be refunded or reduced by virtue of any provision or enactment relating to insolvency and accordingly (but without limiting the other rights of the Administrative Agent under this Deed) the Administrative Agent shall be entitled to recover from each Chargor the value which the Administrative Agent has placed on that security or the amount of any such payment as if that settlement or discharge had not occurred.

#### **15. Ruling-off Accounts**

If the Administrative Agent receives notice of any subsequent Security Interest or other interest affecting any of the Security Assets it may open a new account for each relevant Chargor in its books. If it does not do so then (unless it gives written notice to the contrary to the Chargors or any of them), as from the time it receives that notice, all payments made by the relevant Chargor to it (in the absence of any express appropriation to the contrary) shall be treated as having been credited to a new account of that Chargor and not as having been applied in reduction of the Secured Liabilities.

#### **16. Power of Attorney**

- 16.1 Each Chargor, by way of security, irrevocably and severally appoints each of the Administrative Agent and any Receiver as its attorney (with full power of substitution and delegation) in its name and on its behalf and as its act and deed to execute, seal and deliver (using the company seal where appropriate) and otherwise perfect and do any deed, assurance, agreement, instrument, act or thing which it ought to execute and do under the terms of this Deed, or which may be required or deemed proper in the exercise of any rights or powers conferred on the Administrative Agent or any Receiver under this Deed or otherwise for any of the purposes of this Deed, and each Chargor covenants with each of the Administrative Agent and any Receiver to ratify and confirm all such acts or things made, done or executed by that attorney.

#### **17. Delegation**

- 17.1 The Administrative Agent may, at any time, delegate by power of attorney or otherwise to any person for any period, all or any of the rights, powers and discretions vested in it by or pursuant to this Deed.
- 17.2 That delegation may be made upon any terms and conditions (including the power to sub delegate) and subject to any restrictions that the Administrative Agent may, in its discretion, think fit in the interests of the Administrative Agent and it shall not be bound to supervise, or be in any way responsible for any loss incurred by reason of any misconduct or default on the part of any such delegate or sub delegate.

## 18. **Redemption of Prior Charges**

The Administrative Agent may, redeem any prior Security Interest on or relating to any of the Security Assets or procure the transfer of that Security Interest to itself, and may settle and pass the accounts of any person entitled to that prior Security Interest. Any account so settled and passed shall (subject to any manifest error) be conclusive and binding on the Chargors. Each Chargor will on demand pay to the Administrative Agent all principal monies and interest and all losses incidental to any such redemption or transfer.

## 19. **Miscellaneous**

### 19.1 **Assignment**

No Chargor may assign any of its rights or transfer any of its rights or obligations under this Deed. The Administrative Agent may assign and transfer all or any part of its rights and obligations under this Deed.

### 19.2 **Counterparts**

- (a) This Deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed. Any signature (including, without limitation, (x) any electronic symbol or process attached to, or associated with, a contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record and (y) any facsimile, E-pencil or .pdf signature) hereto through electronic means, shall have the same legal validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law.
- (b) Failure by one or more Parties ("**Non-Signatories**") to execute this Deed on the date of this Deed will not invalidate the provisions of this Deed as between the other Parties who do execute this Deed. Any Non-Signatories may execute this Deed (or a counterpart of this Deed) on a subsequent date and will thereupon become bound by its provisions.
- (c) If any one or more of the Chargors is not bound by any or all of the provisions of this Deed (whether by reason of lack of capacity, improper execution, failure to execute or for any other reason whatsoever) the remaining Chargors shall nonetheless continue to be bound as if such Chargor had never been a party.

### 19.3 **Covenant to Release**

At the end of the Security Period, the Administrative Agent shall, at the request and cost of the Chargors, release the Security Assets from the security constituted by this Deed (including any assignment by way of security) by executing any documents or taking any other action which may be necessary to release the Security Assets from the Security constituted by this Deed.

### 19.4 **Notices**

All notices or demands under this Deed shall be served in accordance with Section 10.2 (*Notices*) of the Credit Agreement **provided that** any such notice, request or demand to or upon any Chargor shall be addressed to such Chargor at its notice address set forth on the signature of this Deed or any Accession Deed.

## 20. **Governing Law**

This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

**21. Jurisdiction**

- 21.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed) (a "**Dispute**").
- 21.2 The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- 21.3 This clause 21 is for the benefit of the Administrative Agent only. As a result, the Administrative Agent shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Administrative Agent may take concurrent proceedings in any number of jurisdictions.

**22. Service of Process**

- (a) Without prejudice to any other mode of service allowed under any relevant law, the US Chargor:
- (i) irrevocably appoints Kaltura Europe Limited as its agent for service of process in relation to any proceedings before the English courts in connection with this Deed;and
  - (ii) agrees that failure by a process agent to notify the US Chargor of the process will not invalidate the proceedings concerned.
- (b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the US Chargor must immediately (and in any event within 10 Business Days of such event taking place) appoint another agent on terms acceptable to the Administrative Agent (acting reasonably). Failing this, the Administrative Agent may appoint another agent for this purpose.
- (c) Kaltura Europe Limited expressly agrees and consents to the provisions of this clause **22**.

