As filed with the Securities and Exchange Commission on November 30, 2020.

Registration No. 333-250082

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

AMENDMENT NO. 2
TO
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

C3.ai, Inc.

(Exact name of Registrant as specified in its charter)

Delaware	7372	26-3999357
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

1300 Seaport Blvd, Suite 500
Redwood City, CA 94063
(650) 503-2200
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Thomas M. Siebel
Chief Executive Officer
C3.ai, Inc.
1300 Seaport Blvd, Suite 500
Redwood City, CA 94063
(650) 503-2200
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Eric Jensen **Calise Y. Cheng** **Sepideh Mousakhani** **Cooley LLP** **3175 Hanover Street** **Palo Alto, CA 94304** **(650) 843-5000**	**Brady Mickelsen** **General Counsel** **C3.ai, Inc.** **1300 Seaport Blvd, Suite 500** **Redwood City, CA 94063** **(650) 503-2200**	**Michael Nordtvedt** **Richard Blake** **Wilson Sonsini Goodrich & Rosati,** **Professional Corporation** **650 Page Mill Road** **Palo Alto, CA 94304** **(650) 493-9300**

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

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

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

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

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

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☒

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities To Be Registered	Amount to be Registered (1)	Proposed Maximum Price Per Shares (2)	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee(3)
Class A Common Stock, $0.001 par value per share	17,825,000	$34.00	$606,050,000.00	$66,120.06

(1) Includes shares that the underwriters have the option to purchase, if any.
(2) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(a) of the Securities Act of 1933, as amended.
(3) The registrant previously paid a registration fee of $10,910 in connection with a prior filings 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, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

PROSPECTUS (Subject to Completion)
Issued November 30, 2020

15,500,000 Shares

Class A Common Stock

C3.ai, Inc. is offering 15,500,000 shares of our Class A common stock. This is our initial public offering, and no public market currently exists for our shares of common stock. We anticipate that the initial public offering price will be between $31.00 and $34.00 per share.

We have two classes of authorized common stock, Class A common stock and Class B common stock. The rights of the holders of Class A common stock and Class B common stock are identical, except with respect to voting and conversion. Each share of Class A common stock is entitled to one vote per share. Each share of Class B common stock is entitled to 50 votes per share and is convertible into one share of Class A common stock.

Each of Spring Creek Capital, LLC, an affiliate of Koch Industries, Inc., and Microsoft Corporation has entered into an agreement with us pursuant to which it has agreed to purchase $100.0 million and $50.0 million, respectively, of our Class A common stock in a private placement at a price per share equal to the initial public offering price. These transactions are contingent upon, and are scheduled to close immediately subsequent to, the closing of this offering.

Outstanding shares of Class B common stock will represent approximately 65.20% of the voting power of our outstanding capital stock immediately following this offering and the concurrent private placements. Our founder, Chief Executive Officer, and Chairman of the Board, Thomas M. Siebel, will hold or have the ability to control approximately 71.70% of the voting power of our outstanding capital stock immediately following this offering and the concurrent private placements. We believe we are eligible for but do not intend to take advantage of the "controlled company" exemption to the corporate governance rules for New York Stock Exchange-listed companies.

We have been approved to list our Class A common stock on the New York Stock Exchange under the symbol "AI."

We are an "emerging growth company" as defined under the federal securities laws. Investing in our Class A common stock involves risks. See the section titled "Risk Factors" beginning on page 16.

PRICE $ A SHARE

	Price to Public	***Underwriting Discounts and Commissions[(1)]***	***Proceeds to C3.ai, Inc.***
Per Share	*$*	*$*	*$*
Total	*$*	*$*	*$*

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

At our request, the underwriters have reserved up to 5% of the shares offered by this prospectus for sale at the initial public offering price through a directed share program to certain individuals identified by our officers and directors who have expressed an interest in purchasing common stock in this offering. For additional information, see the section titled "Underwriters."

We have granted the underwriters the right to purchase up to an additional 2,325,000 shares of Class A common stock.

Certain funds and accounts managed by subsidiaries of BlackRock, Inc., or the BlackRock Funds, and one or more entities affiliated with Capital Research Global Investors, have each separately indicated an interest in purchasing shares of Class A common stock at the initial public offering price, representing up to 20% of the shares of Class A common stock offered in this offering on a combined basis. These indications of interest are not binding agreements or commitments to purchase. As a result, either the BlackRock Funds, Capital Research Global Investors, or both could determine to purchase more, less or no shares in this offering, or the underwriters could determine to sell more, fewer or no shares to the BlackRock Funds or to Capital Research Global Investors. The underwriters would receive the same discount on any of the shares sold to the BlackRock Funds or to Capital Research Global Investors as they would from any other shares sold to the public in the offering.

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

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

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

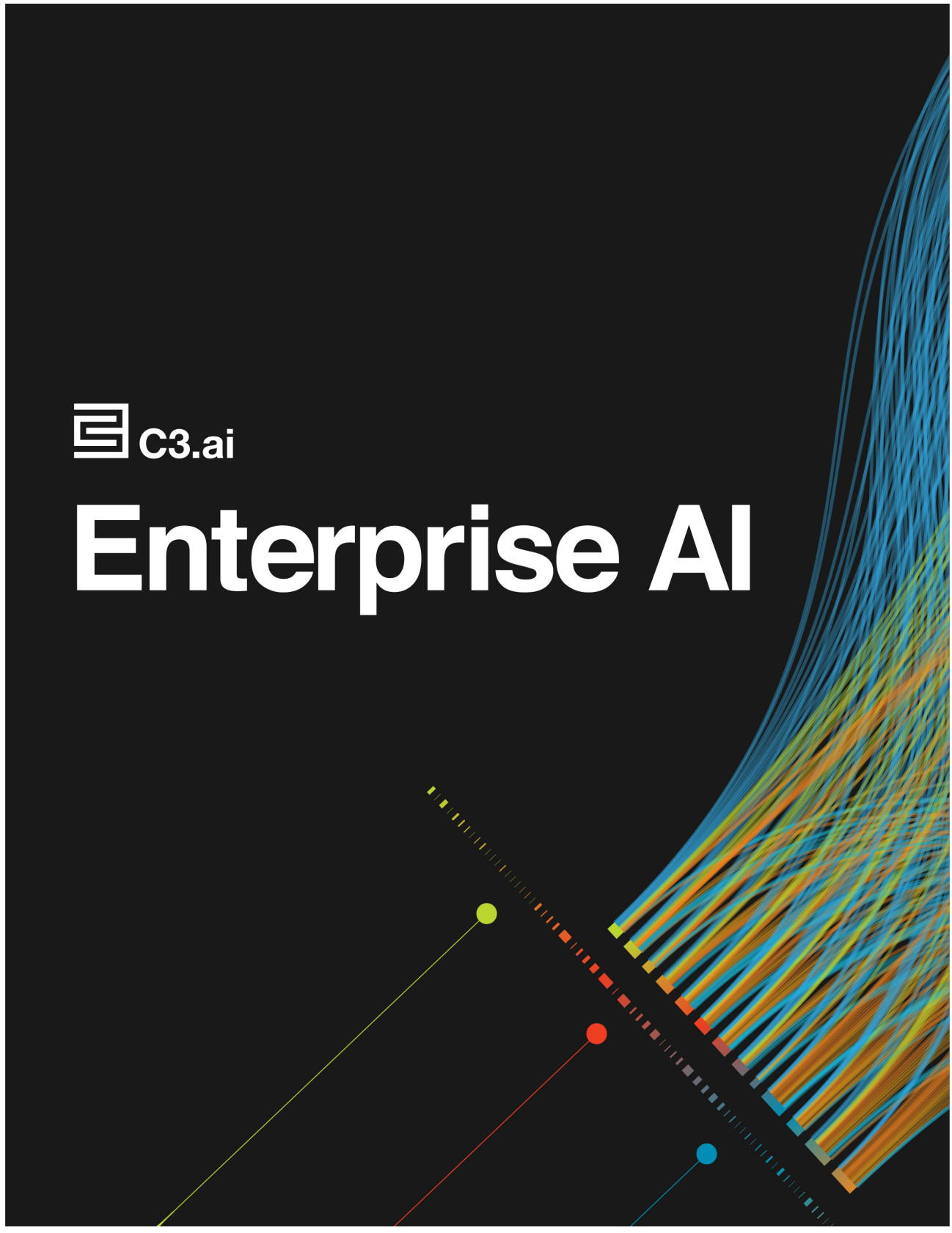
DEUTSCHE BANK SECURITIES

CANACCORD GENUITY ***JMP SECURITIES*** ***KEYBANC CAPITAL MARKETS*** ***NEEDHAM & COMPANY*** ***PIPER SANDLER*** ***WEDBUSH SECURITIES***

, 2020

C3.ai

Enterprise AI



Investment Highlights

C3.ai

71%
YoY Revenue Growth

86%
Subscription Revenue

$271 Billion
Addressable Market by 2024

1.1 Billion
Predictions per Day

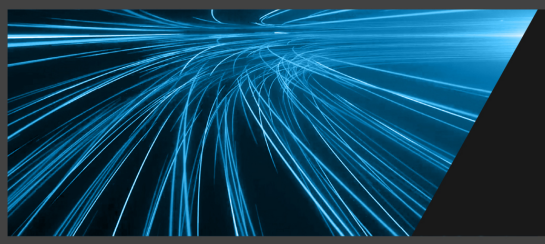
80 Quarters
Experience running public companies

($69.4M)
FY20 Net Loss

Revenue growth is based on the year ended April 30, 2020, compared to the year ended April 30, 2019.
Subscription revenue is percentage of total revenue for the year ended April 30, 2020.
Addressable market estimate is based on industry reports discussed in the prospectus.
Experience running public companies refers to the combined experience of our senior management team.

The World's Largest Enterprise AI Production Footprint

C3.ai

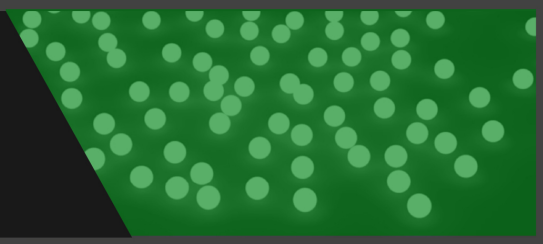


1.1 Billion
Predictions per day

4.8 Million
Machine learning models
in production use

622 Million
Sensors generating data
for the C3 AI Suite

770
Unique enterprise and extraprise
source data integrations



50 Million
Businesses and consumers
touched daily

Rapid Time to Value

C3.ai

Key to market success is C3.ai's ability to bring high-value Enterprise AI applications into production use rapidly

Fortune 50 **Bank**

Securities Lending Optimization

Estimated Value

$14 billion
in additional daily trades
Deployed in 52 weeks

Fortune 500 **Healthcare Mfg**

Production Optimization

Estimated Value

300% increase
in unit production
Deployed in 4 weeks

Fortune 500 **Oil and Gas Company**

Predictive Maintenance for Offshore Oil Rigs

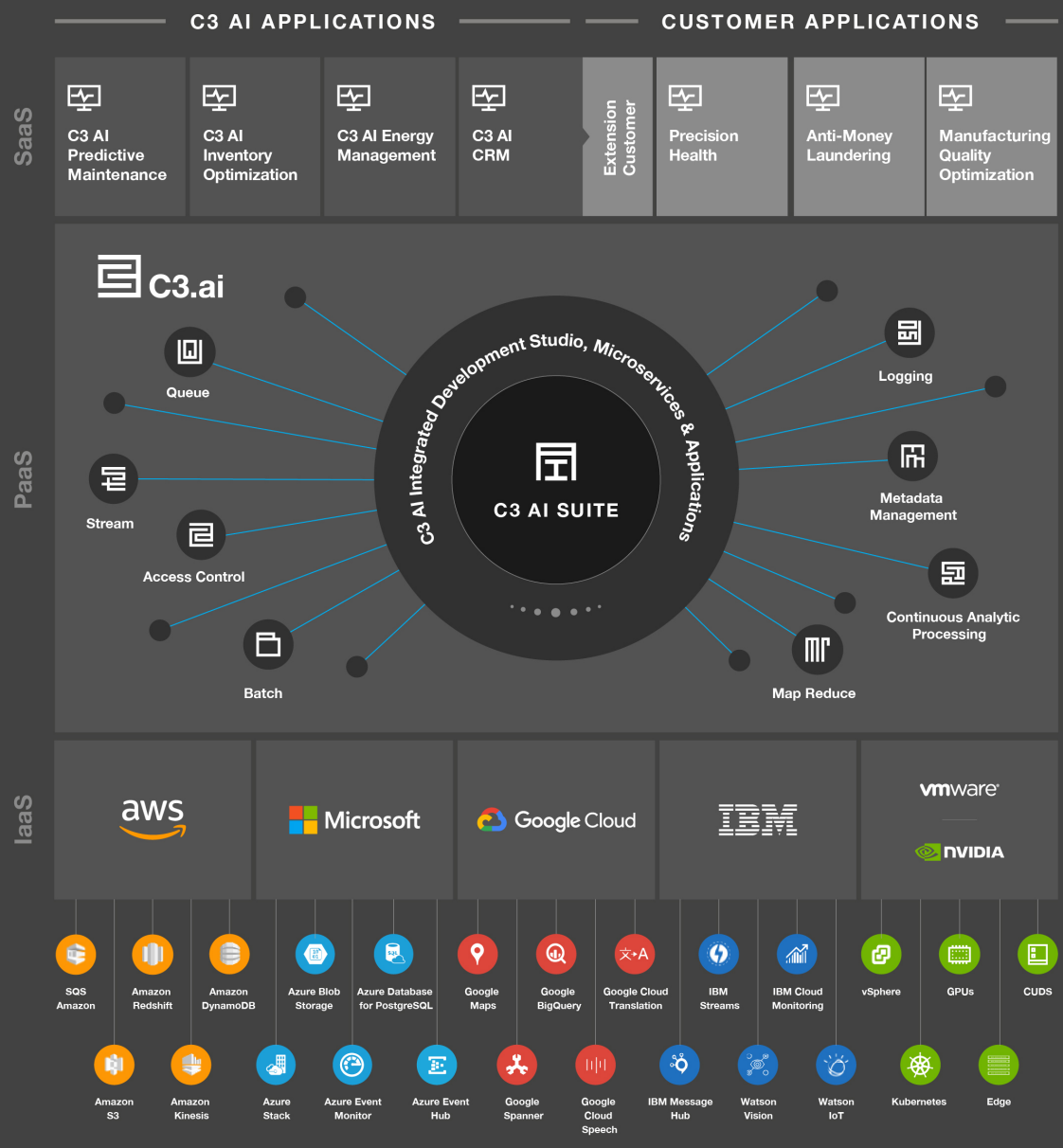
Estimated Value

$28 million
per year in avoided shutdowns
Deployed in 38 weeks

Estimates are ours, based on information provided by the customer.

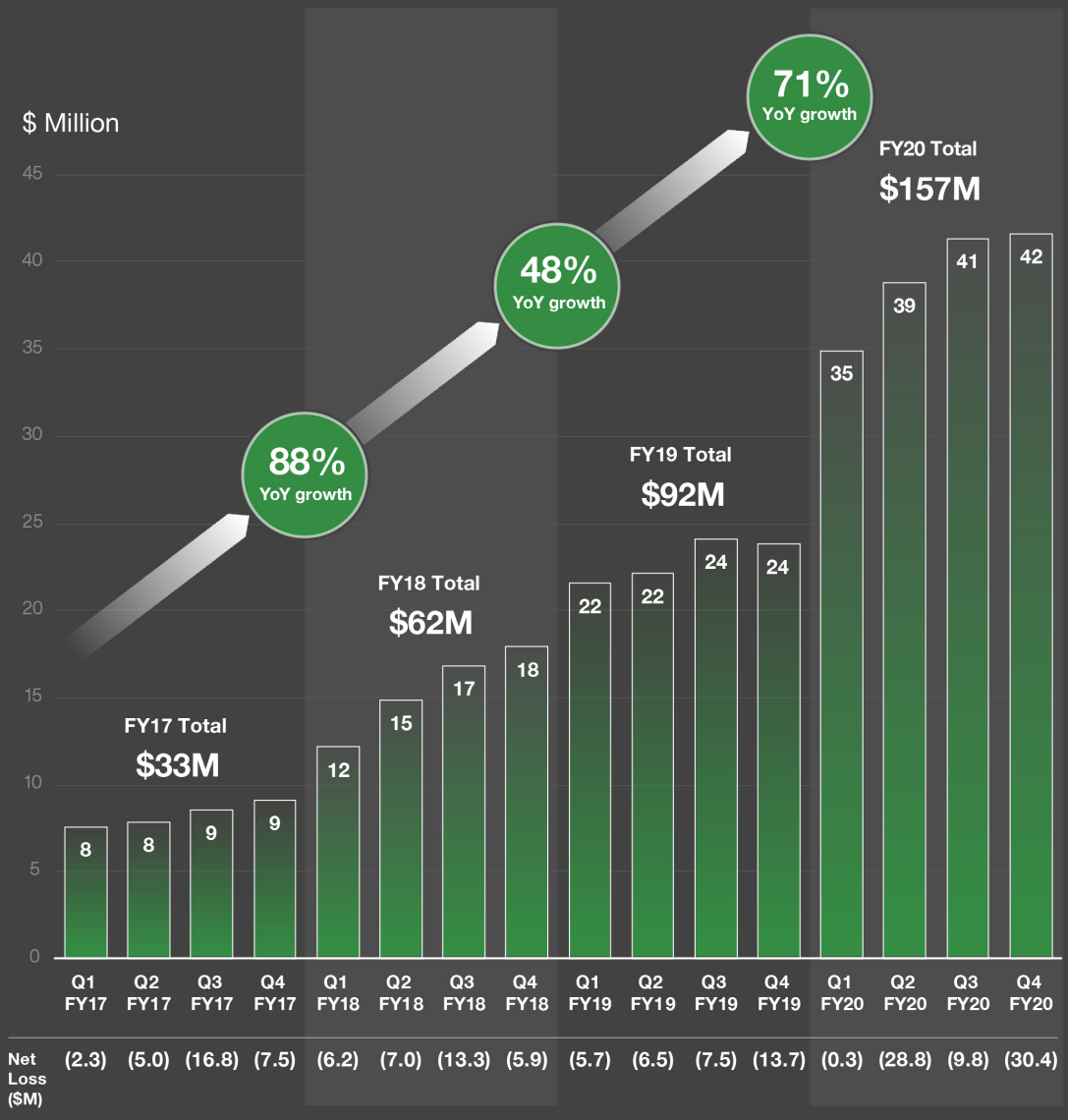
Model-Driven Architecture

C3.ai



Revenue Growth

C3.ai



C3.ai, Inc.

Letter from the Chief Executive Officer

This is my fourth decade in the information technology industry.

After completing my graduate work in Computer Science, specifically relational database theory, I was recruited to the then start-up Oracle. The relational database market was nascent when I joined Larry Ellison and Bob Miner at Oracle in 1983. The global market for information technology was $224 billion, and, as I recall, the RDBMS market was less than $20 million. I was satisfied that the fundamental economics of application development and information processing assured the ascendance of RDBMS. That turned out to be a pretty good bet.

A decade later, Oracle grew to exceed $1 billion in revenue. The information technology market had grown to exceed $510 billion. We established a clear market leadership position in the RDBMS market.

In the mid-1990s, the industry experienced a step function of innovative information technology that proved to dramatically accelerate IT market growth. This included graphical user interface technology, popularized by Microsoft Windows 95, nomadic laptop computers, first introduced by Compaq, broad bandwidth communications, and the post-Mosaic browser ubiquitous internet.

As of 1993, as an industry we had successfully applied information technology to automate many business processes including accounting, manufacturing automation, and general office productivity. And yet the business processes of sales, marketing, and customer service were still analog and manual, largely untouched by information technology.

In July of 1993, convinced that this presented a huge unserved market opportunity, I founded Siebel Systems, a computer software company committed to successfully applying this new step function of information and communications technology to the business processes of sales, marketing, and customer service. That too turned out to be a good idea.

Six years later, Siebel Systems exceeded $2 billion in revenue with 8,000 employees in 29 countries, becoming one of the fastest growing enterprise software companies in history. At Siebel Systems, I believe we invented the CRM market as you know it today, and established a clear global market leading position in that market. Siebel Systems merged with Oracle in 2006. The CRM market is now a $60+ billion software industry.

From 1983 through 2006, we saw one wave after another of new technologies: mainframes, minicomputers, personal computers, the internet, relational database technology, enterprise application software, and client-server computing. Each technology breakthrough represented a replacement market for its predecessor, fueling a $1.3 trillion industry by 2006.

Assessing the IT landscape at the beginning of the 21st century, it became apparent that a new set of technologies was destined to constitute another step function that would change everything about the information processing world, dramatically accelerating the growth of IT markets. This step function of technologies – substantially more impactful than anything we had seen before – included: elastic cloud computing, big data, the internet of things, and AI or predictive analytics. Today, at the confluence of these technology vectors we find the phenomenon of Enterprise AI and Digital Transformation, mandates that are rising to the top of every CEO's agenda. The global IT market exceeds $2.3 trillion today.

These technologies were largely nascent in January 2009 when we founded C3.ai with the goal of developing a comprehensive unified software development and enterprise applications solution designed to enable organizations to exploit these new technologies.

We succeeded at that task. And in the process, we developed a set of inventions we believe are fundamental to any enterprise AI application, and that are proprietary and patented. We succeeded at deploying high-value Enterprise AI applications at small scale, at medium scale, and at the largest industrial scale. We succeeded across a diverse range of industries and across a wide range of AI use cases.

We serve a large and rapidly growing market, estimated to be $174 billion in 2020, growing to $271 billion in 2024. Our goal is to establish a global market-leading position in this market as we did at Oracle and at Siebel Systems. The difference being that this market is an order of magnitude larger than either of those opportunities.

I believe we are well-positioned to succeed. The market is large and rapidly growing. We have succeeded at developing a highly differentiated and efficacious AI development platform and an associated family of AI applications. We have

manageable competitive risk compared to others, including – (1) companies attempting to build the application from scratch – with little to no success – and (2) a plethora of AI point solutions each of which addresses a small slice of the problem.

It boils down to execution risk. Does the C3.ai team have the skills and experience to succeed? Can they manage a rapidly growing business? Can they successfully implement mission critical extraprise application deployments? Can they attract, retain, and motivate the top people in the industry? Can they establish rewarding strategic partnerships with customers and market partners? Can they effectively scale and manage business sales, marketing, and support infrastructures globally? Can they accelerate and maintain technology leadership? I believe that the strength and experience of management and human capital at C3.ai is our strongest asset. This is unquestionably the most talented and experienced team that I have worked with in my career.

I believe C3.ai is uniquely qualified to tackle these challenges. But clearly, as an investor, you will need to resolve these questions to your satisfaction.

You can expect us to operate a highly disciplined, professional business that is engineered to become structurally profitable and structurally cash-positive in the long term. We will focus on maintaining continuing technology leadership. We will strive to attract, retain, and motivate high performance teams. We will focus on top-line growth to establish market leadership. We will work to establish and enhance brand equity and thought leadership. We will strive to assure that each and every one of our customers is delighted. We will focus on building a high-performance corporate culture known for excellence in execution. We will strive for high levels of predictability in our technology roadmap, our customer engagements, and our financial results.

We have seen many changes in the information technology markets in the past few decades: Disruptive technologies. The diversity and motivation of human capital. Increased accountability. Increased regulatory rigor. The expectations – indeed the demands – of customers, markets, employees, investors, and regulators have been in a constant state of change. I expect the rate of change in such expectations will only accelerate in the coming decades. We are here to serve our stakeholders and to be a good member of the communities in which we operate. You can expect that as these expectations of stakeholders continue to change in the coming years, we will be attentive to those changes and modify our business practices accordingly.

Our singular focus is to leverage our technology leadership, first-mover advantage, and management leadership to establish and maintain a global leadership position in Enterprise AI. Should we succeed at that objective, we will have built C3.ai into one of the world’s great software companies.

Sincerely,

Thomas M. Siebel
Founder and CEO

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

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

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

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. This summary does not contain all of the information you should consider before investing in our Class A common stock. You should read this entire prospectus carefully, including the sections titled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," and our consolidated financial statements and the related notes included elsewhere in this prospectus, before making an investment decision. Our fiscal year ends on April 30. Unless the context otherwise requires, all references in this prospectus to "we," "us," "our," "our company," and "C3.ai" refer to C3.ai, Inc. and its subsidiaries. Unless otherwise indicated, references to our "common stock" include our Class A common stock and Class B common stock.

OVERVIEW

C3.ai

C3.ai is an Enterprise AI software company.

We provide software-as-a-service, or SaaS, applications that enable the rapid deployment of enterprise-scale AI applications of extraordinary scale and complexity that offer significant social and economic benefit.

All C3.ai software applications can be deployed on Azure, Amazon Web Services, or AWS, the IBM Cloud, Google Cloud Platform, or on-premise.

Enterprise AI Software Solutions

We provide three primary families of software solutions:

- The C3 AI Suite, our core technology, is a comprehensive application development and runtime environment that is designed to allow our customers to rapidly design, develop, and deploy Enterprise AI applications of any type.
- C3 AI Applications, built using the C3 AI Suite, include a large and growing family of industry-specific and application-specific turnkey AI solutions that can be immediately installed and deployed.
- C3.ai Ex Machina, our no-code solution that provides secure, easy access to analysis-ready data, and enables business analysts without data science training to rapidly perform data science tasks such as building, configuring, and training AI models.

Large Total Addressable Market

We serve a large and rapidly growing market, estimated to be $174 billion in 2020, growing to $271 billion in 2024, a 12% compound annual growth rate, or CAGR. Our solutions address use cases across:

- *Enterprise AI Software*. $18 billion in 2020, $44 billion in 2024, a 24% CAGR.[1]
- *Enterprise Infrastructure Software*. Application Development, Infrastructure, and Middleware; Data Integration and Quality Tools, and Master Data Management Products: $63 billion in 2020, $82 billion in 2024, a 7% CAGR.[2]
- *Enterprise Applications*. Analytics, Business Intelligence and Customer Relationship Management, or CRM: $93 billion in 2020, $145 billion in 2024, a 12% CAGR.[3]

By any standards, this is a large and rapidly growing addressable market opportunity.

First-Mover Advantage

We believe we enjoy a significant first-mover advantage in Enterprise AI, based on our significant investment in our products and technology over the last decade of development. We are not aware of others who have made as much progress as we have in this space. We believe that we have the world's most extensive Enterprise AI production footprint. Our goal is

[1] *Source: IDC, Worldwide Artificial Intelligence Systems Spending Guide,* September 2019

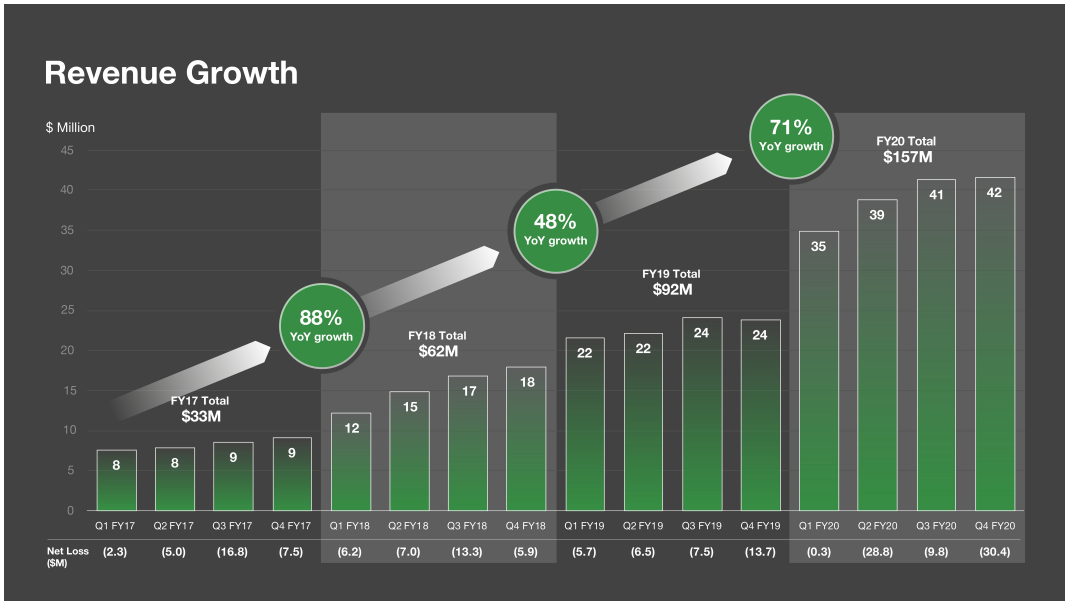
[2] *Source: Gartner, Forecast: Enterprise Infrastructure Software, Worldwide, 2018-2024, 3Q20 Update*

[3] *Source: Gartner, Forecast: Enterprise Application Software, Worldwide, 2018-2024, 3Q20 Update*

to establish and maintain a global leadership position in Enterprise AI across all market segments including large enterprises, small and medium businesses, and government entities.

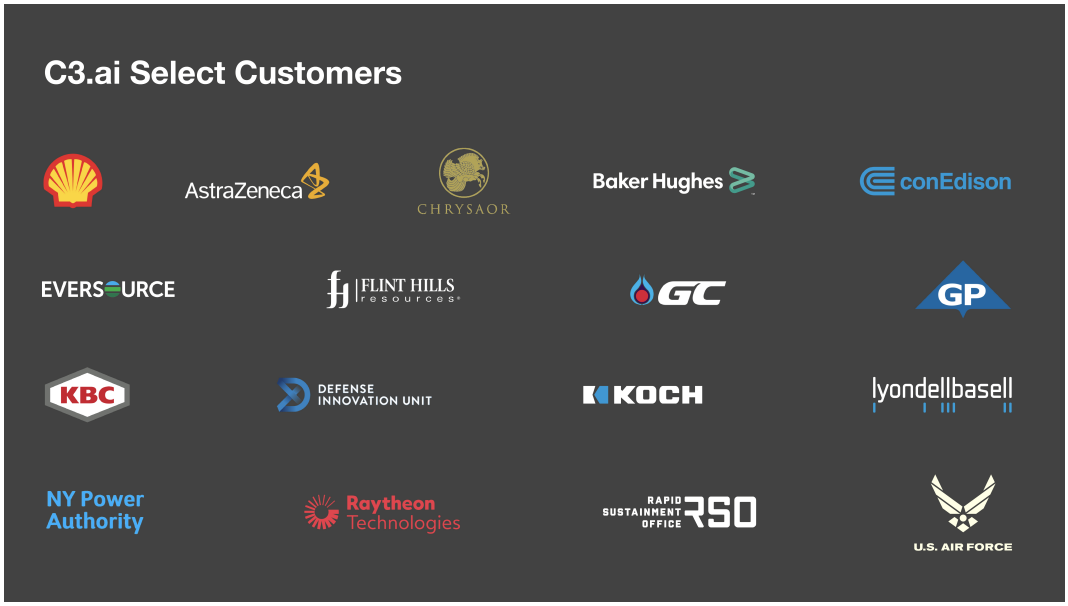
Rapid Revenue Growth

We are growing rapidly, with total revenue of $156.7 million in the fiscal year ended April 30, 2020 compared to $91.6 million in the fiscal year ended April 30, 2019, representing year-over-year growth of 71%. Over the same period, our subscription revenue grew to $135.4 million from $77.5 million, a 75% increase. The bulk of our revenue accrues from subscription software, accounting for roughly 86% of our total revenue. We incurred net losses of $69.4 million and $33.3 million in the fiscal years ended April 30, 2020 and 2019, respectively.



Lighthouse Customers

Our market-entry strategy has been to establish high-value customer engagements with large global early adopters, or lighthouse customers, in Europe, Asia, and the United States across a range of industries. These lighthouse customers serve as proof points for other potential customers in their particular industries. We have established strategic relationships with our customers that include many of the world's iconic organizations, demonstrating the utility of our Enterprise AI software solutions across geographies, cultures, vertical markets, and a wide range of use-cases at small, medium, and even the largest industrial scale. We work to replicate those deployments across similar companies within each vertical market.



High-Value Outcomes

We are enabling the digital transformation of many of the world's leading organizations and, in the process, helping them to attain short time-to-value and exceptionally high economic returns. At some companies, based on feedback from our customers, we estimate our solutions have resulted in hundreds of millions of dollars in annual economic benefit.[4] We estimate, based on our production C3.ai roadmaps, that we may enable billions of dollars in annual economic benefit for our customers.[5]

Rapid Time to Value

The key to our market success to date, and our primary competitive differentiator, is our ability to leverage the C3 AI Suite and C3 AI Applications to bring high-value Enterprise AI applications into production use rapidly. We have deployed Enterprise AI applications into production use in as little as four weeks.

Outsized Average Total Contract Value

As a result of the high-value outcomes that we enable, we enjoy uncommonly high total contract values for software subscriptions. Our average total contract value for contracts entered into in fiscal years 2016, 2017, 2018, 2019, and 2020 was $1.2 million, $11.7 million, $10.8 million, $16.2 million, and $12.1 million, respectively. We believe this is a high-water mark for the applications software industry.[6] We are able to drive these extraordinary contract values because of the high-value outcomes we provide to our customers—we enable some of the largest companies in the world to succeed in their most mission-critical digital transformation projects. We expect the average total contract value to significantly decrease as we expand our customer base beyond a small number of large lighthouse customers to a larger number of smaller customers.

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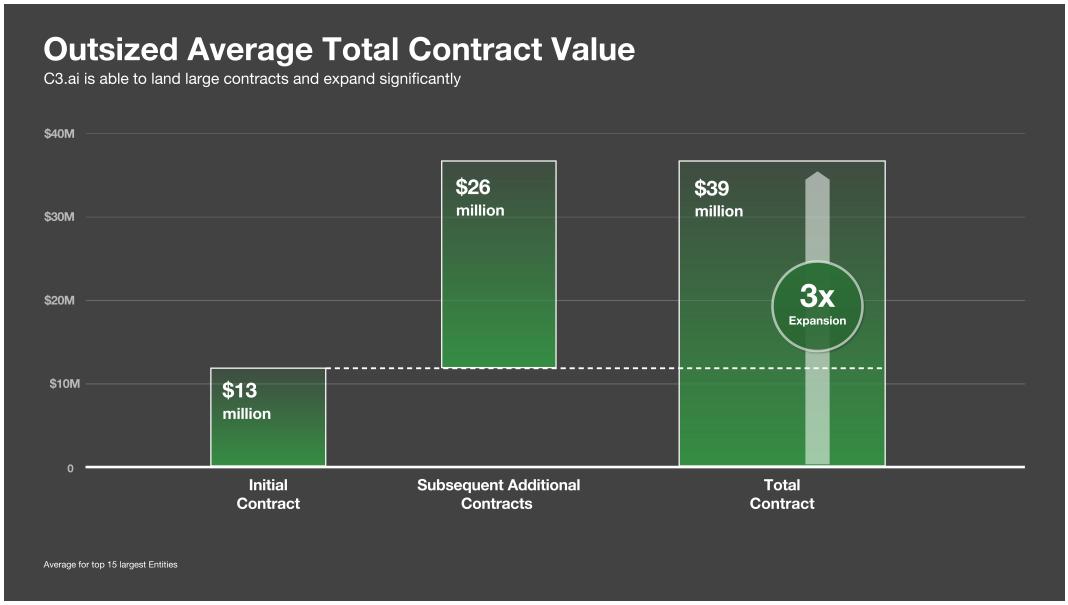
[4] Management estimates based on results from trials or deployments using customer data from more than 20 projects across 15 customers. Data and feedback were collected from 2016 to 2020. See the section titled "Market, Industry, and Other Data" for additional information.

[5] Based on actual results achieved in trials or deployments using actual customer data and business processes as provided by our customers. These estimates are limited by the scaling factors of extrapolating these results from the specific project scope of each trial or deployment across the customer's entire business. These estimates are based on more than 20 projects across 15 customers, and the data and feedback were collected from customer engagements occurring in the years 2016 to 2020.

[6] Based on our review of the estimated contract values of approximately 100 representative applications software companies from publicly available sources. See the section titled "Market, Industry, and Other Data" for additional information.

Land and Expand

After their initial contract with us, our customers tend to expand the use of our products and, as a result, may purchase additional applications, additional developer seats, additional software products, additional runtime usage, and additional services. We define an Entity as a separate buying entity that has an active contract to deploy the C3 AI Suite or one or more C3 AI Applications. We often provide our software to a distinct department, business unit, or group within such single buying entity and define a customer as each distinct department, unit, or group within an Entity. The average initial contract value with our largest 15 Entities was $12.8 million. On average, each of these Entities has purchased an additional $26.1 million in product subscriptions and services from us to date as they expanded existing use cases and added additional use cases to their roadmaps.



Extensive Partner Ecosystem

We have established strategic relationships with technology leaders including AWS, Baker Hughes, Fidelity National Information Services, or FIS, Google, IBM, Microsoft, and Raytheon. These world-leading technology companies can marshal tens of thousands of talented resources to establish and serve C3.ai customer relationships at global scale.

Leveraged Go-to-Market Model

Our market entry growth strategy has been to employ a direct sales organization organized in a traditional geographic/industry market matrix, partnered with C3.ai technical experts in our forward deployed engineering organization, to establish and expand customer relationships with large lighthouse customers with a diversity of AI use cases across a range of industry segments. Our sales and engagement efforts are frequently closely coordinated with our marketing partners including AWS, Baker Hughes, FIS, Google, IBM, and Microsoft.

Having established the scalability of our product offerings and their utility across a wide range of AI use cases at large-enterprise scale, we will now (1) expand those same use cases across similar companies, (2) establish middle market sales organizations, including telesales and online sales, and (3) leverage our marketing partners as enterprise and mid-market distribution channels.

Revenue Model

The bulk of our revenue is generated from subscriptions to our software, accounting for roughly 86% of our total revenue. We currently have four primary revenue sources:

- Term subscriptions of the C3 AI Suite, usually three years in duration.
- Term subscriptions of C3 AI Applications, usually three years in duration.
- Monthly runtime fees of the C3 AI Applications and customer-developed applications built using the C3 AI Suite, usage-based upon CPU-hour consumption.
- Professional services fees associated with training and assisting our customers.

Recognized AI-Industry Leadership

We have won many industry recognitions, including CNBC Disruptor 50 (2020, 2019, 2018), BloombergNEF Pioneer (2020), Forbes Cloud 100 (2020, 2019, 2018, 2017), Deloitte Technology Fast 500 (2019), and EY Entrepreneur of the Year (2018, 2017), and have been named a leader by Forrester Wave: Industrial IoT Software Platforms (2019, 2018).

Our Secret Sauce: C3.ai Model-Driven Architecture

The C3 AI Suite, with its proprietary model-driven architecture, addresses the requirements for the digital transformation software stack, providing a low-code/no-code AI and Internet of Things, or IoT, platform that accelerates software development, reduces cost and risk, and delivers applications that are flexible enough to meet evolving needs.

We believe Enterprise AI applications require a new digital transformation software stack. The traditional approach to developing AI and IoT enterprise software—i.e., using structured programming to build applications by assembling and integrating various open source components and cloud services—can be slow, costly, and ineffective. Due to daunting technical requirements, among other reasons, a recent study has shown that 84% of Enterprise AI deployments have not scaled.

Enabled by our proprietary model-driven architecture, the C3 AI Suite and C3 AI Applications allow organizations to dramatically simplify and accelerate Enterprise AI adoption. Compared to the structured programming approach that most organizations typically attempt, we estimate that our model-driven architecture speeds development by a factor of 26, while reducing the amount of code that must be written by up to 99%.

We enjoy a rich patent portfolio that presents a substantial competitive advantage in the Enterprise AI market—most notably, our recently issued U.S. patents (No. 10,817,530 and No. 10,824,634) which were granted for systems, methods, and devices for an enterprise AI and internet-of-things platform.

The C3 AI Suite enables us to rapidly and successfully deploy functionally rich, high-value Enterprise AI applications even at the largest enterprise scale.

Competition

Our primary competition is largely do-it-yourself, custom-developed, company-specific AI platforms and applications. These tend to be very costly complex software engineering projects, often fail, and, if successful, usually require many years to realize economic return.

We are unaware of any end-to-end Enterprise AI development platforms that are directly competitive with the C3 AI Suite.

Sales Alliances

Strategic partnerships are core to our growth strategy with market-leading companies offering highly leveraged distribution channels to various markets.

To date, we have established such a partnership with Baker Hughes to address the needs of the global oil and gas market, with FIS to address needs in the financial services market, with Raytheon to serve the U.S. defense and intelligence communities, and with Microsoft and Adobe to address the next generation of CRM.

In addition, we have announced global alliances with AWS, IBM, Intel, and Microsoft to jointly market, sell, and service our combined solutions across industry verticals.

In the majority of our sales opportunities we are aligned with one or more of these partners.

Thought Leadership

Our Chief Executive Officer, Tom Siebel, and our Chief Technology Officer, Ed Abbo, are recognized leaders in information technology, facilitating broad market validation by media, analysts, and industry groups. Their decades of technology leadership in enterprise software position them well to engage strategically with the executive leadership of leading corporations and government entities.

University Relations: C3.ai Digital Transformation Institute

Established in February 2020, the C3.ai Digital Transformation Institute, or C3.ai DTI, is a research consortium dedicated to accelerating the benefits of artificial intelligence for business, government, and society. C3.ai DTI engages the world's leading scientists to conduct research and train practitioners in the new Science of Digital Transformation, which operates at the intersection of artificial intelligence, machine learning, cloud computing, internet of things, big data analytics, organizational behavior, public policy, and ethics.

C3.ai DTI is a coalition of some of the world's leading research institutions including Princeton, Carnegie Mellon, MIT, University of Illinois at Urbana-Champaign, University of Chicago, UC Berkeley, Stanford, the National Center for Supercomputing Applications, and Lawrence Berkeley Labs, in partnership with Microsoft and C3.ai.

C3.ai DTI provides organization and funding for wide-ranging fundamental research to develop advanced AI techniques, methods, and processes to accelerate the Science of Digital Transformation. Funding, computing resources, Azure resources, and unlimited use of the C3 AI Suite are being provided to these researchers and institutions as the AI research platform. C3.ai DTI has initially funded 26 research projects to develop new AI techniques to address the challenges of the COVID-19 pandemic.

In addition to contributing to the public good, C3.ai DTI exposes the capabilities of our AI Suite and AI Applications to potentially thousands of researchers, undergraduates, and graduate students at these world-renowned institutions. This helps to further build the community of C3.ai users and to establish C3.ai as the standard for developing and deploying large-scale Enterprise AI applications to solve the world's hardest problems.

Growth Strategy

We are substantially investing in the expansion of our direct enterprise sales and service organization both geographically and across vertical markets to expand the use of C3.ai solutions within existing customers and establish new customer relationships.

We will continue to focus on the success of our customers to increase penetration of our existing customer base.

We will continue to expand our major account sales organization to focus on large enterprise software agreements.

We will continue to expand our enterprise sales organization globally, focused on divisions of Fortune 500 companies as well as with smaller and medium-sized businesses.

We will expand our leveraged distribution channel with additional strategic partners like Baker Hughes, FIS, Microsoft, and Raytheon.

We will continue to develop high volume distribution channels including digital marketing, telesales, and strategic distributors, particularly to address the needs of small and medium businesses.

We are bringing new product families to market that we believe will develop into substantial recurring revenue streams for C3.ai.

We expect to enter into additional strategic development and distribution agreements, like those we have in place with Baker Hughes, FIS, Microsoft, and Raytheon, that we expect will provide us highly leveraged access to other vertical and horizontal markets.

Rich Human Capital

Our strongest asset is unquestionably the human capital we have been able to attract, retain, and motivate. We have won the Glassdoor Best Place to Work award, were named a WayUp Top 100 Internship Program, and are consistently ranked amongst the best places to work. We attract exceptionally talented, highly educated, experienced, motivated employees. We hired 214 new employees in the past year. We received approximately 52,000 applications for those positions. Approximately 10,000 of those were engaged in rigorous skill evaluation and interview cycles for a final selection of 214. Fifty-seven percent of our employees have advanced degrees, many from the world's most prestigious institutions.

Veteran Disciplined Management

Our executive leadership team, led by our CEO, Tom Siebel, has individually and collectively managed some of the world's most successful and rapidly growing software companies, including Oracle and Siebel Systems. This is a team that has created markets and has a demonstrated history of responsible management and commitment to employees, customers, and investors. We enjoy exceptional levels of experience, discipline and rigor in our management practices that transcend market cycles and market bubbles. We are focused on building a rapidly growing, professional, structurally cash-positive, and structurally profitable company in the long term with the singular focus of establishing a global leadership position in Enterprise AI with a long trail of satisfied customers.

Our CEO, Tom Siebel, is a seasoned software innovator who has and continues to receive broad industry recognition for his leadership. A sample of his honors and awards include:

- Entrepreneur of the Year – EY, 2018
- Glassdoor Top CEO – 2018
- Honorary Ph.D. – Politecnico di Torino, 2018
- Entrepreneur of the Year – EY, 2017
- Best Places to Work, 100% CEO approval rating – Glassdoor, 2017
- Most Admired CEO Lifetime Achievement Award – San Francisco Business Times, 2016
- Academy of Arts and Sciences, Elected Member – April 2013
- #3 of the World's Top 25 Philanthropists – Barron's, November 2010
- Woodrow Wilson Award for Corporate Citizenship
- Engineering at Illinois Hall of Fame – University of Illinois at Urbana-Champaign, 2010
- #5 of the World's Top 25 Philanthropists – Barron's, 2009
- Top 50 Philanthropists – BusinessWeek 2007, 2008
- Honorary Ph.D. Engineering – University of Illinois at Urbana-Champaign, 2006
- Thomas M. Siebel, Master Entrepreneur of the Year – Ernst & Young, 2003
- Entrepreneurial Company of the Year – Harvard Business School, 2003
- Hall of Fame – CRM Magazine, 2003
- CEO of the Year – Industry Week, 2002
- Top 25 Managers in Global Business – BusinessWeek, 1999 to 2002
- Top 10 CEOs of 2000 – Investor's Business Daily, 2000
- The World's Most Influential Software Company – BusinessWeek, 2000
- The Most Influential Company in IT – Intelligent Enterprise, 2000

- Fastest Growing Technology Company – Deloitte & Touche, 1999
- Fastest Growing Company in America – Fortune, 1999

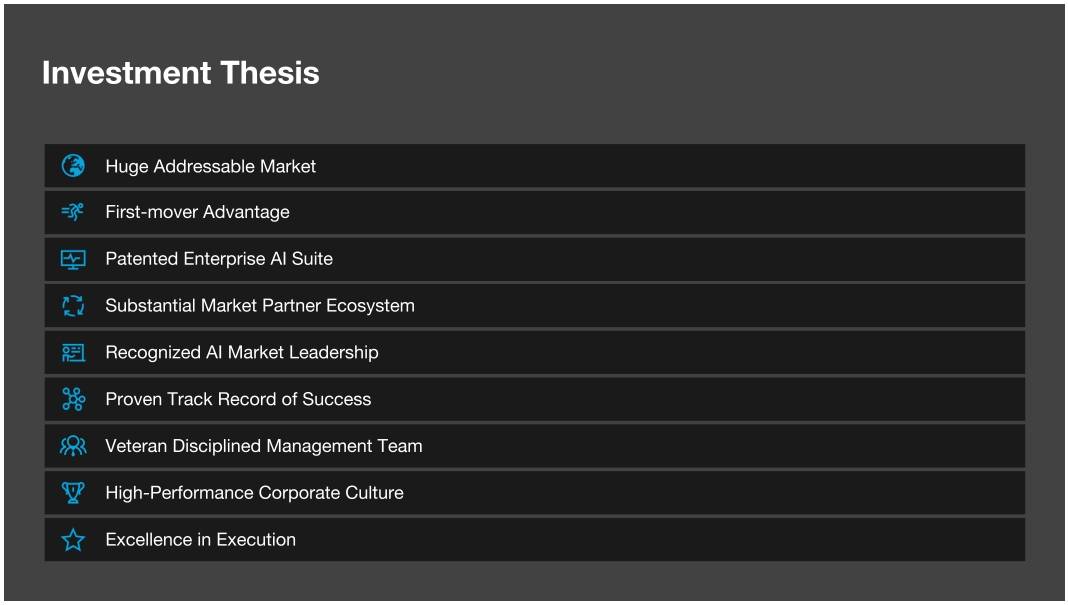
C3.ai Investment Thesis

Enterprise AI is a huge addressable market.

We have a highly experienced CEO and management team with an established track record of identifying large technology markets in their nascent stage, developing innovative, superior solutions to meet the needs of those markets, assembling and organizing high-performance organizations, and building rapidly growing, financially sound, cash-positive, profitable, professionally managed, market-leading companies that accrue substantial value to customers, employees, partners, and investors.