**In witness** whereof this Deed has been duly executed and delivered on the above date first above written.



**Schedule 3**

**Form of Notices**

**Part 1**

**(Form of notice in relation to a Third Party Account)**

To: [Administrative Agent]

[Address]

(the "Account Bank")

Dated: [•] 202[•]

Dear Sirs

We refer to the following accounts of [ ] Limited of [ ] (the "Chargor" with you:

Account Number	Sort Code	Account Name

We give you notice that, by a debenture dated [•] 202[•] the Chargor has charged to Silicon Valley Bank (the "Administrative Agent") by way of fixed charge its interest in and to the money from time to time standing to the credit of the accounts referred to above (the "Charged Accounts") and to all interest (if any) accruing on the Charged Accounts.

The Chargor irrevocably authorises and instructs you to disclose to the Administrative Agent any information relating to the Charged Accounts which the Administrative Agent may from time to time request you to provide.

The Administrative Agent confirms that, until you receive written notice from the Administrative Agent to the contrary, you are authorised to permit the Chargor to receive, withdraw or otherwise transfer any credit balance from time to time on the Charged Accounts without first obtaining the consent in writing of the Administrative Agent.

This notice and any non-contractual obligations arising out of or in connection with this notice are governed by the law of England.

Would you please acknowledge receipt of this letter and your acceptance of the above by signing the attached form of acknowledgement and returning it to the Administrative Agent at the following address:

Silicon Valley Bank  
275 Grove Street, Suite 2-200  
Newton  
Massachusetts 02466, USA  
For the attention of: Ryan Abderdale

Yours faithfully

[•] Limited

***(Acknowledgement from Third Party Bank)***

To:

Silicon Valley Bank  
275 Grove Street, Suite 2-200  
Newton  
Massachusetts 02466, USA

For the attention of: Ryan Abderdale

[•] 202[•]

Dear Sirs

We acknowledge receipt of a notice (a copy of which is attached) dated [•] 202[•] and addressed to us by [.] Limited (the "**Chargor**"). Expressions defined in such notice have the same meanings in this acknowledgement.

We acknowledge and confirm that:

1. we accept the instructions in the notice and will act in accordance with the provisions of such notice until the Administrative Agent notifies us in writing that the notice is revoked;
2. we have not received notice that any third party has any interest in the Charged Accounts.

This acknowledgement and any non-contractual obligations arising out of or in connection with this acknowledgement are governed by the law of England and in connection with any proceedings with respect to this acknowledgment and any such non-contractual obligations we submit to the jurisdiction of the Courts of England for your exclusive benefit.

Yours faithfully

**Part 2**

**(Form of notice to counterparties)**

To: *[insert name and address of counterparty]*

Dated: 202[[]]

Dear Sirs

**Re:** *[identify the relevant agreement]* **(the "Agreement")**

We notify you that we have [assigned, by way of security,/charged] to Silicon Valley Bank (the "**Administrative Agent**") all our right, title and interest in the Agreement as security for certain obligations owed by us to the Administrative Agent.

We further notify you that:

1. you may continue to deal with us in relation to the Agreement until you receive written notice to the contrary from the Administrative Agent. Thereafter, we will cease to have any right to deal with you in relation to the Agreement and therefore, from that time, you should deal only with the Administrative Agent;
2. you are authorised to disclose information in relation to the Agreement to the Administrative Agent on request;
3. after receipt of written notice in accordance with paragraph 1 above, you must pay all monies to which we are entitled under the Agreement direct to the Administrative Agent (and not to us) unless the Administrative Agent otherwise agrees in writing; and
4. the provisions of this notice may only be revoked or amended with the prior written consent of the Administrative Agent.

Please sign and return the enclosed copy of this notice to the Administrative Agent (with a copy to us) by way of confirmation that:

- (a) you agree to the terms set out in this notice and to act in accordance with its provisions;
- (b) you have not received notice that we have assigned or charged our rights under the Agreement to a third party or created any other interest in the Agreement in favour of a third party; and
- (c) you have not claimed or exercised, nor do you have any outstanding right to claim or exercise against us any right of set-off, counter-claim or other right relating to the Agreement.

This notice and any non-contractual obligations arising out of or in connection with it are governed by English law.

Yours faithfully

.....  
for and on behalf of  
[[]]*[insert the name of the relevant Chargor]*

***[On acknowledgement copy]***

To: Silicon Valley Bank

Copy to:  *[insert the name of the relevant Chargor]*

We acknowledge receipt of the above notice and the notifications therein, agree to abide by its terms and confirm the matters set out in paragraphs (a) to (c) (inclusive) above.

.....  
for and on behalf of  
*[insert name of counterparty]*

Dated:  202[]

**Schedule 4**  
**Form of Accession Deed**

This Accession Deed is made on 202[[]]

**Between:**

- (1) [[]] a company registered in England and Wales with registration number [[]] whose registered office is at [[]] (the "**New Chargor**"); and
- (2) Silicon Valley Bank a California corporation with its principal place of business at 3003 Tasman Drive, Santa Clara, California 95054 US (the "**Administrative Agent**"),  
and is supplemental to a Debenture granted by [the Chargors] and others in favour of the Administrative Agent on [[]] 202[.] (the "**Debenture**").

Now this Accession Deed witnesses as follows:

**1. Definitions and Interpretation**

Unless a contrary intention appears, words and expressions defined in the Debenture shall have the same meaning in this Accession Deed and clause 1.2 (*Construction*) of the Debenture shall apply to this Accession Deed.

**2. Confirmation**

The New Chargor confirms it has read and understood the content of the Debenture.

**3. Accession**

With effect from the date of this Accession Deed, the New Chargor becomes a party to, and will be bound by the terms of, and assume the obligations and duties of a Chargor under, the Debenture as if it had been [an Original Chargor] from [[]] 202[.].

**4. Security**

4.1 Without prejudice to the generality of clause 3 (*Accession*) of this Accession Deed and subject to Clause 3.7 (*Property Restricting Charging*) of the Debenture, the New Chargor with full title guarantee in favour of the Administrative Agent:

- (a) charges by way of legal mortgage, all of its Property vested in it at the date of this Deed;
- (b) charges by way of first fixed charge:
  - (i) all Property not effectively mortgaged by paragraph (a) above;
  - (ii) all Plant and Machinery;
  - (iii) all Shares; described in Part 3 of the Schedule to this Accession Deed;
  - (iv) all Investments other than the Shares;
  - (v) all monies from time to time standing to the credit of the SVB Operating Accounts;
  - (vi) all monies from time to time standing to the credit of the Third Party Accounts;
  - (vii) all Receivables not effectively assigned pursuant to Clause 4.1 (c) below);

- (viii) all Intellectual Property described in Part 2 of the Schedule to this Accession Deed;and
- (ix) all other Intellectual Property;
- (x) its goodwill and uncalled capital; and

(c) by way of assignment by way of security:

- (i) all Insurances and Insurance Proceeds;
- (ii) any Assigned Contract; and
- (iii) all Receivables; and

(d) by way of first floating charge, all its undertaking and all its present and future assets other than those assets which are effectively charged by way of first fixed charge or legal mortgage under paragraphs (a) or (b) above or which are effectively assigned by way of security under paragraph (c) above.

4.2 The floating charge created by clause 4.1 (d) (*Security*) of this Accession Deed is a qualifying floating charge for the purpose of paragraph 14 of Schedule B1 to the Insolvency Act.

#### **5. Negative Pledge and Disposal Restrictions**

Clause 7.2(a) of the Debenture shall apply to this Deed(mutatis mutandis).

#### **6. Construction**

Save as specifically varied in respect of the New Chargor only, the Debenture shall continue and remain in full force and effect and this Accession Deed shall be read and construed as one with the Debenture so that all references to "this Deed" in the Debenture shall include reference to this Accession Deed.

#### **7. Governing Law**

This Accession Deed and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

**In witness whereof** the New Chargor and the Administrative Agent have caused this Accession Deed to be duly executed on the date appearing at the head of page 1.

[Add signature blocks after Schedule]

**Schedule 5**  
**Supplemental Debenture**

**THE SUPPLEMENTAL DEBENTURE** is made on 202[[]]

**Between:**

- (1) [[]] a company registered in England and Wales with registration number [[]] whose registered office is at [[]] (the "**Company**"); and
- (2) **Silicon Valley Bank** a California corporation with its principal place of business at 3003 Tasman Drive, Santa Clara, California 95054 US (the "**Administrative Agent**").

**Background**

- (A) Pursuant to the Original Debenture (as defined below), the Company created Security Interests over all of its assets for, amongst other things, its present and future obligations and liabilities under the Loan Documents.
- (B) This Supplemental Debenture is supplemental to the Original Debenture (as defined below).

**The parties to this Supplemental Debenture agree as follows:**

**1. Definitions and Construction**

**1.1 Definitions**

Terms defined in the Original Debenture shall, unless otherwise defined in this Supplemental Debenture or unless a contrary intention appears, bear the same meaning when used in this Supplemental Debenture and the following terms have the following meanings:

"[[]]" means [[]];

"**Original Debenture**" means the debenture between [amongst others] (1) the Company and (2) the Administrative Agent dated 202[[]]

**1.2 Construction**

(a) Unless a contrary intention appears, clause 1.2 (*Construction*) of the Debenture applies to this Supplemental Debenture, and shall be deemed to be incorporated into this Supplemental Debenture, mutatis mutandis, as though set out in full in this Supplemental Debenture, with any reference to "**this Agreement**" being deemed to be a reference to "**this Supplemental Debenture**", subject to any necessary changes.