We have developed a patented Enterprise AI suite enabling the successful digital transformation of leading corporations and government entities. First-mover advantage. Technology leadership. Substantial market eco-system. Recognized Enterprise AI market leadership. A high-performance corporate culture. Focused on excellence in execution.

We are in this for the long run, with the singular focus of establishing and maintaining recognized technology innovation and global market leadership in the Enterprise AI application software market.



RISK FACTORS

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

- we have a limited operating history, which makes it difficult to evaluate our prospects and future results of operations;
- historically, a limited number of customers have accounted for a substantial portion of our revenue. If existing customers do not renew their contracts with us, or if our relationships with our largest customers are impaired or terminated, our revenue could decline, and our results of operations would be adversely impacted;
- our business depends on our ability to attract new customers and on our existing customers purchasing additional subscriptions from us and renewing their subscriptions;
- we have a history of operating losses and may not achieve or sustain profitability in the future;
- we face intense competition and could lose market share to our competitors, which could adversely affect our business, financial condition and results of operations;
- our sales cycles can be long and unpredictable, particularly with respect to large subscriptions, and our sales efforts require considerable time and expense;
- if the market for our AI Suite and AI Applications fails to grow as we expect, or if businesses fail to adopt our AI Suite and AI Applications, our business, operating results, and financial condition could be adversely affected;
- if we fail to respond to rapid technological changes, extend our AI Suite and AI Applications or develop new features and functionality, our ability to remain competitive could be impaired;
- if we were to lose the services of our Chief Executive Officer or other members of our senior management team, we may not be able to execute our business strategy; and
- the COVID-19 pandemic could have an adverse impact on our business, operations, and the markets and communities in which we, our partners, and customers operate.

Corporate Information

We were initially formed in 2009 as C3, LLC, a Delaware limited liability company. In June 2012, we incorporated under the laws of the state of Delaware under the name C3, Inc. In July 2016, we changed our name to C3 IoT, Inc., and, in June 2019, we changed our name to C3.ai, Inc. Our principal executive offices are located at 1300 Seaport Blvd, Suite 500, Redwood City, California 94063. Our telephone number is (650) 503-2200. Our website address is C3.ai. Information contained on, or that can be accessed through, our website is not incorporated by reference into this prospectus, and you should not consider information on our website to be part of this prospectus.

The C3.ai design logo, "C3.ai," and our other registered or common law trademarks, service marks or trade names appearing in this prospectus are the property of C3.ai, Inc. Other trade names, trademarks, and service marks used in this prospectus are the property of their respective owners.

We believe we are eligible for but do not intend to take advantage of the "controlled company" exemption to the corporate governance rules for New York Stock Exchange-listed companies.

Implications of Being an Emerging Growth Company

As a company with less than $1.07 billion in revenue during our last fiscal year, we qualify as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act, or the JOBS Act, enacted in April 2012. An emerging growth company may take advantage of certain exemptions from various public company reporting requirements. These provisions include, but are not limited to:

- not being required to comply for a certain period of time with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended, or the Sarbanes-Oxley Act;

- reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements, and registration statements; and
- exemptions from the requirements of holding a stockholder advisory vote on executive compensation and any golden parachute payments not previously approved.

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

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

In addition, the JOBS Act provides that an "emerging growth company" can take advantage of an extended transition period for complying with new or revised accounting standards. This provision allows an emerging growth company to delay the adoption of some accounting standards until those standards would otherwise apply to private companies. We have elected to use the extended transition period under the JOBS Act. Accordingly, our financial statements may not be comparable to the financial statements of public companies that comply with such new or revised accounting standards.

THE OFFERING

Class A common stock offered by us	15,500,000 shares
Class A common stock to be outstanding after this offering and the concurrent private placements	93,391,966 shares
Class B common stock to be outstanding after this offering and the concurrent private placements	3,499,992 shares
Option to purchase additional shares of Class A common stock offered by us	2,325,000 shares
Class A common stock sold by us in the concurrent private placements	Immediately subsequent to the closing of this offering, and subject to certain conditions of closing as described in the section titled "Concurrent Private Placements," each of Spring Creek Capital LLC, an affiliate of Koch Industries, Inc., and Microsoft Corporation will purchase from us in a private placement $100.0 million and $50.0 million, respectively, of our Class A common stock at a price per share equal to the initial public offering price. Based on an assumed initial public offering price of $32.50 per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, this would be 3,076,923 and 1,538,461 shares, respectively. We will receive the full proceeds and will not pay any underwriting discounts or commissions with respect to the shares that are sold in the private placements. The sale of the shares in the private placements is contingent upon the completion of this offering. The sale of these shares to Spring Creek Capital LLC and Microsoft Corporation will not be registered in this offering and will be subject to a market standoff agreement with us for a period of up to 365 days after the date of this prospectus and lock-up agreement with the underwriters for a period of up to 180 days after the date of this prospectus. See "Shares Eligible for Future Sale—Lock-Up Agreements and Market Standoff Provisions" for additional information regarding such restrictions. We refer to the private placements of these shares of Class A common stock as the concurrent private placements.
Total Class A and Class B common stock to be outstanding after this offering and the concurrent private placements	96,891,958 shares (or approximately 99,216,958 shares if the underwriters option to purchase additional shares of our Class A common stock is exercised in full).

Voting rights	We have two classes of authorized common stock, Class A common stock and Class B common stock. The rights of the holders of Class A common stock and Class B common stock are identical, except with respect to voting and conversion. The holders of Class A common stock are entitled to one vote per share and the holders of Class B common stock are entitled to 50 votes per share on all matters that are subject to stockholder vote. Each share of Class B common stock may be converted into one share of Class A common stock at the option of the holder thereof, and will be converted into one share of Class A common stock upon transfer thereof, subject to certain exceptions. The holders of our outstanding Class B common stock will hold 65.20% of the voting power of our outstanding capital stock following this offering and the concurrent private placements, with our directors, executive officers and 5% stockholders and their respective affiliates beneficially holding 83.19% of our voting power in the aggregate. These holders will have the ability to control the outcome of matters submitted to our stockholders for approval, including the election of our directors and the approval of any change of control transaction. See the section titled "Description of Capital Stock" for additional information.
Use of proceeds	We estimate that our net proceeds from the sale of our Class A common stock that we are offering and the concurrent private placements will be approximately $613.5 million (or approximately $684.2 million if the underwriters option to purchase additional shares of our Class A common stock is exercised in full), assuming an initial public offering price of $32.50 per share, the midpoint of the estimated price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses. The principal purposes of this offering and the concurrent private placements are to increase our capitalization and financial flexibility, and create a public market for our Class A common stock. As of the date of this prospectus, we cannot specify with certainty all of the particular uses for the net proceeds to us from this offering and the concurrent private placements. However, we currently intend to use the net proceeds we receive from this offering and the concurrent private placements for general corporate purposes, including working capital, operating expenses and capital expenditures. We may also use a portion of the net proceeds to acquire complementary businesses, products, services or technologies. However, we do not have agreements or commitments to enter into any acquisitions at this time. See the section titled "Use of Proceeds" for additional information.
Directed share program	At our request, the underwriters have reserved up to 5% of the shares offered by this prospectus for sale at the initial public offering price to certain individuals identified by our officers and directors who have expressed an interest in purchasing common stock in this offering. For additional information, see the section titled "Underwriters."
Proposed New York Stock Exchange symbol	We have been approved to list our Class A common stock on the New York Stock Exchange under the symbol "AI."
Risk factors	See the section titled "Risk Factors" and the other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in our Class A common stock.

The number of shares of our common stock that will be outstanding after this offering and the concurrent private placements is based on 73,276,582 shares of our Class A common stock (including preferred stock, other than the Series A* Preferred Stock, on an as-converted basis) and 3,499,992 shares of our Class B common stock (including the Series A* Preferred Stock on an as-converted basis) outstanding as of October 31, 2020 and excludes:

- 42,661,167 shares of our Class A common stock issuable upon the exercise of options to purchase shares of our Class A common stock issued under our Amended and Restated 2012 Equity Incentive Plan, or the 2012 Plan, outstanding as of October 31, 2020, with a weighted-average exercise price of $5.5665 per share;
- 249,148 shares of our Class A common stock issuable upon the exercise of options to purchase shares of our Class A common stock issued under our 2012 Plan after October 31, 2020, with a weighted-average exercise price of $17.10 per share;
- 3,561,110 shares of our Class A common stock reserved for future issuance under our 2012 Plan, which shares will cease to be available for issuance at the time our 2020 Equity Incentive Plan, or the 2020 Plan, becomes effective;
- 22,000,000 shares of our Class A common stock reserved for future issuance under our 2020 Plan, which includes an annual evergreen increase and will become effective in connection with this offering; and
- 3,000,000 shares of our Class A common stock reserved for future issuance under our 2020 Employee Stock Purchase Plan, or the ESPP, which includes an annual evergreen increase and will become effective in connection with this offering.

Upon the execution and delivery of the underwriting agreement related to this offering, any remaining shares available for issuance under our 2012 Plan will become reserved for future issuance as Class A common stock under our 2020 Plan, and we will cease granting awards under our 2012 Plan. See the section titled "Executive Compensation—Employee Benefit and Stock Plans" for additional information.

Shares of Class A common stock outstanding after this offering does not give effect to any additional shares of Class A common stock issuable upon conversion of the Series F, Series G, or Series H convertible preferred stock, or the Ratchet Preferred, if the actual initial public offering price is lower than $29.4102 per share. If the initial public offering price is lower than $29.4102, the conversion price of the Ratchet Preferred will be adjusted so that the product of (1) the number of shares of Class A common stock issuable upon conversion of each share of Ratchet Preferred at such adjusted Ratchet Preferred conversion price multiplied by (2) the public offering price, equals $29.4102 (as adjusted for stock splits, stock dividends, and the like). See Note 8 to our consolidated financial statements included elsewhere in this prospectus for additional information regarding the Ratchet Preferred.

Unless otherwise indicated, the information in this prospectus assumes:

- a 6-for-1 reverse stock split of our common and preferred stock that became effective on November 25, 2020;
- the filing and effectiveness of our amended and restated certificate of incorporation and the effectiveness of our amended and restated bylaws, each of which will occur immediately prior to the completion of this offering;
- the issuance of an aggregate of 4,615,384 shares of our Class A common stock to Spring Creek Capital, LLC, an affiliate of Koch Industries, Inc., and Microsoft Corporation upon the closing of the concurrent private placements, at an assumed initial public offering price of $32.50 per share, which is the midpoint of the price range set forth on the cover page of this prospectus;
- the automatic conversion immediately prior to the completion of this offering of all 33,628,776 outstanding shares of our redeemable convertible preferred stock as of October 31, 2020, except our Series A* Preferred Stock, into an aggregate of 33,628,776 shares of our Class A common stock, assuming an initial public offering price of $32.50 per share, which is the midpoint of the price range set forth on the cover page of this prospectus;
- the conversion of all 3,499,992 outstanding shares of our Series A* Preferred Stock as of October 31, 2020, into 3,499,992 shares of our Class B common stock, which will occur immediately prior to the completion of this offering;
- the conversion of all 6,666,665 outstanding shares of our redeemable convertible Class A-1 common stock as of October 31, 2020, into an aggregate of 6,666,665 shares of our Class A common stock;
- no exercise of the outstanding options described above; and
- no exercise of the underwriters' option to purchase up to an additional 2,325,000 shares of Class A common stock in this offering.

SUMMARY CONSOLIDATED FINANCIAL DATA

The summary consolidated statements of operations data for the years ended April 30, 2019 and 2020 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The summary consolidated statements of operations data for the six months ended October 31, 2019 and 2020 and the consolidated balance sheet data as of October 31, 2020 are derived from our unaudited interim consolidated financial statements that are included elsewhere in this prospectus. We have prepared the unaudited interim consolidated financial statements on the same basis as the audited consolidated financial statements. We have included, in our opinion, all adjustments necessary to state fairly our financial position as of October 31, 2020 and the results of operations for the six months ended October 31, 2019 and 2020. Our historical results are not necessarily indicative of the results to be expected for any other period in the future and the results of operations for the six months ended October 31, 2020 are not necessarily indicative of the results to be expected for any other period in the future. You should read the consolidated financial data set forth below in conjunction with our consolidated financial statements and the accompanying notes, the information in "Management's Discussion and Analysis of Financial Condition and Results of Operations," and other financial information contained elsewhere in this prospectus.

	Fiscal Year Ended April 30,		Six Months Ended October 31,	
	2019	2020	2019	2020
	(in thousands, except per share data)			
Consolidated Statements of Operations Data:				
Revenue				
Subscription	$ 77,472	$ 135,394	$ 63,998	$ 71,549
Professional services	14,133	21,272	9,767	10,275
Total revenue	91,605	156,666	73,765	81,824
Cost of revenue				
Subscription(1)	24,560	31,479	14,630	15,671
Professional services(1)	5,826	7,308	3,716	4,909
Total cost of revenue	30,386	38,787	18,346	20,580
Gross profit	61,219	117,879	55,419	61,244
Operating expenses				
Sales and marketing(1)	37,882	94,974	37,224	36,446
Research and development(1)	37,318	64,548	34,791	29,398
General and administrative(1)	22,061	29,854	14,250	13,249
Total operating expenses	97,261	189,376	86,265	79,093
Loss from operations	(36,042)	(71,497)	(30,846)	(17,849)
Interest income	3,508	4,251	1,979	868
Other (expense) income, net	(546)	(1,752)	(96)	2,440
Net loss before provision for income taxes	(33,080)	(68,998)	(28,963)	(14,541)
Provision for income taxes	266	380	185	253
Net loss	$ (33,346)	$ (69,378)	$ (29,148)	$ (14,794)
Net loss per share attributable to common stockholders, basic and diluted(2)	$ (1.32)	$ (1.94)	$ (0.85)	$ (0.39)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted(2)	25,329	35,800	34,380	37,673
Pro forma net loss per share, basic and diluted(2)		$ (0.97)		$ (0.20)
Weighted-average shares used in computing pro forma net loss per share, basic and diluted(2)		71,192		73,550

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

	Fiscal Year Ended April 30,		Six Months Ended October 31,	
	2019	2020	2019	2020
	(in thousands)			
Cost of subscription	$ 149	$ 370	$ 142	$ 343
Cost of professional services	69	122	63	137
Sales and marketing	1,739	3,074	1,281	3,045
Research and development	781	1,223	602	1,106
General and administrative	1,529	3,521	1,275	3,050
Total stock-based compensation expense	$ 4,267	$ 8,310	$ 3,363	$ 7,681

(2) See Note 10 to our consolidated financial statements included elsewhere in this prospectus for an explanation of the method used to calculate our basic and diluted net loss per share attributable to common stockholders, basic and diluted pro forma net loss per share attributable to common stockholders and the weighted-average number of shares used in the computation of the per share amounts.

	As of October 31, 2020		
	Actual	Pro Forma(1)	Pro Forma As Adjusted(2)
		(in thousands)	
Consolidated Balance Sheet Data:			
Cash and cash equivalents	$ 114,603	$ 114,603	$ 730,434
Short-term investments	175,841	175,841	175,841
Working capital(3)	222,779	222,779	841,604
Total assets	355,600	355,600	966,112
Deferred revenue, current and non-current	81,956	81,956	81,956
Redeemable convertible preferred stock	399,753	0	—
Redeemable convertible Class A-1 common stock	18,800	0	—
Class A common stock	33	73	93
Class B common stock	—	3	3
Additional paid-in capital	124,009	542,518	1,156,004
Accumulated deficit	(308,431)	(308,431)	(308,431)
Total stockholders' (deficit) equity	$ (184,327)	$ 234,226	$ 966,112

(1) Reflects (i) the automatic conversion of all 33,628,776 outstanding shares of our redeemable convertible preferred stock as of October 31, 2020, except our Series A* Preferred Stock, into an aggregate of 33,628,776 shares of our Class A common stock, assuming an initial public offering price of $32.50 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, (ii) the automatic conversion of all 3,499,992 outstanding shares of our Series A* Preferred Stock as of October 31, 2020, into an aggregate of 3,499,992 shares of our Class B common stock, (iii) the automatic conversion of all 6,666,665 outstanding shares of our redeemable convertible Class A-1 common stock as of October 31, 2020 into an aggregate of 6,666,665 shares of our Class A common stock, and (iv) the filing and effectiveness of our amended and restated certificate of incorporation immediately prior to the completion of this offering.

(2) Reflects (a) the pro forma items described in the immediately preceding footnote and (b) our issuance and sale of shares of Class A common stock in this offering and the concurrent private placement at an assumed initial public offering price of $32.50 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. Each $1.00 increase (decrease) in the assumed initial public offering price of $32.50 per share of Class A common stock, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, working capital, total assets, and total stockholders' (deficit) equity by approximately $14.5 million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions. Similarly, each increase (decrease) of 1.0 million shares in the number of shares offered by us at the assumed initial public offering price per share would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, working capital, total assets, and total stockholders' (deficit) equity by approximately $30.4 million, assuming the assumed initial public offering price of $32.50 per share of Class A common stock remains the same, and after deducting estimated underwriting discounts and commissions. The pro forma information discussed above is illustrative only and will be adjusted based on the actual initial public offering price and other terms of our initial public offering determined at pricing.

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

RISK FACTORS

Investing in our Class A common stock involves a high degree of risk. You should consider carefully the risks and uncertainties described below, together with all of the other information in this prospectus, including the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes, before making a decision to invest in our Class A common stock. Our business, results of operations, financial condition 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 the risks actually occur, our business, results of operations, financial condition and prospects could be materially and adversely affected. Unless otherwise indicated, references to our business being harmed in these risk factors will include harm to our business, AI Suite, applications, reputation, brand, financial condition, results of operations and future prospects. In such event, the market price of our Class A common stock could decline, and you could lose all or part of your investment.

Summary Risk Factor

Investing in our Class A common stock involves a high degree of risk because our business is subject to numerous risks and uncertainties, as fully described below. The principal factors and uncertainties that make investing in our Class A common stock risky include, among others:

- we have a limited operating history, which makes it difficult to evaluate our prospects and future results of operations;
- historically, a limited number of customers have accounted for a substantial portion of our revenue. If existing customers do not renew their contracts with us, or if our relationships with our largest customers are impaired or terminated, our revenue could decline, and our results of operations would be adversely impacted;
- our business depends on our ability to attract new customers and on our existing customers purchasing additional subscriptions from us and renewing their subscriptions;
- we have a history of operating losses and may not achieve or sustain profitability in the future;
- we face intense competition and could lose market share to our competitors, which could adversely affect our business, financial condition and results of operations;
- our sales cycles can be long and unpredictable, particularly with respect to large subscriptions, and our sales efforts require considerable time and expense;
- if the market for our AI Suite and AI Applications fails to grow as we expect, or if businesses fail to adopt our AI Suite and AI Applications, our business, operating results, and financial condition could be adversely affected;
- we may not be able to respond to rapid technological changes, extend our AI Suite and AI Applications or develop new features and functionality;
- if we were to lose the services of our Chief Executive Officer or other members of our senior management team, we may not be able to execute our business strategy; and
- the COVID-19 pandemic could have an adverse impact on our business, operations, and the markets and communities in which we, our partners, and customers operate.

Risks Related to Our Business and Our Industry

We have a limited operating history, which makes it difficult to evaluate our prospects and future results of operations.

We were founded in 2009. As a result of our limited operating history, our ability to forecast our future results of operations is limited and subject to a number of uncertainties, including our ability to plan for and model future growth. Our historical revenue growth should not be considered indicative of our future performance. Further, in future periods, we expect our revenue growth to slow. A number of factors could cause our growth rate to be adversely impacted, including any reduction in demand for our AI Suite and AI Applications, increased competition, contraction of our overall market, our inability to accurately forecast demand for our AI Suite and AI Applications, or our failure, for any reason, to capitalize on growth opportunities. We have encountered and will encounter risks and uncertainties frequently experienced by growing companies in rapidly changing industries, such as the risks and uncertainties described herein. If our assumptions regarding

these risks and uncertainties, which we use to plan our business, are incorrect or change, or if we do not address these risks successfully, our business would be harmed.

Historically, a limited number of customers have accounted for a substantial portion of our revenue. If existing customers do not renew their contracts with us, or if our relationships with our largest customers are impaired or terminated, our revenue could decline, and our results of operations would be adversely impacted.

We derive a significant portion of our revenue from a limited number of existing customers. Our top three Entities together accounted for 34% and 44% of our revenue for the years ended April 30, 2019 and 2020, respectively. Our top three Entities by revenue for the year ended April 30, 2020, have been with us for an average of 3.3 years. Each of ENGIE Information et Technologie, or Engie, and Caterpillar, Inc. accounted for greater than 10% of our revenue for the year ended April 30, 2019, and each of Baker Hughes Company, or Baker Hughes, and Engie each accounted for greater than 10% of our revenue for the year ended April 30, 2020. In June 2016, we entered into a master license and services agreement with Engie whereby Engie partners with us to support their digital transformation with a non-exclusive, worldwide license to our AI Suite and certain AI Applications. This arrangement was revised in June 2019 to extend the term by an additional three years for a total of six years. Our master license and services agreement with Engie is terminable by either party upon 30 days' written notice if the other party materially breaches the agreement or applicable order form and does not cure such breach prior to the end of that 30 day period, and under certain circumstances in connection with a change of control of either party. In April 2019, we entered into a professional services agreement with Engie pursuant to which we develop a customized application for Engie on our AI Suite. This arrangement has a three year term and permits Engie to terminate the contract at the start of the third year subject to a wind down fee of approximately €2.5 million payable by Engie. Certain of our customers, including customers that, at the time, represented a significant portion of our business, have in the past reduced their spend with us or decided to not renew their subscriptions with us, which has reduced our anticipated future payments or revenue from these customers. It is not possible for us to predict the future level of demand from our larger customers for our AI Suite and AI Applications. In addition, we expect that the average total contract value to significantly decrease as we expand our customer base beyond a small number of large customers to a larger number of smaller customers.

Our commercial customers typically purchase three-year subscriptions which generally do not provide for a right to terminate the subscription for convenience. Our customers generally have no obligation to renew, upgrade, or expand their subscriptions with us after the terms of their existing subscriptions expire. In addition, our customers may opt to decrease their usage of our AI Suite and AI Applications. As a result, we cannot provide assurance that our customers will renew, upgrade, or expand their subscriptions with us, if they renew at all. If one or more of our customers elect not to renew their subscriptions with us, or if our customers renew their subscriptions with us for shorter time periods, or if our customers decrease their usage of our AI Suite and AI Applications, or if our customers otherwise seek to renegotiate terms of their existing agreements on terms less favorable to us, our business and results of operations would be adversely affected. This adverse impact would be even more pronounced for customers that represent a material portion of our revenue or business operations.

Our business depends on our ability to attract new customers and on our existing customers purchasing additional subscriptions from us and renewing their subscriptions.

To increase our revenue, we must continue to attract new customers. Our success will depend to a substantial extent on the widespread adoption of our AI Suite and AI Applications. Although demand for data management, machine learning, analytics, and artificial intelligence platforms and applications has grown in recent years, the market for these platforms and applications continues to evolve. Numerous factors may impede our ability to add new customers, including but not limited to, our failure to compete effectively against alternative products or services, failure to attract and effectively train new sales and marketing personnel, failure to develop or expand relationships with partners and resellers, failure to successfully innovate and deploy new applications and other solutions, failure to provide a quality customer experience and customer support, or failure to ensure the effectiveness of our marketing programs. If we are not able to attract new customers, it will have an adverse effect on our business, financial condition and results of operations.

In addition, our future success depends on our ability to sell additional subscriptions for our AI Suite and AI Applications to our existing customers, and our customers renewing their subscriptions when the contract term expires. Our customers typically purchase three-year subscriptions which generally do not provide for a right to terminate the subscription for convenience. Our customers generally have no contractual obligation to renew, upgrade, or expand their subscriptions after the terms of their existing subscriptions expire. In addition, our customers may opt to decrease their usage of our AI Suite and AI Applications. Given our limited operating history, we may not be able to accurately predict customer renewal rates. Our customers' renewal and/or expansion commitments may decline or fluctuate as a result of a number of factors,

including, but not limited to, their satisfaction with our AI Suite, applications and our customer support, the frequency and severity of software and implementation errors or other reliability issues, the pricing of our subscriptions or competing solutions, changes in their IT budget, the effects of global economic conditions, and our customers' financial circumstances, including their ability to maintain or expand their spending levels or continue their operations. In order for us to maintain or improve our results of operations, it is important that our customers renew or expand their subscriptions with us. If our customers do not purchase additional subscriptions or seats or increase their usage or our customers do not renew their subscriptions, our business, financial condition, and results of operations may be harmed.

We have limited historical experience with supporting or selling to smaller, non-enterprise customers. We intend to grow our customer base and further contribute to our overall growth by introducing product offerings with a lower entry price point, such as our no-code offering C3 AI Ex Machina. If we are able to broaden our customer base, if at all, to include smaller or mid-size customers pursuant to C3 AI Ex Machina or similar offerings, we will be faced with risks that may not be present or that are present to a lesser extent with respect to sales to large organizations. Because of our limited experience in supporting or selling to smaller, non-enterprise customers, we cannot assure you that we will be successful in our efforts to broaden our customer base or in getting future smaller customers to renew or expand their subscriptions to our offerings. If such customers do not renew their agreements or renew on less favorable terms or for less usage, our revenue may grow more slowly than expected or decline our business, financial condition, and results of operations may be harmed.

Achieving renewal or expansion of usage and subscriptions may require us to engage increasingly in sophisticated and costly sales and support efforts that may not result in additional sales. In addition, the rate at which our customers expand the deployment of our AI Suite and AI Applications depends on a number of factors. If our efforts to expand penetration within our customers are not successful, our business, financial condition, and results of operations may be harmed.

Because we derive substantially all of our revenue from our AI Suite and AI Applications, failure of Enterprise AI solutions in general and our AI Suite and AI Applications in particular to satisfy customer demands or to achieve increased market acceptance would adversely affect our business, results of operations, financial condition, and growth prospects.

We derive and expect to continue to derive substantially all of our revenue from our AI Suite and AI Applications. As such, the market acceptance of Enterprise AI solutions in general, and our AI Suite in particular, are critical to our continued success. Market acceptance of an Enterprise AI solution depends in part on market awareness of the benefits that Enterprise AI can provide over legacy products, emerging point products, and manual processes. In addition, in order for cloud-based Enterprise AI solutions to be widely accepted, organizations must overcome any concerns with placing sensitive information on a cloud-based platform. In addition, demand for our platform in particular is affected by a number of other factors, some of which are beyond our control. These factors include continued market acceptance of our AI Suite, the pace at which existing customers realize benefits from the use of our platform and decide to expand deployment of our platform across their business, the timing of development and release of new products by our competitors, technological change, reliability and security, the pace at which enterprises undergo digital transformation, and developments in data privacy regulations. In addition, we expect that the needs of our customers will continue to rapidly change and increase in complexity. We will need to improve the functionality and performance of our platform continually to meet those rapidly changing, complex demands. If we are unable to continue to meet customer demands or to achieve more widespread market acceptance of Enterprise AI solutions in general or our platform in particular, our business operations, financial results, and growth prospects will be materially and adversely affected.

We have a history of operating losses and may not achieve or sustain profitability in the future.

We incurred net losses in each period since our founding in 2009. We generated net losses of approximately $33.3 million and $69.4 million for the fiscal years ended April 30, 2019 and April 30, 2020, respectively, and expect to continue to incur net losses for the foreseeable future. As a result, we had an accumulated deficit of $293.6 million as of April 30, 2020. These losses and accumulated deficit reflect the substantial investments we made to acquire new customers, commercialize our AI Suite and AI Applications, and continue to develop our AI Suite and AI Applications. While we have experienced revenue growth in recent periods, we do not know whether or when we will generate sufficient revenue to sustain or increase our growth or achieve or maintain profitability in the future. We also expect our costs and expenses to increase in future

periods, which could negatively affect our future results of operations if our revenue does not increase. In particular, we intend to continue to expend significant funds to further develop our AI Suite and AI Applications and business, including:

- investments in our research and development team and in the development of new features and enhancements of our AI Suite and AI Applications, including the hiring of additional development staff, and fees paid to third parties for related enhancements;
- investments in sales, marketing, and services, including expanding our sales force and our customer service team, increasing our customer base, increasing market awareness of our AI Suite and AI Applications, and development of new technologies;
- expanding our operations and infrastructure; and
- hiring additional employees.

We will also face increased compliance costs associated with growth, the expansion of our customer base, and being a public company. Our efforts to grow our business may be costlier than we expect, our revenue growth may be slower than we expect, and we may not be able to increase our revenue enough to offset our increased operating expenses. We may incur significant losses in the future for a number of reasons, including the other risks described herein, and unforeseen expenses, difficulties, complications or delays, and other unknown events. If we are unable to achieve and sustain profitability, the value of our business and Class A common stock may significantly decrease.

We face intense competition and could lose market share to our competitors, which could adversely affect our business, financial condition and results of operations.

The market for our products is intensely competitive and characterized by rapid changes in technology, customer requirements, industry standards, and frequent new platform and application introductions and improvements. We anticipate continued competitive challenges from current competitors who address different aspects of our offerings, and in many cases, these competitors are more established and enjoy greater resources than we do. We also expect competitive challenges from new entrants into the industry. If we are unable to anticipate or effectively react to these competitive challenges, our competitive position could weaken, and we could experience a decline in our growth rate and revenue that could adversely affect our business and results of operations.

Our main sources of current and potential competition fall into several categories:

- internal IT organizations that develop internal solutions and provide self-support for their enterprises;
- commercial enterprise and point solution software providers;
- open source software providers with data management, machine learning, and analytics offerings;
- public cloud providers offering discrete tools and micro-services with data management, machine learning, and analytics functionality;
- system integrators that develop and provide custom software solutions;
- legacy data management product providers; and
- strategic and technology partners who may also offer our competitors' technology or otherwise partner with them, including our strategic partners who may offer a substantially similar solution based on a competitor's technology or internally developed technology that is competitive with ours.

Many of our existing competitors have, and some of our potential competitors could have, substantial competitive advantages such as:

- greater name recognition, longer operating histories, and larger customer bases;
- larger sales and marketing budgets and resources and the capacity to leverage their sales efforts and marketing expenditures across a broader portfolio of products;

- broader, deeper, or otherwise more established relationships with technology, channel, and distribution partners and customers;
- wider geographic presence or greater access to larger customer bases;
- greater focus in specific geographies or industries;
- lower labor and research and development costs;
- larger and more mature intellectual property portfolios; and
- substantially greater financial, technical, and other resources to provide support, to make acquisitions, hire talent, and to develop and introduce new products.

In addition, some of our larger competitors have substantially broader and more diverse platform and application offerings and may be able to leverage their relationships with distribution partners and customers based on other products or incorporate functionality into existing products to gain business in a manner that discourages potential customers from subscribing to our AI Suite and AI Applications, including by selling at zero or negative margins, bundling with other offerings, or offering closed technology platforms. Potential customers may also prefer to purchase from their existing suppliers rather than a new supplier regardless of platform or application performance or features. As a result, even if the features of our AI Suite and AI Applications are superior, potential customers may not purchase our offerings. These larger competitors often have broader product lines and market focus or greater resources and may therefore not be as susceptible to economic downturns or other significant reductions in capital spending by customers. If we are unable to sufficiently differentiate our solutions from the integrated or bundled products of our competitors, such as by offering enhanced functionality, performance or value, we may see a decrease in demand for our offerings, which could adversely affect our business, operating results, and financial condition.

Moreover, new innovative start-up companies, and larger companies that are making significant investments in research and development, may introduce products that have greater performance or functionality, are easier to implement or use, or incorporate technological advances that we have not yet developed or implemented, or may invent similar or superior technologies that compete with ours. Our current and potential competitors may also establish cooperative relationships among themselves or with third parties that may further enhance their resources.

Some of our competitors have made or could make acquisitions of businesses that allow them to offer more competitive and comprehensive solutions. As a result of such acquisitions, our current or potential competitors may be able to accelerate the adoption of new technologies that better address customer needs, devote greater resources to bring these platforms and applications to market, initiate or withstand substantial price competition, or develop and expand their product and service offerings more quickly than we can. These competitive pressures in our market or our failure to compete effectively may result in fewer orders, reduced revenue and gross margins, and loss of market share. In addition, it is possible that industry consolidation may impact customers' perceptions of the viability of smaller or even mid-size software firms and consequently customers' willingness to purchase from such firms.

We may not compete successfully against our current or potential competitors. If we are unable to compete successfully, or if competing successfully requires us to take costly actions in response to the actions of our competitors, our business, financial condition, and results of operations could be adversely affected. In addition, companies competing with us may have an entirely different pricing or distribution model. Increased competition could result in fewer customer orders, price reductions, reduced operating margins, and loss of market share. Further, we may be required to make substantial additional investments in research, development, marketing, and sales in order to respond to such competitive threats, and we cannot assure you that we will be able to compete successfully in the future.

Our sales cycles can be long and unpredictable, particularly with respect to large subscriptions, and our sales efforts require considerable time and expense.

Our results of operations may fluctuate, in part, because of the complexity of customer problems that our AI Suite and AI Applications address, the resource-intensive nature of our sales efforts, the length and variability of the sales cycle for our AI Suite and AI Applications, and the difficulty in making short-term adjustments to our operating expenses. The timing of our sales is difficult to predict. The length of our sales cycle, from initial evaluation to payment for our subscriptions is generally six to nine months but can vary substantially from customer to customer and can extend over a number of years for some customers. Our sales efforts involve educating our customers about the use, technical capabilities, and benefits of our AI

Suite and AI Applications. Customers often undertake a prolonged evaluation process, which frequently involves not only our AI Suite and AI Applications but also those of other companies. In addition, the size of potential customers may lead to longer sales cycles. For instance, we invest resources into sales to large organizations and large organizations typically undertake a significant evaluation and negotiation process due to their leverage, size, organizational structure and approval requirements, all of which can lengthen our sales cycle. We may also face unexpected deployment challenges with large organizations or more complicated deployment of our AI Suite and AI Applications. Large organizations may demand additional features, support services, and pricing concessions or require additional security management or control features. Some organizations may also require an on-premise solution rather than a cloud solution, which potentially requires additional implementation time and potentially a longer sales cycle. We may spend substantial time, effort and money on sales efforts to large organizations without any assurance that our efforts will produce any sales or that these customers will deploy our AI Suite and AI Applications widely enough across their organization to justify our substantial upfront investment. As a result, it is difficult to predict exactly when, or even if, we will make a sale to a potential customer or if we can increase sales to our existing customers.

Individual sales tend to be large as a proportion of our overall sales, which impacts our ability to plan and manage cash flows and margins. These large individual sales have, in some cases, occurred in quarters subsequent to those we anticipated, or have not occurred at all. If our sales cycle lengthens or our substantial upfront investments do not result in sufficient revenue to justify our investments, our operating results could be adversely affected. In addition, within each quarter, it is difficult to project which month a deal will close. Therefore, it is difficult to determine whether we are achieving our quarterly expectations until near the end of the quarter, and whether we will achieve annual expectations. Most of our expenses are relatively fixed or require time to adjust. Therefore, if expectations for our business are not accurate, we may not be able to adjust our cost structure on a timely basis, and our margins and cash flows may differ from expectations.

Certain revenue metrics such as net dollar-based retention rate or annual recurring revenue may not be accurate indicators of our future financial results.

Other subscription-based software companies often report on metrics such as net dollar-based revenue retention rate, annual recurring revenue or other revenue metrics, and investors and analysts sometimes look to these metrics as indicators of business activity in a period for businesses such as ours. However, given our large average contract value and our dependence on a small number of high-value customer contracts, these metrics are not accurate indicators of future revenue for any given period of time because the gain or loss of even a single high-value customer contract could cause significant volatility in these metrics. If investors and analysts view our business through these metrics, the trading price of our Class A common stock may be adversely affected.

Changes in our subscription or pricing models could adversely affect our operating results.

As the markets for our subscriptions grow, as new competitors introduce new products or services that compete with ours or as we enter into new international markets, we may be unable to attract new customers at the same price or based on the same pricing model as we have historically used. Regardless of pricing model used, large customers may demand higher price discounts than in the past. As a result, we may be required to reduce our prices, offer shorter contract durations or offer alternative pricing models, which could adversely affect our revenue, gross margin, profitability, financial position, and cash flow.

We have limited experience with respect to determining the optimal prices for subscriptions for our AI Suite and AI Applications. In the past, we have been able to increase our prices for our AI Suite and AI Applications but we may choose not to introduce or be unsuccessful in implementing future price increases. Our competitors may introduce new products that compete with ours or reduce their prices, or we may be unable to attract new customers or retain existing customers based on our historical subscription and pricing models. Given our limited operating history and limited experience with our historical subscription and pricing models, we may not be able to accurately predict customer renewal or retention rates. As a result, we may be required or choose to reduce our prices or change our pricing model, which could harm our business, results of operations, and financial condition.

Our revenue growth depends in part on the success of our strategic relationships with third parties, including channel partners, and if we are unable to establish and maintain successful relationships with them, our business, operating results, and financial condition could be adversely affected.

We seek to grow our partner ecosystem as a way to grow our business. We anticipate that we will continue to establish and maintain relationships with third parties, such as channel partners, resellers, OEMs, system integrators, independent software and hardware vendors, and platform and cloud service providers. For example, in June 2019, we entered into a

strategic collaboration with Baker Hughes whereby Baker Hughes operates as the exclusive channel partner and reseller of our AI Suite and AI Applications in the oil and gas industry and a non-exclusive reseller in other industries. This arrangement was revised in June 2020 to extend the term by an additional two years for a total of five years, with an expiration date in the fiscal year ending April 30, 2024. We also have strategic relationships with Fidelity National Information Services, or FIS, IBM, Microsoft, and Raytheon.

We plan to continue to establish and maintain similar strategic relationships in certain industry verticals and otherwise, and we expect our channel partners to become an increasingly important aspect of our business. However, these strategic relationships could limit our ability in the future to compete in certain industry verticals and, depending on the success of our third-party partners and the industries that those partners operate in generally, may negatively impact our business because of the nature of strategic alliances, exclusivity provisions, or otherwise. We work closely with select vendors to design solutions to specifically address the needs of certain industry verticals or use cases within those verticals. As our agreements with strategic partners terminate or expire, we may be unable to renew or replace these agreements on comparable terms, or at all. For instance, our AI Suite and AI Applications are marketed in the oil and gas industry on a co-branded basis with Baker Hughes. In the event of any termination, expiration, or renegotiation of the arrangement with Baker Hughes, we may lose the right to continue to co-brand our products in this industry, and it may be difficult for us to arrange for another channel partner to sell our AI Suite and AI Applications in the oil and gas industry in a timely manner, and we could lose brand awareness and sales opportunities during the transition.

Our future growth in revenue and ability to achieve and sustain profitability depends in part on our ability to identify, establish, and retain successful strategic partner relationships in the United States and internationally, which will take significant time and resources and involve significant risk. To the extent we do identify such partners, we will need to negotiate the terms of a commercial agreement with them under which the partner would distribute our AI Suite and AI Applications. We cannot be certain that we will be able to negotiate commercially attractive terms with any strategic partner, if at all. In addition, all channel partners must be trained to distribute our AI Suite and AI Applications. In order to develop and expand our distribution channel, we must develop and improve our processes for channel partner introduction and training. If we do not succeed in identifying suitable strategic partners or maintain our relationships with such partners, our business, operating results, and financial condition may be adversely affected.

Moreover, we cannot guarantee that the partners with whom we have strategic relationships will continue to devote the resources necessary to expand our reach and increase our distribution. In addition, customer satisfaction with services and other support from our strategic partners may be less than anticipated, negatively impacting anticipated revenue growth and results of operations. We cannot be certain that these partners will prioritize or provide adequate resources to selling our AI Suite and AI Applications. Further, some of our strategic partners offer competing platforms and applications or also work with our competitors. As a result of these factors, many of the companies with whom we have strategic alliances may choose to pursue alternative technologies and develop alternative platforms and applications in addition to or in lieu of our AI Suite and AI Applications, either on their own or in collaboration with others, including our competitors. We cannot assure you that our strategic partners will continue to cooperate with us. In addition, actions taken or omitted to be taken by such parties may adversely affect us. Moreover, we rely on our channel partners to operate in accordance with the terms of their contractual agreements with us. For example, our agreements with our channel partners limit the terms and conditions pursuant to which they are authorized to resell or distribute our AI Suite and AI Applications and offer technical support and related services. If we are unsuccessful in establishing or maintaining our relationships with third parties, or if our strategic partners do not comply with their contractual obligations to us, our business, operating results, and financial condition may be adversely affected. Even if we are successful in establishing and maintaining these relationships with third parties, we cannot assure you that these relationships will result in increased customer usage of our AI Suite and AI Applications or increased revenue to us.

In addition, some of our sales to government entities have been made, and in the future may be made, indirectly through our channel partners. Government entities may have statutory, contractual, or other legal rights to terminate contracts with our channel partners for convenience or due to a default, and, in the future, if the portion of government contracts that are subject to renegotiation or termination at the election of the government entity are material, any such termination or renegotiation may adversely impact our future operating results. In the event of such termination, it may be difficult for us to arrange for another channel partner to sell our AI Suite and AI Applications to these government entities in a timely manner, and we could lose sales opportunities during the transition. Government entities routinely investigate and audit government contractors' administrative processes, and any unfavorable audit could result in the government entity refusing to renew its subscription to our AI Suite and AI Applications, a reduction of revenue, or fines or civil or criminal liability if the audit uncovers improper or illegal activities.

If the market for our AI Suite and AI Applications fails to grow as we expect, or if businesses fail to adopt our AI Suite and AI Applications, our business, operating results, and financial condition could be adversely affected.

It is difficult to predict customer adoption rates and demand for our AI Suite and AI Applications, the entry of competitive platforms, or the future growth rate and size of the cloud-based software and software-as-a-service, or SaaS, business software markets. A substantial majority of our revenue has come from sales of our subscription-based software products, which we expect to continue for the foreseeable future. Although demand for data management, machine learning, and analytics platforms and applications has grown in recent years, the market for these platforms and applications continues to evolve. We cannot be sure that this market will continue to grow or, even if it does grow, that businesses will adopt our AI Suite and AI Applications. Our future success will depend in large part on our ability to further penetrate the existing market for Enterprise AI software, as well as the continued growth and expansion of what we believe to be an emerging market for Enterprise AI platforms and applications that are faster, easier to adopt, and easier to use. Our ability to further penetrate the Enterprise AI market depends on a number of factors, including the cost, performance, and perceived value associated with our AI Suite and AI Applications, as well as customers' willingness to adopt a different approach to data analysis. We have spent, and intend to keep spending, considerable resources to educate potential customers about digital transformation, artificial intelligence, and machine learning in general and our AI Suite and AI Applications in particular. However, we cannot be sure that these expenditures will help our AI Suite and AI Applications achieve any additional market acceptance. Furthermore, potential customers may have made significant investments in legacy analytics software systems and may be unwilling to invest in new platforms and applications. If the market fails to grow or grows more slowly than we currently expect or businesses fail to adopt our AI Suite and AI Applications, our business, operating results, and financial condition could be adversely affected.

If we fail to respond to rapid technological changes, extend our AI Suite and AI Applications or develop new features and functionality, our ability to remain competitive could be impaired.

The market for our AI Suite and AI Applications is characterized by rapid technological change and frequent new platform and application introductions and enhancements, changing customer demands, and evolving industry standards. The introduction of platforms and applications embodying new technologies can quickly make existing platforms and applications obsolete and unmarketable. Data management, machine learning, and analytics platforms and applications are inherently complex, and it can take a long time and require significant research and development expenditures to develop and test new or enhanced platforms and applications. The success of any enhancements or improvements to our existing AI Suite and AI Applications or any new applications depends on several factors, including timely completion, competitive pricing, adequate quality testing, integration with existing technologies, and overall market acceptance.

Our ability to grow our customer base and generate revenue from customers will depend heavily on our ability to enhance and improve our AI Suite and AI Applications, to develop additional functionality and use cases, introduce new features and applications and interoperate across an increasing range of devices, operating systems, and third-party applications. Our customers may require features and capabilities that our current AI Suite and AI Applications do not have or may face use cases that our current AI Suite and AI Applications do not address. We invest significantly in research and development, and our goal is to focus our spending on measures that improve quality and ease of adoption and create organic customer demand for our AI Suite and AI Applications. When we develop a new enhancement or improvement to our AI suite or applications, we typically incur expenses and expend resources upfront to develop, market and promote the new enhancement and improvement. Therefore, when we develop and introduce new enhancements and improvements to our AI Suite and AI Applications, they must achieve high levels of market acceptance in order to justify the amount of our investment in developing and bringing them to market. There is no assurance that our enhancements to our AI Suite and AI Applications or our new application experiences, functionality, use cases, features, or capabilities will be compelling to our customers or gain market acceptance. If our research and development investments do not accurately anticipate customer demand, or if we fail to develop our AI Suite and AI Applications in a manner that satisfies customer preferences in a secure, timely and cost-effective manner, we may fail to retain our existing customers or increase demand for our AI Suite and AI Applications.

Moreover, even if we introduce new C3 AI Suite capabilities and C3 AI Applications, we may experience a decline in revenue from sales of our existing AI Suite and AI Applications that is not offset by revenue from the new C3 AI Suite capabilities or applications. For example, customers may delay ordering subscriptions of new AI Suite capabilities or applications to permit them to make a more thorough evaluation of the C3 AI Suite and AI Applications or until industry and marketplace reviews become widely available. Some customers may hesitate to migrate to new C3 AI Suite and AI Applications due to concerns regarding the complexity of migration and suite or application infancy issues on performance. In addition, we may lose existing customers who choose a competitor's AI platforms and applications rather than migrate to

our new AI Suite capabilities and applications. This could result in a temporary or permanent revenue shortfall and adversely affect our business.

Any failure of our AI Suite and AI Applications to operate effectively with future infrastructure platforms and technologies could reduce the demand for our AI Suite and AI Applications. If we are unable to respond to these changes in a timely and cost-effective manner, our AI Suite and AI Applications may become less marketable, less competitive, or obsolete, and our operating results may be adversely affected.

The introduction of new AI platforms and applications by competitors or the development of entirely new technologies to replace existing offerings could make our AI Suite and AI Applications obsolete or adversely affect our business, results of operations, and financial condition. We may experience difficulties with software development, design, or marketing that could delay or prevent our development, introduction, or implementation of new C3 AI Suite or application experiences, features, or capabilities. We have in the past experienced delays in our internally planned release dates of new features and capabilities, and there can be no assurance that new C3 AI Suite or application features or capabilities will be released according to schedule. Any delays could result in adverse publicity, loss of revenue or market acceptance, or claims by customers brought against us, all of which could harm our business. Moreover, new productivity features for our AI Suite and AI Applications may require substantial investment, and we have no assurance that such investments will be successful. If customers do not widely adopt our new AI Suite and AI Application features and capabilities, we may not be able to realize a return on our investment. If we are unable to develop, license, or acquire new features and capabilities to our AI Suite and AI Applications on a timely and cost-effective basis, or if such enhancements do not achieve market acceptance, our business could be harmed.

If we were to lose the services of our CEO or other members of our senior management team, we may not be able to execute our business strategy.

Our success depends in a large part upon the continued service of key members of our senior management team. In particular, our founder and CEO, Thomas M. Siebel, is critical to our overall management, as well as the continued development of our AI Suite and AI Applications, our sales strategy, our culture, our strategic direction, engineering, and operations. All of our executive officers are at-will employees, and we do not maintain any key person life insurance policies. The loss of any member of our senior management team could make it more difficult to execute our business strategy and, therefore, harm our business.

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 AI Suite and AI Applications.

Our ability to expand our customer base and achieve broader market acceptance of our AI Suite and AI Applications depends to a significant extent on our ability to continue to expand our marketing and sales operations and the ultimate effectiveness of those operations. We plan to continue expanding our sales force and strategic partners, both domestically and internationally.

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. Our AI Suite and AI Applications are complicated and, as such, our sales force and operations require significant time and investment for proper recruitment, onboarding, and training in order for our sales operations to be productive. In addition, as we enter into new markets, expand the capabilities of our AI Suite and offer new applications, we may need to identify and recruit additional sales and marketing efforts specific to such strategic expansion. Our efforts to do so may be increasingly resource intensive, time consuming, and ultimately unsuccessful. We also dedicate significant resources to sales and marketing programs, including internet and other online advertising. All of these efforts require us to invest significant financial and other resources. In addition, the cost to acquire customers is high due to these marketing and sales efforts. 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, our business would be adversely affected if our marketing and sales efforts are not successful and generate increases in revenue that are smaller than anticipated. If our marketing and sales efforts are not effective, our sales and revenue may grow more slowly than expected or materially decline, and our business may be significantly harmed.

If we fail to develop, maintain, and enhance our brand and reputation cost-effectively, our business and financial condition may be adversely affected.