(b) Any references to the Administrative Agent or any Receiver shall include its Delegate.

**1.3 Law of Property (Miscellaneous Provisions) Act 1989**

To the extent necessary for any agreement for the disposition of the Security Assets in this Supplemental Debenture to be a valid agreement under section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the other Loan Documents and of any side letters between the parties to this Supplemental Debenture are incorporated into this Supplemental Debenture.

#### 1.4 **Implied Covenants for Title**

The obligations of the Company under this Supplemental Debenture shall be in addition to the covenants for title deemed to be included in this Supplemental Debenture by virtue of Part I of the Law of Property (Miscellaneous Provisions) Act 1994.

#### 1.5 **Effect as a Deed**

This Supplemental Debenture is intended to take effect as a deed notwithstanding that the Administrative Agent may have executed it under hand only.

### 2. **Security Assets**

2.1 As security for the payment of the Secured Liabilities, the Company charges in favour of the Administrative Agent, with full title guarantee, by way of fixed charge:

- (a) *[describe assets to be charged]*; and
- (b) *[describe assets to be charged]*.

2.2 As security for payment of the Secured Liabilities, the Company assigns, by way of security, with full title guarantee to the Administrative Agent all its right, title and interest in:

- (a) *[describe assets to be assigned]*; and
- (b) *[describe assets to be assigned]*,

together with all Related Rights relating thereto.

### 3. **Incorporation**

- (a) The provisions of clause 4 (*Nature of Security*) to clause 19 (*Miscellaneous*) (inclusive) of the Original Debenture apply to this Supplemental Debenture as though they were set out in full in this Supplemental Debenture except that references to:
  - (i) **"this Deed"** in the Original Debenture are to be construed as references to **"this Supplemental Debenture"**; and
  - (ii) any Security Assets are to be construed as references to the Security Assets referred to in Clauses 2.2 and 2.2 above.
- (b) Any representations and warranties in clause 6 (*Representations and Warranties*) of the Original Debenture which incorporated into this Supplemental Debenture shall be made on the date of this Supplemental Debenture by reference to the facts and circumstances existing on that date.
- (c) The provision at any time of any documents by a Chargor pursuant to and in accordance with the Original Debenture shall discharge the obligation to provide the same documents under this Supplemental Debenture.

### 4. **Continuation**

4.1 Except insofar as supplemental hereby, the Original Debenture will remain in full force and effect.

4.2 The Company agrees that the execution of this Supplemental Debenture shall in no way prejudice or affect the security granted by it (or the covenants given by it) under the Original Debenture.



4.3 References in the Original Debenture to **"this Deed"** and expressions of similar import shall be deemed to be references to the Original Debenture as supplemented by this Supplemental Debenture and to this Supplemental Debenture.

4.4 This Supplemental Debenture is designated as a Loan Document.

**5. Governing law**

This Supplemental Debenture and any non-contractual obligations arising out of or in connection with it are governed by English law.

**6. Jurisdiction**

6.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Supplemental Debenture (including a dispute relating to the existence, validity or termination of this Supplemental Debenture or any non-contractual obligation arising out of or in connection with this Supplemental Debenture) (a **"Dispute"**).

6.2 The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.

6.3 This clause 6 is for the benefit of the Administrative Agent only. As a result, the Administrative Agent shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Administrative Agent may take concurrent proceedings in any number of jurisdictions.

**In witness** whereof this Supplemental Debenture has been duly executed on the above date first above written.

**Schedule 6**  
**Powers of Receiver**

**1. Possession**

Take immediate possession of, get in and collect the Security Assets or any part thereof.

**2. Carry on business**

Carry on, manage or concur in carrying on or managing the whole or any part of the business of any Chargor as he in his discretion may think fit.

**3. Protection of assets**

- 3.1 Manage, insure, repair, decorate, maintain, alter, improve, develop, construct, modify, refurbish, renew or add to the Security Assets or concur in so doing;
- 3.2 commence, continue or complete any new works, unfinished work, building operations, construction, reconstruction, maintenance, furnishing, finishing or fitting-out on the Property;
- 3.3 apply for and maintain any planning permissions, building regulations, approvals and any other permissions, consents or licences, in each case as he in his discretion may think fit.

**4. Realisation of assets**

Sell, exchange, convert into money and realise the Security Assets or concur in so doing by public auction or private contract and generally in such manner and on such terms as he in his discretion may think fit. Without prejudice to the generality of the foregoing, he may do any of these things for any valuable consideration, whether full market value or otherwise, including, without limitation, cash, shares, stock, debentures or other obligations. Any such consideration may be payable in a lump sum or by instalments spread over such period as he in his discretion may think fit.

**5. Let, hire or lease**

- 5.1 Let, hire or lease (with or without premium) and accept surrenders of leases or tenancies or concur in so doing;
- 5.2 grant rights, options or easements over and otherwise deal with or dispose of, and exercise all rights, powers and discretions incidental to, the ownership of the Security Assets;
- 5.3 exchange or concur in exchanging the Security Assets;  
  
in each such case in such manner and generally on such terms as he may in his discretion think fit, with all the powers of an absolute beneficial owner. The Receiver may exercise any such power by effecting such transaction in the name or on behalf of the relevant Chargor or otherwise.

**6. Registration**

Use a Chargor's name to effect any registration or election for tax or other purposes.

**7. Insurances**

Effect, review or vary insurances.

**8. Borrowing**

For the purpose of exercising any of the powers, authorities or discretions conferred on him by or pursuant to this Deed or of defraying any costs (including, without limitation, his remuneration) which are incurred by him in the exercise of such powers, authorities or discretions or for any other purpose, to raise and borrow money or incur any other liability either unsecured or secured on the Security Assets, either in priority to the Security Interests created by this Deed or otherwise, and generally on such terms as he in his discretion may think fit. No person lending such money is to be concerned to enquire as to the propriety or purpose of the exercise of such power or as to the application of money so raised or borrowed.

9. **Lending**

Lend money to any person.

10. **Advance credit**

Advance credit, in the ordinary course of a Chargor's business, to any person.

11. **Make calls**

Make, or require the directors of any Chargor to make, such calls upon the shareholders of that Chargor in respect of any uncalled capital of that Chargor as the Receiver in his discretion may require and enforce payment of any call so made by action (in the name of that Chargor or the Receiver as the Receiver in his direction may think fit) or otherwise.

12. **Compromise**

- 12.1 Settle or compromise any claim by, adjust any account with, refer to arbitration any dispute with, and deal with any question or demand from, any person who is, or claims to be, a creditor of any Chargor, as he may in his discretion think fit; and
- 12.2 settle or compromise any claim, adjust any account, refer to arbitration any dispute and deal with any question or demand relating in any way to the Security Assets, as he in his discretion may think fit.

13. **Proceedings**

In the name of any Chargor, bring, prosecute, enforce, defend or abandon all such actions, suits and proceedings in relation to the Security Assets as he in his discretion may think fit.

14. **Subsidiaries**

- 14.1 Promote the formation of any subsidiary of any Chargor with a view to such subsidiary purchasing, leasing, licensing or otherwise acquiring an interest in the Security Assets;
- 14.2 arrange for the purchase, lease, licence or acquisition of an interest in the Security Assets by any such subsidiary for any valuable consideration, including, without limitation, cash, shares, debentures, loan stock, convertible loan stock or other securities, profits or a sum calculated by reference to profits, turnover, royalties, licence fees or otherwise, whether or not secured on the undertaking or assets of such subsidiary and whether or not such consideration is payable or receivable in a lump sum or at any time or any number of times by instalments spread over such period, as the Receiver in his discretion may think fit; and
- 14.3 arrange for such subsidiary to trade or cease to trade as the Receiver in his discretion may think fit;

15. **Employees**

Appoint and discharge any manager, officer, agent, professional adviser, employee and any other person, upon such terms as he in his discretion may think fit.

16. **Receipts**

Give valid receipts for all monies and execute all assurances and things which he in his discretion may think proper or desirable for realising the Security Assets.

17. **Delegation**

Delegate any or all of his powers in accordance with this Deed.

**Schedule Signatories to this Deed**

**Original Chargors**

Executed as a deed by )  
Kaltura Europe Limited )  
acting by ) /s/ Michal Tsur  
Director .....

in the presence of )

/s/ Eran Shalev  
.....  
Witness Signature

Name: ERAN SHALEV

Address: #####

Occupation: Professor

Executed as a deed by )  
Kaltura Inc. )  
acting by )  
Director .....

in the presence of: )

.....  
Witness Signature

Name:

Address:

Occupation:

**Schedule Signatories to this Deed**

**Original Chargors**

**Executed as a deed by**                    )  
**Kaltura Europe Limited**                )  
acting by                                    )  
Director .....

in the presence of                        )

.....  
*Witness Signature*

*Name:*

*Address:*

*Occupation:*

**Executed as a deed by**                    )  
**Kaltura Inc.**                                )  
acting by                                    )  
Director                                    /s/ Ron Yekutiel .....

in the presence of:                        )

/s/ Ravit Lichtenberg Yekutiel

.....  
*Witness Signature*

*Name:*                                        Ravit Lichtenberg Yekutiel

*Address:*                                    ####

*Occupation:*                                Writer, Publisher

**Administrative Agent**

Executed as a deed by )  
an authorised signatory )  
for and on behalf of )  
**Silicon Valley Bank** )

/s/ Francis Ceroccia  
Signature of Authorised Signatory

Francis Ceroccia  
Name of Authorised Signatory

## Supplemental Debenture

THE SUPPLEMENTAL DEBENTURE is made on

2021

### Between:

- (1) Each person listed in Schedule 1 to this Deed (the "**Chargors**"); and
- (2) **Silicon Valley Bank** a California corporation with its principal place of business at 3003 Tasman Drive, Santa Clara, California 95054 US (the "**Administrative Agent**").