We believe that developing, maintaining, and enhancing awareness and integrity of our brand and reputation in a cost-effective manner are important to achieving widespread acceptance of our AI Suite and AI Applications and are important elements in attracting new customers and maintaining existing customers. We believe that the importance of our brand and reputation will increase as competition in our market further intensifies. Successful promotion of our brand depends on the effectiveness of our marketing efforts, our ability to provide a reliable and useful AI Suite and AI Applications at competitive prices, the perceived value of our AI Suite and AI Applications, our ability to maintain our customers' trust, our ability to continue to develop additional functionality and use cases and our ability to differentiate our AI Suite and AI Applications and capabilities from competitive offerings. Brand promotion activities may not yield increased revenue, and even if they do, the increased revenue may not offset the expenses we incur in building and maintaining our brand and reputation. We also rely on our customer base in a variety of ways, including to give us feedback on our AI Suite and AI Applications. If we fail to promote and maintain our brand successfully or to maintain loyalty among our customers, or if we incur substantial expenses in an unsuccessful attempt to promote and maintain our brand, we may fail to attract new customers and partners or retain our existing customers and partners and our business and financial condition may be adversely affected. Any negative publicity relating to our employees, partners, or others associated with these parties, may also tarnish our own reputation simply by association and may reduce the value of our brand. Damage to our brand and reputation may result in reduced demand for our AI Suite and AI Applications and increased risk of losing market share to our competitors. Any efforts to restore the value of our brand and rebuild our reputation may be costly and may not be successful.

We also enter into strategic relationships in which we co-brand our products. If these relationships terminate, it may have an adverse effect on our brand. For example, our AI Suite and AI Applications are marketed in the oil and gas industry on a co-branded basis with Baker Hughes. In the event of any termination or expiration of the arrangement with Baker Hughes, we may lose the right to continue using the co-brand to market and sell our AI Suite and AI Applications in the oil and gas industry, and it may be difficult for us to arrange for another channel partner to sell our AI Suite and AI Applications in the oil and gas industry in a timely manner, and we could lose brand awareness and sales opportunities during the transition, which could potentially harm our business.

We may not successfully manage our growth or plan for future growth.

Since our founding in 2009, we have experienced rapid growth. For example, our headcount has grown to 482 full-time employees as of October 31, 2020, with employees located both in the United States and internationally. The growth and expansion of our business places a continuous and significant strain on our management, operational, and financial resources. Further growth of our operations to support our customer base, our expanding third-party relationships, our information technology systems, and our internal controls and procedures may not be adequate to support our operations. Managing our growth will also require significant expenditures and allocation of valuable management resource, including the challenges of integrating, developing, and motivating a rapidly growing employee base in various countries around the world. Certain members of our management have not previously worked together for an extended period of time, and some do not have experience managing a public company, which may affect how they manage our growth.

In addition, our rapid growth may make it difficult to evaluate our 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. 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 harmed.

If we are unable to ensure that our AI Suite and AI Applications interoperate with a variety of software applications that are developed by others, including our partners, we may become less competitive and our results of operations may be harmed.

Our AI Suite and AI Applications must integrate with a variety of hardware and software platforms, and we need to continuously modify and enhance our AI Suite and AI Applications to adapt to changes in hardware and software technologies. In particular, we have developed our AI Suite and AI Applications to be able to easily integrate with key third-party applications, including the applications of software providers that compete with us as well as our partners. We are typically subject to standard terms and conditions of such providers, which govern the distribution, operation, and fees of

such software systems, and which are subject to change by such providers from time to time. Our business will be harmed if any provider of such software systems:

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

Third-party services and products are constantly evolving, and we may not be able to modify our AI Suite and AI Applications to assure their compatibility with that of other third parties as they continue to develop or emerge in the future or we may not be able to make such modifications in a timely and cost-effective manner. In addition, some of our competitors may be able to disrupt the operations or compatibility of our AI Suite and AI Applications with their products or services, or exert strong business influence on our ability to, and terms on which we, operate our AI Suite. Should any of our competitors modify their products or standards in a manner that degrades the functionality of our AI Suite and AI Applications or gives preferential treatment to our competitors or competitive products, whether to enhance their competitive position or for any other reason, the interoperability of our AI Suite and AI Applications with these products could decrease and our business, results of operations, and financial condition would be harmed. If we are not permitted or able to integrate with these and other third-party applications in the future, our business, results of operations, and financial condition would be harmed.

Our ability to sell subscriptions to our AI Suite and AI Applications could be harmed by real or perceived material defects or errors in our AI Suite and AI Applications.

The software technology underlying our AI Suite and AI Applications is inherently complex and may contain material defects or errors, particularly when new applications are first introduced, when new features or capabilities are released, or when integrated with new or updated third-party hardware or software. There can be no assurance that our existing AI Suite and AI Applications and new applications will not contain defects or errors. Any real or perceived errors, failures, vulnerabilities, or bugs in our AI Suite and AI Applications could result in negative publicity or lead to data security, access, retention, or other performance issues, all of which could harm our business. Correcting such defects or errors may be costly and time-consuming and could harm our business. Moreover, the harm to our reputation and legal liability related to such defects or errors may be substantial and would harm our business.

The failure to attract and retain additional qualified personnel or to maintain our company culture could harm our business and culture and prevent us from executing our business strategy.

To execute our business strategy, we must attract and retain highly qualified personnel. Competition for executives, data scientists, engineers, software developers, sales personnel, and other key employees in our industry is intense. In particular, we compete with many other companies for employees with high levels of expertise in designing, developing and managing platforms and applications for data management, machine learning, and analytics technologies, as well as for skilled data scientists, sales, and operations professionals. In addition, we are extremely selective in our hiring process which requires significant investment of time and resources from internal stakeholders and management. At times, we have experienced, and we may continue to experience, difficulty in hiring personnel who meet the demands of our selection process and with appropriate qualifications, experience, or expertise, and we may not be able to fill positions as quickly as desired.

Many of the companies with which we compete for experienced personnel have greater resources than we have, and some of these companies may offer more attractive compensation packages. Particularly in the San Francisco Bay Area, job candidates and existing employees carefully consider the value of the equity awards they receive in connection with their employment. If the perceived value of our equity awards declines, or if the mix of equity and cash compensation that we offer is unattractive, it may adversely affect our ability to recruit and retain highly skilled employees. Job candidates may also be threatened with legal action under agreements with their existing employers if we attempt to hire them, which could impact hiring and result in a diversion of our time and resources. Additionally, laws and regulations, such as restrictive immigration laws, or export control laws, may limit our ability to recruit internationally. We must also continue to retain and motivate existing employees through our compensation practices, company culture, and career development opportunities.

We believe that a critical component to our success and our ability to retain our best people is our culture. As we continue to grow and develop a public company infrastructure, we may find it difficult to maintain our company culture.

In addition, many of our employees may be able to receive significant proceeds from sales of our equity in the public markets after our initial public offering, which may reduce their motivation to continue to work for us. Moreover, this offering could create disparities in wealth among our employees, which may harm our culture and relations among employees and our business.

If we fail to attract new personnel or to retain our current personnel, our business would be harmed.

Our quarterly results and key metrics are likely to fluctuate significantly and may not fully reflect the underlying performance of our business.

Our quarterly results of operations and key metrics may vary significantly in the future as they have in the past, particularly in light of our dependence on a limited number of high-value customer contracts, and period-to-period comparisons of our results of operations and key metrics may not be meaningful. Accordingly, the results of any one quarter should not be relied upon as an indication of future performance. Our quarterly results of operations and key metrics may fluctuate as a result of a variety of factors, many of which are outside of our control, and as a result, may not fully reflect the underlying performance of our business. Fluctuation in quarterly results may negatively impact the value of our securities. Factors that may cause fluctuations in our quarterly results of operations and key metrics include, without limitation, those listed elsewhere in this Risk Factors section and those listed below:

- our ability to generate significant revenue from new offerings;
- our ability to expand our number of partners and distribution of our AI Suite and AI Applications;
- our ability to hire and retain employees, in particular those responsible for the selling or marketing of our AI Suite and AI Applications;
- our ability to develop and retain talented sales personnel who are able to achieve desired productivity levels in a reasonable period of time and provide sales leadership in areas in which we are expanding our sales and marketing efforts;
- changes in the way we organize and compensate our sales teams;
- the timing of expenses and recognition of revenue;
- our ability to increase sales to large organizations as well as increase sales to a larger number of smaller customers;
- the length of sales cycles and seasonal purchasing patterns of our customers;
- the amount and timing of operating expenses related to the maintenance and expansion of our business, operations, and infrastructure, as well as international expansion and entry into operating leases;
- timing and effectiveness of new sales and marketing initiatives;
- changes in our pricing policies or those of our competitors;
- the timing and success of new platforms, applications, features, and functionality by us or our competitors;
- failures or breaches of security or privacy, and the costs associated with remediating any such failures or breaches;
- changes in the competitive dynamics of our industry, including consolidation among competitors;
- changes in laws and regulations that impact our business;
- any large indemnification payments to our users or other third parties;
- the timing of expenses related to any future acquisitions;
- health epidemics or pandemics, such as the coronavirus, or COVID-19, pandemic;

- civil unrest and geopolitical instability; and
- general political, economic, and market conditions.

We recognize revenue from subscriptions to our AI Suite and AI Applications over the terms of these subscriptions. Consequently, increases or decreases in new sales may not be immediately reflected in our results of operations and may be difficult to discern.

We recognize revenue from subscriptions to our AI Suite and AI Applications over the terms of these subscriptions, which is typically three years. As a result, a portion of the revenue we report in each quarter is derived from the recognition of deferred revenue relating to subscriptions entered into during previous quarters. Consequently, a decline in new or renewed subscriptions in any single quarter may only have a small impact on the revenue that we recognize for that quarter. However, such a decline will negatively affect our revenue in future quarters. Accordingly, the effect of significant downturns in sales and potential changes in our pricing policies or rate of customer expansion or retention may not be fully reflected in our results of operations until future periods. In addition, a significant portion of our costs are expensed as incurred. As a result, growth in the number of new customers could continue to result in our recognition of higher costs and lower revenue in the earlier periods of our subscriptions. Finally, our subscription-based revenue model also makes it difficult for us to rapidly increase our revenue through additional sales in any period, as revenue from new customers or from existing customers that increase their use of our AI Suite and AI Applications must be recognized over the applicable subscription term. These risks are further exacerbated by our dependence on high-value customer contracts.

Any failure to offer high-quality maintenance and support services for our customers may harm our relationships with our customers and, consequently, our business.

Once our AI Suite and AI Applications are deployed, our customers depend on our maintenance and support teams to resolve technical and operational issues relating to our AI Suite and AI Applications. Our ability to provide effective customer maintenance and support is largely dependent on our ability to attract, train, and retain qualified personnel with experience in supporting customers with our AI Suite and AI applications such as ours and maintaining the same. The number of our customers has grown significantly and that has and will continue to put additional pressure on our customer maintenance and support teams. We may be unable to respond quickly enough to accommodate short-term increases in customer demand for technical support or maintenance assistance. We also may be unable to modify the future, scope, and delivery of our maintenance services and technical support to compete with changes in the technical services provided by our competitors. Increased customer demand for maintenance and support services, without corresponding revenue, could increase costs and negatively affect our operating results. In addition, if we experience increased customer demand for support and maintenance, we may face increased costs that may harm our results of operations. Further, as we continue to grow our operations and support our global customer base, we need to be able to continue to provide efficient support and effective maintenance that meets our customers' needs globally at scale. Customers receive additional maintenance and support features, and the number of our customers has grown significantly, which will put additional pressure on our organization. If we are unable to provide efficient customer maintenance and support globally at scale or if we need to hire additional maintenance and support personnel, our business may be harmed. Our ability to attract new customers is highly dependent on our business reputation and on positive recommendations from our existing customers. Any failure to maintain high-quality maintenance and support services, a failure of channel parties to maintain high-quality maintenance and support services or a market perception that we do not maintain high-quality maintenance and support services for our customers, would harm our business.

The COVID-19 pandemic had and could continue to have an adverse impact on our business, operations, and the markets and communities in which we, our partners, and customers operate.

The COVID-19 pandemic has caused general business disruption worldwide beginning in January 2020. The potential impact and duration of the COVID-19 pandemic on the global economy and our business are difficult to assess or predict. Potential impacts include:

- our customer prospects and our existing customers may experience slowdowns in their businesses, which in turn may result in reduced demand for our AI Suite and AI Applications, lengthening of sales cycles, loss of customers, and difficulties in collections;
- our employees are working from home significantly more frequently than they have historically, which may result in decreased employee productivity and morale, with increased unwanted employee attrition in addition to the increased risk of a cyberattack;

- we continue to incur fixed costs, particularly for real estate, and are deriving reduced or no benefit from those costs;
- we may continue to experience disruptions to our growth planning, such as for facilities and international expansion;
- we anticipate incurring costs in returning to work from our facilities around the world, including changes to the workplace, such as space planning, food service, and amenities;
- we may be subject to legal liability for safe workplace claims;
- our critical vendors or third-party partners could go out of business;
- in-person marketing events, including industry conferences, have been canceled and we may continue to experience prolonged delays in our ability to reschedule or conduct in-person marketing events and other sales and marketing activities; and
- our marketing, sales, professional services, and support organizations are accustomed to extensive face-to-face customer and partner interactions, and conducting business virtually is unproven.

The impact of any of the foregoing, individually or collectively, could adversely affect our business, financial condition, and results of operations.

As a result of the COVID-19 pandemic, we temporarily closed our headquarters and other offices, required our employees and contractors to work remotely, and implemented travel restrictions, all of which represented a significant change in how we operate our business. The operations of our partners and customers have likewise been altered. As a result of global business disruption, the COVID-19 pandemic had a significant adverse impact on our conclusion of new and additional business agreements in the first half of calendar year 2020. While the duration and extent of the COVID-19 pandemic depends on future developments that cannot be accurately predicted at this time, such as the extent and effectiveness of containment actions, it has already had an adverse effect on the global economy and the ultimate societal and economic impact of the COVID-19 pandemic remains unknown. In particular, the conditions caused by this pandemic are likely to affect the rate of global IT spending and, despite the measures we have taken to limit or mitigate the impact, it could continue to have an adverse effect on the demand for our AI Suite and AI Applications, lengthen our sales cycles, reduce the value or duration of subscriptions, reduce the level of subscription renewals, negatively impact collections of accounts receivable, reduce expected spending from new customers, cause some of our paying customers to go out of business, limit the ability of our direct sales force to travel to customers and potential customers, and affect contraction or attrition rates of our paying customers, all of which could adversely affect our business, results of operations, and financial condition during fiscal 2021 and future periods.

Moreover, to the extent the COVID-19 pandemic adversely affects our business, financial condition, and results of operations, it may also have the effect of heightening many of the other risks described in this “Risk Factors” section, including but not limited to, those related to our ability to increase sales to existing and new customers, develop and deploy new offerings and applications and maintain effective marketing and sales capabilities.

Our actual or perceived failure to comply with privacy, data protection and information security laws, regulations, and obligations could harm our business.

We are subject to numerous federal, state, local, and international laws and regulations regarding privacy, data protection, information security and the storing, sharing, use, processing, transfer, disclosure, and protection of personal information and other content, the scope of which is changing, subject to differing interpretations and may be inconsistent among countries, or conflict with other rules. We are also subject to the terms of our privacy policies and obligations to third parties related to privacy, data protection, and information security. We strive to comply with applicable laws, regulations, policies, and other legal obligations relating to privacy, data protection, and information security to the extent possible. However, the regulatory framework for privacy and data protection worldwide is, and is likely to remain, uncertain for the foreseeable future, and it is possible that these or other actual or alleged obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices.

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, in May 2018, the General Data Protection Regulation, or GDPR, went into effect in the European Union, or EU. The GDPR imposed more stringent data protection requirements and provides greater penalties for noncompliance than previous data protection laws, including potential penalties of up to €20 million or 4% of annual global revenue.

Although there are legal mechanisms to allow for the transfer of personal data from the United Kingdom, the European Economic Area, or EEA, and Switzerland to the United States, uncertainty about compliance with such data protection laws remains and such mechanisms may not be available or applicable with respect to the personal data processing activities necessary to research, develop and market our AI Suite and AI Applications. For example, legal challenges in Europe to the mechanisms allowing companies to transfer personal data from the EEA to the United States could result in further limitations on the ability to transfer personal data across borders, particularly if governments are unable or unwilling to reach agreement on or maintain existing mechanisms designed to support cross-border data transfers, such as the EU-U.S. and Swiss-U.S. Privacy Shield Frameworks, or the Privacy Shield Frameworks. Specifically, on July 16, 2020, the Court of Justice of the European Union invalidated Decision 2016/1250 which had deemed the protection provided by the EU-U.S. Privacy Shield Framework adequate under EU privacy law, specifically under the GDPR. To the extent that we or any of our vendors, contractors, or consultants have been relying on the EU-U.S. Privacy Shield Framework, we will not be able to do so in the future, which could increase our costs and may limit our ability to process personal data from the EU. The same decision also cast doubt on the ability to use one of the primary alternatives to the Privacy Shield Frameworks, namely, the European Commission's Standard Contractual Clauses, to lawfully transfer personal data from Europe to the United States and most other countries. At present, there are few if any viable alternatives to the Privacy Shield Frameworks and the Standard Contractual Clauses for the foregoing purposes. On September 8, 2020, Switzerland's Federal Data Protection and Information Commissioner similarly invalidated the use of the Privacy Shield as a vehicle for lawful data transfers from those countries to the United States and authorities in the United Kingdom may likewise invalidate use of the Privacy Shield as a mechanism for lawful data transfers to the United States. As such, our processing of personal data from Europe may not comply with European data protection law, may increase our exposure to the GDPR's heightened sanctions for violations of its cross-border data transfer restrictions and may reduce demand for our services from companies subject to European data protection laws. Loss of our ability to import personal data from Europe may also require us to increase our data processing capabilities in Europe at significant expense. Additionally, other countries outside of Europe have enacted or are considering enacting similar cross-border data transfer restrictions and laws requiring local data residency, which could increase the cost and complexity of delivering our services and operating our business.

Further, following a referendum in June 2016 in which voters in the United Kingdom approved an exit from the EU, the United Kingdom government has initiated a process to leave the EU, known as Brexit. Brexit has created uncertainty with regard to the regulation of data protection in the United Kingdom. In particular, while the Data Protection Act of 2018, which implements and complements the GDPR achieved Royal Assent on May 23, 2018 and is now effective in the United Kingdom, it is still unclear whether transfer of data from the EEA to the United Kingdom will remain lawful under the GDPR. During the period of "transition" (i.e., until December 31, 2020), EU law will continue to apply in the United Kingdom, including the GDPR, after which the Data Protection Act will substantially convert the requirements of the GDPR into United Kingdom law. However, we cannot fully predict how the Data Protection Act and other United Kingdom data protection laws or regulations may develop in the medium to longer term, affecting how data transfers to and from the United Kingdom will be regulated. We continue to monitor and review the impact of any resulting changes to EU or United Kingdom law that could affect our operations. Beginning in 2021, the United Kingdom will be a "third country" under the GDPR. We may, however, incur liabilities, expenses, costs, and other operational losses under the GDPR and privacy laws of the applicable EU Member States and the United Kingdom in connection with any measures we take to comply with them.

California also recently enacted legislation, the California Consumer Privacy Act of 2018, or CCPA, which affords consumers expanded privacy protections as of January 1, 2020. The potential effects of this legislation are far reaching and may require us to modify our data processing practices and policies and to incur substantial costs and expenses in an effort to comply. For example, the CCPA gives California residents expanded rights to access and require deletion of their personal information, opt out of certain personal information sharing and receive detailed information about how their personal information is used. The CCPA also provides for civil penalties for violations, as well as a private right of action for data breaches that may increase data breach litigation. In addition, the CCPA has prompted a number of proposals for new federal and state privacy legislation that, if passed, could increase our potential liability, increase our compliance costs and adversely affect our business. Additionally, a new privacy law, the California Privacy Rights Act, or CPRA, was passed by voters in California as part of the November 3, 2020 election. The CPRA is expected to significantly modify the CCPA, potentially resulting in further uncertainty and requiring us to incur additional costs and expenses in an effort to comply. The enactment of the CCPA is prompting a wave of similar legislative developments in other states in the United States, which could create the potential for a patchwork of overlapping but different state laws. Some countries also are considering or have passed legislation requiring local storage and processing of data, or similar requirements, which could increase the cost and complexity of operating our AI Suite and AI Applications and other aspects of our business.

With laws and regulations such as the GDPR in the EU and the CCPA in the United States imposing new and relatively burdensome obligations, and with substantial uncertainty over the interpretation and application of these and other laws and regulations, there is a risk that the requirements of these laws and regulations, or of contractual or other obligations relating to privacy, data protection, or information security, are interpreted or applied in a manner that is, or is alleged to be, inconsistent with our management and processing practices, our policies or procedures, or the features of our AI Suite and AI Applications. We may face challenges in addressing their requirements and making necessary changes to our policies and practices, and may incur significant costs and expenses in an effort to do so. Although we endeavor to comply with our published policies, certifications, and documentation, we may at times fail to do so or may be perceived to have failed to do so. Moreover, despite our efforts, we may not be successful in achieving compliance if our employees or vendors to comply with our published policies and documentation. Any failure or perceived failure by us to comply with our privacy policies, our privacy-, data protection-, or information security-related obligations to customers or other third parties or any of our other legal obligations relating to privacy, data protection, or information security may result in governmental investigations or enforcement actions, litigation, claims, or public statements against us by consumer advocacy groups or others, and could result in significant liability or cause our customers to lose trust in us, which could have an adverse effect on our reputation and business. Furthermore, the costs of compliance with, and other burdens imposed by, the laws, regulations, and policies that are applicable to the businesses of our customers may limit the adoption and use of, and reduce the overall demand for, our AI Suite and AI Applications.

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

Our application for a PPP Loan could in the future be determined to have been impermissible which could result in damage to our reputation or adversely impact our business.

In May 2020, given the uncertainty caused by COVID-19 and related events we applied for and received proceeds of approximately $6.3 million from a loan under the Paycheck Protection Program, or the PPP Loan, of the Coronavirus Aid, Relief, and Economic Security Act, or the CARES Act. The PPP Loan had a term of two years, was unsecured, and was guaranteed by the U. S. Small Business Administration, or the SBA. The PPP Loan carried a fixed interest rate of 1.00% per annum, with the first six months of interest deferred. Under the CARES Act, we may have been eligible to apply for forgiveness of all loan proceeds used to pay payroll costs, rent, utilities, and other qualifying expenses, provided that we retained a certain number of employees and maintain compensation within certain regulatory parameters of the Paycheck Protection Program. However, we repaid the entire balance of the PPP Loan in August 2020.

In applying for the PPP Loan, we were required to certify, among other things, that the then-current economic uncertainty made the PPP Loan necessary to support our ongoing operations and that we did not, together with our affiliates, then employ more than 500 employees. We made these certifications in good faith after analyzing, among other things, economic uncertainties created by the COVID-19 pandemic, including its impact on our customers and prospects and the global economic at large, and the potential impact on our business activity. We repaid the entire balance of the PPP Loan in August 2020.

We believe that we satisfied all eligibility criteria for the PPP Loan, and that our receipt of the PPP Loan was consistent with the objectives of the PPP of the CARES Act. The certification regarding necessity described above did not at the time contain any objective criteria and continues to be subject to interpretation. If, despite our good-faith belief that we satisfied all eligibility requirements for the PPP Loan, we are later determined to have violated any of the laws or governmental regulations that apply to us in connection with the PPP Loan, such as the False Claims Act, or it is otherwise determined that we were ineligible to receive the PPP Loan, we may be subject to civil, criminal, and administrative penalties, despite the fact that we elected not to use any of the PPP Loan proceeds and repaid the entire balance of the PPP Loan in August 2020. Any violations or alleged violations may result in adverse publicity and damage to our reputation, a review or audit by the SBA or other government entity, or claims under the False Claims Act. These events could consume significant financial and management resources and could have a material adverse effect on our business, results of operations, and financial condition.

We rely on third-party service providers to host and deliver our AI Suite and AI Applications, and any interruptions or delays in these services could impair our AI Suite and AI Applications and harm our business.

We currently serve our customers from third-party data center hosting facilities located in the United States, Asia, and Europe. Our operations depend, in part, on our third-party facility providers' ability to protect these facilities against damage or interruption from natural disasters, power or telecommunications failures, criminal acts, and similar events. In the event that our data center arrangements are terminated, or if there are any lapses of service or damage to a center, we could experience lengthy interruptions in our AI Suite and AI Applications as well as delays and additional expenses in making new arrangements.

We designed our system infrastructure and procure and own or lease the computer hardware used for our AI Suite and AI Applications. Design and mechanical errors, spikes in usage volume, and failure to follow system protocols and procedures could cause our systems to fail, resulting in interruptions in our AI Suite and AI Applications. Any interruptions or delays in our service, whether as a result of third-party error, our own error, natural disasters, or security breaches, whether accidental or willful, could harm our relationships with our customers and cause our revenue to decrease and/or our expenses to increase. Also, in the event of damage or interruption, our insurance policies may not adequately compensate us for any losses that we may incur. These factors in turn could further reduce our revenue, subject us to liability and cause us to issue credits or cause customers to fail to renew their subscriptions, any of which could materially adversely affect our business.

We may face exposure to foreign currency exchange rate fluctuations.

We sell to customers globally and have international operations primarily in Europe. As we continue to expand our international operations, we will become more exposed to the effects of fluctuations in currency exchange rates. Although the majority of our cash generated from revenue is denominated in U.S. dollars, a small amount is denominated in foreign currencies, and our expenses are generally denominated in the currencies of the jurisdictions in which we conduct our operations. For the fiscal year ended April 30, 2020, 20% of our revenue and 9% of our expenses were denominated in currencies other than U.S. dollars. Because we conduct business in currencies other than U.S. dollars but report our results of operations in U.S. dollars, we also face remeasurement exposure to fluctuations in currency exchange rates, which could hinder our ability to predict our future results and earnings and could materially impact our results of operations. Therefore, increases in the value of the U.S. dollar and decreases in the value of foreign currencies could result in the dollar equivalent of our revenue being lower. We do not currently maintain a program to hedge exposures to non-U.S. dollar currencies.

Our current AI Suite and AI Applications, as well as applications, features, and functionality that we may introduce in the future, may not be widely accepted by our customers or may receive negative attention or may require us to compensate or reimburse third parties, any of which may lower our margins and harm our business.

Our ability to engage, retain, and increase our base of customers and to increase our revenue will depend on our ability to successfully create new applications, features, and functionality, both independently and together with third parties. We may introduce significant changes to our existing AI Suite and AI Applications or develop and introduce new and unproven applications, including technologies with which we have little or no prior development or operating experience. These new applications and updates may fail to engage, retain, and increase our base of customers or may create lag in adoption of such new applications. New applications may initially suffer from performance and quality issues that may negatively impact our ability to market and sell such applications to new and existing customers. The short- and long-term impact of any major change to our AI Suite and AI Applications, or the introduction of new applications, is particularly difficult to predict. If new or enhanced applications fail to engage, retain, and increase our base of customers, we may fail to generate sufficient revenue, operating margin, or other value to justify our investments in such applications, any of which may harm our business in the short term, long term, or both.

In addition, our current AI Suite and AI Applications, as well as applications, features, and functionality that we may introduce in the future, may require us to compensate or reimburse third parties. In addition, new applications that we introduce in the future may similarly require us to compensate or reimburse third parties, all of which would lower our profit margins for any such new applications. If this trend continues with our new and existing AI Suite and AI Applications, it could harm our business.

Sales to government entities and highly regulated organizations are subject to a number of challenges and risks.

We have sold and may sell to U.S. federal, state, and local, as well as foreign, governmental agency customers, as well as to customers in highly regulated industries such as financial services, telecommunications, and healthcare. Sales to such entities are subject to a number of challenges and risks. Selling to such 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 contracting requirements may change and in doing so restrict our ability to sell into the government sector. Government demand and payment for our AI Suite and AI Applications are affected by public sector budgetary cycles and funding authorizations, with funding reductions or delays adversely affecting public sector demand for our AI Suite and AI Applications.

Further, governmental and highly regulated entities may demand contract terms that differ from our standard arrangements and may be less favorable than terms agreed with private sector customers. In our experience, government entities often require shorter term subscriptions than our private sector customers due to budget cycles, making one-year subscriptions not uncommon. Government entities and highly regulated organizations typically have longer implementation cycles, sometimes require acceptance provisions that can lead to a delay in revenue recognition, can have more complex IT and data environments, and may expect greater payment flexibility from vendors.

Contracts with governmental entities may also include preferential pricing terms, including, but not limited to, “most favored customer” pricing. In the event that we are successful in being awarded a government contract, such award may be subject to appeals, disputes, or litigation, including but not limited to bid protests by unsuccessful bidders.

As a government contractor or subcontractor, we must comply with laws, regulations, and contractual provisions relating to the formation, administration, and performance of government contracts and inclusion on government contract vehicles, which affect how we and our partners do business with government agencies. As a result of actual or perceived noncompliance with government contracting laws, regulations, or contractual provisions, we may be subject to non-ordinary course audits and internal investigations which may prove costly to our business financially, divert management time, or limit our ability to continue selling our products and services to our government customers. These laws and regulations may impose other added costs on our business, and failure to comply with these or other applicable regulations and requirements, including non-compliance in the past, could lead to claims for damages from our channel partners, downward contract price adjustments or refund obligations, civil or criminal penalties, and termination of contracts and suspension or debarment from government contracting for a period of time with government agencies. Any such damages, penalties, disruption, or limitation in our ability to do business with a government would adversely impact, and could have a material adverse effect on, our business, results of operations, financial condition, public perception and growth prospects.

Governmental and highly regulated entities may have statutory, contractual, or other legal rights to terminate contracts with us or our partners for convenience or for other reasons. Any such termination may adversely affect our ability to contract with other government customers as well as our reputation, business, financial condition, and results of operations. All these factors can add further risk to business conducted with these customers. If sales expected from a government entity or highly regulated organization for a particular quarter are not realized in that quarter or at all, our business, financial condition, results of operations, and growth prospects could be materially and adversely affected.

Our business could be adversely affected if our employees cannot obtain and maintain required security clearances, we cannot obtain and maintain a required facility security clearance, or we do not comply with legal and regulatory obligations regarding the safeguarding of classified information.

One of our U.S. government contracts requires our employees to maintain security clearances, and also requires us to comply with U.S. Department of Defense, or DoD, security rules and regulations. The DoD has strict security clearance requirements for personnel who perform work in support of classified programs. In general, access to classified information, technology, facilities, or programs are subject to additional contract oversight and potential liability. In the event of a security incident involving classified information, technology, facilities, or programs, or personnel holding clearances, we may be subject to legal, financial, operational and reputational harm. Obtaining and maintaining security clearances for employees involves a lengthy process, and it is difficult to identify, recruit, and retain employees who already hold security clearances. If our employees are unable to obtain security clearances in a timely manner, or at all, or if our employees who hold security clearances are unable to maintain their clearances or terminate employment with us, then a customer requiring classified work could terminate an existing contract or decide not to renew the contract upon its expiration. To the extent we are not able to obtain or maintain a facility security clearance, we may not be able to bid on or win new classified contracts, and our existing contract (and any future contracts we may subsequently obtain) requiring a facility security clearance could be terminated.

If we are unable to achieve and sustain a level of liquidity sufficient to support our operations and fulfill our obligations, our business, operating results and financial position could be adversely affected.

We actively monitor and manage our cash and cash equivalents so that sufficient liquidity is available to fund our operations and other corporate purposes. In the future, increased levels of liquidity may be required to adequately support our

operations and initiatives and to mitigate the effects of business challenges or unforeseen circumstances. If we are unable to achieve and sustain such increased levels of liquidity, we may suffer adverse consequences including reduced investment in our AI Suite and AI Applications, difficulties in executing our business plan and fulfilling our obligations, and other operational challenges. Any of these developments could adversely affect our business, operating results and financial position.

We may need additional capital, and we cannot be certain that additional financing will be available on favorable terms, or at all.

Historically, we have funded our operations and capital expenditures primarily through equity issuances and cash generated from our operations. Although we currently anticipate that our existing cash and cash equivalents and cash flow from operations will be sufficient to meet our cash needs for the foreseeable future, 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. Future sales and issuances of our capital stock or rights to purchase our capital stock could result in substantial dilution to our existing stockholders. We may sell Class A common stock, convertible securities, and other equity securities in one or more transactions at prices and in a manner as we may determine from time to time. If we sell any such securities in subsequent transactions, investors may be materially diluted. New investors in such subsequent transactions could gain rights, preferences, and privileges senior to those of holders of our Class A common stock. Any debt financing that we may secure in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities. We cannot assure you that additional financing will be available to us on favorable terms when required, or at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth, development efforts and to respond to business challenges could be significantly impaired, and our business, operating results and financial condition may be adversely affected.

We may acquire other businesses or receive offers to be acquired, which could require significant management attention, disrupt our business or dilute stockholder value.

We have in the past made, and may in the future make, acquisitions of other companies, products, and technologies. We have limited experience in acquisitions. We may not be able to find suitable acquisition candidates and we may not be able to complete acquisitions on favorable terms, if at all. If we do complete acquisitions, we may not ultimately strengthen our competitive position or achieve our goals, and any acquisitions we complete could be viewed negatively by customers, developers, or investors. In addition, we may not be able to integrate acquired businesses successfully or effectively manage the combined company following an acquisition. If we fail to successfully integrate our acquisitions, or the people or technologies associated with those acquisitions, into our company, the results of operations of the combined company could be adversely affected. Any integration process will require significant time and resources, require significant attention from management and disrupt the ordinary functioning of our business, and we may not be able to manage the process successfully, which could harm our business. In addition, we may not successfully evaluate or utilize the acquired technology and accurately forecast the financial impact of an acquisition transaction, including accounting charges.

We may have to pay cash, incur debt, or issue equity securities to pay for any such acquisition, each of which could affect our financial condition or the value of our capital stock. The sale of equity to finance any such acquisitions could result in dilution to our stockholders. If we incur more debt, it would result in increased fixed obligations and could also subject us to covenants or other restrictions that would impede our ability to flexibly operate our business.

We have business and customer relationships with certain entities who are stockholders or are affiliated with our directors, or both, and conflicts of interest may arise because of such relationships.

Some of our customers and other business partners are affiliated with certain of our directors or hold shares of our capital stock, or both. For example, in June 2019, we entered into a strategic collaboration agreement with Baker Hughes whereby Baker Hughes had a right to appoint a director. Our director, Lorenzo Simonelli, is an employee of Baker Hughes, and Baker Hughes is a stockholder. We believe that the transactions and agreements that we have entered into with related parties are on terms that are at least as favorable as could reasonably have been obtained at such time from third parties. However, these relationships could create, or appear to create, potential conflicts of interest when our board of directors is faced with decisions that could have different implications for us and these other parties or their affiliates. In addition, conflicts of interest may arise between us and these other parties and their affiliates. The appearance of conflicts, even if such conflicts do not materialize, might adversely affect the public’s perception of us, as well as our relationship with other companies and our

ability to enter into new relationships in the future, including with competitors of such related parties, which could harm our business and results of operations.

If we or our third-party service providers experience a security breach or unauthorized parties otherwise obtain access to our customers' data, our data, or our AI Suite, our AI Suite may be perceived as not being secure, our reputation may be harmed, demand for our platform may be reduced, and we may incur significant liabilities.

Our AI Suite and AI Applications process, store, and transmit our customers' proprietary and sensitive data, potentially including personal information, protected health information, and financial data. Our AI Suite and AI Applications are built to be available on the infrastructure of third-party public cloud providers such as Amazon Web Services, or AWS, Azure, and Google Cloud Platform. We also use third-party service providers to help us deliver services to our customers. These vendors may store or process personal information, protected health information, or other confidential information of our employees, our partners or our customers. We collect such information from individuals located both in the United States and abroad and may store or process such information outside the country in which it was collected. While we and our third-party service providers have implemented security measures designed to protect against security breaches, these measures could fail or may be insufficient, resulting in the unauthorized disclosure, modification, misuse, unavailability, destruction, or loss of our or our customers' data or other sensitive information. Any security breach of our AI Suite, our applications, our operational systems, physical facilities, or the systems of our third-party partners, or the perception that one has occurred, could result in litigation, indemnity obligations, regulatory enforcement actions, investigations, fines, penalties, mitigation and remediation costs, disputes, reputational harm, diversion of management's attention, and other liabilities and damage to our business. Even though we do not control the security measures of third parties, we may be responsible for any breach of such measures or suffer reputational harm even where we do not have recourse to the third party that caused the breach. In addition, any failure by our partners to comply with applicable law or regulations could result in proceedings against us by governmental entities or others.

Cyberattacks, denial-of-service attacks, ransomware attacks, business email compromises, computer malware, viruses, social engineering (including phishing) and other malicious internet-based activity are prevalent in our industry and our customers' industries and continue to increase. In addition, we may experience attacks, unavailable systems, unauthorized access or disclosure due to employee or other theft or misuse, denial-of-service attacks, sophisticated attacks by nation-state and nation-state supported actors, and advanced persistent threat intrusions. We cannot guarantee that our security measures will be sufficient to protect against unauthorized access to or other compromise of the personal information and/or other confidential information of our partners, our customers and our customers' end-users. The techniques used to sabotage, disrupt or to obtain unauthorized access to our AI Suite, applications, systems, networks, or physical facilities in which data is stored or through which data is transmitted change frequently, and we may be unable to implement adequate preventative measures or stop security breaches while they are occurring. The recovery systems, security protocols, network protection mechanisms and other security measures that we have integrated into our AI Suite, applications, systems, networks and physical facilities, which are designed to protect against, detect and minimize security breaches, may not be adequate to prevent or detect service interruption, system failure or data loss. Our AI Suite, applications, systems, networks, and physical facilities could be breached or personal information could be otherwise compromised due to employee error or malfeasance, if, for example, third parties attempt to fraudulently induce our employees or our customers to disclose information or user names and/or passwords, or otherwise compromise the security of our AI Suite, networks, systems and/or physical facilities. Third parties may also exploit vulnerabilities in, or obtain unauthorized access to, platforms, applications, systems, networks and/or physical facilities utilized by our vendors. We have previously been, and may in the future become, the target of cyber-attacks by third parties seeking unauthorized access to our or our customers' data or to disrupt our operations or ability to provide our services. While we have been successful in preventing such unauthorized access and disruption in the past, we may not continue to be successful against these or other attacks in the future.

We have contractual and legal obligations to notify relevant stakeholders of security breaches. Most jurisdictions have enacted laws requiring companies to notify individuals, regulatory authorities, and others of security breaches involving certain types of data. In addition, our agreements with certain customers and partners may require us to notify them in the event of a security breach involving customer or partner data on our systems or those of subcontractors processing customer or partner data on our behalf. Such mandatory disclosures are costly, could lead to negative publicity, may cause our customers to lose confidence in the effectiveness of our security measures, and require us to expend significant capital and other resources to respond to or alleviate problems caused by the actual or perceived security breach may cause us to breach customer contracts. Depending on the facts and circumstances of such an incident, these damages, penalties and costs could be significant and may not be covered by insurance or could exceed our applicable insurance coverage limits. Such an event also could harm our reputation and result in litigation against us. Any of these results could materially adversely affect our financial performance. Our agreements with certain customers may require us to use industry-standard, reasonable, or other

specified measures to safeguard sensitive personal information or confidential information, and any actual or perceived breach of such measures may increase the likelihood and frequency of customer audits under our agreements, which is likely to increase the costs of doing business. An actual or perceived security breach could lead to claims by our customers, or other relevant stakeholders that we have failed to comply with such legal or contractual obligations. As a result, we could be subject to legal action or our customers could end their relationships with us. There can be no assurance that any limitations of liability in our contracts, which we have in certain agreements, would be enforceable or adequate or would otherwise protect us from liabilities or damages.

Litigation resulting from security breaches may adversely affect our business. Unauthorized access to our AI Suite, applications, systems, networks, or physical facilities could result in litigation with our customers or other relevant stakeholders. These proceedings could force us to spend money in defense or settlement, divert management's time and attention, increase our costs of doing business, or adversely affect our reputation. We could be required to fundamentally change our business activities and practices or modify our AI Suite capabilities in response to such litigation, which could have an adverse effect on our business. If a security breach were to occur, and the confidentiality, integrity or availability of our data or the data of our partners or our customers was disrupted, we could incur significant liability, or our AI Suite, applications, systems, or networks may be perceived as less desirable, which could negatively affect our business and damage our reputation.

If we fail to detect or remediate a security breach in a timely manner, or a breach otherwise affects a large amount of data of one or more customers, or if we suffer a cyberattack that impacts our ability to operate our AI Suite and AI Applications, we may suffer material damage to our reputation, business, financial condition, and results of operations. Further, our insurance coverage may not be adequate for data security, indemnification obligations, or other liabilities. Depending on the facts and circumstances of such an incident, the damages, penalties and costs could be significant and may not be covered by insurance or could exceed our applicable insurance coverage limits. In addition, we cannot be sure that our existing insurance coverage and coverage for errors and omissions will continue to be available on acceptable terms or that our insurers will not deny coverage as to any future claim. Our risks are likely to increase as we continue to expand our AI Suite and AI Applications, grow our customer base, and process, store, and transmit increasingly large amounts of proprietary and sensitive data.

We could suffer disruptions, outages, defects, and other performance and quality problems with our AI Suite or with the public cloud and internet infrastructure on which it relies.

Our business depends on our AI Suite and AI Applications to be available without disruption. We have experienced, and may in the future experience, disruptions, outages, defects, and other performance and quality problems with our AI Suite and AI Applications. We have also experienced, and may in the future experience, disruptions, outages, defects, and other performance and quality problems with the public cloud and internet infrastructure on which our AI Suite and AI Applications rely. These problems can be caused by a variety of factors, including introductions of new functionality, vulnerabilities and defects in proprietary and open source software, human error or misconduct, capacity constraints, design limitations, as well as from internal and external security breaches, malware and viruses, ransomware, cyber events, denial or degradation of service attacks or other security-related incidents.

Further, if our contractual and other business relationships with our public cloud providers are terminated, suspended, or suffer a material change to which we are unable to adapt, such as the elimination of services or features on which we depend, we could be unable to provide our AI Suite and AI Applications and could experience significant delays and incur additional expense in transitioning customers to a different public cloud provider.

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

Risks Related to Our International Operations

We are continuing to expand our operations outside the United States, where we may be subject to increased business and economic risks that could harm our business.

We have customers in over 10 countries, and 22% of our revenue in the fiscal year ended April 30, 2020 was generated from customers outside of North America. As of October 31, 2020, we had nine international sales locations, and we plan to add local sales support in further select international markets over time. We expect to continue to expand our international operations, which may include opening offices in new jurisdictions and providing our AI Suite and AI Applications in additional languages. Any new markets or countries into which we attempt to sell subscriptions to our AI Suite and AI Applications may not be receptive. For example, we may not be able to expand further in some markets if we are not able to satisfy certain government- and industry-specific requirements. In addition, our ability to manage our business and conduct our operations internationally in the future may require considerable management attention and resources and is subject to the particular challenges of supporting a rapidly growing business in an environment of multiple languages, cultures, customs, legal and regulatory systems, alternative dispute systems, and commercial markets. Future international expansion will require investment of significant funds and other resources. Operating internationally subjects us to new risks and may increase risks that we currently face, including risks associated with:

- recruiting and retaining talented and capable employees outside the United States and maintaining our company culture across all of our offices;
- potentially different pricing environments, longer sales cycles, and longer accounts receivable payment cycles and collections issues;
- compliance with applicable international laws and regulations, including laws and regulations with respect to privacy, data protection, and consumer protection, and the risk of penalties to us and individual members of management or employees if our practices are deemed to be out of compliance;
- management of an employee base in jurisdictions that may not give us the same employment and retention flexibility as does the United States;
- operating in jurisdictions that do not protect intellectual property rights to the same extent as does the United States and the practical enforcement of such intellectual property rights outside of the United States;
- foreign government interference with our intellectual property that resides outside of the United States, such as the risk of changes in foreign laws that could restrict our ability to use our intellectual property;
- integration with partners outside of the United States;
- securing our locally operated systems and our data and the data of our customers and partners accessible from such jurisdictions;
- compliance by us and our business partners with anti-corruption laws, import and export control laws, tariffs, trade barriers, economic sanctions, anti-money laundering laws and other regulatory limitations on our ability to provide our AI Suite and AI Applications in certain international markets;
- foreign exchange controls that might require significant lead time in setting up operations in certain geographic territories and might prevent us from repatriating cash earned outside the United States;
- political and economic instability;
- COVID-19 or any other pandemics or epidemics that could result in decreased economic activity in certain markets, decreased use of our AI Suite and AI Applications, or in our decreased ability to import, export, or sell our AI Suite and AI Applications to existing or new customers in international markets;
- changes in diplomatic and trade relationships, including the imposition of new trade restrictions, trade protection measures, import or export requirements, trade embargoes, and other trade barriers;
- generally longer payment cycles and greater difficulty in collecting accounts receivable;

- double taxation of our international earnings and potentially adverse tax consequences due to changes in the income and other tax laws of the United States or the international jurisdictions in which we operate; and
- higher costs of doing business internationally, including increased accounting, travel, infrastructure, and legal compliance costs.

Some of our business partners also have international operations and are subject to the risks described above. Even if we are able to successfully manage the risks of international operations, our business may be adversely affected if our business partners are not able to successfully manage these risks.

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

We are subject to governmental export and import controls that could impair our ability to compete in international markets or subject us to liability if we are not in compliance with applicable laws.

Our AI Suite and AI Applications are subject to various restrictions under U.S. export control and trade and economic sanctions laws and regulations, including the U.S. Department of Commerce's Export Administration Regulations, or EAR, and various economic and trade sanctions regulations administered by the U.S. Department of the Treasury's Office of Foreign Assets Control, or OFAC. U.S. export control and economic sanctions laws and regulations include restrictions or prohibitions on the sale or supply of certain AI platform and applications, services and technologies to U.S. embargoed or sanctioned countries, governments, persons, and entities. Further, U.S. export laws and regulations include broad licensing requirements, including requiring authorization for the export of certain items. In addition, various countries regulate the import of certain items, including through import permitting and licensing requirements and have enacted or could enact laws that could limit our ability to distribute our AI Suite and AI Applications or could limit our customers' ability to implement our AI Suite and AI Applications in those countries.

Changes in our AI Suite and AI Applications and, if required, obtaining the necessary export license or other authorization for a particular sale, or changes in export, sanctions, and import laws, may result in the delay or loss of sales opportunities, delay the introduction and sale of subscriptions to our AI Suite and AI Applications in international markets, prevent our customers with international operations from using our AI Suite and AI Applications or, in some cases, prevent the access or use of our AI Suite and AI Applications to and from certain countries, governments, persons, or entities altogether. Further, any change in export or import regulations, economic sanctions or related laws, shift in the enforcement or scope of existing regulations or change in the countries, governments, persons, or technologies targeted by such regulations could result in decreased use of our AI Suite and AI Applications or in our decreased ability to export or sell our AI Suite and AI Applications to existing or potential customers with international operations. Any decreased use of our AI Suite and AI Applications or limitation on our ability to export or sell our AI Suite and AI Applications would likely harm our business.

In addition, if our channel partners fail to obtain appropriate import, export, or re-export licenses or permits, we may also be adversely affected through reputational harm, as well as other negative consequences, including government investigations and penalties.

Even though we take precautions to ensure that we and our channel partners comply with all relevant regulations, any failure by us or our channel partners to comply with U.S. export control and economic sanctions laws and regulations or other laws could have negative consequences, including reputational harm, government investigations and substantial civil and criminal penalties (e.g., fines, incarceration for responsible employees and managers, and the possible loss of export or import privileges).

We are subject to the U.S. Foreign Corruption Practices Act, or FCPA, and similar anti-corruption, anti-bribery, and similar laws, and non-compliance with such laws can subject us to criminal or civil liability and harm our business, financial condition and results of operations.

We are subject to the FCPA, U.S. domestic bribery laws, the UK Bribery Act, and other anti-corruption and similar laws in the countries in which we conduct 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 business partners or intermediaries, representatives, and agents from authorizing, offering, or providing, directly or indirectly, improper payments or other benefits, directly or indirectly, to government officials or others in the private sector in order to influence official action, direct business to any person, gain any improper advantage, or obtain or retain business. As we increase our international sales and business, our risks under these laws may increase.

As we increase our international sales and business and sales to the public sector, we may engage with third-party business partners and intermediaries to market our AI Suite and AI Applications and to obtain necessary permits, licenses, and other regulatory approvals. In addition, we or our third-party business partners or intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities. We can be held liable for the corrupt or other illegal activities of our third-party business partners or intermediaries, our employees, representatives, contractors, and agents, even if we do not explicitly authorize such activities.

These laws also require that we keep accurate books and records and maintain internal controls and compliance procedures designed to prevent any such actions. While we have policies and procedures to address compliance with such laws, we cannot assure you that our third-party business partners or intermediaries, employees, representatives, contractors, and agents will not take actions in violation of our policies and applicable law, for which we may be ultimately held responsible.