### Background

- (A) Pursuant to the Original Debenture (as defined below), the Chargors created Security Interests over all of their assets for, amongst other things, their present and future obligations and liabilities under the Loan Documents.
- (B) The Chargors are entering into a first amendment to the Credit Agreement by which they are amending the Credit Agreement and as a condition precedent to that first amendment the Chargors are required to enter into this Supplemental Debenture.
- (C) This Supplemental Debenture is supplemental to the Original Debenture (as defined below).

### The parties to this Supplemental Debenture agree as follows:

#### 1. Definitions and Construction

##### 1.1 Definitions

Terms defined in the Original Debenture shall, unless otherwise defined in this Supplemental Debenture or unless a contrary intention appears, bear the same meaning when used in this Supplemental Debenture and the following terms have the following meanings:

**"Credit Agreement"** means that certain Credit Agreement originally dated 14 January 2021 and amended on or about the date hereof and made between the Borrower and Silicon Valley Bank as original lender, issuing lender, administrative agent and collateral agent.

**"Obligations"** has the meaning given to that term in the Credit Agreement.

**"Original Debenture"** means the debenture between (1) the Chargors and (2) the Administrative Agent dated 14 January 2021.

**"Secured Liabilities"** means the Obligations.

##### 1.2 Construction

(a) Unless a contrary intention appears, clause 1.2 (*Construction*) of the Debenture applies to this Supplemental Debenture, and shall be deemed to be incorporated into this Supplemental Debenture, mutatis mutandis, as though set out in full in this Supplemental Debenture, with any reference to "**this Agreement**" being deemed to be a reference to "**this Supplemental Debenture**", subject to any necessary changes.

(b) Any references to the Administrative Agent or any Receiver shall include its Delegate.

##### 1.3 Law of Property (Miscellaneous Provisions) Act 1989

To the extent necessary for any agreement for the disposition of the Security Assets in this Supplemental Debenture to be a valid agreement under section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989, the terms of the other Loan Documents and of any side letters between the parties to this Supplemental Debenture are incorporated into this Supplemental Debenture.



#### 1.4 **Implied Covenants for Title**

The obligations of the Chargors under this Supplemental Debenture shall be in addition to the covenants for title deemed to be included in this Supplemental Debenture by virtue of Part I of the Law of Property (Miscellaneous Provisions) Act 1994.

#### 1.5 **Effect as a Deed**

This Supplemental Debenture is intended to take effect as a deed notwithstanding that the Administrative Agent may have executed it under hand only.

#### 2 **Covenant to Pay**

Each Chargor as primary obligor covenants with the Administrative Agent (as trustee for the Secured Parties) that it will on demand pay to the Administrative Agent the Secured Liabilities when the same fall due for payment.

#### 2 **Security Assets**

##### 2.1 **Fixed Charges**

(a) Subject to Clause 2.7 (*Property Restricting Charging*), each Chargor, as security for the payment discharge and performance of the Secured Liabilities, charges in favour of the Administrative Agent, with full title guarantee, the following assets (other than any Excluded Assets), from time to time owned by it or in which it has an interest:

- (i) by way of first legal mortgage, each Property legal title to which is vested in it on the date of this Deed specified in Part 2 of Schedule 2 (*Security Assets*); and
- (ii) by way of first fixed charge:
  - (A) all Property not effectively mortgaged under clause 2.1(a)(i);
  - (B) all Plant and Machinery;
  - (C) all Shares;
  - (D) all Investments other than the Shares;
  - (E) all the monies from time to time standing to the credit of the SVB Operating Accounts;
  - (F) all the monies from time to time standing to the credit of the Third Party Accounts;
  - (G) all Intellectual Property specified in Part 2 of Schedule 2 (*Security Assets*);
  - (H) all other Intellectual Property;
  - (I) all Receivables not effectively assigned pursuant to Clause 2.2 (*Security Assignment*); and
  - (J) its goodwill and uncalled capital.

##### 2.2 **Security Assignment**

Subject to Clause 2.7 (*Property Restricting Charging*), as further security for the payment of the Secured Liabilities, each Chargor assigns, by way of security, with full title guarantee to the Administrative Agent all its rights, title and interest in:

- (a) the Insurances and the Insurance Proceeds;

- (b) each Assigned Contract;
- (c) all Receivables; and
- (d) all Related Rights in respect of each of the above,

in each case excluding any Excluded Assets and subject in each case to reassignment by the Administrative Agent to the relevant Chargor of all such rights, title and interest upon payment or discharge in full of the Secured Liabilities.