Detecting, investigating, and resolving actual or alleged violations of anti-corruption laws can require a significant diversion of time, resources, and attention from senior management, as well as significant defense costs and other professional fees. In addition, noncompliance with anti-corruption, or anti-bribery could subject us to whistleblower complaints, investigations, sanctions, settlements, prosecution, enforcement actions, fines, damages, other civil or criminal penalties or injunctions against us, our officers, or our employees, disgorgement of profits, suspension or debarment from contracting with the U.S. government or other persons, reputational harm, adverse media coverage, and other collateral consequences. If any subpoenas or investigations are launched, or governmental or other sanctions are imposed, or if we do not prevail in any possible civil or criminal proceeding, our reputation, business, stock price, financial condition, prospects and results of operations could be harmed.

Risks Related to Taxes

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

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

We may be subject to liabilities on past sales for taxes, surcharges, and fees.

We currently collect and remit applicable sales tax in jurisdictions where we, through our employees, have a presence and where we have determined, based on legal precedents in the jurisdiction, that sales of our AI Suite and AI Applications are classified as taxable. We do not currently collect and remit other state and local excise, utility, user, and ad valorem taxes, fees or surcharges that may apply to our customers. We believe that we are not otherwise subject to, or required to collect, any additional taxes, fees or surcharges imposed by state and local jurisdictions because we do not have a sufficient physical presence or “nexus” in the relevant taxing jurisdiction or such taxes, fees, or surcharges do not apply to sales of our AI Suite and AI Applications in the relevant taxing jurisdiction. However, there is uncertainty as to what constitutes sufficient physical presence or nexus for a state or local jurisdiction to levy taxes, fees, and surcharges for sales made over the internet, and there is also uncertainty as to whether our characterization of our AI Suite and AI Applications as not taxable in certain jurisdictions will be accepted by state and local taxing authorities. Additionally, we have not historically collected value-added tax, or VAT, or goods and services tax, or GST, on sales of our AI Suite and AI Applications, generally, because we

make almost all of our sales through our office in the United States, and we believe, based on information provided to us by our customers, that most of our sales are made to business customers.

Taxing authorities may challenge our position that we do not have sufficient nexus in a taxing jurisdiction or that our AI Suite and AI Applications use, telecommunications, VAT, GST, and other taxes, which could result in increased tax liabilities for us or our customers, which could harm our business.

The application of indirect taxes (such as sales and use tax, VAT, GST, business tax, and gross receipt tax) to businesses that transact online, such as ours, is a complex and evolving area. Following the recent U.S. Supreme Court decision in South Dakota v. Wayfair, Inc., states are now free to levy taxes on sales of goods and services based on an "economic nexus," regardless of whether the seller has a physical presence in the state. As a result, it may be necessary to reevaluate whether our activities give rise to sales, use, and other indirect taxes as a result of any nexus in those states in which we are not currently registered to collect and remit taxes. Additionally, we may need to assess our potential tax collection and remittance liabilities based on existing economic nexus laws' dollar and transaction thresholds. We continue to analyze our exposure for such taxes and liabilities. The application of existing, new, or future laws, whether in the United States or internationally, could harm our business. There have been, and will continue to be, substantial ongoing costs associated with complying with the various indirect tax requirements in the numerous markets in which we conduct or will conduct business.

We may have exposure to greater than anticipated tax liabilities, which could harm our business.

While to date we have not incurred significant income taxes in operating our business, we are subject to income taxes in the United States and various jurisdictions outside of the United States. Our effective tax rate could fluctuate due to changes in the proportion of our earnings and losses in countries with differing statutory tax rates. Our tax expense could also be impacted by changes in non-deductible expenses, changes in excess tax benefits of stock-based or other compensation, changes in the valuation of, or our ability to use, deferred tax assets and liabilities, the applicability of withholding taxes, and effects from acquisitions.

The provision for taxes on our financial statements could also be impacted by changes in accounting principles, changes in U.S. federal, state, or international tax laws applicable to corporate multinationals such as the recent legislation enacted in the United States, other fundamental changes in law currently being considered by many countries and changes in taxing jurisdictions' administrative interpretations, decisions, policies and positions.

We are subject to review and audit by U.S. federal, state, local, and foreign tax authorities. Such tax authorities may disagree with tax positions we take, and if any such tax authority were to successfully challenge any such position, our business could be harmed. We may also be subject to additional tax liabilities due to changes in non-income based taxes resulting from changes in federal, state, or international tax laws, changes in taxing jurisdictions' administrative interpretations, decisions, policies, and positions, results of tax examinations, settlements, or judicial decisions, changes in accounting principles, changes to our business operations, including acquisitions, as well as the evaluation of new information that results in a change to a tax position taken in a prior period.

Our ability to use our net operating losses and certain other tax attributes to offset future taxable income or taxes may be subject to certain limitations.

As of April 30, 2020, we had net operating loss carryforwards, or NOL, for U.S. federal, state, and foreign purposes of $168.6 million, $73.2 million and $0 million, respectively, which may be available to offset taxable income in the future, and portions of which expire in various years beginning in 2032. A lack of future taxable income would adversely affect our ability to utilize these NOLs before they expire. Under the Tax Cuts and Jobs Act of 2017, or the Tax Act, as modified by the CARES Act, federal NOLs incurred in tax years beginning after December 31, 2017 may be carried forward indefinitely, but the deductibility of such federal NOLs in tax years beginning after December 31, 2020 is limited to 80% of taxable income. It is uncertain if and to what extent various states will conform to the Tax Act or the CARES Act. In addition, under Section 382 of the Internal Revenue Code of 1986, as amended, or the Code, a corporation that undergoes an "ownership change" (as defined under Sections 382 and 383 of the Code and applicable Treasury Regulations) is subject to limitations on its ability to utilize its pre-change NOLs and certain other tax attributes to offset post-change taxable income or taxes. We may experience a future ownership change (including, potentially, in connection with this offering and the concurrent private placement) under Section 382 of the Code that could affect our ability to utilize our NOLs to offset our income. Furthermore, our ability to utilize NOLs of companies that we have acquired or may acquire in the future may be subject to limitations. In addition, at the state level, there may be periods during which the use of NOLs is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed. For example, on June 29, 2020, the Governor of California signed into law the 2020 Budget Act which temporarily suspends the utilization of NOLs and limits the utilization of research credits to $5.0

million annually for 2020, 2021, and 2022. For these reasons, we may not be able to utilize a material portion of the NOLs reflected on our balance sheet, even if we attain profitability, which could potentially result in increased future tax liability to us and could adversely affect our operating results and financial condition.

Risks Related to Our Intellectual Property

We are currently, and may be in the future, party to intellectual property rights claims and other litigation matters, which, if resolved adversely, could harm our business.

We primarily rely and expect to continue to rely on a combination of patent, patent licenses, trade secret, domain name protection, trademark, and copyright laws, as well as confidentiality and license agreements with our employees, consultants, and third parties, to protect our intellectual property and proprietary rights. From time to time, are subject to litigation based on allegations of infringement, misappropriation, or other violations of intellectual property or other rights. As we face increasing competition and gain an increasingly high profile, the possibility of intellectual property rights claims, commercial claims, and other assertions against us grows. We have in the past been, and may from time to time in the future become, a party to litigation and disputes related to our intellectual property, our business practices, and our AI Suite and AI Applications. While we intend to defend any lawsuit vigorously, litigation can be costly and time consuming, divert the attention of our management and key personnel from our business operations, and dissuade potential customers from subscribing to our AI Suite and AI Applications, which would harm our business. Furthermore, with respect to lawsuits, there can be no assurances that favorable outcomes will be obtained. We may need to settle litigation and disputes on terms that are unfavorable to us, or we may be subject to an unfavorable judgment that may not be reversible upon appeal. The terms of any settlement or judgment may require us to cease some or all of our operations or pay substantial amounts to the other party. In addition, our agreements with customers or partners typically include certain provisions for indemnifying them against liabilities if our AI Suite and AI Applications infringe a third party's intellectual property rights, including in the third-party open source software components included in our AI Suite and AI Applications, which indemnification obligations could require us to make payments to our customers. During the course of any litigation or dispute, we may make announcements regarding the results of hearings and motions and other interim developments. If securities analysts and investors regard these announcements as negative, the market price of our Class A common stock may decline. With respect to any intellectual property rights claim, we may have to seek a license to continue practices found to be in violation of third-party rights, which may not be available on reasonable terms and may significantly increase our operating expenses. A license to continue such practices may not be available to us at all, and we may be required to develop alternative non-infringing technology or practices or discontinue the practices. The development of alternative, non-infringing technology or practices could require significant effort and expense. Our business could be harmed as a result.

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

Our agreements with customers and other third parties generally include indemnification provisions under which we agree to indemnify them for losses suffered or incurred as a result of claims of intellectual property infringement, or other liabilities relating to or arising from our software, services, or other contractual obligations. Large indemnity payments could harm our business, results of operations, and financial condition. Although we normally contractually limit our liability with respect to such indemnity obligations, generally, those limitations may not be fully enforceable in all situations, and we may still incur substantial liability under those agreements. Any dispute with a customer with respect to such obligations could have adverse effects on our relationship with that customer and other existing customers and new customers and harm our business and results of operations.

Our failure to protect our intellectual property rights and proprietary information could diminish our brand and other intangible assets.

As of November 23, 2020, we have six issued patents in the United States, five issued patents in a number of international jurisdictions, 11 patent applications (including two applications that have been allowed and one provisional application) pending in the United States, and 26 patent applications pending internationally. Our issued patents expire between February 23, 2033 and April 17, 2037. Other than the two allowed applications, which are in process of finalization and issuance, the pending patent applications are presently undergoing examination or expected to undergo examination in the near future. These patents and patent applications seek to protect our proprietary inventions relevant to our business, in addition to other proprietary technologies which are maintained as trade secrets. We intend to pursue additional intellectual property protection to the extent we believe it would be beneficial and cost-effective. We make business decisions about when to seek patent protection for a particular technology and when to rely upon copyright or trade secret protection, and the

approach we select may ultimately prove to be inadequate. Even in cases where we seek patent protection, there is no assurance that the resulting patents will effectively protect every significant feature of our AI Suite and AI Applications. In addition, we believe that the protection of our trademark rights is an important factor in AI platform and application recognition, protecting our brand and maintaining goodwill. If we do not adequately protect our rights in our trademarks from infringement and unauthorized use, any goodwill that we have developed in those trademarks could be lost or impaired, which could harm our brand and our business. Third parties may knowingly or unknowingly infringe our proprietary rights, third parties may challenge our proprietary rights, pending and future patent, trademark and copyright applications may not be approved, and we may not be able to prevent infringement without incurring substantial expense. We have also devoted substantial resources to the development of our proprietary technologies and related processes. In order to protect our proprietary technologies and processes, we rely in part on trade secret laws and confidentiality agreements with our employees, consultants, and third parties. These agreements may not effectively prevent unauthorized disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, others may independently discover our trade secrets, in which case we would not be able to assert trade secret rights or develop similar technologies and processes. Further, laws in certain jurisdictions may afford little or no trade secret protection, and any changes in, or unexpected interpretations of, the intellectual property laws in any country in which we operate may compromise our ability to enforce our intellectual property rights. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights. If the protection of our proprietary rights is inadequate to prevent use or appropriation by third parties, the value of our AI Suite and AI applications, brand, and other intangible assets may be diminished, and competitors may be able to more effectively replicate our AI Suite and AI Applications. Any of these events would harm our business.

Our use of third-party open source software could negatively affect our ability to offer and sell subscriptions to our AI Suite and AI Applications and subject us to possible litigation.

A portion of the technologies we use incorporates third-party open source software, and we may incorporate third-party open source software in our solutions in the future. Open source software is generally licensed by its authors or other third parties under open source licenses. From time to time, companies that use third-party open source software have faced claims challenging the use of such open source software and requesting compliance with the open source software license terms. Accordingly, we may be subject to suits by parties claiming ownership of what we believe to be open source software or claiming non-compliance with the applicable open source licensing terms. Some open source software licenses require end users who use, distribute or make available across a network software and services that include open source software to offer aspects of the technology that incorporates the open source software for no cost. We may also be required to make publicly available source code (which in some circumstances could include valuable proprietary code) for modifications or derivative works we create based upon, incorporating or using the open source software and/or to license such modifications or derivative works under the terms of the particular open source license. Additionally, if a third-party software provider has incorporated open source software into software that we license from such provider, we could be required to disclose any of our source code that incorporates or is a modification of our licensed software. While we employ practices designed to monitor our compliance with the licenses of third-party open source software and protect our valuable proprietary source code, we may inadvertently use third-party open source software in a manner that exposes us to claims of non-compliance with the terms of their licenses, including claims of intellectual property rights infringement or for breach of contract. Furthermore, there exists today an increasing number of types of open source software licenses, almost none of which have been tested in courts of law to provide guidance of their proper legal interpretations. If we were to receive a claim of non-compliance with the terms of any of these open source licenses, we could be required to incur significant legal expenses defending against those allegations and could be subject to significant damages, enjoined from offering or selling our solutions that contained the open source software, and required to comply with the foregoing conditions, and we may be required to publicly release certain portions of our proprietary source code. We could also be required to expend substantial time and resources to re-engineer some of our software. Any of the foregoing could disrupt and harm our business.

In addition, the use of third-party open source software typically exposes us to greater risks than the use of third-party commercial software because open source licensors generally do not provide warranties or controls on the functionality or origin of the software. Use of open source software may also present additional security risks because the public availability of such software may make it easier for hackers and other third parties to determine how to compromise our AI Suite and AI Applications. Any of the foregoing could harm our business and could help our competitors develop platforms and applications that are similar to or better than ours.

Because of the characteristics of open source software, there may be fewer technology barriers to entry by new competitors and it may be relatively easy for new and existing competitors with greater resources than we have to compete with us.

One of the characteristics of open source software is that the governing license terms generally allow liberal modifications of the code and distribution thereof to a wide group of companies and/or individuals. As a result, others could easily develop new platforms and applications based upon those open source programs that compete with existing open source software that we support and incorporate into our AI Suite and AI Applications. Such competition with use of the open source projects that we utilize can materialize without the same degree of overhead and lead time required by us, particularly if the customers do not value the differentiation of our proprietary components. It is possible for new and existing competitors with greater resources than ours to develop their own open source software or hybrid proprietary and open source software offerings, potentially reducing the demand for, and putting price pressure on, our AI Suite and AI Applications. In addition, some competitors make open source software available for free download and use or may position competing open source software as a loss leader. We cannot guarantee that we will be able to compete successfully against current and future competitors or that competitive pressure and/or the availability of open source software will not result in price reductions, reduced operating margins and loss of market share, any one of which could seriously harm our business.

If open source software programmers, many of whom we do not employ, or our own internal programmers do not continue to develop and enhance open source technologies, we may be unable to develop new technologies, adequately enhance our existing technologies or meet customer requirements for innovation, quality and price.

We rely to a significant degree on a number of open source software programmers, or committers and contributors, to develop and enhance components of our AI Suite and AI Applications. Additionally, members of the corresponding Apache Software Foundation Project Management Committees, or PMCs, many of whom are not employed by us, are primarily responsible for the oversight and evolution of the codebases of important components of the open source data management ecosystem. If the open source data management committees and contributors fail to adequately further develop and enhance open source technologies, or if the PMCs fail to oversee and guide the evolution of open source data management technologies in the manner that we believe is appropriate to maximize the market potential of our solutions, then we would have to rely on other parties, or we would need to expend additional resources, to develop and enhance our AI Suite and AI Applications. We also must devote adequate resources to our own internal programmers to support their continued development and enhancement of open source technologies, and if we do not do so, we may have to turn to third parties or experience delays in developing or enhancing open source technologies. We cannot predict whether further developments and enhancements to these technologies would be available from reliable alternative sources. In either event, we may incur additional development expenses and experience delays in technology release and upgrade. Delays in developing, completing, or delivering new or enhanced components to our AI Suite and AI Applications could cause our offerings to be less competitive, impair customer acceptance of our solutions, and result in delayed or reduced revenue for our solutions.

Our software development and licensing model could be negatively impacted if the Apache License, Version 2.0 is not enforceable or is modified so as to become incompatible with other open source licenses.

Components of our AI Suite and AI Applications have been provided under the Apache License 2.0. This license states that any work of authorship licensed under it, and any derivative work thereof, may be reproduced and distributed provided that certain conditions are met. It is possible that a court would hold this license to be unenforceable or that someone could assert a claim for proprietary rights in a program developed and distributed under it. Any ruling by a court that this license is not enforceable, or that we may not reproduce or distribute those open source software components as part of our AI Suite and AI Applications, may negatively impact our distribution or development of all or a portion of our solutions. In addition, at some time in the future it is possible that the license terms under which important components of the open source projects in our AI Suite and AI Applications are distributed may be modified, which could, among other consequences, negatively impact our continuing development or distribution of the software code subject to the new or modified license.

Further, full utilization of our AI Suite and AI Applications may depend on software, applications, hardware and services from various third parties, and these items may not be compatible with our AI Suite and AI Applications and their development or available to us or our customers on commercially reasonable terms, or at all, which could harm our business.

Risks Related to Ownership of Our Class A Common Stock

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

We have been approved to list our Class A common stock on the New York Stock Exchange under the symbol "AI." However, we cannot assure you that an active trading market for our Class A common stock will develop on that exchange or elsewhere or, if developed, that any market will be sustained. Accordingly, we cannot assure you of the likelihood that an active trading market for our Class A common stock will develop or be maintained, your ability to sell your shares of our Class A common stock when desired or the prices that you may obtain for your shares.

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

Prior to this offering, there has been no public market for shares of our Class A common stock. The initial public offering price of our Class A common stock was determined through negotiation between us and the underwriters. This price does not necessarily reflect the price at which investors in the market will be willing to buy and sell shares of our Class A common stock following this offering. In addition, the trading price of our Class A common stock following this offering is likely to be volatile and could be subject to fluctuations in response to various factors, some of which are beyond our control. These fluctuations could cause you to lose all or part of your investment in our Class A common stock as you might be unable to sell your shares at or above the price you paid in this offering. Factors that could cause fluctuations in the trading price of our Class A common stock include the risk factors set forth in this section as well as the following:

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

- changes in accounting standards, policies, guidelines, interpretations, or principles;
- any significant change in our management; and
- general political and economic conditions and slow or negative growth of our markets.

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

The dual class structure of our common stock as contained in our amended and restated certificate of incorporation has the effect of concentrating voting control with those stockholders who held our stock prior to this offering and the concurrent private placements, including our executive officers, employees and directors and their affiliates, limiting your ability to influence corporate matters.

Our Class B common stock has 50 votes per share, and our Class A common stock, which is the stock we are offering in this initial public offering and the concurrent private placements, has one vote per share. Mr. Siebel and related entities will control the voting power of all of the outstanding Class B common stock immediately following this offering and will beneficially hold approximately 32.99% of our outstanding capital stock but will control approximately 71.70% of the voting power of our outstanding capital stock following the completion of this offering and the concurrent private placements. Therefore, Mr. Siebel will have control over our management and affairs and over all matters requiring stockholder approval, including election of directors and significant corporate transactions, such as a merger or other sale of us or our assets, for the foreseeable future. We believe we are eligible for but do not intend to take advantage of the "controlled company" exemption to the corporate governance rules for New York Stock Exchange-listed companies.

In addition, the holders of Class B common stock collectively will continue to be able to control all matters submitted to our stockholders for approval even if their stock holdings represent less than a majority of the outstanding shares of our common stock. This concentrated control will limit your ability to influence corporate matters for the foreseeable future, and, as a result, the market price of our Class A common stock could be adversely affected.

Each share of Class B common stock will be automatically converted into one share of Class A common stock upon the earliest of (1) the date that is six months following the death or incapacity of Mr. Siebel, (2) the date that is six months following the date that Mr. Siebel is no longer providing services to us as an officer, employee, director, or consultant, (3) the 20-year anniversary of the date of the closing of our initial public offering, and (4) the date specified by the holders of a majority of the then outstanding shares of Class B common stock, voting as a separate class. Future transfers by holders of Class B common stock will generally result in those shares converting to Class A common stock, which will have the effect, over time, of increasing the relative voting power of those holders of Class B common stock who retain their shares in the long term. If, for example, Mr. Siebel retains a significant portion of his holdings of Class B common stock for an extended period of time, he could, in the future, control a majority of the combined voting power of our Class A and Class B common stock. As a board member, Mr. Siebel owes a fiduciary duty to our stockholders and must act in good faith in a manner he reasonably believes to be in the best interests of our stockholders. As a stockholder, even a controlling stockholder, Mr. Siebel is entitled to vote his shares in his own interests, which may not always be in the interests of our stockholders generally.

FTSE Russell and Standard & Poor's does not allow most newly public companies utilizing dual or multi-class capital structures to be included in their indices. Affected indices include the Russell 2000 and the S&P 500, S&P MidCap 400 and S&P SmallCap 600, which together make up the S&P Composite 1500. Also in 2017, MSCI, a leading stock index provider, opened public consultations on their treatment of no-vote and multi-class structures and temporarily barred new multi-class listings from certain of its indices; however, in October 2018, MSCI announced its decision to include equity securities "with unequal voting structures" in its indices and to launch a new index that specifically includes voting rights in its eligibility criteria. Under the announced policies, our dual class capital structure would make us ineligible for inclusion in certain indices, and as a result, mutual funds, exchange-traded funds and other investment vehicles that attempt to passively track these indices will not be investing in our stock. In addition, we cannot assure you that other stock indices will not take similar actions. Given the sustained flow of investment funds into passive strategies that seek to track certain indices, exclusion from certain stock indices would likely preclude investment by many of these funds and would make our Class A common stock less attractive to other investors. As a result, the trading price and volume of our Class A common stock could be adversely affected.

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

We cannot predict whether our dual class structure, combined with the concentrated control of our stockholders who held our capital stock prior to the completion of this offering, including our executive officers, employees, and directors and their affiliates, will result in a lower or more volatile market price of our Class A common stock or in adverse publicity or other adverse consequences. For example, as mentioned above certain index providers have announced restrictions on including companies with multiple class share structures in certain of their indices. Under the announced policies, our dual class capital structure would make us ineligible for inclusion in many indices. Given the sustained flow of investment funds into passive strategies that seek to track certain indexes, exclusion from stock indexes would likely preclude investment by many of these funds and could make our Class A common stock less attractive to other investors. As a result, the market price of our Class A common stock could be adversely affected

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

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

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

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

The shares of Class A common stock purchased in the concurrent private placements will be subject to a market standoff agreement with us for a period of up to 365 days after the date of this prospectus.

Based on shares outstanding as of October 31, 2020, upon the completion of this offering and the concurrent private placements, we will have outstanding a total of 93,391,966 shares of Class A common stock and 3,499,992 shares of Class B common stock, assuming no exercise of the underwriters' option to purchase additional shares (95,716,966 shares of Class A common stock assuming exercise of the underwriters' option to purchase additional shares in full) and no exercise of outstanding options, after giving effect to the conversion of all outstanding shares of our preferred stock into shares of Class B common stock immediately prior to the completion of this offering. Of these shares, only the shares of Class A common stock sold in this offering will be freely tradable, without restriction, in the public market immediately after the offering. All of our executive officers and directors and the holders of substantially all the shares of our capital stock and securities convertible into or exchangeable for our capital stock have entered into market standoff agreements with us or have entered or will enter into lock-up agreements with the underwriters that restrict their ability to transfer shares of our capital stock during the period ending on, and including, the 180th day after the date of this prospectus, subject to specified exceptions; provided that such restricted period will end with respect to 20% of the shares subject to each lock-up agreement if at any time beginning 90 days after the date of this prospectus (1) we have issued a quarterly earnings release announced by press release through a major news service, or on a report on Form 8-K and (2) the last reported closing price of our Class A common stock is at least 33% greater than the initial public offering price of our Class A common stock for 10 out of any 15 consecutive trading days, including the last day, ending on or after the 90th day after the date of this prospectus; and provided further that, if 90 days after the date of this prospectus occurs within five trading days of a trading black-out period, the above referenced early expiration period will be the sixth trading day immediately preceding the commencement of the trading black-out period. In addition, with respect to shares not released as a result of such early release, if the 180th day after the date of this prospectus occurs within five trading days of a trading black-out period, the lock-up period will expire on the

sixth trading day immediately preceding the commencement of the trading black-out period. Morgan Stanley & Co. LLC and J.P. Morgan Securities LLC may permit our stockholders who are subject to these lock-up agreements to sell shares prior to the expiration of the lock-up agreements, subject to applicable notice requirements. If not earlier released, all of the shares of Class A common stock sold in this offering will become eligible for sale upon expiration of the 180-day lock-up period, except for any shares held by our affiliates as defined in Rule 144 under the Securities Act.

In addition, as of October 31, 2020, there were 42,661,167 shares of Class A common stock subject to outstanding options under our Amended and Restated 2012 Equity Incentive Plan, or the 2012 Plan. We intend to register all of the shares of Class A common stock issuable upon conversion of the shares of Class B common stock issuable upon exercise of outstanding options and upon exercise or settlement of any options or other equity incentives we may grant in the future for public resale under the Securities Act. Accordingly, these shares will become eligible for sale in the public market to the extent such options are exercised, subject to the market standoff and lock-up agreements described above and compliance with applicable securities laws.

As of October 31, 2020, holders of 55,057,773 shares of our Class A common stock, including shares issuable upon the conversion of outstanding shares of preferred stock, have rights, subject to some conditions, to require us to file registration statements for the public resale of the Class A common stock issuable upon conversion of such shares or to include such shares in registration statements that we may file on our behalf or for other stockholders. See the sections titled “Shares Eligible for Future Sale” and “Underwriters.”

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

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

Our charter documents will also contain other provisions that could have an anti-takeover effect, such as:

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

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

Our amended and restated certificate of incorporation will designate the Court of Chancery of the State of Delaware and, to the extent enforceable, the federal district courts of the United States of America as the exclusive forums for certain

disputes between us and our stockholders, which could limit our stockholders' ability to choose the judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated certificate of incorporation which will become effective immediately prior to the completion of this offering will provide that, unless we consent in writing to the selection of an alternative forum, the sole and exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (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, or other employees to us or our stockholders, (3) any action arising pursuant to any provision of the Delaware General Corporation Law, or the certificate of incorporation or the amended and restated bylaws or (4) any other action asserting a claim that is governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware), in all cases subject to the court having jurisdiction over indispensable parties named as defendants. This provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act. In addition, to prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated certificate of incorporation will further provide that the U.S. federal district courts will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. However, as Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act, and an investor cannot waive compliance with the federal securities laws and the rules and regulations thereunder, there is uncertainty as to whether a court would enforce such a provision. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our amended and restated certificate of incorporation. This may require significant additional costs associated with resolving such action in other jurisdictions and there can be no assurance that the provisions will be enforced by a court in those other jurisdictions.

These exclusive 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, or other employees, which may discourage lawsuits against us and our directors, officers and other employees. If a court were to find either exclusive-forum provision in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur further significant additional costs associated with resolving the dispute in other jurisdictions, all of which could seriously harm our business.

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

The trading market for our Class A common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. The analysts' estimates are based upon their own opinions and are often different from our estimates or expectations. If one or more of the analysts who cover us downgrade our Class A common stock or publish inaccurate or unfavorable research about our business, the price of our securities would likely decline. If few securities analysts commence coverage of us, or if one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our securities could decrease, which might cause the price and trading volume of our Class A common stock to decline.

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

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

Failure to comply with these rules might also make it more difficult for us to obtain certain types of insurance, including director and officer liability insurance, and we might be forced to accept reduced policy limits and coverage or incur

substantially higher costs to obtain the same or similar coverage. The impact of these events would also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, on committees of our board of directors, or as members of senior management.

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

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act, and for as long as we continue to be an emerging growth company, we may choose to take advantage of exemptions from various reporting requirements applicable to other public companies but not to emerging growth companies, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the completion of this offering, (b) in which we have total annual gross revenue of over $1.07 billion or (c) in which we are deemed to be a large accelerated filer, which means the market value of our common stock held by non-affiliates exceeds $700 million as of the prior October 31 and (2) the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three-year period. We cannot predict if investors will find our Class A common stock less attractive if we choose to rely on these exemptions. If some investors find our Class A common stock less attractive as a result of any choices to reduce future disclosure, there may be a less active trading market for our Class A common stock, and our stock price may be more volatile.

General Risks

If we fail to maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired.

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

The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. We are continuing to develop and refine our disclosure controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we will file with the SEC is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms and that information required to be disclosed in reports under the Exchange Act is accumulated and communicated to our principal executive and financial officers. We are also continuing to improve our internal control over financial reporting. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, we have expended, and anticipate that we will continue to expend, significant resources, including accounting-related costs and significant management oversight.

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

Further, weaknesses in our disclosure controls and internal control over financial reporting may be discovered in the future. Any failure to develop or maintain effective controls or any difficulties encountered in their implementation or improvement could harm our business or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods. Any failure to implement and maintain effective internal control over financial reporting also could adversely affect the results of periodic management evaluations and annual independent registered public

accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting that we will eventually be required to include in our periodic reports that will be filed with the SEC. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in our reported financial and other information, which would likely have a negative effect on the trading price of our Class A common stock. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on the New York Stock Exchange. We are not currently required to comply with the SEC rules that implement Section 404 of the Sarbanes-Oxley Act and are therefore not required to make a formal assessment of the effectiveness of our internal control over financial reporting for that purpose. As a public company, we will be required to provide an annual management report on the effectiveness of our internal control over financial reporting commencing with our second Annual Report on Form 10-K.

Our independent registered public accounting firm is not required to formally attest to the effectiveness of our internal control over financial reporting until our first annual report filed with the SEC where we are an accelerated filer or a large accelerated filer. At such time, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our internal control over financial reporting is documented, designed or operating. Any failure to maintain effective disclosure controls and internal control over financial reporting could harm our business and could cause a decline in the trading price of our Class A common stock.

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

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

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

Market opportunity estimates and growth forecasts included in this prospectus, including those we have generated ourselves, are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. Not every organization covered by our market opportunity estimates will necessarily buy data management, machine learning, and analytics platforms and applications at all, and some or many of those organizations may choose to continue using legacy analytics methods or solutions offered by our competitors. It is impossible to build every platform or application feature that every customer wants, and our competitors may develop and offer features that our AI Suite and AI Applications do not provide. The variables that go into the calculation of our market opportunity are subject to change over time, and there is no guarantee that any particular number or percentage of the organizations covered by our market opportunity estimates will purchase our solutions at all or generate any particular level of revenue for us. Even if the market in which we compete meets the size estimates and growth forecasts in this prospectus, our business could fail to grow for a variety of reasons outside of our control, including competition in our industry. If any of these risks materialize, it could harm our business and prospects. For more information regarding the estimates of market opportunity and the forecasts of market growth included in this prospectus, see the section titled "Market and Industry Data."

Our business could be disrupted by catastrophic events.

Occurrence of any catastrophic event, including earthquake, fire, flood, tsunami, or other weather event, power loss, telecommunications failure, software or hardware malfunctions, pandemics (such as the COVID-19 pandemic), political unrest, geopolitical instability, cyberattack, war, or terrorist attack, could result in lengthy interruptions in our service. In particular, our U.S. headquarters are located in the San Francisco Bay Area, a region known for seismic activity and wild fires, and our insurance coverage may not compensate us for losses that may occur in the event of an earthquake or other significant natural disaster. In addition, acts of terrorism could cause disruptions to the internet or the economy as a whole. Even with our disaster recovery arrangements, our service could be interrupted. If our systems were to fail or be negatively impacted as a result of a natural disaster or other event, our ability to deliver our AI Suite and AI Applications to our

customers would be impaired, or we could lose critical data. If we are unable to develop adequate plans to ensure that our business functions continue to operate during and after a disaster and to execute successfully on those plans in the event of a disaster or emergency, our business would be harmed.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

- our expectations regarding our revenue, expenses, and other operating results;
- our ability to acquire new customers and successfully retain existing customers;
- our ability to increase usage our AI Suite and AI Applications;
- our ability to achieve or sustain profitability;
- future investments in our business, our anticipated capital expenditures, and our estimates regarding our capital requirements;
- the costs and success of our sales and marketing efforts, and our ability to promote our brand;
- our growth strategies for our AI Suite and AI Applications;
- the estimated addressable market opportunity for our AI Suite and AI Applications;
- our reliance on key personnel and our ability to identify, recruit, and retain skilled personnel;
- our ability to effectively manage our growth, including any international expansion;
- our ability to protect our intellectual property rights and any costs associated therewith;
- the effects of the coronavirus, or COVID-19, pandemic or other public health crises;
- our ability to compete effectively with existing competitors and new market entrants; and
- the growth rates of the markets in which we compete.

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

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

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

MARKET, INDUSTRY, AND OTHER DATA

This prospectus contains statistical data, estimates, forecasts, and other information concerning our industry, including market position and the size and growth rates of the markets in which we participate, that are based on industry publications and reports. While we believe this information included in this prospectus is reliable and is based on reasonable assumptions, this information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to these estimates. We have not independently verified the accuracy or completeness of the data contained in these industry publications and reports. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section titled "Risk Factors." These and other factors could cause results to differ materially from those expressed in these publications and reports.

Certain information in the text of this prospectus is contained in independent industry publications. None of the industry publications referred to in this prospectus were prepared on our or on our affiliates' behalf or at our expense. The source of these independent industry publications is provided below:

- IDC, *Worldwide Artificial Intelligence Systems Spending Guide, September 2019*
- IDC, *FutureScape: Worldwide CIO Agenda 2021 Predictions, October 2020*
- Gartner, *Forecast: Enterprise Infrastructure Software, Worldwide, 2018-2024, 3Q20 Update**
- Gartner, *Forecast: Enterprise Application Software, Worldwide, 2018-2024, 3Q20 Update**

Information contained on or accessible through the website(s) referenced above is not a part of this prospectus and the inclusion of the website address referenced above in this prospectus is an inactive textual reference only.

The Gartner content described herein, or the Gartner Content, represent(s) research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc., or Gartner, and are not representations of fact. Gartner Content speaks as of its original publication date (and not as of the date of this prospectus) and the opinions expressed in the Gartner Content are subject to change without notice.

In this prospectus, we estimated the overall potential economic impact of applying AI and machine learning to a broad range of use cases across a company's operations. To arrive at these estimates, we gathered publicly available financial and operating data regarding a company in each of the four highlighted industries from annual reports, investor calls, and other financial reporting sources. We then estimated the potential improvement, expressed as a percentage, for each of the relevant financial and operational metrics that might be achieved by applying AI and machine learning to the selected use cases. We based our estimates of the potential improvement from a variety of sources, including industry reports, regulatory filings, publicly available consulting firm and analyst reports, as well as our own experience from trials and deployments. We then calculated the potential economic impact by multiplying each of the selected financial and operating metrics by the estimated potential improvement. These estimates of potential outcomes are based on 2019 financial data, estimates of the potential impact of AI from reports published and projects completed over the past five years, and a future potential value capture period of approximately five years. These projections reflect our estimate of the potential economic benefit to the selected companies; the estimate of the potential impact to other companies would depend on numerous variables, including the scale, results and scope of operations of such other companies. Adoption of enterprise AI is still nascent and many of the highlighted use cases have not yet been, and may never be, adopted by any customer. None of the companies referenced for the use cases have reviewed our methodology for estimating the potential economic impact of enterprise AI to their businesses and they may not agree with it or the assumptions that we have made. These estimates are subject to a high degree of uncertainty and risk due to a variety of factors, including those described above in this section and in the sections titled "Special Note Regarding Forward-Looking Statements" and "Risk Factors."

USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering and the concurrent private placements of approximately $613.5 million (or approximately $684.2 million if the underwriters exercise their option to purchase additional shares of our Class A common stock in full) based on an assumed initial public offering price of $32.50 per share of Class A common stock, the midpoint of the estimated price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated expenses related to the offering and the concurrent private placements.

A $1.00 increase (decrease) in the assumed initial public offering price of $ 32.50 per share of Class A common stock would increase (decrease) the net proceeds to us from this offering and the concurrent private placements by approximately $14.5 million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting estimated underwriting discounts and commissions. Similarly, each increase (decrease) of 1.0 million shares in the number of shares of Class A common stock offered by us would increase (decrease) the net proceeds to us from this offering and the concurrent private placements by approximately $30.4 million, assuming the assumed initial public offering price of $32.50 per share of Class A common stock remains the same, and after deducting estimated underwriting discounts and commissions.

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

DIVIDEND POLICY

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

CAPITALIZATION

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

- on an actual basis;
- on a pro forma basis, giving effect immediately prior to the completion of this offering to (i) the automatic conversion of all 33,628,776 outstanding shares of our redeemable convertible preferred stock as of October 31, 2020, except our Series A* Preferred Stock, into an aggregate of 33,628,776 shares of our Class A common stock, assuming an initial public offering price of $32.50 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, (ii) the automatic conversion of all 3,499,992 outstanding shares of our Series A* Preferred Stock as of October 31, 2020, into an aggregate of 3,499,992 shares of our Class B common stock, (iii) the automatic conversion of all 6,666,665 outstanding shares of our redeemable convertible Class A-1 common stock as of October 31, 2020 into an aggregate of 6,666,665 shares of our Class A common stock, and (iv) the filing and effectiveness of our amended and restated certificate of incorporation; and
- on a pro forma as adjusted basis, giving effect to (1) the pro forma items described immediately above and (2) our issuance and sale of shares of Class A common stock in this offering and the concurrent private placements at an assumed initial public offering price of $32.50 per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated expenses related to the offering and the concurrent private placements payable by us.

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

	As of October 31, 2020		
	Actual	Pro Forma	Pro Forma as Adjusted(1)
	(in thousands, except share data)		
Cash, cash equivalents and short-term investments	$ 290,444	$ 290,444	$ 906,275
Redeemable convertible preferred stock, $0.001 par value per share. 233,107,379 shares authorized, 37,128,768 shares issued and outstanding, actual; no shares authorized, issued, or outstanding, pro forma and pro forma as adjusted	399,753	—	—
Redeemable convertible Class A-1 common stock, $0.001 par value per share. 6,666,667 shares authorized, 6,666,665 shares issued and outstanding, actual; no shares authorized, issued and outstanding, pro forma and pro forma as adjusted	18,800	—	—
Stockholders' deficit (equity):			
Preferred stock, $0.001 par value per share. No shares authorized, issued and outstanding, actual; 200,000,000 shares authorized, no shares issued and outstanding, pro forma and pro forma as adjusted	—	—	—
Class A common stock, $0.001 par value per share. 390,000,000 shares authorized, 32,981,141 shares issued and outstanding, actual; 1,000,000,000 shares authorized, 73,276,582 issued and outstanding, pro forma; 1,000,000,000 shares authorized, 93,391,967 shares issued and outstanding, pro forma as adjusted	33	73	93
Class B common stock, $0.001 par value per share. 21,000,000 shares authorized, no shares issued or outstanding, actual; 3,500,000 shares authorized, 3,499,992 shares issued and outstanding, pro forma and pro forma as adjusted	—	3	3
Additional paid-in capital	124,009	542,518	1,156,004
Accumulated other comprehensive income	62	62	62
Accumulated deficit	(308,431)	(308,431)	(308,431)
Total stockholders' (deficit) equity	(184,327)	234,226	847,732
Total capitalization	$ 234,226	$ 234,226	$ 847,732

(1) Each $1.00 increase (decrease) in the assumed initial public offering price of $32.50 per share of Class A common stock, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted amount of each of cash, cash equivalents and short-term investments, and total stockholders' (deficit) equity by approximately $14.5 million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions. Similarly, each increase (decrease) of 1.0 million shares in the number of shares offered by us at the assumed initial public offering price per share would increase (decrease) the pro forma as adjusted amount of each of cash, cash equivalents and short-term investments, and total stockholders' (deficit) equity by approximately $30.4 million, assuming the assumed initial public offering price of $32.50 per share of Class A common stock remains the same, and after deducting estimated underwriting discounts and commissions.

The outstanding share information in the table above is based on 73,276,582 shares of our Class A common stock (including preferred stock, other than the Series A* Preferred Stock, on an as-converted basis) and 3,499,992 shares of our Class B common stock (including the Series A* Preferred Stock on an as-converted basis) outstanding as of October 31, 2020 and excludes:

- 42,661,167 shares of our Class A common stock issuable upon the exercise of options to purchase shares of our Class A common stock issued under our Amended and Restated 2012 Equity Incentive Plan, or the 2012 Plan, outstanding as of October 31, 2020, with a weighted-average exercise price of $5.5665 per share;

- 249,148 shares of our Class A common stock issuable upon the exercise of options to purchase shares of our Class A common stock issued under our 2012 Plan after October 31, 2020, with a weighted-average exercise price of $17.10 per share;
- 3,561,110 shares of our Class A common stock reserved for future issuance under our 2012 Plan, which shares will cease to be available for issuance at the time our 2020 Equity Incentive Plan, or the 2020 Plan, becomes effective;
- 22,000,000 shares of our Class A common stock reserved for future issuance under our 2020 Plan, which includes an annual evergreen increase and will become effective in connection with this offering; and
- 3,000,000 shares of our Class A common stock reserved for future issuance under our 2020 Employee Stock Purchase Plan, or the ESPP, which includes an annual evergreen increase and will become effective in connection with this offering.

Shares of Class A common stock outstanding after this offering does not give effect to any additional shares of Class A common stock issuable upon conversion of the Series F, Series G, or Series H convertible preferred stock, or the Ratchet Preferred, if the actual initial public offering price is lower than $29.4102 per share. If the initial public offering price is lower than $29.4102, the conversion price of the Ratchet Preferred will be adjusted so that the product of (1) the number of shares of Class A common stock issuable upon conversion of each share of Ratchet Preferred at such adjusted Ratchet Preferred conversion price multiplied by (2) the public offering price, equals $29.4102 (as adjusted for stock splits, stock dividends, and the like). See Note 8 to our consolidated financial statements included elsewhere in this prospectus for additional information regarding the Ratchet Preferred.

DILUTION

If you invest in our Class A 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 Class A common stock after this offering and the concurrent private placements.

As of October 31, 2020, we had a pro forma net tangible book value of $225.3 million, or $2.93 per share. Pro forma net tangible book value per share represents the amount of our total tangible assets less our total liabilities, divided by the number of shares of our Class A and Class B common stock outstanding as of October 31, 2020, after giving effect immediately prior to the completion of this offering and the concurrent private placements to (i) the automatic conversion of all 33,628,776 outstanding shares of our redeemable convertible preferred stock as of October 31, 2020, except our Series A* Preferred Stock, into an aggregate of 33,628,776 shares of our Class A common stock, assuming an initial public offering price of $32.50 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, (ii) the automatic conversion of all 3,499,992 outstanding shares of our Series A* Preferred Stock as of October 31, 2020, into an aggregate of 3,499,992 shares of our Class B common stock, (iii) the automatic conversion of all 6,666,665 outstanding shares of our redeemable convertible Class A-1 common stock as of October 31, 2020 into an aggregate of 6,666,665 shares of our Class A common stock, and (iv) the filing and effectiveness of our amended and restated certificate of incorporation.

After giving further effect to the sale of shares of Class A common stock that we are offering and the concurrent private placements at an assumed initial public offering price of $32.50 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 October 31, 2020 would have been approximately $844.1 million, or approximately $8.71 per share. This amount represents an immediate increase in pro forma net tangible book value of $5.78 per share to our existing stockholders and an immediate dilution in pro forma net tangible book value of approximately $23.79 per share to new investors purchasing shares of Class A common stock in this offering.

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

Assumed initial public offering price per share		$ 32.50
Pro forma net tangible book value per share as of October 31, 2020	$ 2.93	
Increase in pro forma net tangible book value per share attributable to this offering and the concurrent private placements	5.78	
Pro forma as adjusted net tangible book value per share after this offering and the concurrent private placements		8.71
Dilution per share to new investors in this offering and the concurrent private placements		$ 23.79

Each $1.00 increase (decrease) in the assumed initial public offering price of $32.50 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 and the concurrent private placements by approximately $0.16, and dilution in pro forma net tangible book value per share to new investors by approximately $0.84, assuming that the number of shares of Class A common stock offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions. Each increase of 1.0 million shares in the number of shares of Class A common stock offered by us would increase our pro forma as adjusted net tangible book value per share after this offering by approximately $0.22 per share and decrease the dilution to investors participating in this offering by approximately $0.22 per share, assuming that the assumed initial public offering price remains the same, and after deducting the estimated underwriting discounts and commissions. Each decrease of 1.0 million shares in the number of shares of Class A common stock offered by us would decrease our pro forma as adjusted net tangible book value per share after this offering by approximately $0.23 per share and increase the dilution to investors participating in this offering by approximately $0.23 per share, assuming that the assumed initial public offering price remains the same, and after deducting the estimated underwriting discounts and commissions

If the underwriters exercise their over-allotment option in full, the pro forma as adjusted net tangible book value after the offering and the concurrent private placements would be $9.22 per share, the increase in pro forma net tangible book value per share to existing stockholders would be $6.29 per share and the dilution per share to new investors would be $23.28 per share, in each case assuming an initial public offering price of $32.50 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 October 31, 2020, the differences between the number of shares of Class A common stock and Class B common stock purchased from us by our existing stockholders and Class A common stock by new investors purchasing shares in this offering and the concurrent private placements, the total consideration paid to us in cash and the average price per share paid by existing stockholders for shares of Class A common stock and Class B common stock issued prior to this offering and the price to be paid by new investors for shares of Class A common stock in this offering and the concurrent private placements. The calculation below is based on the assumed initial public offering price of $32.50 per share, the midpoint of the price range set forth on the cover page of the prospectus, before deducting the estimated underwriting discounts and commissions and estimated expenses related to the offering and the concurrent private placements payable by us.

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders	$ 76,777	79.2 %	$ 542,595	45.4 %	$ 7.07
New investors	15,500	16.0	503,750	42.1	32.50
Concurrent private placement investors	4,615	4.8	150,000	12.5	32.50
Total	$ 96,892	100 %	$ 1,196,345	100 %	

The outstanding share information in the table above is based on 73,276,582 shares of our Class A common stock (including preferred stock, other than the Series A* Preferred Stock, on an as-converted basis) and 3,499,992 shares of our Class B common stock (including the Series A* Preferred Stock on an as-converted basis) outstanding as of October 31, 2020 and excludes:

- 42,661,167 shares of our Class A common stock issuable upon the exercise of options to purchase shares of our Class A common stock issued under our Amended and Restated 2012 Equity Incentive Plan, or the 2012 Plan, outstanding as of October 31, 2020, with a weighted-average exercise price of $5.5665 per share;
- 249,148 shares of our Class A common stock issuable upon the exercise of options to purchase shares of our Class A common stock issued under our 2012 Plan after October 31, 2020, with a weighted-average exercise price of $17.10 per share;
- 3,561,110 shares of our Class A common stock reserved for future issuance under our 2012 Plan, which shares will cease to be available for issuance at the time our 2020 Equity Incentive Plan, or the 2020 Plan, becomes effective;
- 22,000,000 shares of our Class A common stock reserved for future issuance under our 2020 Plan, which includes an annual evergreen increase and will become effective in connection with this offering; and
- 3,000,000 shares of our Class A common stock reserved for future issuance under our 2020 Employee Stock Purchase Plan, or the ESPP, which includes an annual evergreen increase and will become effective in connection with this offering.

Shares of Class A common stock outstanding after this offering does not give effect to any additional shares of Class A common stock issuable upon conversion of the Series F, Series G, or Series H convertible preferred stock, or the Ratchet Preferred, if the actual initial public offering price is lower than $29.4102 per share. If the initial public offering price is lower than $29.4102, the conversion price of the Ratchet Preferred will be adjusted so that the product of (1) the number of shares of Class A common stock issuable upon conversion of each share of Ratchet Preferred at such adjusted Ratchet Preferred conversion price multiplied by (2) the public offering price, equals $29.4102 (as adjusted for stock splits, stock dividends, and the like). See Note 8 to our consolidated financial statements included elsewhere in this prospectus for additional information regarding the Ratchet Preferred.

To the extent any outstanding options are exercised, there will be further dilution to new investors. If all of such outstanding options had been exercised as of October 31, 2020, the pro forma as adjusted net tangible book value per share after this offering and the concurrent private placements would be $7.75, and total dilution per share to new investors would be $24.75.

If the underwriters exercise their over-allotment option in full, our existing stockholders would own 77.4% and the investors purchasing shares of our Class A common stock in this offering and the concurrent private placements would own 22.6% of the total number of shares of our Class A common stock outstanding immediately after completion of this offering and the concurrent private placements.

SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

The selected consolidated statements of operations data for the fiscal years ended April 30, 2019 and 2020 and the selected consolidated balance sheet data as of April 30, 2019 and 2020 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The selected consolidated statements of operations data for the six months ended October 31, 2019 and 2020 and the consolidated balance sheet data as of October 31, 2020 are derived from our unaudited interim consolidated financial statements that are included elsewhere in this prospectus. We have prepared the unaudited interim consolidated financial statements on the same basis as the audited consolidated financial statements. We have included, in our opinion, all adjustments necessary to state fairly our financial position as of October 31, 2020 and the results of operations for the six months ended October 31, 2019 and 2020. Our historical results are not necessarily indicative of the results to be expected for any other period in the future and the results of operations for the six months ended October 31, 2020 are not necessarily indicative of the results to be expected for any other period in the future. You should read the consolidated financial data set forth below in conjunction with our consolidated financial statements and the accompanying notes, the information in "Management's Discussion and Analysis of Financial Condition and Results of Operations," and other financial information contained elsewhere in this prospectus.

	Fiscal Year Ended April 30,		Six Months Ended October 31,	
	2019	2020	2019	2020
	(in thousands, except per share data)			
Consolidated Statements of Operations Data:				
Revenue				
Subscription	$ 77,472	$ 135,394	$ 63,998	$ 71,549
Professional services	14,133	21,272	9,767	10,275
Total revenue	91,605	156,666	73,765	81,824
Cost of revenue				
Subscription(1)	24,560	31,479	14,630	15,671
Professional services(1)	5,826	7,308	3,716	4,909
Total cost of revenue	30,386	38,787	18,346	20,580
Gross profit	61,219	117,879	55,419	61,244
Operating expenses				
Sales and marketing(1)	37,882	94,974	37,224	36,446
Research and development(1)	37,318	64,548	34,791	29,398
General and administrative(1)	22,061	29,854	14,250	13,249
Total operating expenses	97,261	189,376	86,265	79,093
Loss from operations	(36,042)	(71,497)	(30,846)	(17,849)
Interest income	3,508	4,251	1,979	868
Other (expense) income, net	(546)	(1,752)	(96)	2,440
Net loss before provision for income taxes	(33,080)	(68,998)	(28,963)	(14,541)
Provision for income taxes	266	380	185	253
Net loss	$ (33,346)	$ (69,378)	$ (29,148)	$ (14,794)
Net loss per share attributable to common stockholders, basic and diluted(2)	$ (1.32)	$ (1.94)	$ (0.85)	$ (0.39)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted(2)	25,329	35,800	34,380	37,673
Pro forma net loss per share, basic and diluted(2)		$ (0.97)		$ (0.20)
Weighted-average shares used in computing pro forma net loss per share attributable to common stockholders, basic and diluted(2)		71,192		73,550

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

	Fiscal Year Ended April 30,		Six Months Ended October 31,	
	2019	2020	2019	2020
	(in thousands)			
Cost of subscription	$ 149	$ 370	$ 142	$ 343
Cost of professional services	69	122	63	137
Sales and marketing	1,739	3,074	1,281	3,045
Research and development	781	1,223	602	1,106
General and administrative	1,529	3,521	1,275	3,050
Total stock-based compensation expense	$ 4,267	$ 8,310	$ 3,363	$ 7,681

(2) See Note 10 to our consolidated financial statements included elsewhere in this prospectus for an explanation of the method used to calculate our basic and diluted net loss per share attributable to common stockholders, basic and diluted pro forma net loss per share attributable to common stockholders and the weighted-average number of shares used in the computation of the per share amounts.

	As of April 30,		As of October 31,
	2019	2020	2020
	(in thousands)		
Consolidated Balance Sheet Data:			
Cash and cash equivalents	$ 98,607	$ 33,104	$ 114,603
Short-term investments	57,910	211,874	175,841
Working capital(1)	121,627	200,166	222,779
Total assets	267,485	305,108	355,600
Deferred revenue, current and non-current	91,225	60,295	81,956
Redeemable convertible preferred stock	299,965	375,207	399,753
Redeemable convertible Class A-1 common stock	18,800	18,880	18,800
Accumulated deficit	(224,259)	(293,637)	(308,431)
Total stockholders' deficit	(165,434)	(182,697)	(184,327)

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

Non-GAAP Financial Measure

In addition to our financial results determined in accordance with generally accepted accounting principles in the United States, or GAAP, we believe free cash flow, a non-GAAP financial measure, is useful in evaluating liquidity and provides information to management and investors about our ability to fund future operating needs and strategic initiatives. We calculate free cash flow as net cash provided by (used in) operating activities less purchases of property and equipment and capitalized software development costs. Free cash flow has limitations as an analytical tool, and it should not be considered in isolation or as a substitute for analysis of other GAAP financial measures, such as net cash provided by (used in) operating activities. This non-GAAP financial measure may be different than similarly titled measures used by other companies. Additionally, the utility of free cash flow is further limited as it does not represent the total increase or decrease in our cash balances for a given period. The following table below provides a reconciliation of free cash flow to the GAAP measure of net cash provided by (used in) operating activities for the periods presented.

	Fiscal Year Ended April 30,		Six Months Ended October 31,	
	2019	2020	2019	2020
	(in thousands)			
Net cash provided by (used in) operating activities	$ (34,876)	$ (61,281)	$ (2,721)	$ 18,836
Less:				
Purchases of property and equipment	(6,811)	(2,298)	(1,503)	(919)
Capitalized software development costs	—	(581)	(708)	—
Free cash flow	(41,687)	(64,160)	(4,932)	17,917
Net cash provided by (used in) investing activities	(96,228)	(124,073)	39,437	34,849
Net cash provided by financing activities	54,472	119,851	118,610	28,214

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the information in "Selected Consolidated Financial and Other Data" and the consolidated financial statements and the accompanying notes included elsewhere in this prospectus. Some of the information contained in this discussion and analysis includes forward-looking statements that involve risks and uncertainties. You should review the sections titled "Special Note Regarding Forward-Looking Statements" and "Risk Factors" for a discussion of forward-looking statements and important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis. The last day of our fiscal year is April 30. References to fiscal 2019 and fiscal 2020, for example, refer to the fiscal years ended April 30, 2019 and 2020, respectively. Our fiscal quarters end on July 31, October 31, January 31, and April 30.

Overview

C3.ai is an Enterprise AI software company.

We provide software-as-a-service, or SaaS, applications that enable the rapid deployment of enterprise-scale AI applications of extraordinary scale and complexity that offer significant social and economic benefit.

The C3 AI Suite, C3 AI Applications, and our patented model-driven architecture enable organizations to simplify and accelerate Enterprise AI application development, deployment, and administration. Our software AI Suite enables developers to rapidly build applications by using conceptual models of all the elements required by an Enterprise AI application instead of having to write complex, lengthy, structured programming code to define, control, and integrate the many requisite data and microservices components to work together. We significantly reduce the effort and complexity of the AI software engineering problem.

We have built a single, integrated AI Suite that enables our customers to rapidly develop, deploy, and operate large-scale Enterprise AI applications across any infrastructure. Customers can deploy C3.ai solutions on all major public cloud infrastructures, private cloud or hybrid environments, or directly on their servers and processors. We provide three primary families of software solutions:

- The C3 AI Suite, our core technology, is a comprehensive application development and runtime environment that is designed to allow our customers to rapidly design, develop, and deploy Enterprise AI applications of any type.
- C3 AI Applications, built using the C3 AI Suite, include a large and growing family of industry-specific and application-specific turnkey AI solutions that can be immediately installed and deployed.
- C3.ai Ex Machina, our no-code solution that provides secure, easy access to analysis-ready data, and enables business analysts without data science training to rapidly perform data science tasks such as building, configuring, and training AI models. Ex Machina was launched in February 2017 as a C3 AI Application and as a stand-alone product in November 2020.

How We Generate Revenue

We generate revenue primarily from the sale of subscriptions to our software, which accounted for 85%, 86%, 87%, and 87% of our total revenue in the fiscal years ended April 30, 2019 and 2020 and for the six months ended October 31, 2019 and 2020, respectively. Our cloud-native software offerings allow us to manage, update, and monitor the software regardless of whether the software is deployed in our public cloud environment, in our customers' self-managed private or public cloud environments, or in a hybrid environment. Our subscription contracts are generally non-cancelable and non-refundable. Our customers include a number of large multinational corporations and government entities. Our revenue attributable to government contracts or subcontracts as a percentage of total revenue for the fiscal years ended April 30, 2019 and 2020 were 12% and 18%, respectively, and for the six months ended October 31, 2019 and 2020 were 16%, and 16%, respectively.

We commonly enter into enterprise-wide agreements with Entities that include multiple operating units or divisions. We define an Entity as each such buying entity that has an enterprise agreement to deploy or establish the governing terms should we contract to deploy the C3 AI Suite or one or more C3 AI Applications to different customers within the Entity. We often provide our software to distinct departments, business units, or groups within an Entity, and use customer to include each distinct department, unit, or group within an Entity. As of October 31, 2020, we had contracts with 30 Entities and 64 customers.

Our average total contract value for Entities purchasing the C3 AI Suite and C3 AI Applications together or independently over the two-year period ending fiscal year April 30, 2020 was $14.1 million. We generally invoice our customers annually in advance and primarily recognize revenue over the contract term on a ratable basis. In addition, customers pay a usage-based runtime fee for production use of the C3 AI Suite and C3 AI Applications, which is either paid in advance for specified levels of capacity or paid in arrears based on actual usage. Customers who choose to run the software in our cloud environment pay the hosting costs charged by our cloud providers. Our subscriptions also include our maintenance and support services. Additionally, we offer premium stand-ready support services through our C3 Center of Excellence, or COE, which are included as part of the subscription when purchased.

We also generate revenue from professional services, which consist primarily of fees associated with our implementation services for new customer deployments of C3 AI Applications. Professional services revenue represented 15%, 14%, 13%, and 13% of total revenue for the fiscal years ended April 30, 2019 and 2020 and the six months ended October 31, 2019 and 2020, respectively. Our professional services are provided both onsite and remotely, and can include training, application design, project management, system design, data modeling, data integration, application design, development support, data science, and application and C3 AI Suite administration support. Professional services fees are based on the level of effort required to perform the specified tasks and the services are typically provided under a fixed-fee engagement with defined deliverables and a duration of less than 12 months. We recognize revenue for our professional services over the period of delivery as services are performed.

We are growing rapidly, with total revenue of $156.7 million for the fiscal year ended April 30, 2020, representing a 71% increase compared to the prior year, and total revenue of $81.8 million for the six months ended October 31, 2020, representing a 11% increase compared to the same period in the prior year. Our subscription revenue grew to $135.4 million for the fiscal year ended April 30, 2020, representing a 75% increase compared to the prior year, and $71.5 million in the six months ended October 31, 2020, a 12% increase compared to the same period in the prior year.

Go-to-Market Strategy

Our go-to-market strategy is focused on large organizations recognized as leaders in their respective industries or public sectors, and who are attempting to solve complicated business problems by digitally transforming their operations. These large organizations, or lighthouse customers, include companies and public agencies within the oil and gas, power and utilities, aerospace and defense, industrial products, and financial services industries, among others. This has resulted in C3.ai powering some of the largest and most complex Enterprise AI applications worldwide. These lighthouse customers serve as proof points for other potential customers in their particular industries. Today, we have a customer base of a relatively small number of large organizations that generate high average total contract value, but we expect that, over time, as more customers adopt our technology based on the proof points provided by these lighthouse customers, the revenue represented by these customers will decrease as a percentage of total revenue. As our AI Suite is industry agnostic, we also expect to expand into other industries as we grow. For example, for the fiscal year ended April 30, 2018, revenue from customers in the financial services, oil and gas, aerospace and defense, manufacturing, and utilities industries represented 0%, 1%, 3%, 29%, and 67% of our total revenue, respectively, and in the six months ended October 31, 2020, revenue from these customers represented 10%, 30%, 16%, 20%, and 25% of our total revenue, respectively.

As of October 31, 2020, we had 30 Entities and 64 customers. While almost all our Entities represent large revenue commitments, our top two Entities each represented over 10% of our total revenue for the fiscal year ended April 30, 2020.

Acquiring new customers and further penetrating our existing customers is the intent of our go-to-market effort and drivers of our growth. Making new and existing customers successful is critical to our long-term success. After we help our customers solve their initial use cases, they typically identify incremental opportunities within their operations and expand their use of our products by either purchasing additional C3 AI Applications or by subscribing to the C3 AI Suite to develop their own AI applications.

The size and sophistication of our customers' businesses demonstrate the flexibility, speed, and scale of our products, and maximize the potential value to our customers. To be a credible partner to our customers, who often are industry leaders, we deploy a motivated and highly educated team of C3 personnel and partners. We go-to-market primarily leveraging our direct sales force, and during the fiscal year ended April 30, 2020, we substantially increased the number of direct sales resources. We also complement and supplement our sales force with a number of go-to-market partners.

- *Strategic Vertical Industry Partners.* We have developed an alliance program to partner with recognized leaders in their respective industries, such as Baker Hughes, Fidelity National Information Services, or FIS, and Raytheon, to develop, market, and sell solutions that are natively built on or tightly integrated with the C3 AI Suite.

- *Consulting and Services Partners.* As part of a global industry alliance, we partner with IBM Global Services, as well as a number of systems integrators specializing in Enterprise AI implementations.

- *Hyperscale Cloud and Infrastructure.* We have formed global strategic go-to-market alliances with hyperscale cloud providers including Amazon, FIS, Google, and Microsoft. In addition, we have strategic alliances with leading hardware infrastructure providers to deliver our software optimized for their technology. These partners include Hewlett Packard Enterprise, and Intel. These partners supply infrastructure solutions, data management and processing services, or hardware and networking devices (e.g. IoT gateways) to support C3.ai product implementations and complement C3.ai's products.

Key Business Metric

We monitor remaining performance obligations, or RPO, as a key metric to help us evaluate the health of our business, identify trends affecting our growth, formulate goals and objectives, and make strategic decisions. RPO is not necessarily indicative of future revenue growth because it does not account for the timing of customers' consumption or their consumption of more than their contracted capacity. Moreover, RPO is influenced by several factors, including the timing of renewals, the timing of purchases of additional capacity, average contract terms, and seasonality. Due to these factors, it is important to review RPO in conjunction with revenue and other financial metrics disclosed elsewhere in this prospectus. RPO was $123.3 million, $155.4 million, $137.8 million, and $209.2 million as of July 31, 2018, October 31, 2018, January 31, 2019, April 30, 2019, respectively, and was $295.5 million, $274.7 million, $262.7 million, $239.7 million, and $275.1 million, and $267.4 million as of July 31, 2019, October 31, 2019, January 31, 2020, April 30, 2020, July 31, 2020, and October 31, 2020, respectively. We may experience variations in our RPO from period to period, but RPO has generally increased over the long term as a result of contracts with new customers and increasing the value of contracts with existing customers. These increases are partially offset by revenue recognized on existing contracts during the period.

RPO represents the amount of our contracted future revenue that has not yet been recognized, including both deferred revenue and non-cancelable contracted amounts that will be invoiced and recognized as revenue in future periods. Our RPO as of April 30, 2019 is comprised of $91.2 million related to deferred revenue and $118.0 million from non-cancellable contracts and RPO as of April 30, 2020 is comprised of $60.3 million related to deferred revenue and $179.4 million of commitments from non-cancellable contracts. Our RPO as of October 31, 2020 is comprised of $82.0 million related to deferred revenue and $185.4 million of commitments from non-cancellable contracts.

RPO excludes amounts related to performance obligations and usage-based royalties that are billed and recognized as they are delivered. This primarily consists of monthly usage-based runtime and hosting charges in the duration of some revenue contracts. RPO also excludes any future resale commitments by our strategic partners until those end customer contracts are signed. Cancellable backlog, not included in RPO, was $4.3 million, $24.5 million, $22.0 million, $19.2 million, $20.1 million, $8.7 million, $11.0 million, $7.2 million, $4.4 million, and $37.1 million as of July 31, 2018, October 31, 2018, January 31, 2019, April 30, 2019, July 31, 2019, October 31, 2019, January 31, 2020, April 30, 2020, July 31, 2020, and October 31, 2020 respectively.

The duration of our contracts vary by customer. The weighted average contract duration for commercial Entities in the year ended April 30, 2020 was 35 months, while the weighted average contract duration for federal agency Entities was 11 months. Our total RPO as of April 30, 2020 and October 31, 2020 was comprised of approximately 96% and 97% non-federal contracts and 4% and 3% federal contracts, respectively.

Factors Affecting Our Performance

We believe that our future success and financial performance depend on a number of factors that present significant opportunities for our business but also pose risks and challenges, including those discussed below and in the section of this prospectus titled "Risk Factors," that we must successfully address to sustain our growth, improve our results of operations, and establish and maintain profitability.

Customer Acquisition, Retention, and Expansion

We are focused on continuing to grow our customer base, retaining existing customers and expanding customers' usage of our AI Suite and AI Applications by addressing new use cases across multiple departments and divisions, adding users, and developing and deploying additional applications. All of these factors increase the adoption and relevance of our AI Suite and AI Applications to our customers' business and, as an outcome, increases their runtime usage.

We believe that the success of our customers is critical to customer retention and expansion, and it contributes to our customer acquisition efforts. Since their initial purchase, our top 15 Entities based on cumulative revenue to us have, on average, made subsequent purchases equal to 2.0x the value of their initial purchase. The average initial purchase among this group was $12.8 million.

We have built a customer-focused culture and have implemented proactive programs and processes designed to drive customer success. These include a robust customer support and success function. For example, as part of our subscription offerings, we provide our customers with the ability to establish a C3.ai COE, accessing our experienced and specialized resources in key technical areas like application development, data integration, and data science to accelerate and ensure our customers' success developing applications on our AI Suite. We closely monitor the health and status of every customer account through multiple activities, including real-time monitoring, daily and weekly reports to management, as well as quarterly reviews with our customers.

We also intend to attract new customers across multiple industries where we have limited meaningful presence today, yet represent very large market opportunities such as telecommunications, pharmaceuticals, smart cities, transportation, and healthcare, among others.

Historically, we have had a relatively small number of customers with large total contract values. As a result, revenue growth can vary significantly based on the timing of customer acquisition, changes in product mix, and contract durations, renewals, or terminations. We expect the number of customers to increase as organizations address the importance of digital transformation and we expect the average total contract value as well as the revenue represented by our lighthouse customers as a percentage of total revenue to significantly decrease as we expand our customer base beyond a small number of large lighthouse customers to a larger number of smaller customers.

Technology Innovation

We intend to continue to invest in our research and development capabilities to extend our AI Suite and AI Applications, to expand within existing accounts, and to gain new customers. Our investments in research and development drive core technology innovation and bring new products to market. Our model-driven architecture enables us and our customers to rapidly address new use cases by building new applications and extending and enhancing the features and functionality of current C3 AI Applications. By investing to make it easier to develop applications on our AI Suite, our customers have become active developers. With our support, they have developed and deployed almost two-thirds of the applications currently in production and running on the C3 AI Suite. Research and development spending has fueled enhancements to our existing AI Suite.

We spent $37.3 million, $64.5 million, $34.8 million and $29.4 million on research and development during the fiscal years ended April 30, 2019 and 2020 and six months ended October 31, 2019 and 2020, respectively. Our research and development spend as a percent of total revenue was 41%, 41%, 47% and 35% during the fiscal years ended April 30, 2019 and 2020 and six months ended October 31, 2019 and 2020, respectively. We expect to maintain high levels of investment in product innovation over the coming years as we continue to introduce new applications which address new industry use cases, and new features and functionality for the C3 AI Suite and C3 AI Applications. As our business scales over a longer-term horizon, we anticipate research and development spend as a percent of total revenue to decline.

Brand Awareness

We believe we are in the early stages of a large and expanding new market for AI enabled digital transformation. As a result, we intend to continue to invest in brand awareness, market education, and thought leadership. We engage the market through digital, radio, outdoor, airport, and print advertising; virtual and physical events, including our C3.ai Transform annual customer conference; and C3.ai Live, a bi-weekly series of livestreamed events featuring C3.ai customers, C3.ai partners, and C3.ai experts in AI, machine learning, and data science.

We spent $9.5 million, $34.5 million, $10.5 million and $10.3 million on brand awareness during the fiscal years ended April 30, 2019 and 2020 and the six months ended October 31, 2019 and 2020, respectively, and anticipate continuing to make significant investments in marketing over the next several years. Over the long term we expect marketing spend to decline as a percent of total revenue as we make ongoing progress establishing C3.ai's brand and reputation and as our business scales. Any investments we make in our marketing program will occur in advance of experiencing benefits from such investments.

Grow Our Go-to-Market and Partnership Ecosystem

In addition to the activities of our field sales organization, our success in attracting new customers will depend on our ability to expand our ecosystem of strategic partners and the number of industry verticals that they serve. Our strategic go-to-market alliances vastly extend our reach globally. Some of our most notable partners include Baker Hughes, FIS, IBM, and Microsoft. Each strategic partner is a leader in its industry, with a substantial installed customer base and extensive marketing, sales, and services resources that we can leverage to engage and serve customers anywhere in the world. Using our AI Suite as the development suite, we leverage our model-driven architecture to efficiently build new cross-industry and industry-specific applications based on identifying requirements across our customer base of industry leaders and through our industry partners. Our strategy with strategic partners is to establish a significant use case and prove the value of our AI Suite with a flagship customer in each industry in which we participate. We have done this with our strategic vertical industry partner in oil and gas, Baker Hughes, as well as with our iconic global customers, some of whom are deploying C3.ai technology to optimize thousands of critical assets globally across their upstream, midstream, and downstream operations. We establish formal sales and marketing plans with each partner, including specific sales goals and dedicated budgets, and we work closely with these partners to identify specific target accounts. We intend to grow the business we do with each partner and to add more partners as we expand the vertical markets we serve. We also offer revenue generating trials of our applications as part of our customer acquisition strategy.

In June 2019, we entered into a three-year arrangement with Baker Hughes as both a leading customer and as a partner in the oil and gas industry. This arrangement included a subscription to our AI Suite for their own operations (which we refer to below as direct subscription fees), the exclusive right for Baker Hughes to resell our offerings worldwide in the oil and gas industry, and the non-exclusive right to resell our offerings in other industries. Under the arrangement, Baker Hughes made minimum, non-cancelable, total revenue commitments to us of $50.0 million, $100.0 million, and $170.0 million, which are inclusive of their direct subscription fees of $39.5 million per year, for each of the fiscal years ending April 30, 2020, 2021, and 2022, respectively, with the remainder to be generated from the resale of our solutions by the Baker Hughes sales organization. During the fiscal year ended April 30, 2020, we recognized as revenue the full value of the first year of the direct subscription agreement and the value of deals brought in by Baker Hughes through the reseller arrangement. This arrangement was revised in June 2020 to extend the term by an additional two years, for a total of five years, with an expiration date in the fiscal year ending April 30, 2024 and to modify the annual amount of Baker Hughes' commitments to $53.3 million, $75.0 million, $125.0 million, and $150.0 million, which are inclusive of their revised direct subscription fees of $27.2 million per year over the fiscal years ending April 30, 2021, 2022, 2023, and 2024, respectively. Any shortfalls against the total annual revenue commitment made to us by Baker Hughes will be assessed and recorded by us at the end of the fourth quarter of each fiscal year. We are obligated to pay Baker Hughes a sales commission on subscriptions to our products and services offerings it resells in excess of these minimum revenue commitments.

Our RPO related to Baker Hughes, which includes both direct subscriptions and reseller arrangements, is comprised of $19.9 million related to deferred revenue and $20.0 million from non-cancellable contracts as of April 30, 2019, $2.4 million related to deferred revenue and $84.8 million from non-cancellable contracts as of April 30, 2020, and $16.9 million related to deferred revenue and $91.9 million of commitments from non-cancellable contracts as of October 31, 2020.

As of July 31, 2019, October 31, 2019, January 31, 2020, April 30, 2020, July 31, 2020, and October 31, 2020 the total remaining amount of Baker Hughes' minimum revenue commitments not yet contracted under the direct subscription fee or reseller arrangement, and thus subject to the shortfall annual provisions, under the entire arrangement was $194.0 million, $195.0 million, $190.3 million, $183.8 million, $270.9 million, and $249.9 million, respectively.

International Expansion

The international market opportunity for Enterprise AI software is large and growing, and we believe there is a significant opportunity to continue to grow our international customer base. We believe that the demand for our AI Suite will continue growing as international awareness of the benefits of digital transformation and Enterprise AI software grows. We plan to continue to make investments to expand geographically by increasing our direct sales team in international markets and supplementing the direct sales effort with strategic partners to significantly expand our reach and market coverage. We derived approximately 34%, 22%, 23% and 31% of our total revenue for the fiscal years ended April 30, 2019 and 2020 and six months ended October 31, 2019 and 2020, respectively, from international customers.

Impact of COVID-19

The COVID-19 pandemic has caused general business disruption worldwide beginning in January 2020. The full extent to which the COVID-19 pandemic will directly or indirectly impact our business, results of operations, cash flows, and

financial condition will depend on future developments that are uncertain. As a result of global business disruption, the COVID-19 pandemic had a significant adverse impact on our conclusion of new and additional business agreements in the first half of calendar year 2020.

As a result of the COVID-19 pandemic, we temporarily closed our headquarters and other offices, required our employees and contractors to work remotely, and implemented travel restrictions, all of which represented a significant change in how we operate our business. The operations of our partners and customers have likewise been altered. While the duration and extent of the COVID-19 pandemic depends on future developments that cannot be accurately predicted at this time, such as the extent and effectiveness of containment actions, it has already had an adverse effect on the global economy and the ultimate societal and economic impact of the COVID-19 pandemic remains unknown. In particular, the conditions caused by this pandemic are likely to affect the rate of global IT spending and could adversely affect demand for our AI Suite, lengthen our sales cycles, reduce the value or duration of subscriptions, reduce the level of subscription renewals, negatively impact collections of accounts receivable, reduce expected spending from new customers, cause some of our paying customers to go out of business, limit the ability of our direct sales force to travel to customers and potential customers, and affect contraction or attrition rates of our paying customers, all of which could adversely affect our business, results of operations, and financial condition during fiscal 2021 and potentially future periods.

Components of Results of Operations

Revenue

Subscription Revenue. Our subscription revenue is primarily comprised of term licenses and our software-as-a-service offerings. Sales of our term licenses grant our customers the right to use our software, either on their own cloud instance or their internal hardware infrastructure, over the contractual term. Sales of our software-as-a-service offerings include a right to use our software in a hosted environment over the contractual term. Our subscription contracts are generally non-cancelable and non-refundable, with the majority of contracts with customers approximating three years in duration. We generally invoice annually in advance and recognize revenue over the contract term on a ratable basis. In addition, customers pay a usage-based runtime fee for the C3 AI Suite and C3 AI Applications, which is either paid in advance for specified levels of capacity or paid in arrears based on actual usage. Our subscriptions also include our maintenance and support services. Our maintenance and support services include critical and continuous updates to the software that are integral to maintaining the intended utility of the software over the contractual term. Our software subscriptions and maintenance and support services are highly interdependent and interrelated and represent a single distinct performance obligation within the context of the contract. We also offer a premium stand-ready service through our COE, and we offer a hosting service. When these services are purchased, they are included as part of the subscription. We currently have a small number of public utility customers that license our offerings under a perpetual license model, and we expect that may continue for the foreseeable future for certain customers due to their specific contractual requirements.

Professional Services Revenue. Our professional services revenue primarily includes implementation services and training. We offer a complete range of professional service support both onsite and remotely, including training, application design, project management, system design, data modeling, data integration, application design, development support, data science, and application and C3 AI Suite administration support. Professional services fees are based on the level of effort required to perform the specified tasks and are typically a fixed-fee engagement with defined deliverables and a duration of less than 12 months. We recognize revenue for our professional services over the period of delivery as services are performed.

Cost of Revenue

Cost of Subscription Revenue. Cost of subscription revenue consists primarily of costs related to compensation, including salaries, bonuses, benefits, stock-based compensation and other related expenses for the production environment, support and COE staff, hosting of our AI Suite, including payments to outside cloud service providers, and allocated overhead and depreciation for facilities. For the year ended April 30, 2020 and the six months ended October 31, 2020, our cost of subscription revenue represented 20% and 19% of total revenue and 23% and 22% of subscription revenue, respectively.

Cost of Professional Services Revenue. Cost of professional services revenue consists primarily of compensation, including salaries, bonuses, benefits, stock-based compensation and other related costs associated with our professional service personnel, and allocated overhead and depreciation for facilities. For the year ended April 30, 2020 and the six

months ended October 31, 2020, our cost of professional services revenue represented 5% and 6% of total revenue and 34% and 48% of professional services revenue, respectively.

Gross Profit and Gross Margin

Gross profit is total revenue less total cost of revenue. Gross margin is gross profit expressed as a percentage of total revenue. Our gross margin has fluctuated historically and may continue to fluctuate from period to period based on a number of factors, including the timing and mix of the product offerings we sell as well as the geographies into which we sell, in any given period. Our gross margins are lower when we provide hosting services to our customers as compared to when a customer hosts our software in their self-managed private or public cloud environments. Our subscription gross margin may experience variability over time as we continue to invest in personnel and continue to scale our AI Suite. Our professional services gross margin may also experience variability from period to period due to the use of our own resources and third-party system integration partners in connection with the performance of our fixed price agreements.

Operating Expenses

Our operating expenses consist of sales and marketing, research and development, and general and administrative expenses. We expect our operating expenses as a percentage of total revenue to increase as we continue to invest to grow our business. Over the long-term, we expect those percentages to stabilize and then move lower as our business matures.

Sales and Marketing. Sales and marketing expenses consist primarily of employee-related costs, including salaries, bonuses, benefits, stock-based compensation, and commissions for our employees engaged in sales and marketing activities. Sales and marketing expenses also include expenditures related to advertising, media, marketing, promotional events, brand awareness activities, business development, and corporate partnerships, and allocated overhead and depreciation for facilities.

We expect our sales and marketing expenses will increase in absolute dollar amounts as we continue to invest in brand awareness and programmatic spend to generate demand. We also expect to hire additional sales personnel to increase sales coverage of target industry vertical and geographic markets. Consequently, sales and marketing expense as a percent of total revenue will remain high in the near-term. As our business scales through customer expansion and market awareness we anticipate that sales and marketing expense as a percent of total revenue to decline over time.

Research and Development. Our research and development efforts are aimed at continuing to develop and refine our AI Suite and AI Applications, including adding new features and modules, increasing functionality and speed, and enhancing the usability of our AI Suite and AI Applications. Research and development expenses consist primarily of employee-related costs, including salaries, bonuses, benefits, and stock-based compensation for our employees associated with in our research and development organization. Research and development expenses also include cloud infrastructure costs related to our research and development efforts, and allocated overhead and depreciation for facilities. Research and development costs are expensed as incurred.

Our research and development expense as a percent of total revenue was 41%, 41%, 47% and 35% during the fiscal years ended April 30, 2019 and 2020 and six months ended October 31, 2019 and 2020, respectively, of total revenue. We expect research and development expense to increase in absolute dollars as we continue to invest in our existing and future product offerings. We may experience variations from period to period with our total research and development expense as a percentage of revenue as we develop and deploy new applications targeting new use cases and new industries. Over a longer horizon, we anticipate that research and development expense as a percent of total revenue to decline.

General and Administrative. General and administrative expense consists primarily of employee-related costs, including salaries, bonuses, benefits, stock-based compensation and other related costs associated with administrative services such as executive management and administration, legal, human resources, accounting, and finance. General and administrative expense also includes facilities costs, such as depreciation and rent expense, professional fees, and other general corporate costs, including allocated overhead and depreciation for facilities.

We expect our general and administrative expense to increase in absolute dollars as we continue to grow our business. We also expect to incur additional expenses as a result of operating as a public company, including expenses necessary to comply with the rules and regulations applicable to companies listed on a national securities exchange and related to compliance and reporting obligations pursuant to the rules and regulations of the SEC, as well as higher expenses for general and director and officer insurance, investor relations, and professional services. We expect that general and administrative expense as a percent of total revenue will decline over the long-term as we benefit from the scale of our business infrastructure.

Interest Income

Interest income consists primarily of interest income earned on our cash, cash equivalents, and available-for-sale investments. It also includes amortization of premiums and accretion of discount related to our available-for-sale investments. Interest income varies each reporting period based on our average balance of cash, cash equivalents, and available-for-sale investments during the period and market interest rates.

Other Expense, Net

Other expense, net consists primarily of foreign currency exchange gains and losses, losses from impairment of investments, and realized gains and losses on sales of securities. Our foreign currency exchange gains and losses relate to transactions and asset and liability balances denominated in currencies other than the U.S. dollar. We expect our foreign currency gains and losses to continue to fluctuate in the future due to changes in foreign currency exchange rates.

Provision for Income Taxes

Our income tax provision consists of an estimate of federal, state, and foreign income taxes based on enacted federal, state, and foreign tax rates, as adjusted for allowable credits, deductions, uncertain tax positions, changes in the valuation of our deferred tax assets and liabilities, and changes in tax laws. We maintain a full valuation allowance on our federal and state deferred tax assets as we have concluded that it is not more likely than not that the deferred tax assets will be realized.

Results of Operations

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

	Fiscal Year Ended April 30,		Six Months Ended October 31,	
	2019	2020	2019	2020
	(in thousands)			
Revenue				
Subscription	$ 77,472	$ 135,394	$ 63,998	$ 71,549
Professional services	14,133	21,272	9,767	10,275
Total revenue	91,605	156,666	73,765	81,824
Cost of revenue				
Subscription(1)	24,560	31,479	14,630	15,671
Professional services(1)	5,826	7,308	3,716	4,909
Total cost of revenue	30,386	38,787	18,346	20,580
Gross profit	61,219	117,879	55,419	61,244
Operating expenses				
Sales and marketing(1)	37,882	94,974	37,224	36,446
Research and development(1)	37,318	64,548	34,791	29,398
General and administrative(1)	22,061	29,854	14,250	13,249
Total operating expenses	97,261	189,376	86,265	79,093
Loss from operations	(36,042)	(71,497)	(30,846)	(17,849)
Interest income	3,508	4,251	1,979	868
Other (expense) income, net	(546)	(1,752)	(96)	2,440
Net loss before provision for income taxes	(33,080)	(68,998)	(28,963)	(14,541)
Provision for income taxes	266	380	185	253
Net loss	$ (33,346)	$ (69,378)	$ (29,148)	$ (14,794)

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

	Fiscal Year Ended April 30,		Six Months Ended October 31,	
	2019	2020	2019	2020
	(in thousands)			
Cost of subscription	$ 149	$ 370	$ 142	$ 343
Cost of professional services	69	122	63	137
Sales and marketing	1,739	3,074	1,281	3,045
Research and development	781	1,223	602	1,106
General and administrative	1,529	3,521	1,275	3,050
Total stock-based compensation expense	$ 4,267	$ 8,310	$ 3,363	$ 7,681

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

	Fiscal Year Ended April 30,		Six Months Ended October 31,	
	2019	2020	2019	2020
	(in thousands)			
Revenue				
Subscription	85 %	86 %	87 %	87 %
Professional services	15	14	13	13
Total revenue	100	100	100	100
Cost of revenue				
Subscription	27	20	20	19
Professional services	6	5	5	6
Total cost of revenue	33	25	25	25
Gross profit	67	75	75	75
Operating expenses				
Sales and marketing	41	61	50	45
Research and development	41	41	47	36
General and administrative	24	19	19	16
Total operating expenses	106	121	116	97
Loss from operations	(39)	(46)	(41)	(22)
Interest income	4	3	3	1
Other (expense) income, net	(1)	(1)	—	3
Net loss before provision for income taxes	(36)	(44)	(38)	(18)
Provision for income taxes	—	—	—	—
Net loss	(36)%	(44)%	(38)%	(18)%

Comparison of the Six Months Ended October 31, 2019 and 2020

Revenue

	Six Months Ended October 31,			
	2019	2020	$ Change	% Change
	(in thousands)			
Revenue				
Subscription	$ 63,998	$ 71,549	$ 7,551	12 %
Professional services	9,767	10,275	508	5 %
Total revenue	$ 73,765	$ 81,824	$ 8,059	

Subscription revenue accounted for 87% and 87% of our total revenue for the six months ended October 31, 2019 and 2020, respectively. Subscription revenue increased by $7.6 million, or 12%, for the six months ended October 31, 2020,

compared to the prior year, predominantly driven by revenue growth of $13.6 million from new or expanding C3 AI Suite customers, partially offset by a decrease in revenue of $7.2 million related to the Baker Hughes contract modification.

Professional services revenue increased by $0.5 million, or 5%, for the six months ended October 31, 2020, compared to the prior year, predominantly due to the mix of implementation services projects in progress, with one new C3 AI Applications customer comprising $3.2 million of the growth, partially offset by a decrease in revenue from other projects as compared to the prior year.

Cost of Revenue

	Six Months Ended October 31,			
	2019	2020	$ Change	% Change
	(in thousands)			
Cost of revenue				
Subscription	$ 14,630	$ 15,671	$ 1,041	7 %
Professional services	3,716	4,909	1,193	32 %
Total cost of revenue	$ 18,346	$ 20,580	$ 2,234	

The increase in cost of subscription revenue was primarily due to a $1.9 million increase in personnel costs for maintenance and support services included with the subscription fees as well as our premium COE support services offering, partially offset by lower cloud service providers costs of $0.6 million.

The increase in cost of professional services revenue was primarily due to higher personnel costs for implementation services projects for C3 AI Applications of $0.8 million, increased cloud service provider costs of $0.3 million and higher third-party outsourcing costs of $0.3 million.

Gross Profit and Gross Margin

	Six Months Ended October 31,			
	2019	2020	$ Change	% Change
	(in thousands)			
Gross profit	$ 55,419	$ 61,244	$ 5,825	11 %
Gross margin				
Subscription	77 %	78 %		
Professional services	62	52		
Total gross margin	75	75		

The increases in gross profit was primarily driven by revenue growth which outpaced personnel-related costs to support the revenue growth from new contracts. Overall, total gross margins were flat. The decrease in the professional services gross margin was driven primarily by higher personnel costs for implementation services projects for C3 AI Applications was mostly offset by a small increase in subscription gross margins.

Operating Expenses

	Six Months Ended October 31,			
	2019	2020	$ Change	% Change
	(in thousands)			
Operating expenses				
Sales and marketing	$ 37,224	$ 36,446	$ (778)	(2)%
Research and development	$ 34,791	$ 29,398	$ (5,393)	(16)%
General and administrative	$ 14,250	$ 13,249	$ (1,001)	(7)%
Total operating expenses	$ 86,265	$ 79,093	$ (7,172)	

Sales and Marketing. The decrease in sales and marketing expense was primarily due to higher personnel-related costs as a result of headcount growth to expand sales coverage of $7.6 million offset by lower compensation expense as a result of the 2019 tender offer impact of $8.2 million and lower travel-related costs of $1.1 million which were primarily in response to COVID-19.

Research and Development. The decrease in research and development expense was primarily due to lower compensation expense as a result of the 2019 tender offer impact of $11.7 million, partially offset by $3.6 million for higher personnel-related costs due to headcount growth, a cash contribution to C3.ai DTI of $1.2 million and higher cloud computing costs of $1.0 million.

General and Administrative. The decrease in general and administrative expense was primarily due to lower compensation expense as a result of the 2019 tender offer impact of $1.8 million and lower recruiting-related costs of $0.5 million, partially offset by to increases of $1.2 million for higher personnel-related costs predominantly related to stock-based compensation.

Interest Income

	Six Months Ended October 31,			
	2019	2020	$ Change	% Change
	(in thousands)			
Interest income	$ 1,979	$ 868	$ (1,111)	(56)%

The decrease in interest income was primarily due to investments that yielded lower returns such as money market funds and government securities.

Other (Expense) Income, Net

	Six Months Ended October 31,			
	2019	2020	$ Change	% Change
	(in thousands)			
Other (expense) income, net	$ (96)	$ 2,440	$ 2,536	(2,642)%

The increase in other (expense) income, net was primarily due to foreign currency gains of $2.4 million on the remeasurement of Euro-denominated cash and accounts receivable balances.

Provision for Income Taxes

	Six Months Ended October 31,			
	2019	2020	$ Change	% Change
	(in thousands)			
Provision for income taxes	$ 185	$ 253	$ 68	37 %

The increase in provision was primarily related foreign tax expense.

Comparison of Fiscal Years Ended April 30, 2019 and 2020

Revenue

	Fiscal Year Ended April 30,			
	2019	2020	$ Change	% Change
	(in thousands)			
Revenue				
Subscription	$ 77,472	$ 135,394	$ 57,922	75 %
Professional services	14,133	21,272	7,139	51
Total revenue	$ 91,605	$ 156,666	$ 65,061	71 %

Subscription revenue accounted for 85% and 86% of our total revenue for the fiscal years ended April 30, 2019 and 2020, respectively. Subscription revenue increased by $57.9 million, or 75%, for the fiscal year ended April 30, 2020, compared to the prior year, predominantly due to a $51.7 million increase from new C3 AI Suite customers in North America, of which $40.4 million was attributable to the Baker Hughes contract. Other C3 AI Suite and C3 AI Applications customers contributed to the remaining increase in subscription revenue. For the years ended April 30, 2019 and 2020, approximately 11% and 7% of our subscription revenue was realized from usage-based runtime fees, respectively. While usage-based runtime revenue increased year over year, the percentage of our subscription revenue that we earned from usage-

based runtime fees decreased due to the growth in the fixed-fee component of our subscription offerings outpacing the usage-based runtime fees during the year ended April 30, 2020.

Professional services revenue increased by $7.1 million, or 51%, for the fiscal year ended April 30, 2020, compared to the prior year, predominantly due to a $6.7 million increase in implementation services for C3 AI Applications.

Cost of Revenue

	Fiscal Year Ended April 30,			
	2019	2020	$ Change	% Change
	(in thousands)			
Cost of revenue				
Subscription	$ 24,560	$ 31,479	$ 6,919	28 %
Professional services	5,826	7,308	1,482	25
Total cost of revenue	$ 30,386	$ 38,787	$ 8,401	28 %

The increase in cost of subscription revenue was primarily due to a $5.1 million increase in personnel costs for maintenance and support services included with the subscription fees as well as our premium COE support services offering, and $1.2 million of compensation expense related to a tender offer in 2019.

The increase in cost of professional services revenue was due to a $0.9 million increase in personnel costs for implementation services related to the deployment of C3 AI Applications and $0.4 million of compensation expense related to a tender offer in 2019.

Gross Profit and Gross Margin

	Fiscal Year Ended April 30,			
	2019	2020	$ Change	% Change
	(in thousands)			
Gross profit	$ 61,219	$ 117,879	$ 56,660	93 %
Gross margin				
Subscription	68 %	77 %		
Professional services	59	66		
Total gross margin	67	75		

The increases in gross profit and gross margin were mainly due to total revenue growth of 71%, which temporarily outpaced personnel-related costs to support the revenue growth from new contracts. Our gross margin for subscription for the fiscal year ended April 30, 2020 was higher due to more efficient use of our resources deployed against large new contracts and a reduction in lower margin hosting. Our gross margin for professional services for the fiscal year ended April 30, 2020 was higher than the previous year due to favorable fixed-fee pricing driving profitability for certain implementation services contracts.

Operating Expenses

	Fiscal Year Ended April 30,			
	2019	2020	$ Change	% Change
	(in thousands)			
Operating expenses				
Sales and marketing	$ 37,882	$ 94,974	$ 57,092	151 %
Research and development	37,318	64,548	27,230	73
General and administrative	22,061	29,854	7,793	35
Total operating expenses	$ 97,261	$ 189,376	$ 92,115	95 %

Sales and Marketing. The increase in sales and marketing expense was primarily due to a $24.6 million increase in marketing spend related to our increased focus on brand awareness, market education, and demand creation using multiple channels to engage the market. We expect our marketing spend will continue to increase in absolute dollar amounts as we continue to invest in brand awareness and programmatic spend to generate demand. The remaining increase in sales and

marketing expense was due to $13.2 million in higher personnel-related costs as a result of headcount growth to expand sales coverage, $8.2 million of compensation expense related to a tender offer in 2019, a $5.7 million expense for contributions to C3.ai DTI, which is a partnership with Microsoft and leading research institutions to accelerate the benefits of artificial intelligence for business, government, and society for the broader public good, and $3.8 million for higher travel-related costs. As our business scales through customer expansion and market awareness we anticipate sales and marketing expense as a percent of total revenue to decline over time and remain steady in absolute dollar amounts.

Research and Development. The increase in research and development expense was primarily due to $11.7 million of compensation expense related to the 2019 tender offer, $7.9 million for higher personnel-related costs due to headcount growth, and a $5.7 million expense for contributions to the C3.ai DTI.

General and Administrative. The increase in general and administrative expense was primarily due to increases of $4.3 million for higher personnel-related costs predominantly related to stock based compensation, $3.8 million for higher travel-related costs, and $3.4 million of compensation expense related to a tender offer in 2019, partially offset by a decrease of $4.6 million in professional fees primarily due to lower legal fees.

Interest Income

	Fiscal Year Ended April 30,			
	2019	2020	$ Change	% Change
	(in thousands)			
Interest income	$ 3,508	$ 4,251	$ 743	21 %

The increase in interest income was due to higher cash, cash equivalents, and available-for-sale investments balances.

Other Expense, Net

	Fiscal Year Ended April 30,			
	2019	2020	$ Change	% Change
	(in thousands)			
Other expense, net	$ (546)	$ (1,752)	$ (1,206)	221 %

The increase in other expense, net was primarily due to an impairment on a non-marketable security of $1.0 million and net transaction losses on foreign currency exchange of $0.2 million.

Provision for Income Taxes

	Fiscal Year Ended April 30,			
	2019	2020	$ Change	% Change
	(in thousands)			
Provision for income taxes	$ 266	$ 380	$ 114	43 %

The increase in provision was primarily related to an increase in state taxes.

Quarterly Results of Operations

	Three Months Ended									
	July 31, 2018	October 31, 2018	January 31, 2019	April 30, 2019	July 31, 2019	October 31, 2019	January 31, 2020	April 30, 2020	July 31, 2020	October 31, 2020
	(in thousands)									
Revenue										
Subscription	$ 18,084	$ 18,309	$ 20,466	$ 20,613	$ 30,976	$ 33,022	$ 34,629	$ 36,767	$ 35,695	$ 35,854
Professional services	3,520	3,839	3,643	3,131	3,914	5,853	6,654	4,851	4,788	5,487
Total revenue	21,604	22,148	24,109	23,744	34,890	38,875	41,283	41,618	40,483	41,341
Cost of revenue										
Subscription(1)	5,500	5,934	6,275	6,851	6,643	7,987	8,862	7,987	8,587	7,084
Professional services(1)	1,249	1,456	1,632	1,489	1,575	2,141	2,069	1,523	1,912	2,997
Total cost of revenue	6,749	7,390	7,907	8,340	8,218	10,128	10,931	9,510	10,499	10,081
Gross profit	14,855	14,758	16,202	15,404	26,672	28,747	30,352	32,108	29,984	31,260
Operating expenses										
Sales and marketing (1)	7,436	8,577	9,603	12,266	11,637	25,587	23,162	34,588	14,358	22,088
Research and development(1)	8,256	9,030	9,246	10,786	10,918	23,873	12,331	17,426	13,264	16,134
General and administrative(1)	5,307	4,053	5,922	6,779	5,080	9,170	5,291	10,313	5,687	7,562
Total operating expenses	20,999	21,660	24,771	29,831	27,635	58,630	40,784	62,327	33,309	45,784
Loss from operations	(6,144)	(6,902)	(8,569)	(14,427)	(963)	(29,883)	(10,432)	(30,219)	(3,325)	(14,524)
Interest income	730	891	940	947	979	1,000	1,136	1,135	580	288
Other (expense) income, net	(193)	(462)	208	(99)	(252)	156	(402)	(1,253)	3,018	(578)
Net income (loss) before provision for income taxes	(5,607)	(6,473)	(7,421)	(13,579)	(236)	(28,727)	(9,698)	(30,337)	273	(14,814)
Provision for income taxes	62	62	71	71	87	98	98	98	123	130
Net income (loss)	$ (5,669)	$ (6,535)	$ (7,492)	$ (13,650)	$ (323)	$ (28,825)	$ (9,796)	$ (30,435)	$ 150	$ (14,944)

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

	Three Months Ended									
	July 31, 2018	October 31, 2018	January 31, 2019	April 30, 2019	July 31, 2019	October 31, 2019	January 31, 2020	April 30, 2020	July 31, 2020	October 31, 2020
	(in thousands)									
Cost of subscription	$ 34	$ 37	$ 37	$ 41	$ 61	$ 81	$ 104	$ 124	$ 184	$ 159
Cost of professional services	14	18	19	18	33	30	30	29	48	89
Sales and marketing	345	347	495	552	580	701	613	1,180	855	2,190
Research and development	181	198	203	199	297	305	308	313	458	648
General and administrative	280	306	406	537	561	714	1,006	1,240	935	2,115
Total stock-based compensation expense	$ 854	$ 906	$ 1,160	$ 1,347	$ 1,532	$ 1,831	$ 2,061	$ 2,886	$ 2,480	$ 5,201

	Three Months Ended									
	July 31, 2018	October 31, 2018	January 31, 2019	April 30, 2019	July 31, 2019	October 31, 2019	January 31, 2020	April 30, 2020	July 31, 2020	October 31, 2020
Revenue										
Subscription	84 %	83 %	85 %	87 %	89 %	85 %	84 %	88 %	88 %	87 %
Professional services	16	17	15	13	11	15	16	12	12	13
Total revenue	100	100	100	100	100	100	100	100	100	100
Cost of revenue										
Subscription	25	27	26	29	19	21	21	19	21	17
Professional services	6	7	7	6	5	6	5	4	5	7
Total cost of revenue	31	34	33	35	24	27	26	23	26	24
Gross profit	69	66	67	65	76	73	74	77	74	76
Operating expenses										
Sales and marketing	34	39	40	52	33	66	56	83	35	54
Research and development	38	41	38	45	31	61	30	42	33	39
General and administrative	25	18	25	29	15	24	13	27	14	18
Total operating expenses	97	98	103	126	79	151	99	152	82	111
Loss from operations	(28)	(32)	(36)	(61)	(3)	(78)	(25)	(75)	(8)	(35)
Interest income	3	4	4	4	3	3	3	3	1	1
Other (expense) income, net	(1)	(2)	1	—	(1)	—	(1)	(1)	7	(1)
Net income (loss) before provision for income taxes	(26)	(30)	(31)	(57)	(1)	(75)	(23)	(73)	—	(35)
Provision for income taxes	—	—	—	—	—	—	—	—	—	—
Net income (loss)	(26)%	(30)%	(31)%	(57)%	(1)%	(75)%	(23)%	(73)%	— %	(35)%

Quarterly Revenue Trends. Subscription revenue increased sequentially in almost all of the quarters presented primarily due to sales of the C3 AI Suite and C3 AI Applications to new customers and the expanded use of our product offerings by existing customers. We experienced a $1.1 million decrease to subscription revenue in the three months ended July 31, 2020 as compared to the three months April 30, 2020, primarily driven by a decrease in subscription revenue of $3.6 million due to the Baker Hughes contract modification that occurred during the three months ended July 31, 2020. Professional services revenue as a percentage of total revenue was relatively consistent between 11% and 17% during the periods presented above, which was primarily due to the timing and size of the implementation services projects, primarily related to the C3 AI Applications. A substantial portion of the revenue that we report in each period is attributable to the recognition of deferred revenue related to orders that we received during previous periods. Consequently, increases or decreases in new sales or renewals in any one period may not be immediately reflected in our revenue for that period and may impact our revenue in future periods. Accordingly, the effect of downturns in sales and market acceptance of our C3 AI Suite and C3 AI Applications with new customers, and potential changes in our rate of renewals with existing customers, may not be fully reflected in our results of operations until future periods.