### 2.3 **Floating Charge**

- (a) Subject to Clause 2.7 (*Property Restricting Charging*), as further security for the payment of the Secured Liabilities, each Chargor charges with full title guarantee in favour of the Administrative Agent by way of first floating charge its undertaking and all its present and future assets other than:
  - (i) those assets which are effectively charged by way of first fixed charge or legal mortgage under clause 2.1 (*Fixed Charges*) or which are effectively assigned by way of security under clause 2.2 (*Security Assignment*); and
  - (ii) any Excluded Assets.
- (b) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 shall apply to the floating charge created by this Deed to the extent such floating charge is created by a “company” as defined in Schedule B1 to the Insolvency Act 1986.

### 2.4 **Conversion of Floating Charge by Notice**

- If:
- (a) the security constituted by this Deed has become enforceable pursuant to the terms of this Deed; or
  - (b) the Administrative Agent is of the view (acting reasonably and in good faith) that any legal process or execution is being enforced against any Floating Charge Asset or (acting reasonably) that any Floating Charge Asset is in danger of being seized, sold or is otherwise in jeopardy,

the Administrative Agent may, by written notice to a Chargor, convert the floating charge created under this Deed into a fixed charge as regards those assets which it specifies in that notice. The relevant Chargor shall as soon as reasonably practicable following request by the Administrative Agent execute a fixed charge or legal or equitable assignment over those assets in such form as the Administrative Agent may require.

### 2.5 **Automatic Conversion of Floating Charge**

- If, without the prior written consent of the Administrative Agent:
- (a) a Chargor creates any Security Interest (other than a Lien permitted under Section 7.3 (*Liens*) of the Credit Agreement) over all or any of the Security Assets or attempts to do so;
  - (b) any person levies or attempts to levy any attachment, execution or other legal process against any of such Security Assets;
  - (c) a resolution is passed or an order is made for the winding up, dissolution, administration or other reorganisation of a Chargor; or
  - (d) any steps are taken for the appointment of, or notice is given of intention to appoint (by a person entitled to do so), or a petition is filed or application is made, or a competent court makes an order for the appointment of an administrator, in relation to a Chargor,

then the floating charge created by this Deed over the Floating Charge Assets of that Chargor will automatically, without notice, be converted into a fixed charge as soon as such event occurs.

## 2.6 **Part A1 moratorium**

- (a) Subject to Clause 2.6(b) below, the obtaining of a moratorium under Part A1 of the Insolvency Act 1986, or anything done with a view to obtaining such a moratorium (including any preliminary decision or investigation), shall not be an event causing any floating charge created by this Deed to crystallise or causing restrictions which would not otherwise apply to be imposed on the disposal of any asset by a Chargor or a ground for the appointment of a Receiver.
- (b) Clause 2.6(a) above does not apply in respect of any floating charge referred to in subsection (4) of section A52 of Part A1 of the Insolvency Act 1986.

## 2.7 **Property Restricting Charging**

- (a) There shall be excluded from the charge or assignment, as applicable, created by Clauses 2.1 (*Fixed Charges*), 2.2 (*Security Assignment*) and 2.3 (*Floating Charge*) and the operation of Clause 5.1 (*General*) of the Original Debenture (and the corresponding provision in any Accession Deed):
  - (i) any leasehold property held by a UK Chargor under a lease which prohibits either absolutely or conditionally (including requiring the consent of any third party) that Chargor from creating any charge over its leasehold interest;
  - (ii) any Intellectual Property in which a UK Chargor has an interest under any licence or other agreement which prohibits either absolutely or conditionally (including requiring the consent of any third party) that UK Chargor from creating any charge over its interest in that Intellectual Property; and
  - (iii) any Receivables in which a UK Chargor any agreement which prohibits either absolutely or conditionally (including requiring the consent of any third party) that UK Chargor from creating any charge or assignment over its interest in that Receivable,

in each case until the relevant condition, consent or waiver has been satisfied or obtained.