Quarterly Cost of Revenue Trends. Cost of revenue increased sequentially in almost all of the quarters presented, primarily driven by personnel costs for maintenance and support services included with the subscription fees, our premium COE support services offering and our implementation services teams. Our third-party cloud costs grew at a slower pace

compared to our personnel costs due to many new customers hosting our product offerings in their own cloud environment, in addition to obtaining favorable pricing from a third party cloud provider.

Quarterly Gross Profit and Gross Margin Trends. Gross profit increases in the quarters presented were primarily driven by increases in revenue outpacing personnel-related costs to support the revenue growth from new contracts. Our gross margin for subscription was higher due to more efficient use of our resources deployed against large new contracts and a reduction in lower margin hosting. Our gross margin for professional services improved due to favorable fixed-fee pricing driving profitability for certain implementation services contracts.

We experienced an increase to gross profit in the three months ended July 31, 2019 as compared to the three months April 30, 2019, primarily driven by our contract with Baker Hughes. The decrease in gross profit in the three months ended July 31, 2020 as compared to the three months ended April 30, 2020 primarily related to the Baker Hughes contract modification.

Quarterly Operating Expenses Trends. Our total quarterly operating expenses generally increased sequentially during the periods presented primarily due to increases in headcount and other related expenses to support our growth. We intend to continue to make significant investments in our sales and marketing organization to drive revenue growth. Sales and marketing expenses can vary from quarter to quarter based on the timing of our brand awareness marketing programs. We also intend to continue investing in our research and development efforts to improve and develop both our existing and new product offerings to drive future revenue growth. We may experience variations from period to period with our total research and development expense as a percentage of revenue as we develop and deploy new applications targeting new use cases and new industries. We expect the majority of our research and development expenses will result from personnel-related expenses but will also be impacted by the timing of any contributions to C3.ai DTI. General and administrative expenses in the quarters presented have primarily been comprised of personnel-related expenses and professional services fees, such as outside legal costs. General and administrative expenses are expected to increase in future fiscal quarters due to additional costs required to operate as a public company. We incurred compensation expense related to a tender offer in the three months ended October 31, 2019 of $8.2 million in sales and marketing expense, $11.7 million in research and development expense and $3.4 million in general and administrative expense.

Liquidity and Capital Resources

Since inception, we have financed operations primarily through sales of equity securities. As of April 30, 2020 and October 31, 2020, we had $33.1 million and $114.6 million of cash and cash equivalents and $211.9 million and $175.8 million of short-term investments, respectively, which were held for working capital purposes. Our short-term investments generally consist of high-grade commercial paper, corporate bonds, and U.S. government agency securities. We have generated operating losses from our operations as reflected in our accumulated deficit of $308.4 million as of October 31, 2020 and negative cash flows from operations. We expect to continue to incur operating losses and generate negative cash flows from operations for the foreseeable future due to the investments we intend to make in our business, and as a result we may require additional capital to execute on our strategic initiatives to grow the business.

We believe that existing cash and cash equivalents and short-term investments will be sufficient to support working capital and capital expenditure requirements for at least the next 12 months. Our principal uses of cash in recent periods have been funding our operations and investing in capital expenditures. Our future capital requirements will depend on many factors, including our revenue growth rate, the timing and the amount of cash received from customers, the expansion of sales and marketing activities, the timing and extent of spending to support development efforts, expenses associated with our international expansion, the introduction of C3 AI Suite enhancements, and the continuing market adoption of our AI Suite. In the future, we may enter into arrangements to acquire or invest in complementary businesses, products, and technologies. We may be required to seek additional equity or debt financing. If we require additional financing, we may not be able to raise such financing on terms acceptable to us or at all. If we are unable to raise additional capital or generate cash flows necessary to expand our operations and invest in continued innovation, we may not be able to compete successfully, which would harm our business, results of operations, and financial condition.

Historical Cash Flows

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

	Fiscal Year Ended April 30,		Six Months Ended October 31,	
	2019	2020	2019	2020
	(in thousands)			
Cash provided by (used in) operating activities	$ (34,876)	$ (61,281)	$ (2,721)	$ 18,836
Cash provided by (used in) investing activities	(96,228)	(124,073)	39,437	34,849
Cash provided by financing activities	54,472	119,851	118,610	28,214
Net increase (decrease) in cash, cash equivalents, and restricted cash	$ (76,632)	$ (65,503)	$ 155,326	$ 81,899

Operating Activities. Net cash used in operating activities of $2.7 million for the six months ended October 31, 2019 was due to our net loss of $29.1 million in addition to non-cash charges for stock-based compensation of $3.4 million, non-cash operating lease cost of $1.5 million, and depreciation and amortization of $0.4 million. The $21.2 million cash inflow related to changes in operating assets and liabilities was primarily attributable to a decrease in accounts receivable of $42.1 million inclusive of a decrease in related party balances of $20.0 million and an increase in accounts payable of $1.1 million. This was partially offset by cash outflows related to a decrease in deferred revenue of $11.7 million inclusive of an increase in related party balances of $1.3 million, an increase in prepaid expenses, other current assets and other assets of $6.2 million, a decrease in accrued compensation and employee benefits of $2.2 million, a decrease in lease liabilities of $1.5 million and a decrease in other liabilities of $0.3 million.

Net cash provided by operating activities of $18.8 million for the six months ended October 31, 2020 was due to our net loss of $14.8 million in addition to non-cash charges for stock-based compensation of $7.7 million, depreciation and amortization of $2.1 million, and non-cash operating lease cost of $1.7 million. The $22.3 million cash inflow related to changes in operating assets and liabilities was primarily attributable to an increase to deferred revenue of $21.7 million inclusive of an increase in related party balances of $14.8 million, an increase in other liabilities of $2.3 million, an increase in accounts payable of $3.2 million and a decrease in prepaid expenses, other current assets and other assets of $0.1 million. This was partially offset by cash outflows related to an increase in accounts receivable of $2.4 million inclusive of an increase in related party balances of $0.2 million, a decrease in lease liabilities of $1.7 million and decrease to accrued compensation and employee benefits of $0.7 million.

Net cash used in operating activities of $34.9 million for the fiscal year ended April 30, 2019 was primarily due to our net loss of $33.3 million in addition to non-cash charges for stock-based compensation of $4.3 million, depreciation and amortization of $0.6 million, and other non-cash charges of $0.5 million. The $6.9 million cash outflow related to changes in operating assets and liabilities was primarily attributable to an increase in accounts receivable of $46.1 million inclusive of an increase in related party balances of $20.0 million, an increase in prepaid expenses, other current assets and other assets of $1.7 million and a decrease in other liabilities of $0.5 million. This was partially offset by cash inflows related to an increase to deferred revenue of $37.3 million inclusive of an increase in related party balances of $19.9 million and increase to accrued compensation and employee benefits of $4.2 million.

Net cash used in operating activities of $61.3 million for the fiscal year ended April 30, 2020 was primarily due to our net loss of $69.4 million in addition to non-cash charges for stock-based compensation of $8.3 million, non-cash operating lease cost of $3.0 million, depreciation and amortization of $1.3 million, impairment of investments of $1.0 million, and other non-cash income of $0.7 million. The $4.9 million cash outflow related to changes in operating assets and liabilities was primarily attributable to a decrease in deferred revenue of $30.9 million inclusive of a decrease in related party balances of $18.4 million, an increase in prepaid expenses, other current assets and other assets of $4.3 million, a decrease in lease liabilities of $3.2 million, and a decrease in accounts payable of $1.2 million. This was partially offset by a decrease in accounts receivable of $32.7 million inclusive of a decrease in related party balances of $19.8 million, an increase in other liabilities of $1.3 million, and an increase in accrued compensation and employee benefits of $0.7 million.

Investing Activities. Net cash provided by investing activities of $39.4 million for the six months ended October 31, 2019 was primarily attributable to the maturity and sale of short-term investments of $41.6 million, partially offset by capital expenditures of $1.5 million and capitalized software cost of $0.7 million.

Net cash provided by investing activities of $34.8 million for the six months ended October 31, 2020 was primarily attributable to the maturity and sale of short-term investments of $164.1 million, partially offset by purchases of investments of $128.3 million and capital expenditures of $0.9 million.

Net cash used in investing activities of $96.2 million for the fiscal year ended April 30, 2019 was primarily attributable to purchases of investments of $166.3 million and capital expenditures of $6.8 million, partially offset by the maturity and sale of short-term investments of $76.9 million.

Net cash used in investing activities of $124.1 million for the fiscal year ended April 30, 2020 was primarily attributable to purchases of investments of $219.9 million, capital expenditures of $2.3 million and $0.6 million increase in capitalized software development costs, partially offset by the maturity and sale of short-term investments of $98.7 million.

Financing Activities. Net cash provided by financing activities of $118.6 million during the six months ended October 31, 2019 was primarily due to $49.8 million of proceeds from the issuance of Series H redeemable convertible preferred stock, $44.0 million of proceeds from the issuance of common stock, $25.3 million of proceeds from the issuance of Series G redeemable convertible preferred stock and $3.0 million of proceeds from the exercise of stock options for Class B common stock, partially offset by the repurchase of common stock and options in the tender offer of $3.5 million.

Net cash provided by financing activities of $28.2 million during the six months ended October 31, 2020 was primarily due to $26.0 million of proceeds from the repayment of our stockholder loan due from our Chief Executive Officer in connection with the Series F preferred stock financing and $4.5 million of proceeds from the exercise of stock options for Class B common stock, partially offset by the payment of deferred offering costs of $2.3 million.

Net cash provided by financing activities of $54.5 million during the year ended April 30, 2019 was primarily due to $51.6 million of proceeds from the issuance of Series G redeemable convertible preferred stock and $2.9 million of proceeds from the exercise of stock options for Class B common stock.

Net cash provided by financing activities of $119.9 million during the year ended April 30, 2020 was primarily due to $49.8 million of proceeds from the issuance of Series H redeemable convertible preferred stock, $44.0 million of proceeds from the issuance of common stock, $25.3 million of proceeds from the additional issuance of Series G redeemable convertible preferred stock and $4.2 million of proceeds from the exercise of stock options for Class B common stock, partially offset by $3.5 million repurchase of common stock and stock options in the tender offer.

Contractual Obligations and Commitments

The following table summarizes our contractual obligations as of April 30, 2020:

	Payments Due By Period				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
	(in thousands)				
Operating lease commitments	$ 9,990	$ 4,063	$ 5,927	$ —	$ —
Purchase commitments	25,611	5,611	20,000	—	—
Total	$ 35,601	$ 9,674	$ 25,927	$ —	$ —

The commitment amounts in the table above are associated with contracts that are enforceable and legally binding and that specify all significant terms, including fixed or minimum services to be used, fixed, minimum, or variable price provisions, and the approximate timing of the actions under the contracts. The table does not include obligations under agreements that we can cancel without a significant penalty.

Noncancelable Purchase Commitments

In November 2019, we entered into an agreement with a cloud hosting provider whereby we committed to spend in aggregate at least $30.0 million between November 2019 and November 2022, with a minimum amount of $10.0 million in each of the three years under the agreement. These commitments are reflected in the table above.

C3.ai Digital Transformation Institute Grants

In February 2020, we entered into an agreement establishing C3.ai DTI, a program established to attract the world's leading scientists to join in a coordinated and innovative effort to advance the digital transformation of business, government, and society. As part of the agreement, we have agreed to issue grants to C3.ai DTI, which are subject to compliance with certain obligations, in the amount of $57.3 million. The grants shall be paid by us over five years in the form of cash, publicly traded securities, or other property of equivalent net value. As of April 30, 2020 and October 31, 2020, the total potential remaining contributions are $45.8 million and $44.6 million, respectively. The future grants are not reflected in the table above because they are conditional in nature and subject to execution of the program in line with specific requirements on an annual basis.

CARES Act Loan

On May 1, 2020, we entered into Paycheck Protection Program Promissory Note and Agreement with Bank of America, pursuant to which we received loan proceeds of $6.3 million, or the PPP Loan. The PPP Loan was made under, and was subject to the terms and conditions of, the PPP which was established under the CARES Act and is administered by the U.S. Small Business Administration. The term of the PPP Loan was two years with a maturity date of May 1, 2022 and contained a favorable fixed annual interest rate of 1.00%. Payments of principal and interest on the PPP Loan were deferred for the first six months of the term of the PPP Loan until November 1, 2020. Principal and interest would have been payable monthly and could be prepaid by us at any time prior to maturity with no prepayment penalties. On August 18, 2020, we repaid in full the PPP loan outstanding, including accrued interest of $0.1 million, in the amount of $6.4 million.

Off-Balance Sheet Arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet financing arrangements or any relationships with unconsolidated entities or financial partnerships, including entities sometimes referred to as structured finance or special purpose entities, that were established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Qualitative and Quantitative Disclosures about Market Risk

We are exposed to market risks in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily the result of fluctuations in foreign currency exchange rates and interest rates. We do not hold or issue financial instruments for trading purposes.

Interest Rate Risk

As of April 30, 2020, we had cash, cash equivalents, and short-term investments of $245.0 million. As of October 31, 2020, we had cash, cash equivalents, and short-term investments of $290.4 million. Interest-earning instruments carry a degree of interest rate risk. We do not enter into investments for trading or speculative purposes and have not used any derivative financial instruments to manage our interest rate risk exposure. A hypothetical 10% change in interest rates would not result in a material impact on our consolidated financial statements.

Foreign Currency Risk

Our functional currency is the U.S. dollar. For the years ended April 30, 2019 and 2020 and the six months ended October 31, 2019 and 2020, approximately 27%, 20%, 20% and 26% of our sales were denominated in euros, respectively, and therefore our revenue, accounts receivable, and cash deposits are subject to foreign currency risk. Our foreign operating expenses are denominated in the local currencies of the countries in which we operate. Our consolidated results of operations and cash flows are, therefore, subject to fluctuations due to changes in foreign currency exchange rates and may be adversely affected in the future due to changes in foreign exchange rates. A hypothetical 10% change in foreign currency exchange rates may result in a material impact on our consolidated financial statements. To date, we have not had a formal hedging program with respect to foreign currencies, but we may do so in the future if our exposure to foreign currencies should become more significant.

Critical Accounting Policies and Estimates

We believe that the following accounting policies involve a high degree of judgment and complexity. Accordingly, these are the policies we believe are the most critical to aid in fully understanding and evaluating our consolidated financial

condition and results of our operations. See Note 1 to our consolidated financial statements appearing elsewhere in this prospectus for a description of our other significant accounting policies. The preparation of our consolidated financial statements in conformity with GAAP requires us to make estimates and judgments that affect the amounts reported in those financial statements and accompanying notes. Although we believe that the estimates we use are reasonable, due to the inherent uncertainty involved in making those estimates, actual results reported in future periods could differ from those estimates. The critical accounting estimates, assumptions and judgments that we believe have the most significant impact on our consolidated financial statements are described below.

Revenue Recognition

Revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services.

We determine revenue recognition through the following steps:

- identification of the contract, or contracts, with a customer;
- identification of the performance obligations in the contract;
- determination of the transaction price;
- allocation of the transaction price to the performance obligations in the contract; and
- recognition of revenue when, or as, we satisfy a performance obligation.

Subscription Revenue. Our subscription revenue is primarily comprised of term licenses and software-as-a-service offerings. Sales of our term licenses grant customers the right to use our functional intellectual property, either on their own cloud instance or internal hardware infrastructure, over the contractual term. Sales of our software-as-a-service offerings include the right to use our software in a hosted environment over the contractual term. Our subscriptions include our software and our maintenance and support services. Our maintenance and support services include critical and continuous updates to the software that are integral to maintaining the intended utility of the software over the contractual term. Our software subscriptions and maintenance and support services are highly interdependent and interrelated and represent a single distinct performance obligation within the context of the contract. We also sell premium stand-ready COE support services, hosting services, and trials of our applications as part of our customer acquisition strategy. We have a small number of customers who have perpetual licenses, which we recognize ratably given the critical nature of the required continuous maintenance and support provided.

Our subscription contracts are generally non-cancelable and non-refundable, with the majority approximating three years in duration. We generally invoice annually in advance, and recognize revenue over the contract term on a ratable basis. We also generate additional runtime subscription fees for the use of our AI Suite, a type of consumption billing based on computing and storage resources required to run our software. We typically recognize the consumption or usage-based revenue upon occurrence and invoice in arrears, although customers may purchase blocks of runtime in advance.

Professional Services Revenue. Professional services revenue primarily consists of implementation services and training. These services are distinct from our subscription revenue.

Professional services fees are based on the level of effort required to perform such tasks and are typically a fixed-fee engagement with a duration of less than 12 months. We recognize revenue for our professional services over time on an input basis as the performance obligations are satisfied.

Contracts with Multiple Performance Obligations. Most of our contracts with customers contain multiple performance obligations. Our subscriptions are sold for a broad range of amounts and a representative standalone selling price, or SSP, is not always discernible from past transactions or other observable evidence. When appropriate, we determine SSP based on the price at which the performance obligation has previously been sold through past transactions, taking into account internally approved pricing guidelines related to the performance obligations. When the SSP of a license or subscription and bundled maintenance and support services is highly variable and the contract also includes additional performance obligations with observable SSP, we first allocate the transaction price to the performance obligations with established SSPs and then apply the residual approach to allocate the remaining transaction price to the license or subscription and bundled maintenance and support services. If applying the residual approach results in zero or very little consideration being allocated to the combined performance obligation, or to a bundle of goods or services, we will consider all reasonably available data to

determine an appropriate allocation of the transaction price. If the contract contains a single performance obligation, the entire transaction price is allocated to the single performance obligation.

Areas of Judgment and Estimates. Determining whether the software subscriptions and the related support are considered distinct performance obligations that should be accounted for separately or as a single performance obligation requires significant judgment. In reaching its conclusion, we considered the nature of our promise to provide the customer real time analytics and machine learning algorithms that require regular re-training to maintain and improve prediction accuracy. As these updates to the software subscription are integral to maintaining the utility that is derived from the software subscription by customers, we determined that the software subscription and related updates fulfill a single promise to the customer under the contract.

Determining the relative SSP for contracts that contain multiple performance obligations requires significant judgement. We determine SSP using observable pricing when available, which takes into consideration market conditions and customer specific factors. When observable pricing is not available, we first allocate the transaction price to the performance obligations with established SSPs and then apply the residual approach to allocate the remaining transaction price to the subscription and bundled maintenance and support services.

Stock-Based Compensation

Stock-based compensation expense related to stock awards is recognized based on the fair value of the awards granted. The fair value of each option award is estimated on the grant date using the Black-Scholes option pricing model. The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the fair value of the underlying common stock, the expected term of the option, the expected volatility of the price of our common stock, risk-free interest rates and the expected dividend yield of our common stock. The assumptions used to determine the fair value of the option awards represent management's best estimates. These estimates involve inherent uncertainties and the application of management's judgment. The related stock-based compensation expense is recognized on a straight-line basis over the requisite service period of the awards, which is generally five years. We account for forfeitures as they occur instead of estimating the number of awards expected to be forfeited.

Our use of the Black-Scholes option-pricing model requires the input of highly subjective assumptions. If factors change and different assumptions are used, our stock-based compensation expense could be materially different in the future.

These assumptions and estimates are as follows:

- *Fair Value of Common Stock.* As our common stock is not publicly traded, the fair value was determined by our board of directors, with input from management and valuation reports prepared by third-party valuation specialists. Stock-based compensation for financial reporting purposes is measured based on updated estimates of fair value when appropriate, such as when additional relevant information related to the estimate becomes available in a valuation report issued as of a subsequent date.
- *Expected Dividend Yield.* We have never declared or paid any cash dividends and do not presently plan to pay cash dividends in the foreseeable future. As a result, an expected dividend yield of zero percent was used.
- *Expected Volatility.* As we do not have a trading history for our common stock, the expected volatility was estimated by taking the average historic price volatility for industry peers, consisting of several public companies in our industry which are either similar in size, stage of life cycle, or financial leverage, over a period equivalent to the expected term of the awards.
- *Expected Term.* The expected term of options represents the period of time that options are expected to be outstanding. Our historical stock option exercise experience does not provide a reasonable basis upon which to estimate an expected term due to a lack of sufficient data. For stock options granted to employees, we estimate the expected term by using the simplified method. The simplified method calculates the expected term as the average of the time-to-vesting and the contractual life of the options. For stock options granted to non-employees, the expected term equals the contractual term of the option.
- *Risk-Free Interest Rate.* The risk-free interest rate for the expected term of the options was based on the U.S. Treasury yield curve in effect at the time of the grant.

The weighted average Black-Scholes assumptions used in evaluating our awards are as follows:

	Fiscal Year Ended April 30,		Six Months Ended October 31,	
	2019	2020	2019	2020
Valuation assumptions				
Expected dividend yield	— %	— %	— %	— %
Expected volatility	39.7 %	38.6 %	38.8 %	43.7 %
Expected term (years)	6.3	6.3	6.3	6.3
Risk-free interest rate	2.8 %	1.7 %	1.7 %	0.4 %

We will continue to use judgment in evaluating the assumptions related to our stock-based compensation on a prospective basis. As we continue to accumulate additional data related to our common stock, we may refine our estimation process, which could materially impact our future stock-based compensation expense.

Common Stock Valuations

Prior to our initial public offering, given the absence of a public trading market of our common stock, and in accordance with the American Institute of Certified Public Accountants Accounting and Valuation Guide, Valuation of Privately-Held Company Equity Securities Issued as Compensation, our board of directors exercised reasonable judgment and considered numerous and subjective factors to determine the best estimate of fair value of our common stock, including:

- independent third-party valuations of our common stock;
- the prices at which we sold our common and redeemable convertible preferred stock to outside investors in arms-length transactions;
- the rights, preferences, and privileges of our redeemable convertible preferred stock relative to those of our common stock;
- our results of operations, financial position, and capital resources;
- industry outlook;
- the lack of marketability of our common stock;
- the fact that the option grants involve illiquid securities in a private company;
- the likelihood of achieving a liquidity event, such as an initial public offering or a sale of our company, given prevailing market conditions;
- the history and nature of our business, industry trends, and competitive environment; and
- general economic outlook including economic growth, inflation and unemployment, interest rate environment, and global economic trends.

In valuing our common stock, the fair value of our business, or enterprise value, was determined using the market approach. The market approach estimates value based on a comparison of the subject company to comparable public companies in a similar line of business and secondary transactions of our capital stock. From the comparable companies, a representative market value multiple is determined and then applied to the subject company's financial results to estimate the value of the subject company. The market approach also includes consideration of the transaction price of secondary sales of our capital stock by investors.

For valuations prior to November 30, 2019, the Option Pricing Model, or OPM, was selected as the principal equity allocation method. The OPM treats common stock and redeemable convertible preferred stock as call options on an equity value, with exercise prices based on the liquidation preference of our redeemable convertible preferred stock. The common stock is modeled as a call option with a claim on the equity value at an exercise price equal to the remaining value immediately after our redeemable convertible preferred stock is liquidated. The exclusive reliance on the OPM until November 30, 2019 was appropriate when the range of possible future outcomes was difficult to predict and resulted in a highly speculative forecast.

For valuations on or subsequent to November 30, 2019, we used a hybrid method utilizing a combination of the OPM and the probability-weighted expected return method, or PWERM, in estimating the value of our common stock. Using the PWERM, the value of our common stock was estimated based upon a probability-weighted analysis of values for our common stock assuming possible future events for our company, including a scenario of an initial public offering of our common stock on an exchange.

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

Application of these approaches involves the use of estimates, judgment, and assumptions that are highly complex and subjective, such as those regarding our expected future revenue, expenses, and 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.

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

Income Taxes

We use the asset-and-liability method for income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between the consolidated financial statement carrying amounts and tax bases of assets and liabilities and operating loss and tax credit carryforwards and are measured using the enacted tax rates that are expected to be in effect when the differences reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Valuation allowances are established when necessary to reduce deferred tax assets to an amount that, in the opinion of management, is more likely than not to be realized.

Our policy for accounting for uncertainty in income taxes requires the evaluation of tax positions taken or expected to be taken in the course of the preparation of tax returns to determine whether the tax positions are “more-likely-than-not” of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax expense in the current year. Reevaluation of tax positions considers factors such as changes in facts or circumstances, changes in or interpretations of tax law, effectively settled issues under audit or expiration of statute of limitation and new audit activity.

We recognized interest accrued and penalties related to unrecognized tax benefits in our income tax expense.

Contribution Accounting

We entered into an agreement establishing the C3.ai DTI, a program established to attract the world’s leading scientists to join in a coordinated and innovative effort to advance the digital transformation of business, government, and society. As part of the agreement, we issued cash grants to C3.ai DTI which are conditional in nature and subject to execution of the program in line with specific requirements on an annual basis. The grants, which may be paid in the form of cash, publicly traded securities, or other property, do not represent an exchange transaction since there is not a commensurate transfer of resources at fair value, resulting in the application of the contribution accounting model. Contributions are allocated between sales and marketing expense and research and development expense based on the estimated benefits received by us. Our initial contribution to C3.ai DTI provided equal benefits across sales and marketing and research and development. We expect subsequent contributions to C3.ai DTI to primarily benefit our research and development efforts.

Recently Adopted Accounting Pronouncements

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

Emerging Growth Company Status

In April 2012, the JOBS Act was enacted. Section 107 of the JOBS Act provides that an “emerging growth company” may take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. Therefore, 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 the extended transition period under the JOBS Act until the earlier of the date we (1) are no longer an emerging growth company or (2) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

BUSINESS

Overview

C3.ai is an Enterprise AI software company.

We provide software-as-a-service, or SaaS, applications that enable the rapid deployment of enterprise-scale AI applications of extraordinary scale and complexity that offer significant social and economic benefit.

The C3 AI Suite, C3 AI Applications, and our patented model-driven architecture enable organizations to simplify and accelerate Enterprise AI application development, deployment, and administration. Our software platform enables developers to rapidly build applications by using conceptual models of all the elements required by an Enterprise AI application instead of having to write complex, lengthy, structured programming code to define, control, and integrate the many requisite data and microservices components to work together. We significantly reduce the effort and complexity of the AI software engineering problem.

Enterprise AI Software Solutions

We have built a single, integrated solution that enables our customers to rapidly develop, deploy, and operate large-scale Enterprise AI applications across any infrastructure. Customers can deploy C3.ai products on all major public cloud infrastructures, private cloud or hybrid environments, or directly on their servers and processors. We provide three primary families of software solutions:

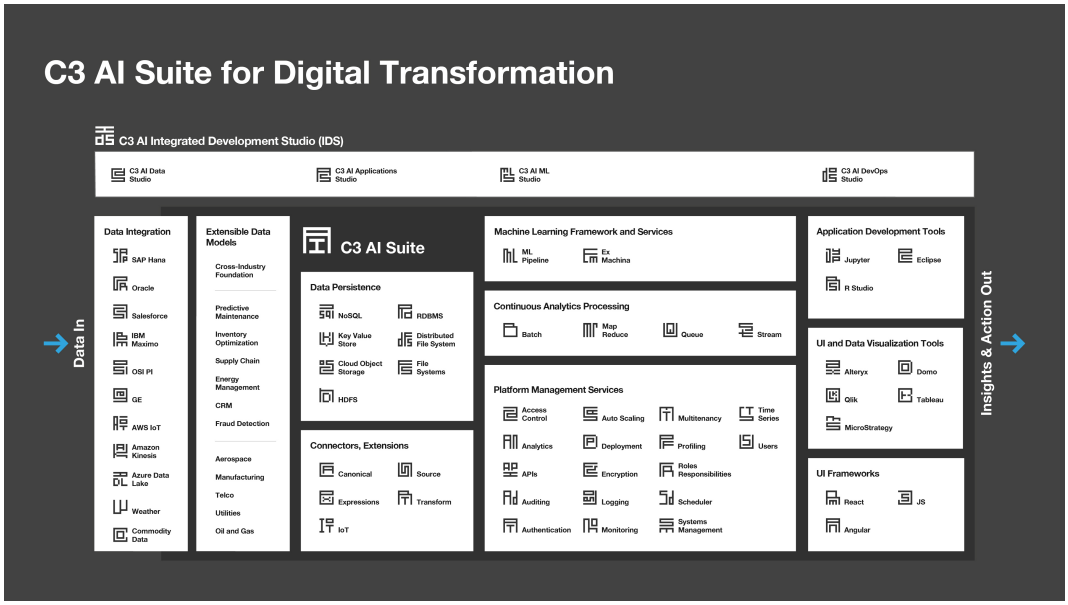
- The C3 AI Suite, our core technology, is a comprehensive application development and runtime environment that is designed to allow our customers to rapidly design, develop, and deploy Enterprise AI applications of any type.
- C3 AI Applications, built using the C3 AI Suite, include a large and growing family of industry-specific and application-specific turnkey AI solutions that can be immediately installed and deployed.
- C3.ai Ex Machina, our no-code solution that provides secure, easy access to analysis-ready data, and enables business analysts without data science training to rapidly perform data science tasks such as building, configuring, and training AI models.

In addition, we offer the C3 AI Virtual Data Lake, a capability of the C3 AI Suite that can also be licensed as a standalone product. It enables organizations to utilize existing enterprise systems, data stores, and data lake investments by unifying all enterprise and extraprise data into a secure, virtual, federated data image without the need to duplicate data. This dramatically reduces the time and cost of deploying and maintaining an enterprise data lake. The C3 AI Virtual Data Lake offers a superset of functionality of products offered by Snowflake and others.

C3 AI CRM powered by Microsoft Dynamics 365 and Adobe Experience Cloud is a new family of fully AI-enabled, industry-specific CRM solutions that combine the CRM technology leadership and market reach of Microsoft and Adobe's leading suite of marketing automation solutions with the full power of the C3 AI Suite and CRM market expertise of the C3.ai management team. We believe this suite of AI-enabled, industry-specific CRM solutions will set the bar for the next-generation of CRM systems. We are initially targeting industry-specific versions of C3 AI CRM for financial services, healthcare, telecommunications, oil and gas, manufacturing, utilities, aerospace, automotive, public sector, defense, and intelligence industries.

C3 AI Suite

We believe the C3 AI Suite is the only end-to-end Platform-as-a-Service allowing customers to design, develop, provision, and operate Enterprise AI applications at scale. Our customers can utilize the C3 AI Suite to build and operate their own custom Enterprise AI applications and to customize, operate, and manage C3 AI Applications.



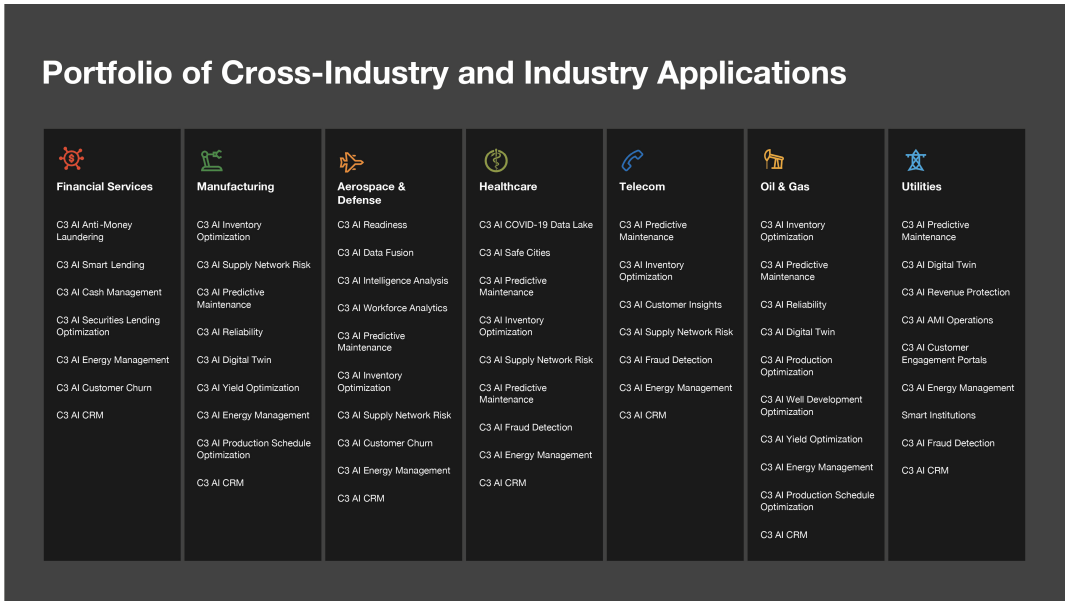
We have built the AI Suite of the future that enables our customers to rapidly develop, deploy, and operate large-scale Enterprise AI applications. Customers can deploy C3.ai products on major public cloud infrastructures, the private cloud, hybrid environments, or directly on their on-premise servers and processors.

Designed with our model-driven architecture, the C3 AI Suite enables us and our customers to develop Enterprise AI applications by using conceptual models of all the elements required by the application—e.g., data objects (customer, order, contract, etc.), computing resources (database, storage, messaging), data processing services (stream processing, batch processing, etc.), AI and machine learning services (model training, model pipeline management, etc.)—instead of having to write complex, lengthy code. This approach vastly reduces technical complexity for developers and the amount of code they need to write. The C3 AI Suite provides comprehensive capabilities to rapidly develop, deploy, and operate Enterprise AI applications at scale, including:

- *Data Integration and Management Services.* To easily and automatically ingest and aggregate massive volumes of diverse data from numerous internal and external sources and unify the data in a common and extensible data image.
- *AI Application Development and Operationalization Services.* Automated services to explore data, build and train AI models, and operationalize AI models and applications at enterprise scale.
- *Operational and Security Services.* Cohesive core platform services (e.g., access control, data encryption, cybersecurity, time-series services, normalization, data privacy, etc.).
- *C3 AI Integrated Development Studio (C3 AI IDS).* A low-code/no-code visual toolkit for developing, deploying, and operating Enterprise AI applications.

C3 AI Applications

C3 AI Applications is an expanding portfolio of turnkey cross-industry and industry-specific Enterprise AI applications that address a range of mission-critical use cases. With C3 AI Applications, organizations can typically deploy production AI applications in one to six months. Each of these applications is extensible and customizable to meet customer requirements.



Prebuilt Applications

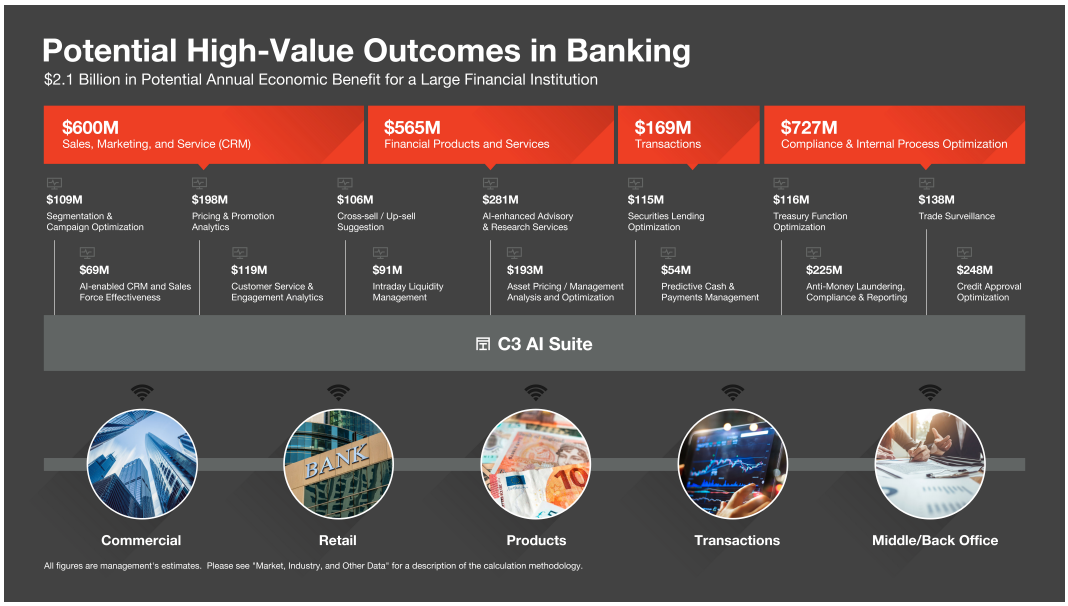
Prebuilt cross-industry C3 AI Applications include:

- *C3 AI Inventory Optimization.* Applies advanced AI/machine learning and stochastic optimization techniques to help optimize raw material, in-process, and finished goods inventory levels, while ensuring stock availability when and where needed.
- *C3 AI Supply Network Risk.* Provides enterprise supply chain managers with visibility into risks of disruption throughout their supply chain operations.
- *C3 AI Customer Churn Management.* Enables account executives and relationship managers to monitor customer satisfaction using all available transactional, behavioral, and contextual information, and take proactive, early action to prevent customer churn with AI-based and human-interpretable predictions and advance warning.
- *C3 AI Production Schedule Optimization.* Dynamically optimizes production schedules to maximize throughput of high-profit-margin products while addressing customer demand and respecting production constraints.
- *C3 AI Predictive Maintenance.* Provides maintenance planners and equipment operators with insight into asset risk so they can maintain higher levels of asset availability across their entire operations.
- *C3 AI Fraud Detection.* Pinpoints patterns in event data streams that identify revenue leakage or maintenance and safety issues so investigation teams can act upon a single, continuously updated, and prioritized queue of leads.
- *C3 AI Energy Management.* Uses machine learning to help enterprises gain visibility into their energy expenditure and prioritize actions to reduce their operational costs while lowering their carbon footprint.

Industry-Specific Applications

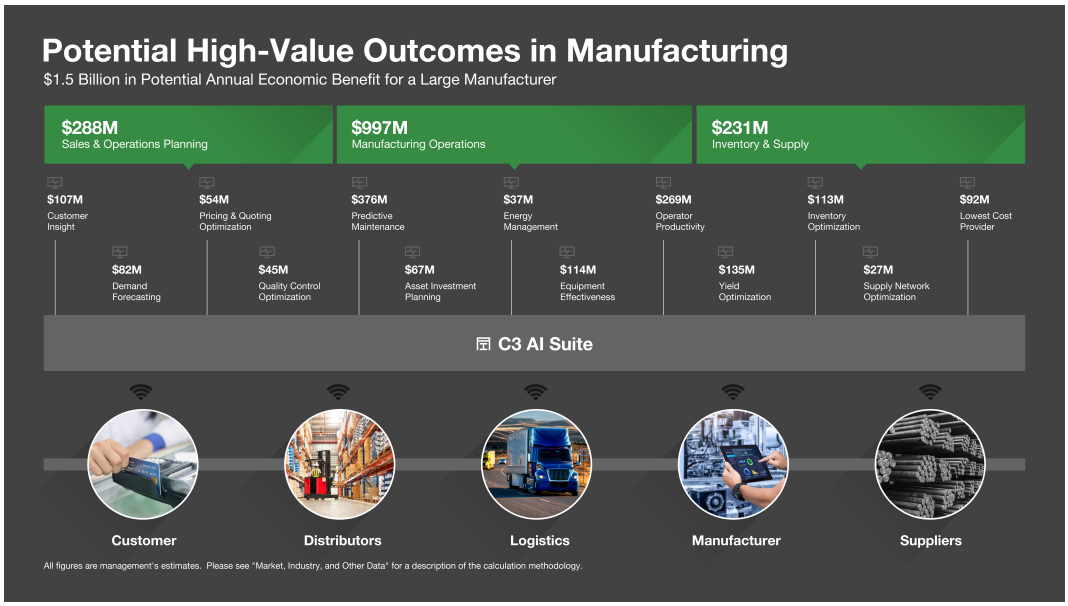
We also offer integrated families of turnkey Enterprise AI applications to serve the needs of a growing list of vertical market segments including oil and gas, chemicals, utilities, manufacturing, financial services, defense, intelligence, aerospace, healthcare, and telecommunications. For each of these vertical markets we have deployed or are planning to deploy a complete family of integrated AI applications that address the entire value chain of each industry.

Financial Services



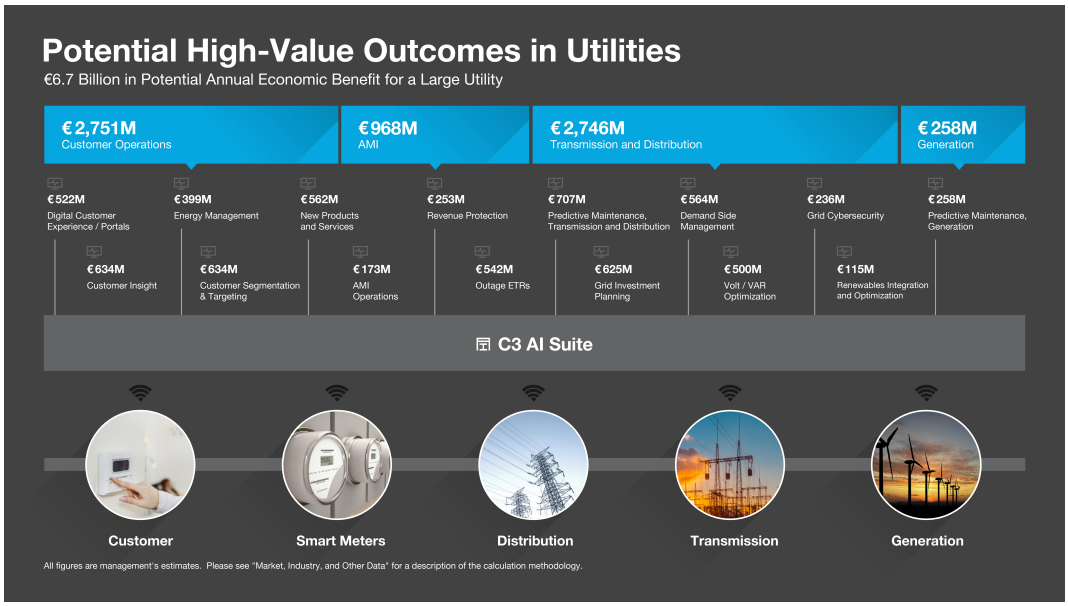
- *C3 AI Smart Lending.* Drives productivity and customer satisfaction within the credit application and approval process, providing credit officers with contextualized insights, enabling them to reduce time on easy approval or easy rejection decisions and focus on more nuanced credit applications.
- *C3 AI Cash Management.* Leverages advanced AI algorithms to quantify client treasury activity and predict the clients most likely to reduce or end their cash management and treasury services relationship with the bank.
- *C3 AI Securities Lending Optimization.* Helps banks automate and optimize securities lending operations by using machine learning to quantify client and lender uncertainties and subsequently automatically approve all executable client inquiries.
- *C3 AI Anti-Money Laundering.* Is an AI-enabled, workflow-centric application that uses comprehensive machine learning techniques to increase true Suspicious Activity Report identification while reducing false positive alerts.

Manufacturing



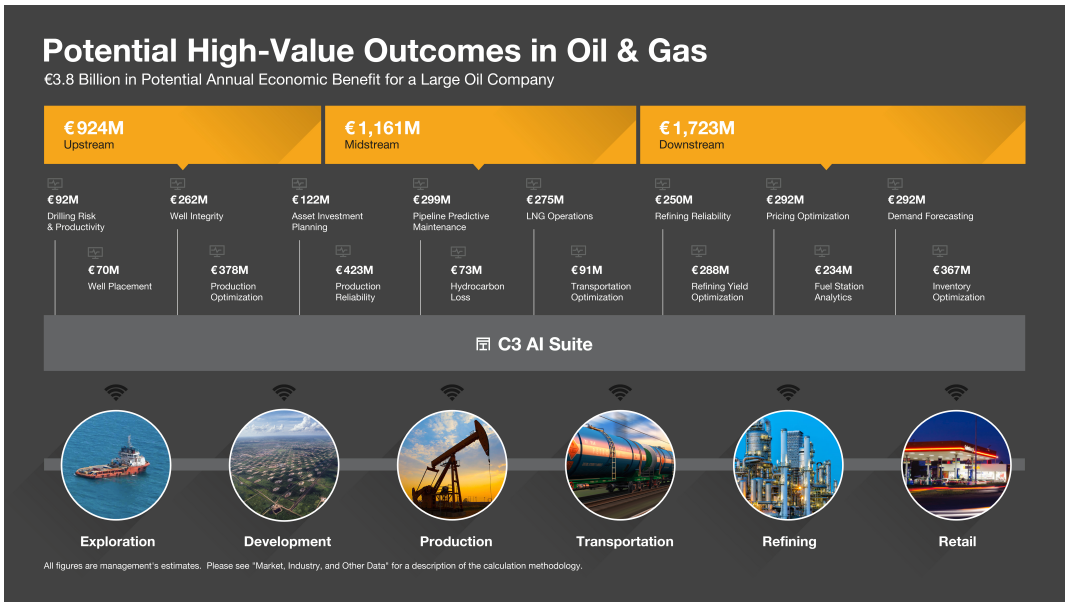
- *C3 AI Inventory Optimization.* Applies advanced AI/machine learning and stochastic optimization techniques to analyze variability in demand, supplier delivery times, quality issues, and product-line disruptions to build real-time recommendations and monitoring.
- *C3 AI Predictive Maintenance.* Provides manufacturing maintenance planners and equipment operators with comprehensive insight into asset risk, enabling them to maintain higher levels of asset availability, deliver services-based differentiation, and reduce maintenance costs.
- *C3 AI Energy Management.* Uses machine learning to enable accurate forecasting, benchmarking, building optimization, demand response, and anomaly detection, helping manufacturers to lower costs, improve operations, and meet energy-efficiency goals.
- *C3 AI Sensor Health.* Ensures the operational health and optimal deployment of IoT sensor devices, using AI/machine learning to predict sensor failures and identify sensor and network health issues with a high degree of precision.

Utilities



- *C3 AI Revenue Protection.* Identifies instances of energy theft to protect core revenue at higher accuracy and lower cost than conventional rules-based approaches.
- *C3 AI AMI Operations.* Integrates and analyzes near real-time advanced metering infrastructure data and utilizes supervised and unsupervised machine learning techniques to assess meter deployment and asset health.
- *C3 AI Customer Engagement Portals.* Combine data across multiple disparate customer systems, including billing, CRM, demographics, and AMI to provide a 360-degree customer profile to enable both utility customers and customer service representatives to understand and manage their energy usage and costs.