- (b) To the extent that any leasehold property, Intellectual Property or Receivable is not effectively charged pursuant to Clause 2.1 (*Fixed Charges*) or Clause 2.3 (*Floating Charge*) (each a "**Non-Charged Asset**"), each Chargor shall use its commercially reasonable endeavours to obtain the consent to charge, or a waiver of the prohibition on assignment on charging (as the case may be), that Non-Charged Asset, as soon as reasonably practicable following the date of this Deed and shall keep the Administrative Agent informed of the progress of such matters provided that if the relevant Chargor has used its commercially reasonable endeavours to obtain the consent to charge, or a waiver of the prohibition on assignment on charging (as the case may be) for 20 Business Days, then thereafter that Chargor shall be deemed to have complied with its obligation under this Clause 2.7(b).
- (c) Pending receipt of the consent or waiver described in Clause 2.7(b), each Chargor shall hold all of its right, benefit and interest in a Non-Charged Asset on trust for the Administrative Agent **provided that** the terms of such trust shall be no more onerous than the terms of the assignments expressed to be created by this Deed.
- (d) Immediately upon the relevant condition being satisfied or receipt of the relevant waiver or consent, the formerly excluded leasehold property, Intellectual Property or Receivables shall stand charged or assigned, as applicable, to the Administrative Agent pursuant to the terms of this Deed or the relevant Accession Deed.

### 3. **Incorporation**

- (a) The provisions of clause 4 (*Nature of Security*) to clause 19 (*Miscellaneous*) (inclusive) of the Original Debenture apply to this Supplemental Debenture as though they were set out in full in this Supplemental Debenture except that references to:
  - (i) "**this Deed**" in the Original Debenture are to be construed as references to "**this Supplemental Debenture**"; and
  - (ii) any Security Assets are to be construed as references to the Security Assets referred to in Clauses 2.2 and 2.2 above.
- (b) Any representations and warranties in clause 6 (*Representations and Warranties*) of the Original Debenture which incorporated into this Supplemental Debenture shall be made on the date of this Supplemental Debenture by reference to the facts and circumstances existing on that date.
- (c) The provision at any time of any documents by a Chargor pursuant to and in accordance with the Original Debenture shall discharge the obligation to provide the same documents under this Supplemental Debenture.

### 4. **Continuation**

- 4.1 Except insofar as supplemental hereby, the Original Debenture will remain in full force and effect.
- 4.2 The Chargors agrees that the execution of this Supplemental Debenture shall in no way prejudice or affect the security granted by them (or the covenants given by them) under the Original Debenture.
- 4.3 References in the Original Debenture to "**this Deed**" and expressions of similar import shall be deemed to be references to the Original Debenture as supplemented by this Supplemental Debenture and to this Supplemental Debenture.
- 4.4 This Supplemental Debenture is designated as a Loan Document.

### 5. **Governing law**

This Supplemental Debenture and any non-contractual obligations arising out of or in connection with it are governed by English law.

### 6. **Jurisdiction**

- 6.1 The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Supplemental Debenture (including a dispute relating to the existence, validity or termination of this Supplemental Debenture or any non-contractual obligation arising out of or in connection with this Supplemental Debenture) (a "**Dispute**").
- 6.2 The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- 6.3 This clause 6 is for the benefit of the Administrative Agent only. As a result, the Administrative Agent shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Administrative Agent may take concurrent proceedings in any number of jurisdictions.

**In witness** whereof this Supplemental Debenture has been duly executed on the above date first above written.

**Schedule 1**  
**The Chargors**

<b>Name of Chargor</b>	<b>Jurisdiction of incorporation/formation (if applicable)</b>	<b>Registration number (if any)</b>
Kaltura Europe Limited	England & Wales	08012257
Kaltura, Inc.	Delaware, USA	

**Schedule 2**  
**Security Assets**

**Part 1**

**The Bank Accounts**

None on date of this Deed

**Part 2**

**Intellectual Property**

None on date of this Deed

**Part 3**

**Shares**

None on date of this Deed

**Part 4**

**Assigned Contracts**

None on date of this Deed

**Part 5**

**Property**

None on date of this Deed

**Signatories to this Deed**

**Chargors**

**Executed as a deed by** ) MICHAL TSUR SHALEV  
**Kaltura Europe Limited** )  
acting by ) /s/ Michal Tsur Shalev  
Director )

in the presence of: )

.....  
*Witness Signature*

*Name: ERAN SHALEV*

*Address: #####*

*Occupation: Professor*

**Executed as a deed by** ) RON YEKUTIEL  
**Kaltura, Inc.** )  
acting by ) /s/ Ron Yekutiel  
Director )

in the presence of )

.....  
*Witness Signature*

*Name: Ravit Lichtenberg Yekutiel*

*Address: #####*

*Occupation: Self Employed*

**Administrative Agent**

Executed as a deed by )  
an authorised signatory )  
for and on behalf of )  
**Silicon Valley Bank** )

/s/ Francis Groccia  
.....  
Signature of Authorised Signatory

Francis Groccia  
.....  
Name of Authorised Signatory



**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the reference to our firm under the caption "Experts" and to the use of our report dated March 1, 2021 (March 23, 2021, as to the stock split discussed in Note 14e and the effects of the restatement discussed in Note 20) in the Registration Statement (Form S-1) and the related Prospectus of Kaltura, Inc. dated July 12, 2021.

July 12, 2021

/s/ Kost Forer Gabbay & Kasierer

Tel-Aviv, Israel

A member of Ernst & Young Global