Oil and Gas



- *C3 AI Production Optimization.* Optimizes upstream production at-scale with detailed injection well influence, AI-based production forecasts, and artificial lift optimization.
- *C3 AI Reliability.* Integrates sensor networks, enterprise systems, and data historians to arm reliability engineers, process engineers, and maintenance managers with AI-enabled insights to address process and equipment performance risks in production facilities and refineries.
- *C3 AI Yield Optimization.* Integrates enterprise resource planning data, lab test data, asset data, and manufacturing systems data and deploys machine learning models to identify problems or opportunities for improvement at key points in process manufacturing.

Aerospace and Defense

- *C3 AI Readiness.* Integrates and unifies data from aircraft telemetry, mission file, maintenance, and operational systems and leverages advanced AI models to monitor subsystem health and predict component failures.
- *C3 AI Workforce Analytics.* Helps risk and compliance officers to efficiently parse financial, commercial, public, and law enforcement records to determine if individuals pose a security risk.
- *C3 AI Intelligence Analysis.* Generates knowledge graphs of entities extracted from both structured (e.g., existing curated databases) and unstructured (e.g., news sources, social media sources, academic reports, and patent databases) data sets.
- *C3 AI Intelligence Data Fusion.* Ingests intelligence data from disparate sources into a unified, federated data image to enable analysts to conduct their work faster.

C3.ai Ex Machina

C3.ai Ex Machina is a no-code solution that provides secure, easy access to analysis-ready data, and enables business analysts without data science training to rapidly perform data science tasks such as building, configuring, and training AI models. It can be used by itself as a standalone application—providing a modern, cloud-native, highly scalable replacement for last-generation tools—and can also be used with the C3 AI Suite, typically as the primary tool used by non-developer

business analysts to build, train, and tune models on the C3 AI Suite. C3.ai Ex Machina targets the broad range of business analysts and data analysts that want to leverage AI capabilities but lack advanced coding skills. Ex Machina is targeted at the 'citizen' data scientist and allows customers to sign up online and immediately begin using the product, including paid subscriptions and an initial no cost offering.

Large Total Addressable Market

We serve a large and rapidly growing market, estimated to be $174 billion in 2020, growing to $271 billion in 2024, based on IDC and Gartner reports.

Our total addressable market, or TAM, comprises multiple enterprise software segments that are growing at a combined compound annual growth rate, or CAGR, of 12%:

- *Enterprise AI Software.* According to IDC, the relatively new but rapidly growing global Enterprise AI software market totaled $18 billion in 2020, and will grow to $44 billion in 2024—a 24% CAGR.[7] We address this market with our AI Suite and full portfolio of AI Applications.
- *Enterprise Infrastructure Software.* The C3 AI Suite replaces a wide range of existing enterprise infrastructure software categories, including Application Development, Application Infrastructure and Middleware, Data Integration Tools and Data Quality Tools, and Master Data Management Products. According to Gartner, the size of the infrastructure software market across these four segments totaled $63 billion in 2020, and will grow to $82 billion in 2024—a 7% CAGR.[8]
- *Enterprise Applications*. C3 AI Applications address a wide range of Analytics and Business Intelligence use cases as well as the Customer Experience and Relationship Management (CRM) segment. According to Gartner, the size of the software market across these segments totaled $93 billion in 2020, and will grow to $145 billion in 2024—a 12% CAGR. [9]

C3.ai is an active participant in the Enterprise AI/ML, Data Analytics, Cloud Computing, and Digital Transformation markets. According to IDC, by 2022, 65% of CIOs will digitally empower and enable front-line workers with data, AI, and security and by 2025, 80% of CIOs alongside lines-of-business will implement intelligent capabilities to sense, learn, and predict changing customer behaviors.[10]

First-Mover Advantage

Due to our significant investment in our products and technology over the last decade, we enjoy a significant first-mover advantage in Enterprise AI. We are not aware of others who have made as much progress as we have in this space. We believe that we have the world's most extensive Enterprise AI production footprint. Our goal is to establish and maintain a global leadership position in Enterprise AI across all market segments including large enterprises, small and medium businesses, and government entities.

Our production footprint across the C3.ai customer base today includes: 770 unique enterprise and extraprise source data integrations; integrated data from 622 million sensors; 4.8 million machine learning models in production use; 1.1 billion predictions per day generated by customers; and 50 million businesses and customers touched daily.

In some instances our data processing rates exceed nearly 1 million transactions per second. Our system availability across our production application use base in the six months ended October 31, 2020 was 99.98%.

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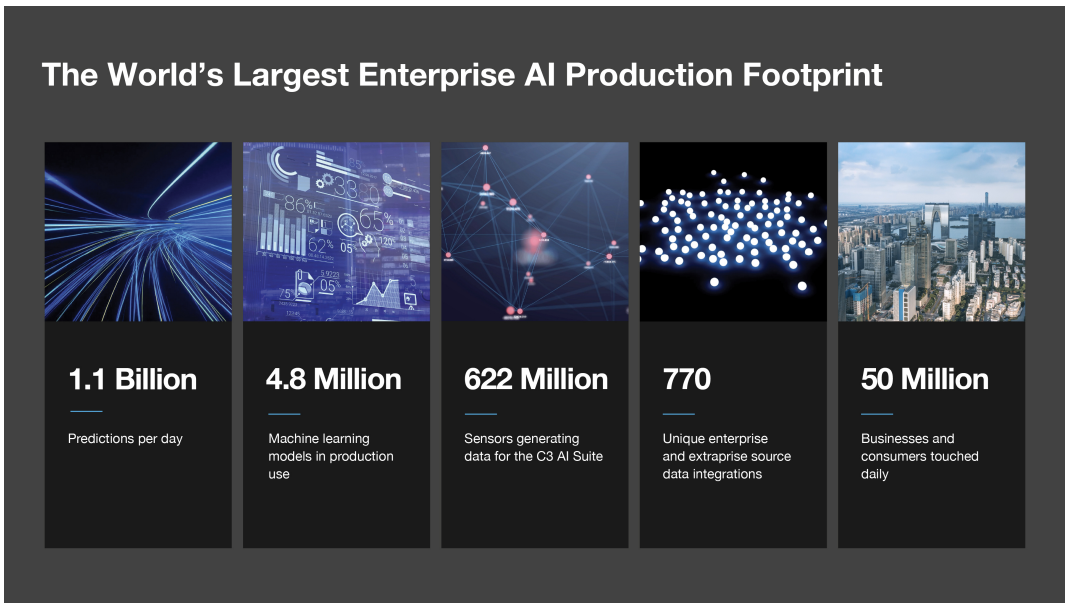
[7] IDC, Worldwide Artificial Intelligence Systems Spending Guide, September 2019

[8] Gartner, Forecast: Enterprise Infrastructure Software, Worldwide, 2018-2024, 3Q20 Update

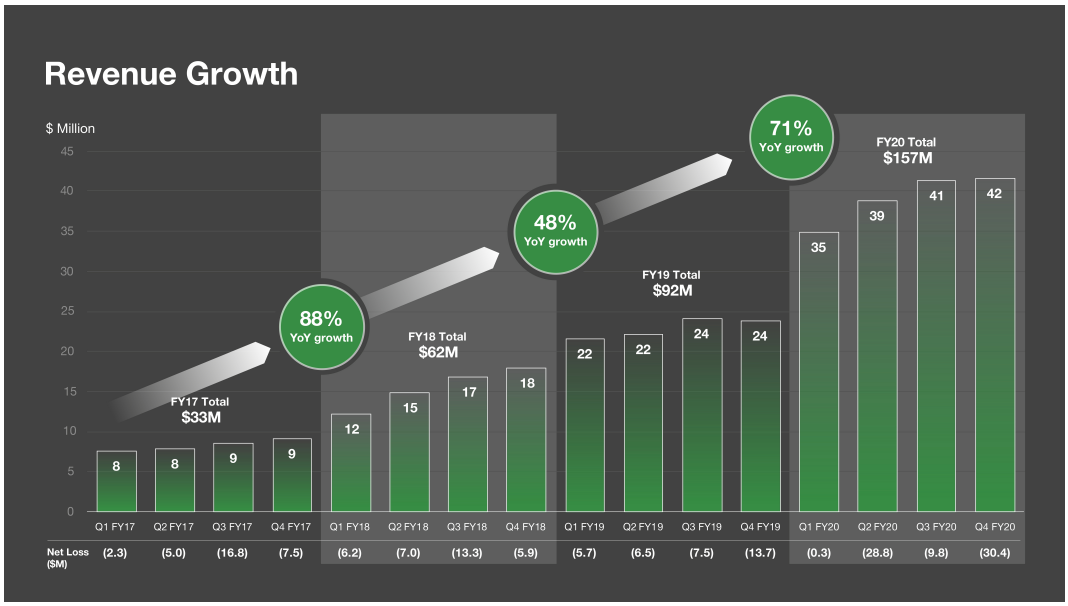
[9] Gartner, Forecast: Enterprise Application Software, Worldwide, 2018-2024, 3Q20 Update

[10] Source: IDC FutureScape: Worldwide CIO Agenda 2021 Predictions, October 2020



Rapid Revenue Growth

We are growing rapidly, with total revenue of $156.7 million in the fiscal year ended April 30, 2020 compared to $91.6 million in the fiscal year ended April 30, 2019, representing year-over-year growth of 71%. Over the same period, our subscription revenue grew to $135.4 million from $77.5 million, a 75% increase. We incurred net losses of $69.4 million and $33.3 million in the fiscal years ended April 30, 2020 and 2019, respectively.



Lighthouse Customers

Our market-entry strategy has been to establish high-value customer engagements with large global early adopters, or lighthouse customers, in Europe, Asia, and the United States across a range of industries. These lighthouse customers serve as proof points for other potential customers in their particular industries. We have established intimate strategic relationships with our customers that include many of the world's iconic organizations. Our customers include a number of large multinational corporations and government entities. We commonly enter into enterprise-wide agreements with Entities that include multiple operating entities or divisions. We define an Entity as each such buying entity that has an enterprise agreement to deploy or establish the governing terms should we contract to deploy the C3 AI Suite or one or more C3 AI Applications to different customers within the Entity. We often provide our software to distinct departments, business units, or groups within an Entity, and use customer to include each distinct department, unit, or group within an Entity. As of October 31, 2020 we had contracts with 30 Entities as compared with 21 and 25 as of April 30, 2019 and 2020, respectively. As of October 31, 2020 we had 64 customers.

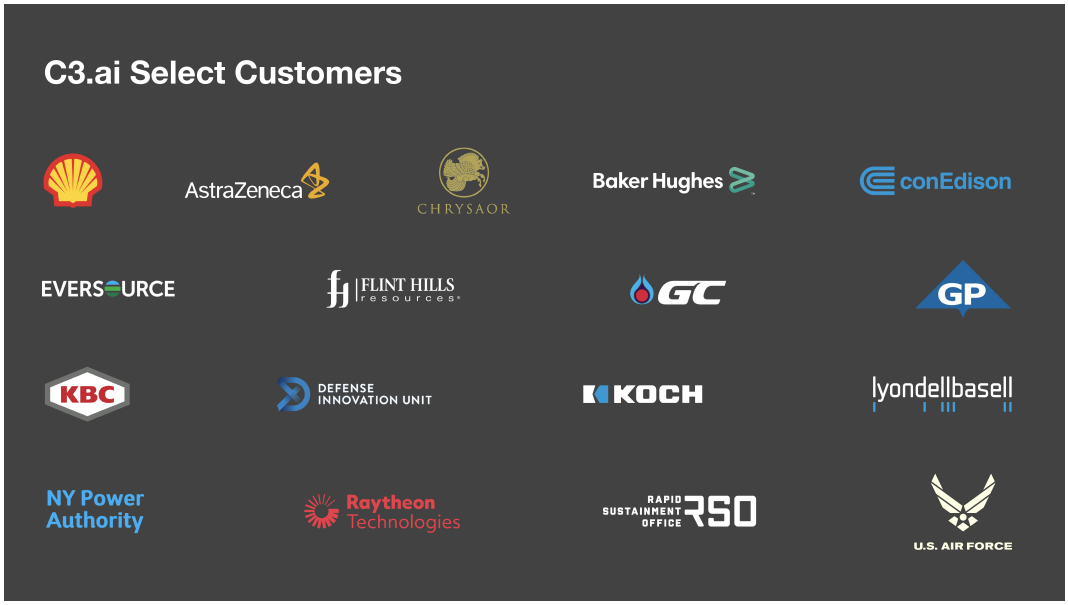
The core of this strategy is to rapidly deliver high-value outcomes at large scale, that are broadly deployed into many industry leaders, including those in banking, oil and gas, utilities, defense, and manufacturing. We then use these cases and outcomes to initiate discussions at numerous other leading companies in each sector.

High-Value Outcomes

We are enabling the digital transformation of many of the world's leading organizations and, in the process, helping them to attain short time-to-value and exceptionally high economic returns. At some companies, based on feedback and other information provided from our customers, we estimate our solutions have returned hundreds of millions of dollars in economic benefit.[11] We estimate, based on our C3.ai production roadmaps, that we may enable billions of dollars in annual economic benefit for many customers.[12]

[11] Management estimates based on results from trials or deployments using customer data from more than 20 projects across 15 customers. Data and feedback were collected from 2016 to 2020. See the section titled "Market, Industry, and Other Data" for additional information.

[12] Based on actual results achieved in trials or deployments using actual customer data and business processes as provided by our customers. These estimates are limited by the scaling factors of extrapolating these results from the specific project scope of each trial or deployment across the customer's entire business. These estimates are based on more than 20 projects across 15 customers, and the data and feedback were collected from customer engagements occurring in the years 2016 to 2020.

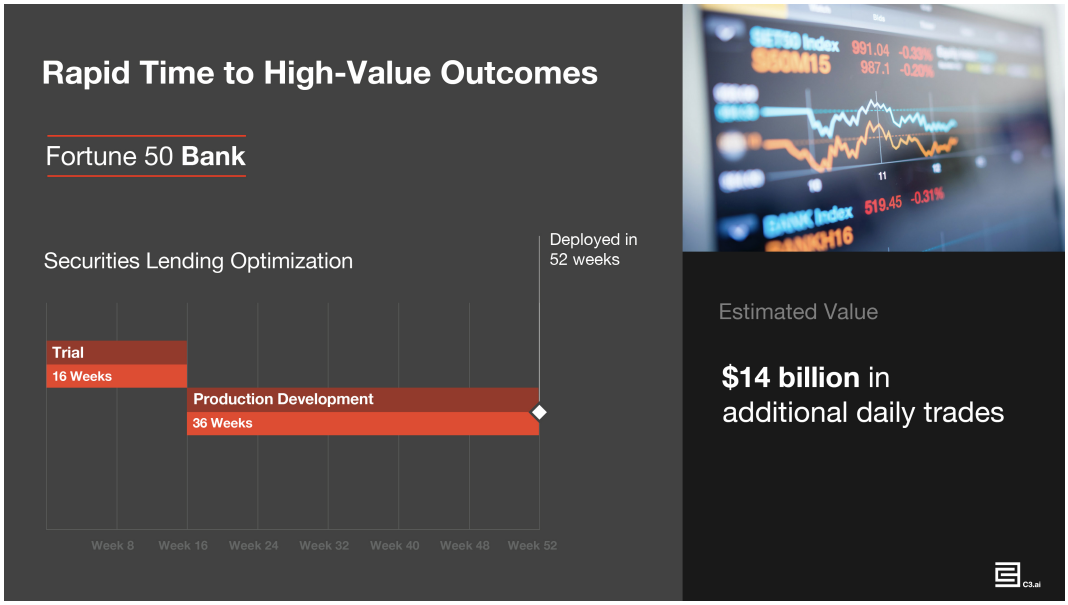


Rapid Time to Value

The key to our market success to date and our primary competitive differentiator is our ability to leverage the C3 AI Suite and C3 AI Applications to bring high-value Enterprise AI applications into production use rapidly. We have deployed Enterprise AI applications into production use in as little as four weeks. We have highlighted below some actual use cases from our customers and our estimate of the current annual economic benefits to our customers. The following case studies are examples of how some of our customers have selected, deployed, and benefited from the C3 AI Suite and C3 AI Applications. These are individual experiences with the C3 AI Suite and C3 AI Applications and not all customers may experience all of the benefits described below or concur with our estimates of such benefits.

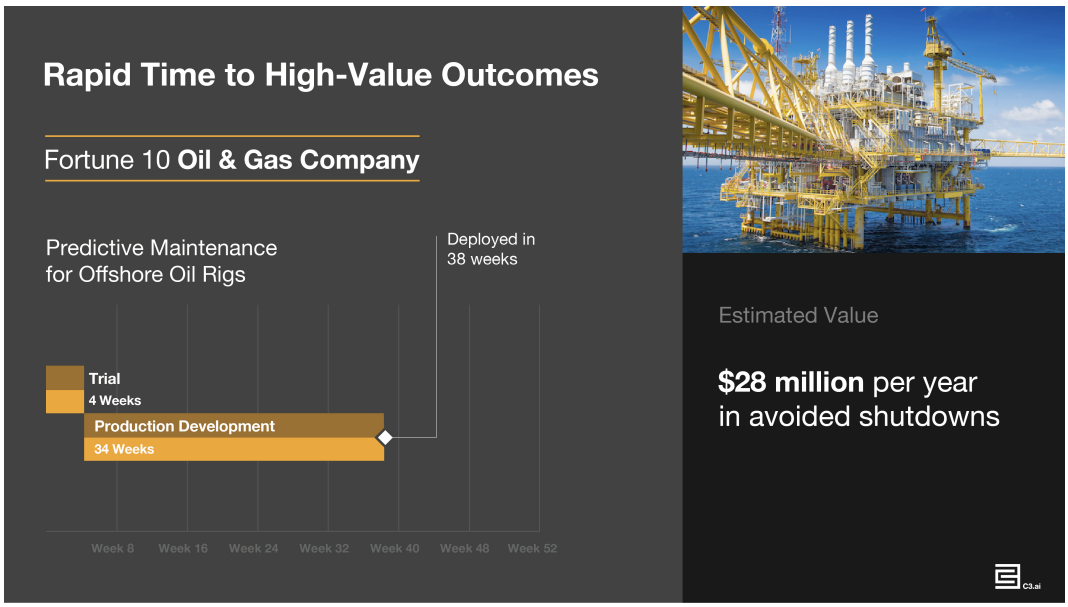
Global Bank

Use Case:	Securities Lending Optimization
Trial Completion:	16 Weeks
Production Deployment:	36 Weeks
Benefit:	$14 billion in additional daily trades



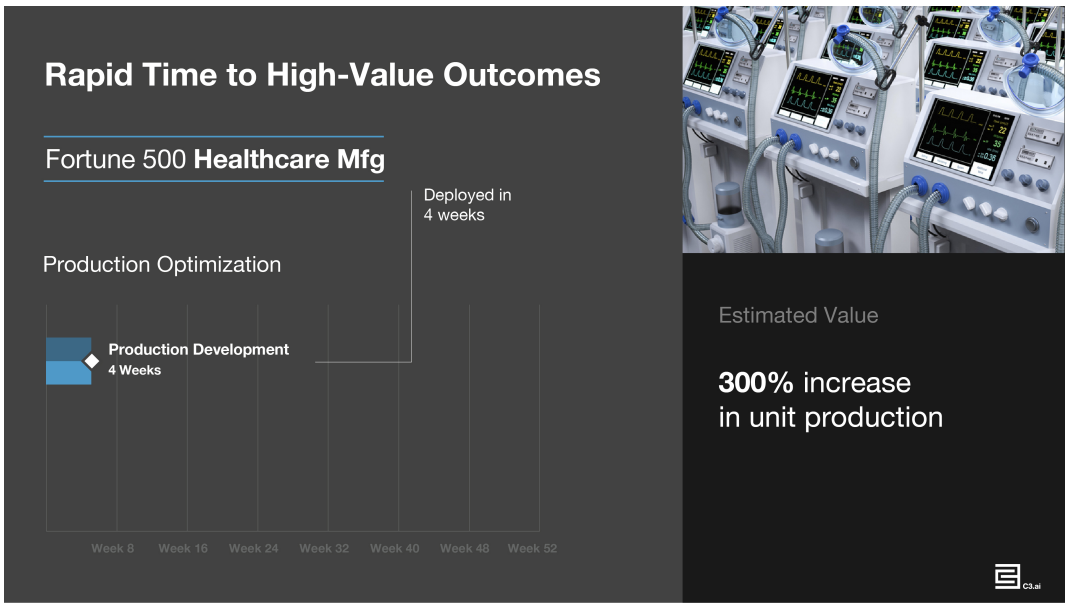
Oil and Gas Company

Use Case:	AI Predictive Maintenance for Offshore Oil Rigs
Trial Completion:	4 Weeks
Production Deployment:	34 Weeks
Benefit:	$28 million per year in avoided shutdowns



Healthcare Manufacturing

Use Case:	Production Optimization (Maximization)
Trial Completion:	No trial
Production Deployment:	4 Weeks
Benefit:	300% increase in unit production



Outsized Average Total Contract Value

As a result of the high-value outcomes that we enable, we enjoy uncommonly high total contract values for software subscriptions. Our average total contract value for contracts entered into in fiscal years 2016, 2017, 2018, 2019, and 2020 was $1.2 million, $11.7 million, $10.8 million, $16.2 million, and $12.1 million, respectively. We believe this is a high-water mark for the applications software industry.[13] For example:

- *Large Integrated Energy Company.* The total value of our contract with a large integrated energy company was €4.3 million at year one, €4.3 million at year two, €34.4 million at year three, and €35.3 million at year four.
- *Large Global Financial Institution.* The total value of our initial contract with a large global financial institution was $1.8 million, increasing to $31 million at year one and $39 million at year two.
- *Large Global Oil and Gas Company.* The total value of our contract with a large global oil and gas company was €1.8 million at year one, €19.8 million at year two, €24.2 million at year three, and €25.4 million at year four.
- *Large Global Energy Company.* The total value of our contract with a large global energy company was €19.4 million at year one, €20.3 million at year two, €26.1 million at year three, and €43.1 million at year four.
- *Major Government Agency.* The total value of our contract with a major government agency was $6.2 million at year one, $8.7 million at year two, and $14.9 million at year three.

C3.ai Sales Cycle

Our typical sales cycle begins with one or more product and technical presentations about C3.ai, leading to a mapping of our capabilities to customer use cases. This frequently leads to a paid trial that lasts from five to 16 weeks. During that period, we deploy a production-level application that is representative of our customer's AI and digital transformation requirements. Examples include: Stochastic Optimization of the Supply Chain, Production Optimization, Fraud Detection, and Predictive Maintenance. After completing a successful trial, our customers will frequently license one or more C3 AI Applications. Either concurrent with or subsequent to licensing C3 AI Applications, our customers will often license

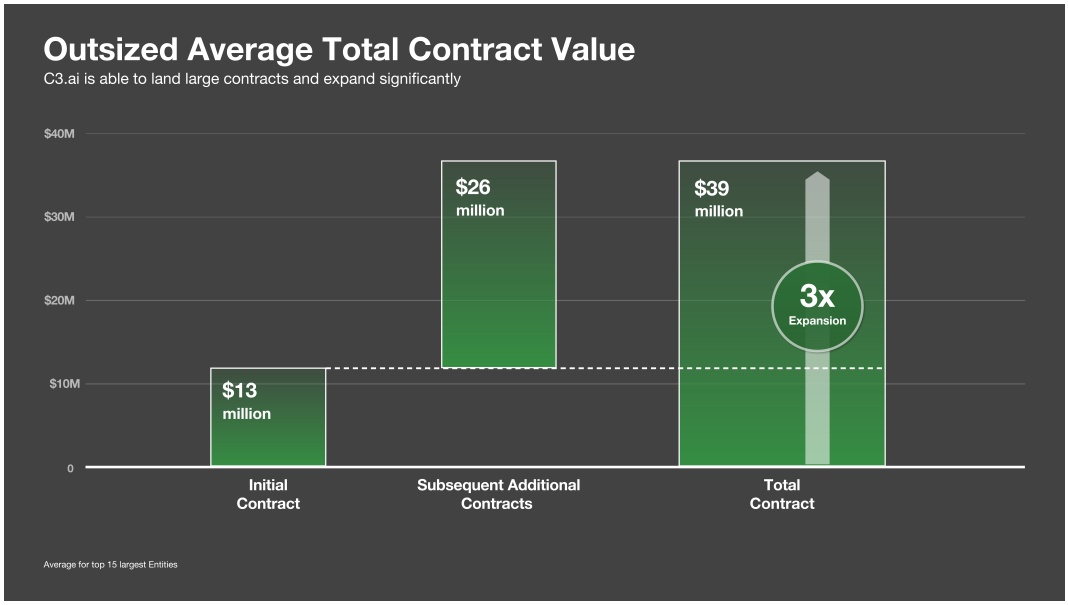
[13] Based on our review of the estimated contract values of approximately 100 representative applications software companies from publicly available sources.

additional C3 AI Applications and/or the C3 AI Suite. Over time, our customers tend to purchase additional C3 AI Applications and additional C3 AI Suite developer seats and incur ongoing and increasing runtime fees as usage scales.

Land and Expand

Our bookings footprint within a customer starts quite large and tends to increase over time, as the customer licenses additional applications, adds more developer seats for the C3 AI Suite, and increases runtime fees that accrue from application usage.

An analysis of our largest 15 Entities shows that subsequent to trial completion, their average initial purchase was $12.8 million. On average, each of these customers has subsequently purchased an additional $26.1 million in product subscriptions and services from us to date.



The duration of our contracts vary by customer. The weighted average contract duration for commercial Entities in the year ended April 30, 2020 was 35 months, while the weighted average contract duration for federal agency Entities was 11 months.

The following are representative examples of how some of our customers are benefiting from their use of C3.ai technology. These are individual experiences with C3.ai technology and not all customers may experience all of the benefits described below or concur with our estimates of such benefits.


“The C3.ai platform, with its unique model-driven architecture, has been a real enabler. The technology allows us to integrate large volumes of data at scale in the cloud. And on top of that data, to integrate tens of thousands of machine learning models, and train them in production”
Dan Jeavons
General Manager, Data Science
Royal Dutch Shell

Royal Dutch Shell

Situation. With $345 billion in annual revenue, around 80,000 employees, and operations in more than 70 countries, Shell – one of the world's largest companies – has a long history of technological innovation, and is strategically deploying information technology solutions as it leads the global energy transition. The company operates a vast range of assets throughout the world, including thousands of onshore and offshore wells, 15 refineries, and over 44,000 retail stores, Shell required a scalable Enterprise AI solution to help ensure continued focus on its health, safety, and environment goals, to improve and optimize its upstream, midstream, and downstream operations, and to accelerate new energy and digital opportunities.

C3.ai Solution. Beginning in 2018, Shell adopted the C3 AI Suite as a core platform to develop and deploy large-scale AI applications across its enterprise, leveraging the model-driven architecture of the C3 AI Suite. Initially starting with predictive maintenance for equipment at one oilfield, Shell's AI roadmap has expanded and is now monitoring 2,500 pieces of equipment across Upstream, Downstream Manufacturing, and Integrated Gas assets. This includes predictive maintenance for compressors, pumps, and valves across multiple assets globally. For example, Shell is using the C3 AI Suite to develop, train, deploy, and manage machine learning models that ingest around 10 billion rows of data per week from 822,000 sensors, at minute-level granularity.

Customer-Reported Outcome. The economic benefit is substantial. In the case of predictive maintenance for valves, the C3.ai solution provided an early-warning system to alert operators before a valve fails, helping to reduce unplanned maintenance costs, increase production uptime, enhance safety, and extend asset lifetime.

Expansion. Our initial engagement with Shell started with two successful predictive maintenance trials addressing different types of assets on (1) offshore oil rigs and (2) at a natural gas unit in Australia in 2017. Those resulted in application licensing agreements that led to the production deployment of C3 AI Predictive Maintenance in early 2018 in both of those units. Subsequently, a successful proof of technology demonstrated the capabilities of the C3 AI Suite to solve large-scale machine learning problems requiring the management of millions of concurrent machine learning models. As a result, in mid-2018 Shell licensed the C3 AI Suite as an Enterprise AI development platform, and has continued to expand its use of the C3 AI Suite, adding numerous additional developers in 2019 and 2020 to address multiple use cases. In 2020, Shell announced that it had selected C3.ai as its AI application development standard and has a large application roadmap planned.

2019 saw transformative potential realized in several of our ongoing projects, but none more so than in Predictive Maintenance. DIU opened the Predictive Maintenance solicitation in July 2017 on behalf of the U.S. Air Force (USAF) and, as of November 2019, the solution prototyped by C3.ai transitioned to a production-OT agreement and is scaling across the Services to change the Department's approach to condition-based maintenance....When fully implemented across all DoD aircraft, Predictive Maintenance has the potential to save the Department up to $5 billion annually."

2019 Defense Innovation Unit
Annual Report

U.S. Air Force

Situation. As stated in the 2019 Annual Report of the Defense Innovation Unit, or DIU, a division of the U.S. Department of Defense, or DoD, in 2017 the DoD was "seeking software for predictive or condition-based maintenance." The solicitation specified that the "Solution must be capable of integrating both historical structured (e.g. sensor reports) and unstructured (e.g. maintenance logs) datasets. Solution will need to apply machine learning to optimize maintenance schedules and provide analysis and recommendations at both a component and system level. Companies must have previously delivered predictive maintenance platforms to commercial customers, preferably in the aviation sector."

C3.ai Solution. According to the 2019 DIU Annual Report, "2019 saw transformative potential realized in several of our ongoing projects, but none more so than in Predictive Maintenance. DIU opened the Predictive Maintenance solicitation in July 2017 on behalf of the U.S. Air Force, or USAF, and, as of November 2019, the solution prototyped by C3.ai transitioned to a production-OT agreement and is scaling across the Services to change the Department's approach to condition-based maintenance.

The goal of the prototype effort was to increase aircraft readiness and availability through a reduction in the frequency and duration of unscheduled maintenance. Providing maintainers with the tools to understand, prior to failure, when to change key components (and ensure component availability) would also decrease the number of maintenance related mission aborts. DIU and the USAF supported four prototype implementations of the C3.ai readiness application to over 920 aircraft including the E-3 Sentry, C-5 Galaxy, and F-16 Fighting Falcon aircraft."

Customer-Reported Outcome. The 2019 DIU Annual Report described the impact of the C3.ai implementation: "The prototype effort was successful in demonstrating AI and machine learning techniques to improve readiness. Specifically, in advance of failures, supervised machine learning can accurately predict the probability of failure of various subsystems over different time horizons. As a result, maintenance technicians are able to identify component-level failures before they occur, pre-position parts in anticipation of failures, and replace components with a high potential for failure.

Prototype implementations of C3.ai technology in partnership with the USAF demonstrated the potential for a 3-6% improvement in mission capability; up to a 35% reduction of base-level occurrences of aircrafts sitting on the ground awaiting parts; and up to a 40% reduction in unscheduled maintenance events. The prototype also demonstrated minimal impact to component part supply chains and identified 80-90 parts (out of more than 1,000) that are responsible for 90% of total aircraft downtime. Additionally, the potential readiness benefits from adopting predictive maintenance tools are achievable across aircraft types, data quality, and data source.

As an Office of the Under Secretary of Defense, or OUSD, organization, DIU can scale successful prototype efforts across DoD through production-OT contracts. DIU sponsored the current up-to-$95 million production-OT agreement that allows all Services and other federal agencies to procure C3.ai's software for aircraft predictive maintenance. 2020 goals include increased use by U.S. Army Aviation for its UH-60 Blackhawk and AH-64 Apache helicopter platforms and adoption by the F-35 Joint Strike Fighter Lightning II Joint Program Office. When fully implemented across all DoD aircraft, Predictive Maintenance has the potential to save the Department up to $5 billion annually."

In September 2020, C3.ai announced an agreement with the USAF Rapid Sustainment Office, or RSO, to deliver and deploy the C3 AI Suite and C3.ai Readiness to support predictive analytics and maintenance across the Air Force enterprise, initially deploying the application to the HH-60 Pave Hawk aircraft weapon system. RSO's Condition-Based Maintenance Plus, or CBM+, Program Office will use the C3 AI Suite and extend C3.ai Readiness to improve the efficiency and effectiveness of maintenance processes. This initiative will also lay a foundation and framework for the enhancement of RSO's overall AI and machine learning capabilities.

"C3.ai's proven technology has demonstrated success across multiple industries with its AI-based readiness application for predictive maintenance and logistics planning, making C3.ai an ideal partner to implement RSO's vision to increase mission readiness," said Nathan Parker, RSO Deputy Program Executive Officer. "By partnering with C3.ai, RSO's CBM+ Program Office will be able to accelerate scaling AI and ML capabilities across the Air Force enterprise, and combine data science with Air Force operational maintenance, to digitally transform how we maintain our global fleet."

Fortune 50 Bank

Situation. An acknowledged industry innovator, this multinational bank, one of the 10 largest financial services companies in the world, recognized the potential for AI technology to drive significant impact in many areas of its business, including its corporate cash management and its securities lending operations. For corporate cash management, the bank

determined that an AI-based approach could help predict clients' satisfaction with the interest rate, products, and services the bank offers – across a customer base of more than 100,000 corporate clients with approximately $400 billion in cash balances – and thereby give client managers advance insight into the health of their clients' satisfaction. On the brokerage side, the bank's hedge fund clients make hundreds of thousands of inquiries each day regarding available securities inventory for short selling. The bank saw an opportunity for AI to help it more accurately predict hedge fund demand for securities and improve efficiency in matching securities for lending to actual demand. Each of these problems are exceedingly complex in terms of the volume, velocity, and variability of the data.

C3.ai Solution. The bank worked with C3.ai to establish a Center of Excellence to address both the cash management and securities lending use cases. C3 AI Suite now has dozens of integrations with over one billion rows of data behind nearly two hundred predictive models in production, driving two critical revenue-generating applications: C3 AI Cash Management and C3 AI Short Sale Predictor.

Outcome. Using the C3 AI Cash Management application, the bank can predict client satisfaction and give client managers actionable insight up to 90 days in advance so they can take proactive measures to engage with clients to retain and grow their business. The application also detects customers' sensitivity to interest rates and provides a comprehensive view of customer behavior. Together these capabilities help the bank's treasury sales team take targeted and proactive steps to better serve and retain customers. On the brokerage side, the C3 AI Short Sale Predictor application predicts client short activity against more than 400,000 requests to locate stocks that clients can borrow, allowing the bank to optimize its stock inventory. The application predicts the actual quantities of stocks that clients (primarily hedge funds) will need to borrow each day, enabling the bank to have the right quantities on hand and better fulfill each request, resulting in $14 billion in additional daily trades. Building on the success of C3.ai in addressing these use cases, the bank has created a roadmap to address a significant number of additional use cases using C3.ai technology.

Expansion. The bank's engagement with C3.ai started in two lines of business with three successful paid trials in late 2018, each focused on a different uses case, that proved the capabilities of the C3.ai platform to solve previously unsolved problems. Since licensing the C3 AI Suite in 2019, the bank has deployed C3 AI Cash Management and C3 AI Short Sale Predictor, and has continued to significantly expand its use of the platform to address additional use cases in multiple lines of business, with numerous additional planned applications on its roadmap.

Fortune Global 500 Healthcare Company

Situation. With more than $20 billion in annual revenue, this Fortune Global 500 company ranks in the top-ten global healthcare technology providers and is a leader in multiple product categories, including diagnostic imaging, image-guided therapy, and patient monitoring. As a result of the COVID-19 pandemic, the company faced unprecedented demand spikes globally, requiring a four-fold increase in production for critical medical products and creating tight customer deadlines and significant stresses on factories and suppliers. Efficient supply chain management is a challenging endeavor even in the best of times, and the pandemic intensified the need to have near real-time visibility into inventories, orders, and lead times. In order to deliver the right products in the right quantities to the right locations on time, the company needed an AI-enabled solution to provide end-to-end visibility of its ventilators products.

C3.ai Solution. In 2020, C3.ai worked with the company to deploy C3 AI Inventory Optimization and C3 AI Supply Network Risk applications into production in just four weeks – a project that may have taken several months using other technologies. The C3.ai-powered solution aggregates and unifies 500 million rows of data from the Company's source systems – a remarkable achievement due to the disparity of the data. The solution spans the company's global supply chain, including three factories and six distribution centers, providing up-to-date visibility of finished goods across its products.

Outcome. The company's planners immediately utilized the information to identify orders with long lead times and were able to pinpoint and resolve specific issues in the supply chain to meet delivery requirements, enabling a 300% increase in unit production. Building on this success, the deployment is being extended to predict production lead times (from raw materials to customer delivery); apply stochastic optimization of raw supply materials to improve output; and to provide end-to-end inventory visibility and lead time predictions for several thousand SKUs.

Extensive Partner Ecosystem

We have established strategic relationships with technology leaders including Amazon Web Services, or AWS, Baker Hughes, Fidelity National Information Services, or FIS, Google, IBM, Microsoft, and Raytheon. These world-leading technology companies can marshal tens of thousands of talented resources to establish and serve C3.ai customer relationships at global scale.

We form go-to-market and product co-development alliances with our partners that combine our AI expertise and technology with our partners' deep domain expertise to bring next-generation C3.ai solutions to joint customers. Our partnerships include strategic alliances across four categories:

- *Industry Partners.* Each industry partnership focuses on a key vertical. We have formed global strategic alliances in the energy industry with France-based global energy leader ENGIE (also a customer); in oil and gas with Baker Hughes, a global leader in oilfield services (also a customer); and in financial services with FIS, leading technology provider to the global financial services industry; and in the U.S. Federal and aerospace sectors with Raytheon, one of the world's largest aerospace and defense manufacturers.

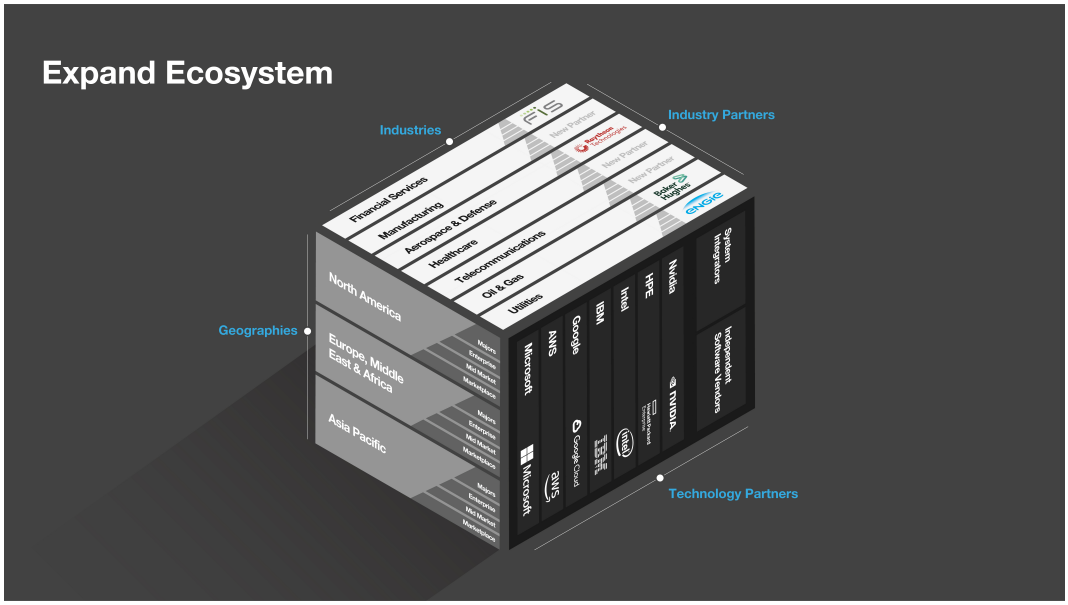
- *Hyperscale Cloud and Infrastructure Partners.* We have formed global strategic go-to-market alliances with hyperscale cloud providers including Amazon, Microsoft, and Google. In addition, we have strategic alliances with leading hardware infrastructure providers to deliver our software optimized for their technology. These partners include Hewlett Packard Enterprise and Intel.

- *Consulting and Services.* We have formed a global strategic go-to-market alliance with IBM Global Business Services, who employs more than 100,000 service professionals. We have also established partnerships with select specialized systems integrators that provide application design and development, data engineering, data science, and systems integration services, including Aubay, BGP, CMC, Data Reply, Infoedge Technology, Informatica El Corte Ingles, Intelia, Neal Analytics, Ortec, Pariveda, SCAP, and Synechron. These alliances are focused on helping organizations accelerate their Enterprise AI and digital transformation programs.

- *Independent Software Vendors.* Our ISV partners develop, market, and sell application solutions that are natively built on or tightly integrated with the C3 AI Suite. The C3 AI Suite enables ISVs to deliver AI capabilities to their installed user base that enhance or complement existing ISV application functionality. As of September 2020, ISV partners include ENGIE, FIS, and Ortec.

Sales Model

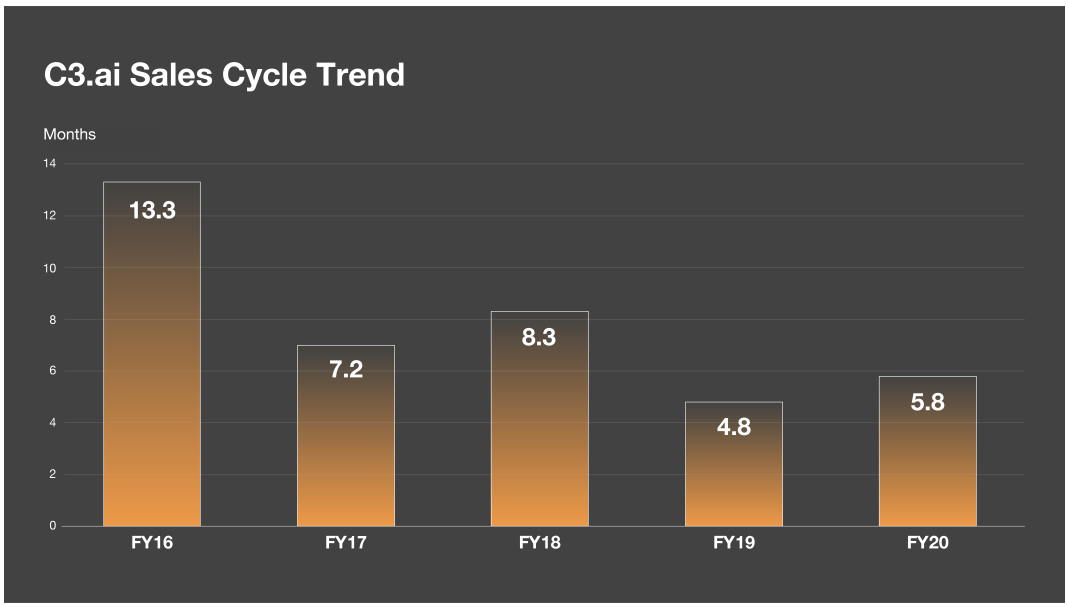
Our sales organization is organized both geographically and into vertical market segments that cooperate to sell to and service customers. We have a highly leveraged go-to-market model comprised of a global field sales force combined with significant alliance partnerships, that we believe will accelerate our entry into diverse global market segments. As of October 31, 2020, we had 41 individuals serving on our sales team globally. Each of our strategic partners—including AWS, Baker Hughes, FIS, Google, IBM, Microsoft, and Raytheon—has a large installed customer base with strong, established relationships, and a large global sales force that vastly extends our market coverage. We form specific sales targets and goals with each partner, enabling us to quickly and efficiently engage in customer accounts.



We have been focused on the oil and gas, aerospace, defense, utilities, manufacturing, and financial services sectors, as those appear to be the early adopters in Enterprise AI. As we expand our industry presence into, for example, telecommunications, retailing, precision medicine, etc., we plan to continue that market entry strategy.

Our strategy has been to achieve early leadership with a focus on large enterprise sales to establish successful lighthouse customers across a range of industries and geographies. Our goal is to rapidly move down-market in the next few years to capture the small and medium business segments of each industry. We intend to leverage our partner ecosystem and establish telesales and direct marketing organizations to address the middle market.

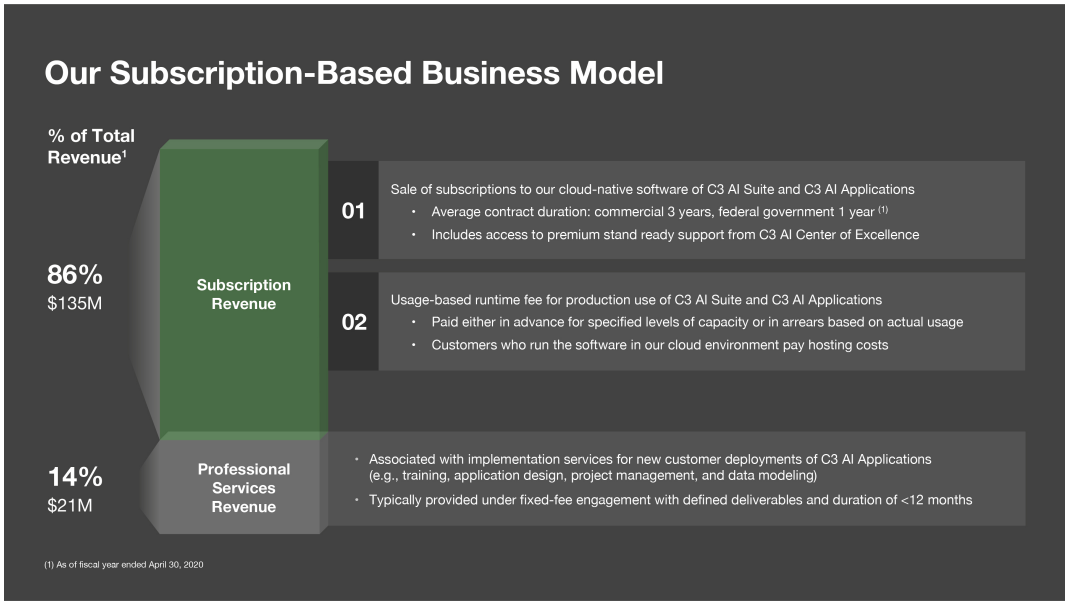
Our average sales cycles have been decreasing over time. We believe this is due to increased acceptance of cloud adoption, increased prioritization of Enterprise AI, increasing corporate mandates for digital transformation, increased brand recognition of C3.ai, and increasing numbers of live, production C3.ai customers.



Revenue Model

The bulk of our revenue is generated from subscriptions to our software, accounting for roughly 86% of our total revenue. We currently have four primary revenue sources:

- Term subscriptions of the C3 AI Suite, usually three years in duration.
- Term subscriptions of C3 AI Applications, usually three years in duration.
- Monthly runtime fees of the C3 AI Applications and customer-developed applications built using the C3 AI Suite, usage-based upon CPU-hour consumption.
- Professional services fees associated with training and assisting our customers.



Marketing

Our multichannel marketing function is focused on market education, brand awareness, thought leadership, and demand creation. We engage the market through digital, radio, television, outdoor, airport, and print advertising; virtual and physical events, including our C3.ai Transform annual customer conference; and C3.ai Live, a bi-weekly series of livestreamed events featuring C3.ai customers, C3.ai partners, and C3.ai experts in AI, machine learning, and data science. Our Chief Executive Officer, Tom Siebel—a recognized technology thought leader and author of the 2019 Wall Street Journal and Amazon best seller *Digital Transformation: Survive and Thrive in an Era of Mass Extinction*—is a frequent industry keynote speaker and is often interviewed by leading media, including the *Wall Street Journal*, *Financial Times*, *The Economist*, *Fortune*, *Forbes*, BloombergTV, Yahoo! Finance, and others.

Professional Services

We maintain a small professional services organization that offers resources, methodologies, and experience to help customers develop and deploy enterprise-scale AI applications. Our services are complemented by those of our partners.

C3 AI Implementation Services help ensure successful customer outcomes throughout the application development and deployment phases, including setup and configuration, machine learning model development and tuning, and integration of multiple complex source systems.

C3 AI Academy provides a role-based, in-person, and online curriculum to help developers, data scientists, administrators, and project personnel take advantage of C3 AI Suite capabilities quickly and robustly.

Our professional services strategy is to quickly train our customers to develop, customize, and deploy applications independently of us, making them rapidly self-sufficient. In those instances where a large or continuing professional services presence may be desired or necessary, we rely upon our partner ecosystem, including IBM and Baker Hughes, to provide those services. We believe this will enable us to maintain high gross margins and allow us to rapidly deploy trained professional services personnel at large scale any place on the planet.

Rich Human Capital

Our strongest asset is unquestionably the human capital that we have been able to attract, retain, and motivate. We have won the Glassdoor Best Place to Work award, were named a WayUp Top 100 Internship Program, and are consistently ranked among the best places to work. As a result, we attract exceptionally talented, highly educated, experienced, motivated

employees. We hired 214 new employees in the past year. We received approximately 52,000 applications for those positions. Approximately 10,000 of those were engaged in rigorous skill evaluation and interview cycles for a final selection of 214. Fifty-seven percent of our employees have advanced degrees, many from the world's most prestigious institutions.

We have built a culture of high performance based on four core values:

- *Drive and Innovation Propelling Growth.* We self-select for people who love to work hard, think with rigor, speak with purpose, and act to achieve great things.
- *Natural Curiosity to Solve the Impossible.* We are self-learners, always seeking knowledge to accelerate innovation.
- *Professional Integrity Governing All Endeavors.* We comport ourselves with unwavering ethical integrity, respect, and courtesy.
- *Collective Intelligence.* We believe the unity of our team is substantially greater than the sum of its parts.

Through our C3.ai Management Development Series, we train our managers to motivate and lead their teams by setting clear objectives with an outcomes-based approach. We offer cash incentives to employees who complete professional training and will even pay for employees to earn a master's degree in computer science.

Our talent acquisition team engages various constituency groups to recruit qualified under-represented minorities, women, and military veterans to job opportunities. We host tech talks and workshops at top universities across the nation with the Women in Computer Science Associations, the Society of Women in Engineering, the Society of Latinx Engineers, and the Society of Black Engineers. We joined with BreakLine to help support hiring military veterans. Our goal is to find and recruit the best talent in the world.

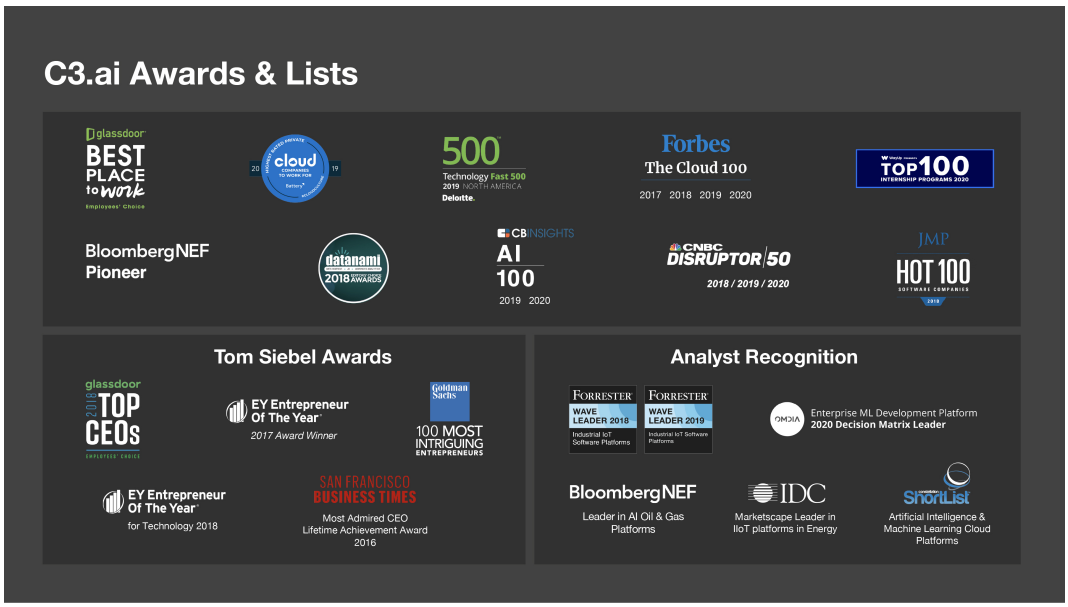
As of October 31, 2020, we had 482 full-time employees, with 386 based in the United States and 73 in our international locations. The average age of C3.ai employees is 36.

Our Culture of High Performance

We are dedicated to achieving our mission to accelerate digital transformation of organizations globally by enabling the deployment of Enterprise AI at scale. Our people are domain experts in their respective fields. We are individuals with exceptional education and professional backgrounds. We are uncompromising in the quality of our work product. We build relationships with our customers grounded upon the highest levels of business ethics and professionalism, with a laser focus on customer success. We execute with precision.

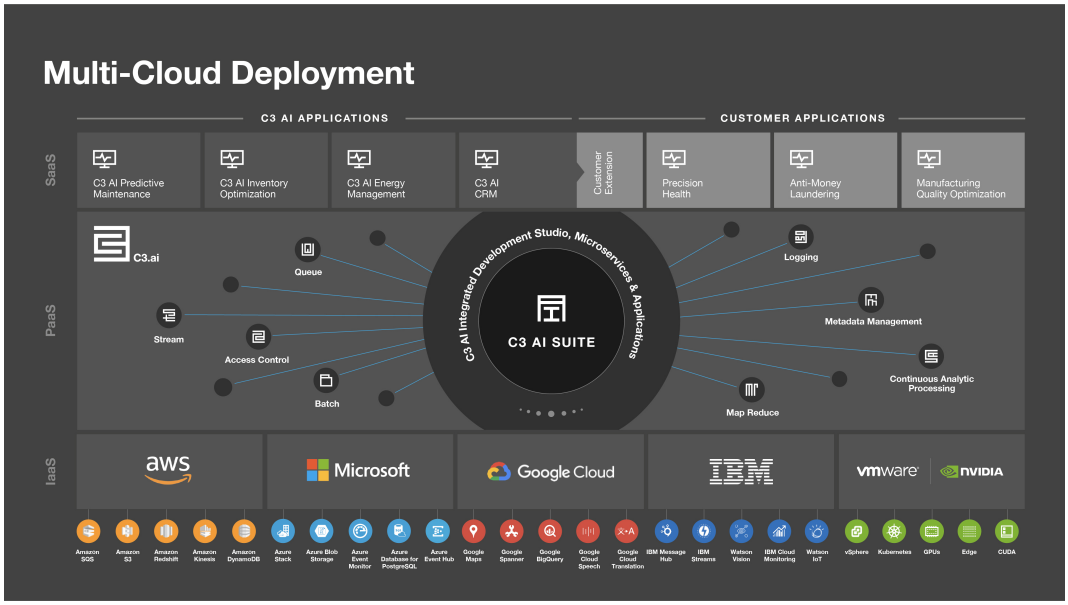
Recognized AI-Industry Leadership

We are broadly recognized as a leader in Enterprise AI with many other industry recognitions, including CNBC Disruptor 50 (2020, 2019, 2018), BloombergNEF Pioneer (2020), Forbes Cloud 100 (2020, 2019, 2018, 2017), Deloitte Technology Fast 500 (2019), and EY Entrepreneur of the Year (2018, 2017) and have been named a leader by Forrester Wave: Industrial IoT Software Platforms (2019, 2018).



Sustainable Competitive Advantage: C3.ai Model-Driven Architecture

Our core technology, the C3 AI Suite, is a cohesive family of integrated software services developed over a decade, engineered with a proprietary model-driven architecture, that provides all the software services and microservices necessary and sufficient to rapidly develop and deploy Enterprise AI applications.



Applications developed with the C3 AI Suite can leverage any open source software solutions and all of the cloud services of AWS, Azure, Google Cloud, and IBM Cloud, and can operate on any of these cloud platforms, on-premises, or in a hybrid cloud.

Compared to the structured programming approach that most organizations typically attempt, our model-driven architecture speeds development by a factor of 26, while reducing the amount of code that must be written by up to 99%.

The big data and application demands of Enterprise AI applications require numerous underlying interdependent elements. These include enterprise data, extraprise data, sensor data, data persistence services, data streaming services, messaging services, analytics services, machine-learning services, security services, data visualization, application development services, application monitoring services, and scores to hundreds more. With a traditional structured programming approach, developers spend significant time and effort to write extensive code to define, manage, connect, and control each element. This often results in overwhelming complexity and highly brittle applications that can break any time an underlying element is changed or updated—a primary reason why the vast majority of Enterprise AI efforts have not been deployed into production.

By contrast, our model-driven architecture provides an "abstraction layer," that allows our partners and our customers, as well as our internal C3.ai developers, to build or customize Enterprise AI applications by using conceptual models of all the elements an application requires, instead of writing lengthy code. C3.ai provides a library of tens of thousands of prebuilt conceptual models, growing by more than 4,000 per year, that can be easily modified and extended, and developers can efficiently create their own models as well. These prebuilt, extensible models encompass a vast range of business objects (customer, order, contract, etc.), physical systems and subsystems (engine, boiler, chiller, compressor, etc.), computing resources and services (database, stream processing, etc.)—virtually anything an application requires can be represented as a model in our model-driven architecture. To ensure ongoing operability of our thousands of prebuilt and extensible models on different underlying infrastructure (e.g., AWS, Azure, etc.), our automated testing continuously executes approximately 60,000 tests and security scans with each change or update made to the software or infrastructure.

Leveraging this model-driven architecture, application developers and data scientists can focus on delivering immediate value, without the need to manage the complex interdependencies of the underlying elements. These conceptual models can be reused by many applications, thereby accelerating development of new applications.

Compared to traditional structured programming, our model-driven architecture and declarative programming shorten time to value and reduce total cost of ownership by:

- Enabling developers to build AI applications 26 times faster and with up to 99% less code than with other technologies, by using conceptual models (including tens of thousands of C3.ai's prebuilt models)
- Reducing the resources required to build AI applications
- Making developers more productive by allowing them to ramp quickly on new application projects, through reuse of models across applications and reduced coding requirements
- Decreasing application operating and maintenance requirements
- Accelerating the ability to enhance applications with new features

We believe our model-driven architecture provides significant competitive advantage both by enabling our customers and partners to successfully develop and deploy Enterprise AI applications faster, and by providing the foundation for C3.ai to rapidly extend our portfolio of cross-industry and industry-specific applications.

Strategic Competitive IP Advantage

We enjoy a rich patent portfolio that is a substantial competitive advantage, both offensive and defensive, in the Enterprise AI market—most notably, our most recently issued U.S. patents (No. 10,817,530 and No. 10,824,634) which were granted for systems, methods, and devices for an enterprise AI and internet-of-things platform.

Our patent portfolio covers the key capabilities of our model-driven architecture that are the foundation of our highly differentiated technology. This includes methods, systems, and devices for data aggregation and unification, times-series data processing, data abstraction, machine learning implementation, and much more.

As of November 23, 2020, our technology is protected by a broad patent portfolio, with six issued patents in the United States, five issued patents in a number of international jurisdictions, 11 patent applications (including two applications that have been allowed and one provisional application) pending in the United States, and 26 patent applications pending internationally. Our issued patents expire between February 23, 2033 and April 17, 2037. We continually review our development efforts to assess the existence and patentability of new intellectual property.

Intellectual property is important to the success of our business. We rely on a combination of patent, copyright, trademark, and trade secret laws in the United States and other jurisdictions, as well as license agreements, confidentiality procedures, non-disclosure agreements with third parties, and other contractual protections, to protect our intellectual property rights, including our proprietary technology, software, know-how, and brand. Although we rely on intellectual property rights, including patents, copyrights, trademarks, and trade secrets, as well as contractual protections to establish and protect our proprietary rights, we believe that factors such as the technological and creative skills of our personnel, creation of new services, features and functionality, and frequent enhancements to our platform are more essential to establishing and maintaining our technology leadership position. See the section titled “Risk Factors—Risks Related to Our Intellectual Property” for a discussion of the risks associated with our intellectual property.

Our Secret Sauce: The C3.ai Model-Driven Architecture

Over the last four decades, the information technology industry has grown from about $120 billion globally in 1980 to more than $2 trillion today. During this time, the IT industry has experienced the transition from mainframe computing to minicomputers, to personal computing, to internet computing, and to handheld computing. The software industry has transitioned from custom applications based on mainframe standards such as MVS, VSAM, and ISAM, to applications developed on a relational database foundation, to enterprise application software, to SaaS and mobile apps, and now to the AI-enabled enterprise. The internet and the iPhone changed everything.

Each of these transitions represented a replacement market for its predecessor. Each delivered dramatic benefits in productivity. Each offered organizations the opportunity to gain competitive advantage. Companies that failed to take advantage of each new generation of technology ceased to be competitive. Today it is unimaginable that a major global corporation would try to close its books without an enterprise resource planning system or run its business solely on mainframe computers.

The IT industry is now undergoing another major transition. A new generation of 21st century technologies—including elastic cloud computing, the IoT, and AI—is driving digital transformation across industry, commerce, and government globally. Digital transformation presents a number of unique requirements that create the need for an entirely new software technology stack. The requirements are daunting.

Enterprise AI applications require a new digital transformation software stack. The traditional approach to developing AI and IoT enterprise software—i.e., using structured programming to build applications by assembling and integrating various open source components and cloud services—can be slow, costly, and ineffective. Based on experience and expertise, we believe that Enterprise-scale AI and IoT applications generally share a set of demanding requirements as described in greater detail below.

Requirements of the Model-Driven Architecture

To develop an effective Enterprise AI application, it is necessary to aggregate data from a variety of enterprise information systems, suppliers, distributors, markets, products in customer use, and sensor networks, in order to provide a view of the extended enterprise.

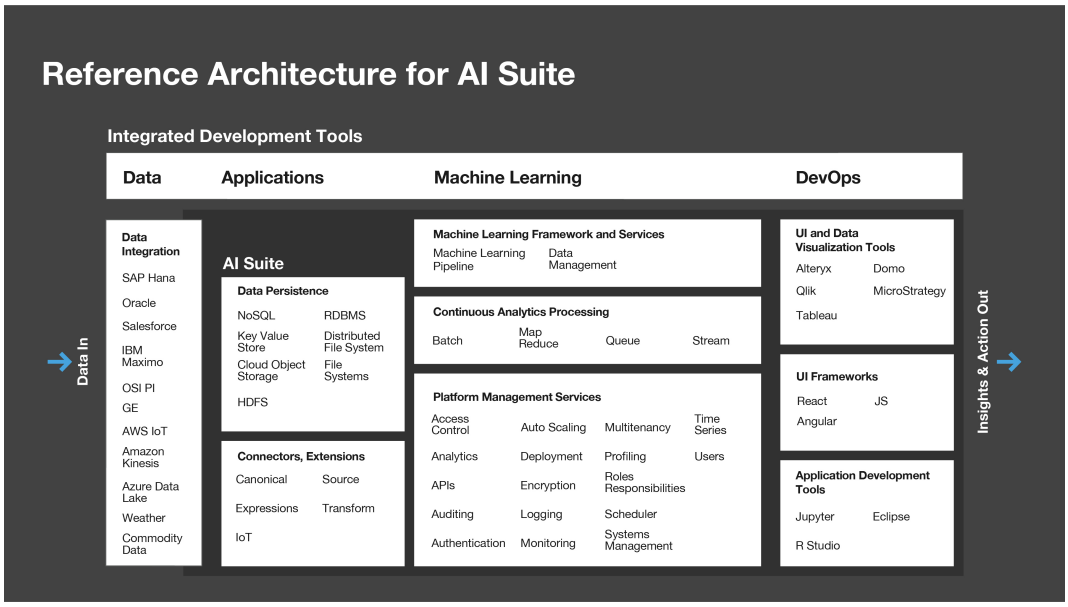
Today’s data velocities are dramatic, requiring the ability to ingest and aggregate data from hundreds of millions of endpoints at very high frequency, sometimes exceeding 1,000 Hz cycles. The data need to be processed at the rate they arrive, in a highly secure and resilient system that addresses persistence, event processing, machine learning, and visualization. This requires massively horizontally scalable elastic distributed processing capability offered only by modern cloud platforms and supercomputer systems.

The resultant data persistence requirements are staggering. These data sets rapidly aggregate into hundreds of petabytes, even exabytes. Each data type needs to be stored in an appropriate database capable of handling these volumes at high frequency. Relational databases, key-value stores, graph databases, distributed file systems, and blobs are all important to organizing and linking data across these divergent technologies.

Reference AI Software Platform

The problems that have to be addressed to enable today's AI and IoT applications are nontrivial. Massively parallel elastic computing and storage capacity are prerequisite. These services are provided today at increasingly low cost by AWS, Azure, and others. The elastic cloud is a major breakthrough that has dramatically transformed modern computing. In addition to the cloud, multiple data services are necessary to develop, provision, and operate AI and IoT applications.

The array of capabilities and services necessary for building and operating AI and IoT applications at scale represents a development problem on the order of magnitude of a relatively simple enterprise software application such as CRM. This is not a trivial problem. Consider just a few of these requirements.



- *Data Integration.* This problem has haunted the computing industry for decades. Prerequisite to machine learning and AI at industrial scale is the availability of a unified, federated image of all the data contained in the multitude of (1) enterprise information systems—ERP, CRM, SCADA, HR, MRP—typically thousands of systems in each large enterprise; (2) sensor IoT networks—SIM chips, smart meters, programmable logic arrays, machine telemetry, bioinformatics; and (3) relevant extraprise data—weather, terrain, satellite imagery, social media, biometrics, trade data, pricing, market data, etc.

- *Data Persistence.* The data aggregated and processed includes every type of structured and unstructured data imaginable. Personally identifiable information, census data, images, text, video, telemetry, voice, network topologies. There is no "one size fits all" database that is optimized for all of these data types. This results in the need for a multiplicity of database technologies including but not limited to relational, NoSQL, key-value stores, distributed file systems, graph databases, and blobs.

- *Platform Services.* A myriad of sophisticated platform services are necessary for any Enterprise AI or IoT application. Examples include access control, data encryption in motion, encryption at rest, ETL, queuing, pipeline management, autoscaling, multitenancy, authentication, authorization, cybersecurity, time-series services, normalization, data privacy, GDPR privacy compliance, NERC-CIP compliance, and SOC2 compliance.

- *Analytics Processing.* The volumes and velocity of data acquisition in such systems are blinding and the types of data and analytics requirements are highly divergent, requiring a range of analytics processing services. These include continuous analytics processing, MapReduce, batch processing, stream processing, and recursive processing.

- *Machine Learning Services.* The whole point of these systems is to enable data scientists to develop and deploy machine learning models. There is a range of tools necessary to enable that, including Jupyter Notebooks, Python, DIGITS, R, and Scala. Increasingly important is an extensible curation of machine learning libraries such as TensorFlow, Caffe, Torch, Amazon Machine Learning, and AzureML. An effective AI and IoT platform needs to support them all.

- *Data Visualization Tools.* Any viable AI architecture needs to enable a rich and varied set of data visualization tools including Excel, Tableau, Qlik, Spotfire, Oracle BI, Business Objects, Domo, Alteryx, and others.

- *Developer Tools and UI Frameworks.* An organization's IT development and data science teams each have adopted and become comfortable with a set of application development frameworks and user interface development tools. An AI and IoT platform must support all of these tools—including, for example, the Eclipse IDE, VI, Visual Studio, React, Angular, R Studio, and Jupyter—or it will be rejected as unusable by the IT development teams.

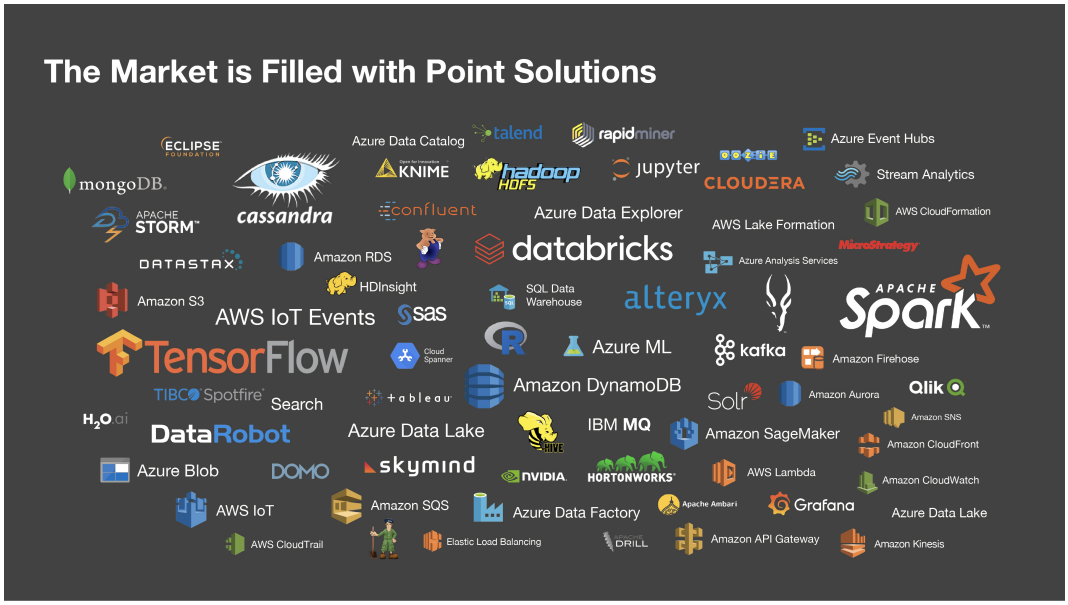
- *Open, Extensible, Future-Proof.* The current pace of software and algorithm innovation is accelerating. The techniques used today will likely be obsolete in five to 10 years. An AI and IoT platform architecture must therefore provide the capability to replace any components with their next-generation improvements. Moreover, the platform must enable the incorporation of any new open source or proprietary software innovations without adversely affecting the functionality or performance of an organization's existing applications. This is a level-zero requirement.

To meet this extensive set of requirements, C3.ai has spent the last decade and invested nearly $800 million researching and refining these requirements, and in developing and enhancing the C3 AI Suite to address these requirements. The C3 AI Suite has been refined, tested, and proven in some of the most demanding industries and production environments—electric utilities, manufacturing, oil and gas, and defense—comprising petabyte-scale datasets from thousands of vastly disparate source systems, massive volumes of high-frequency time series data from millions of devices, and hundreds of thousands of machine learning models.

Awash in "AI Platforms"

Industry analysts estimate that organizations will invest $170 billion annually in digital transformation software by 2024. According to a leading consulting firm, companies will generate $13 trillion annually in added value from the use of these new technologies. This is the fastest-growing enterprise software market in history and represents an entire replacement market for enterprise application software.

Today the market is awash in "AI Platforms" that purport to be solutions sufficient to design, develop, provision, and operate Enterprise AI applications, including Cassandra, Cloudera, DataStax, AWS IoT, and Hadoop. AWS, Azure, IBM, and Google, each of which offer an elastic cloud computing platform. In addition, each offers an increasingly innovative library of microservices that can be used for data aggregation, ETL, queuing, data streaming, MapReduce, continuous analytics processing, machine learning services, data visualization, etc. They all appear to do the same thing and they all appear to provide a complete AI platform. While these products are useful, we believe that none offers the scope of utility necessary and sufficient to develop and operate an Enterprise AI or IoT application.



Consider Cassandra, for example. It is a key-value data store, a special-purpose database that is particularly useful for storing and retrieving longitudinal data, like telemetry. For that purpose, it is an effective product. But that functionality represents only a small fraction of the required solution. Likewise, HDFS is a distributed file system, useful for storing unstructured data. TensorFlow, a set of math libraries published by Google, is useful in enabling certain types of machine learning models. AWS IoT is a utility for gathering data from machine-readable IoT sensors. The point is: these utilities are all useful, but we believe none is sufficient by itself. Each addresses only a part of the problem required to develop and deploy an AI or IoT application.

Moreover, our experience is that these utilities are written in different languages, with different computational models and potentially incompatible data structures, developed by programmers of varying levels of experience and training from a variety of sources, rather than being designed from the start to work together. In our experience, few, if any, were written to commercial programming standards necessary to meet the requirements of an enterprise-scale deployment. Many of these efforts have ultimately been contributed to the open source community, which includes a growing collection of hundreds of computer source code programs available for anyone to download, modify at will, and use at no cost, rather than being deployed as enterprise-scale commercial solutions.

“Do It Yourself” AI?

Software innovation cycles follow a typical pattern. Early in the cycle, companies often take a “do it yourself” approach and try building the new technology themselves. In the 1980s, for example, when Oracle first introduced relational database management system, or RDBMS, software to the market, interest was high. In our experience, RDBMS technology offered dramatic cost economies and productivity gains in application development and maintenance. We believe it proved an enabling technology for the next generation of enterprise applications that followed, including material requirements planning, or MRP, enterprise resource planning, or ERP, customer relationship management, or CRM, manufacturing automation, and others.

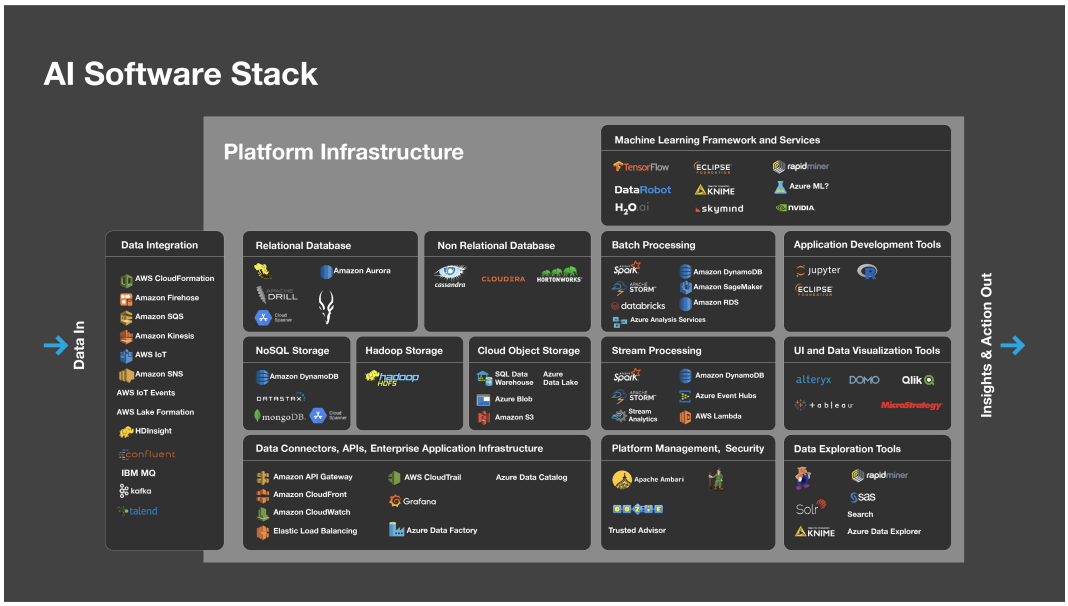
The early competitors in the RDBMS market included Oracle, IBM (DB2), Relational Technology (Ingres), and Sperry (Mapper). But the primary competitor to Oracle was not any of these companies. In our experience, it was in many cases the CIO, who attempted to build the organization’s own RDBMS with IT personnel, offshore personnel, or the help of a systems integrator. When those efforts failed, the CIO was replaced and the organization installed a commercial RDBMS.

When enterprise applications including ERP and CRM were introduced to the market in the 1990s, the primary competitors included Oracle, SAP, and Siebel Systems. But in the early years of that innovation cycle, many CIOs attempted

to develop these complex enterprise applications internally. Hundreds of person-years and hundreds of millions of dollars were spent on those projects. A few years later, a new CIO would install a working commercial system.

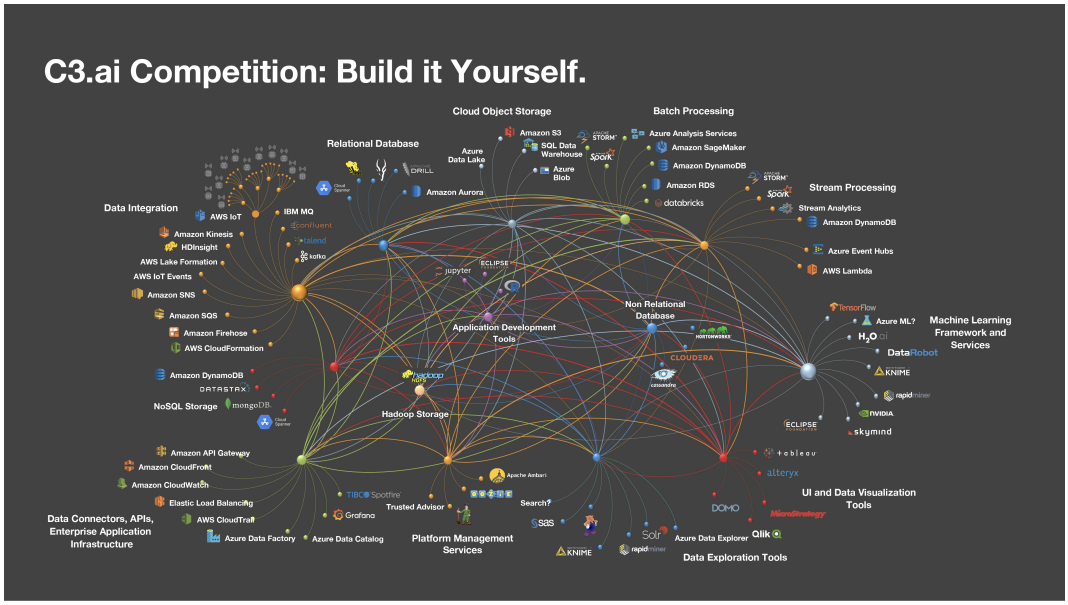
In our experience, some of the most technologically astute companies—including Hewlett-Packard, IBM, and Compaq—repeatedly failed at internally developed CRM projects. All ultimately became successful Siebel Systems CRM customers.

Just as happened with the introduction of RDBMS, ERP, and CRM software in prior innovation cycles, the initial reaction of many IT organizations is to try to internally develop a general-purpose AI and IoT platform, using open source software with a combination of microservices from cloud providers like AWS and Google. The process starts by taking some subset of the myriad of proprietary and open source solutions and organizing them into a platform architecture.



The next step is to assemble hundreds to thousands of programmers, frequently distributed around the world, using structured programming and application programming interfaces, or APIs, to attempt to stitch these various programs, data sources, sensors, machine learning models, development tools, and user interface paradigms together into a unified, functional, seamless whole that will enable the organization to excel at designing, developing, provisioning, and deploying numerous enterprise scale AI and IoT applications.

The complexity of such a system is much greater than developing a CRM or ERP system.



There are a number of problems with this approach:

- *Complexity.* Using structured programming, the number of software API connections that one needs to establish, harden, test, and verify for a complex system can, in our estimation, approach the order of 10^{13}. The developers of the system need to individually and collectively grasp that level of complexity to get it to work. We believe the number of programmers capable of dealing with that level of complexity is quite small.

  Aside from the platform developers, the application developers and data scientists also need to understand the complexity of the architecture and all the underlying data and process dependencies in order to develop any application.

- *Brittleness.* Spaghetti-code applications of this nature are highly dependent upon each and every component working properly. If one developer introduces a bug into any one of the open source components, all applications developed with that platform may cease to function.

- *Future Proof.* As new libraries, faster databases, and new machine learning techniques become available, those new utilities need to be available within the platform. Consequently, every application that was built on the platform will likely need to be reprogrammed in order to function correctly. This may take months to years.

- *Data Integration.* An integrated, federated common object data model is absolutely necessary for this application domain. Using this type of structured programming, API-driven architecture may require hundreds of person-years to develop an integrated data model for any large corporation. This is the primary reason why tens to hundreds of millions of dollars get spent, and several years later, no applications are deployed. The Fortune 500 is littered with such disaster stories.

The Gordian Knot of Structured Programming

Structured programming is a technique introduced in the mid-1960s to simplify code development, testing, and maintenance. Prior to structured programming, software was written in large monolithic tomes replete with APIs and “go-to” statements. The resultant product might consist of millions of lines of code with thousands of such APIs and go-to statements that were difficult to develop, understand, debug, and maintain.

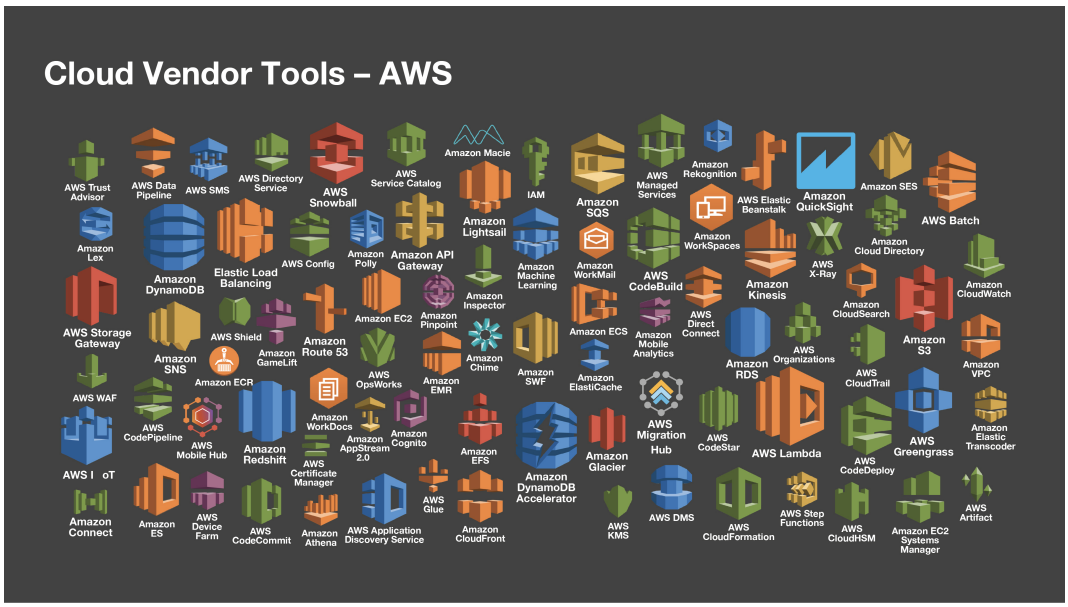
The essential idea of structured programming was to break the code into a relatively simple “main routine” and then use something called an application programming interface to call subroutines that were designed to be modular and reusable.

Example subroutines might provide services like complete a ballistics calculation, or a fast Fourier transform, a linear regression, an average, a sum, or a mean. Structured programming remains the state of the art for many applications today, and has dramatically simplified the process of developing and maintaining computer code.

While this technique is appropriate for many classes of applications, it breaks down with the complexity and scale of the requirements for a modern AI or IoT application, resulting in a Gordian knot.

Cloud Vendor Tools

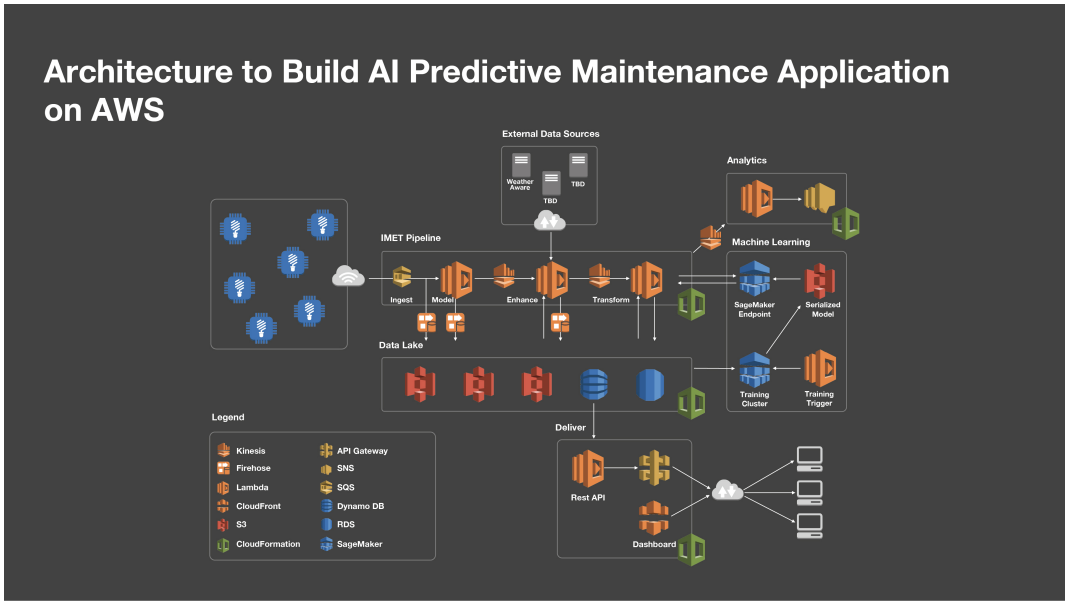
An alternative to the open source cluster is to attempt to assemble the various services and microservices offered by the cloud providers into a working seamless and cohesive Enterprise AI and IoT platform. Leading vendors like AWS are developing increasingly useful services and microservices that in many cases replicate the functionality of the open source providers and in many cases provide new and unique functionality. The advantage of this approach over open source is that these products are developed, tested, and quality assured by highly professional enterprise engineering organizations. In addition, these services were generally designed and developed with the specific purpose that they would work together and interact in a common system. The same points hold true for Azure, Google, and IBM.



The problem with this approach is that because these systems lack a model-driven architecture like that of the C3 AI Suite, described in the following section, programmers still need to employ structured programming to stitch together the various services. This results in the same type of complexity previously described—many lines of spaghetti code and numerous interdependencies that create brittle applications that are difficult and costly to maintain.

The difference between using structured programming with cloud vendor services and using the model-driven architecture of the C3 AI Suite is dramatic. To demonstrate this stark difference, C3.ai commissioned a third-party consultancy to develop an AI predictive maintenance application designed to run on the AWS cloud platform. The consultancy—a Premier AWS Consulting Partner, with significant experience developing enterprise applications on AWS for Fortune 2000 customers—was asked to develop the application using two different approaches: the C3 AI Suite and structured programming.

The time to develop and deploy this application was approximately 120 person-days at a cost in 2019 dollars of approximately $458,000. The effort required writing 16,000 lines of custom code that must be maintained over the life of the application. The resulting application runs only on AWS. To run this application on Google, it may have to be completely rebuilt for each of those platforms at a similar cost, time, and coding effort.



By contrast, using the C3 AI Suite with its modern model-driven architecture, the same application, employing the same AWS services, was developed and tested in five person-days at a cost of approximately $19,000. Only 14 lines of code were generated, dramatically decreasing the lifetime cost of maintenance. Moreover, the application will run on any cloud platform without modification, eliminating any additional effort and cost of refactoring the application if moving it to a different cloud vendor.

C3 AI Suite: Model-Driven Architecture

The notion of a model-driven architecture was developed at the beginning of the 21st century in response to the growing complexity of enterprise application development requirements. Model-driven architecture provides the knife to cut the Gordian knot of structured programming for highly complex problems. The C3 AI Suite is designed and built with a model-driven architecture.

Central to a model-driven architecture is the concept of a “model” that serves as an abstraction layer to simplify the programming problem. Using models, the programmer or application developer does not have to be concerned with all the data types, data interconnections, and processes that act on the data associated with any given entity, e.g., customer, tractor, doctor, or fuel type. He or she simply needs to address the model for any given entity—e.g., customer—and all the underlying data, data interrelationships, pointers, APIs, associations, connections, and processes associated with or used to manipulate those data are abstracted in the model itself.

Using the C3 AI Suite and its model-driven architecture, virtually anything can be represented as a model—even, for example, applications, including databases, natural language processing engines, and image recognition systems. Models also support a concept called inheritance. An AI application built with the C3 AI Suite might include a model called relational database, that in turn serves as a placeholder that might incorporate any relational database system like Oracle, Postgres, Aurora, Spanner, or SQL Server. A key-value store model might contain Cassandra, HBase, Cosmos DB, or DynamoDB.

C3.ai Reduces Complexity, Simplifies Development

With its model-driven architecture, the C3 AI Suite provides an abstraction layer and semantics to represent the application. This frees the programmer from having to worry about data mapping, API syntax, and the mechanics of the myriad of computational processes like ETL, queuing, pipeline management, encryption, etc.

The optimal design for an object model to address AI and IoT applications uses abstract models as placeholders to which a programmer can link an appropriate application. The relational database model might link to Postgres. A report writer

model might link to MicroStrategy. A data visualization model might link to Tableau. And so on. A powerful feature of a model-driven architecture is that as new open source or proprietary solutions become available, the object model library can simply be extended to incorporate that new feature.

Another important capability of the C3 AI Suite enabled by its model-driven architecture is that the applications developed on the platform are future-proofed: due to the modular nature of the model-driven architecture, new, upgraded, or enhanced services can be easily integrated with the C3 AI Suite. Suppose, for example, that an organization developed all its applications initially using Oracle as the relational database and then later decided to switch to an alternate RDBMS. The only modification required is to change the link in the RDBMS meta-model to point to the new RDBMS. All the applications deployed previously using Oracle as the RDBMS will continue to run without modification after that replacement. This enables organizations to immediately and easily take advantage of new and improved product offerings as they become available.

Platform Independence: Multi-Cloud and Polyglot Cloud Deployment

The rate of cloud computing adoption in recent years has been dramatic and continues to accelerate. As recently as 2011, the message delivered by chief executive officers and corporate leadership worldwide was clear: “Our data will never reside in the public cloud.” The message today is equally clear: “We have a cloud-first strategy. All new applications are being deployed in the cloud. Existing applications will be migrating to the cloud. But understand, we have a multi-cloud strategy.”

This 180-degree turn at global scale in the span of a few years is remarkable. But while corporate leaders are eagerly embracing the cloud, they are also very concerned about cloud vendor lock-in. They want to be able to continually negotiate. They want to deploy different applications in clouds from different vendors, and they want to be free to move applications from one cloud vendor to another.

Multi-cloud deployment is therefore an additional requirement of a modern model-driven software platform that is fully supported by the C3 AI Suite. Applications developed with the C3 AI Suite can run without modification on any cloud and on bare metal behind the firewall in a hybrid cloud environment.

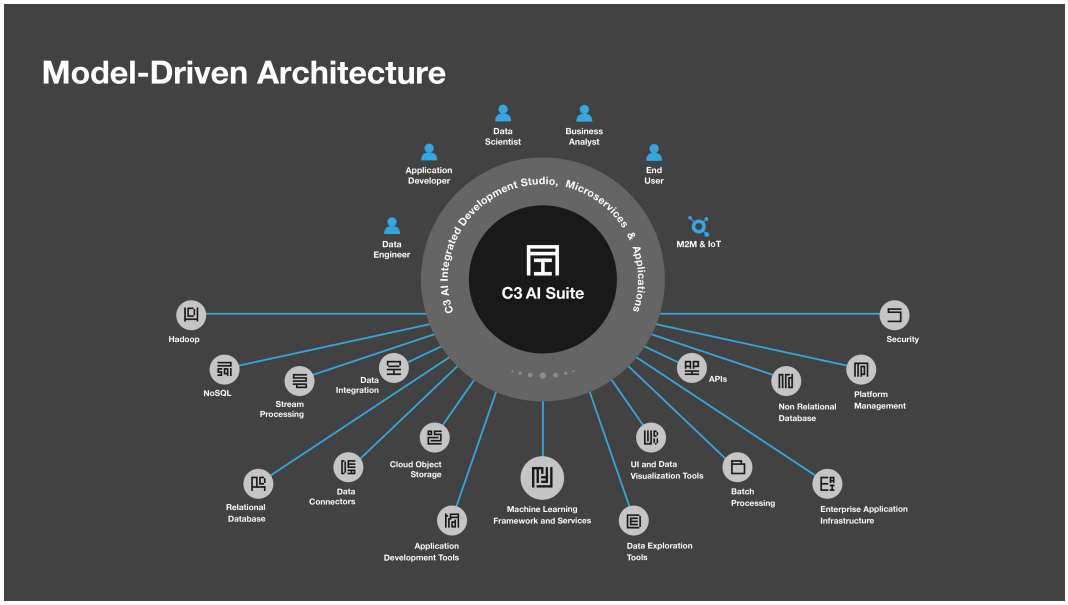
A final requirement for the new AI technology stack—that the C3 AI Suite delivers—is polyglot cloud deployment capability: the ability to mix various services from multiple cloud providers and to easily swap and replace those services. The cloud vendors provide the market a great service by enabling instant access to virtually unlimited horizontally scalable computing capacity and effectively infinite storage capacity at exceptionally low cost. As the cloud vendors aggressively compete with one another on price, the cost of cloud computing and storage is consistently decreasing.

A second important service cloud vendors provide is rapid innovation of microservices. Microservices like TensorFlow from Google accelerate machine learning. Amazon Forecast facilitates deep learning for time-series data. Azure Stream Analytics integrates with Azure IoT Hub and Azure IoT Suite to enable powerful real-time analytics of IoT sensor data. It seems not a week goes by without another announcement of yet another useful microservice from AWS, Azure, Google, and IBM.

C3 AI Suite: A Tested, Proven, and Patented AI Suite

The model-driven approach to developing Enterprise AI and IoT applications using the C3 AI Suite has been tested and proven in dozens of large-scale, real-world deployments at some of the world’s largest organizations.

The C3 AI Suite provides a powerful platform enabling these and other leading organizations to develop and operate Enterprise AI and IoT applications at scale, with a fraction of the effort and resources required by other approaches. Applications built with the C3 AI Suite are flexible, easily upgraded, and can be ported across different cloud platforms with little or no modification, providing a solution that future-proofs customers’ investment in Enterprise AI and IoT application development.



Competition

Our primary competition is largely do-it-yourself, custom-developed, company-specific AI platforms and applications. These tend to be very costly complex software engineering projects, often fail, and, if at all successful, usually require many years to realize economic return. Most of our customers have tried and failed at one or more such bespoke development efforts, sometimes at great expense, before turning to C3.ai for their AI solution.

We are unaware of any end-to-end AI development platforms that are directly competitive with the C3 AI Suite. The commercial product offerings that were formerly positioned as functionally equivalent to C3.ai were GE Predix and IBM Watson, both multi-billion dollar software engineering efforts backed by massive promotional campaigns; however, we no longer encounter them in competitive situations.

Our primary competition comes from IT organizations that attempt to custom develop bespoke AI application development and runtime platforms. Such efforts usually involve the integration of internally developed tools, open source solutions, and point solutions offered by independent software vendors, and/or components offered in the AWS, Azure, or Google cloud platforms. Frequently these efforts will be managed as professional service projects by organizations like Accenture or Lockheed Martin. We have found that these efforts are often costly, time consuming, and not always fully successful.

Sales Alliances

Strategic partnerships are core to our growth strategy with market-leading companies offering highly leveraged distribution channels to various markets.

- *Baker Hughes: Oil, Gas, and Chemicals.* In 2019, we a formed a strategic alliance with Baker Hughes, a $24 billion oil and gas services company. Under the terms of this alliance, Baker Hughes has standardized on C3.ai for all internal use AI applications. In addition, we are jointly marketing and selling a range of Enterprise AI solutions to address the entire value of upstream, mid-stream, and downstream activity under the BHC3.ai brand to oil and gas companies globally with the active engagement of Baker Hughes, which has a 12,000-person sales organization.

- *Fidelity National Information Systems (FIS): Financial Services.* In September 2020, we entered into a strategic alliance with FIS, a $10.3 billion technology provider to the global financial services industry whose systems process 75 billion transactions per year worth $9 trillion. This alliance brings together the extensive financial services domain expertise of FIS with C3.ai's AI expertise to market and deploy the C3 AI Suite and C3 AI

Applications, including C3 AI Anti-Money Laundering and C3 AI Securities Lending Optimization, into financial services businesses. FIS will also utilize the C3 AI Suite to develop AI applications.

- *AWS, IBM, Intel, and Microsoft.* In addition, we have announced global alliances with AWS, IBM, Intel, and Microsoft to jointly market, sell, and service our combined offerings across industry verticals.

In the majority of our sales opportunities we are aligned with one or more of these partners.

New AI CRM Offering

In October 2020, we entered into a partnership with Microsoft and Adobe to bring to market C3 AI CRM powered by Microsoft Dynamics 365 and Adobe Experience Cloud, a new generation of AI-enabled, industry-specific CRM solutions.

The C3 AI CRM product family will include sales, marketing, and customer service functionality. The products will be available in vertical market-specific offerings specifically designed to meet the needs of industries such as financial services, healthcare, telecommunications, oil and gas, manufacturing, utilities, aerospace, automotive, public sector, defense, and intelligence. The C3 AI CRM solutions will be sold through a variety of channels, and through our distribution partner network, including Baker Hughes and Microsoft.

CRM has grown to a $63 billion software market today. We are confident that AI-enablement will be a fundamental requirement of the CRM market in the coming decade. We are assembling the product, plan, personnel, and partnerships around the C3 AI CRM product family with the goal of establishing a leadership position in that segment of the CRM market.

Thought Leadership

Our CEO, Tom Siebel, and our Chief Technology Officer, Ed Abbo, are recognized leaders in information technology, facilitating broad market validation by media, analysts, and industry groups. Their decades of technology leadership in enterprise software position them well to engage strategically with the executive leadership of leading corporations and government entities.

We have launched a communications strategy with the objective of establishing thought leadership in Enterprise AI and Digital Transformation. We believe our CEO's bestselling book, *Digital Transformation: Survive and Thrive in an Era of Mass Extinction*, has contributed to this effort. Digital Transformation is soon to be released for publication in French, Chinese, Russian, and Korean.

We will continue to expand our thought leadership in AI through ongoing publications, industry conferences, advertising, keynote speeches, media interviews, television appearances, blog posts, and contributed articles.

Growth Strategy

We are substantially investing in the expansion of our direct enterprise sales and service organization both geographically and across vertical markets to expand the use of C3.ai solutions within existing customers and establish new customer relationships.

We are growing a middle market sales organization to address the needs of divisions of large organizations in addition to small and medium businesses.

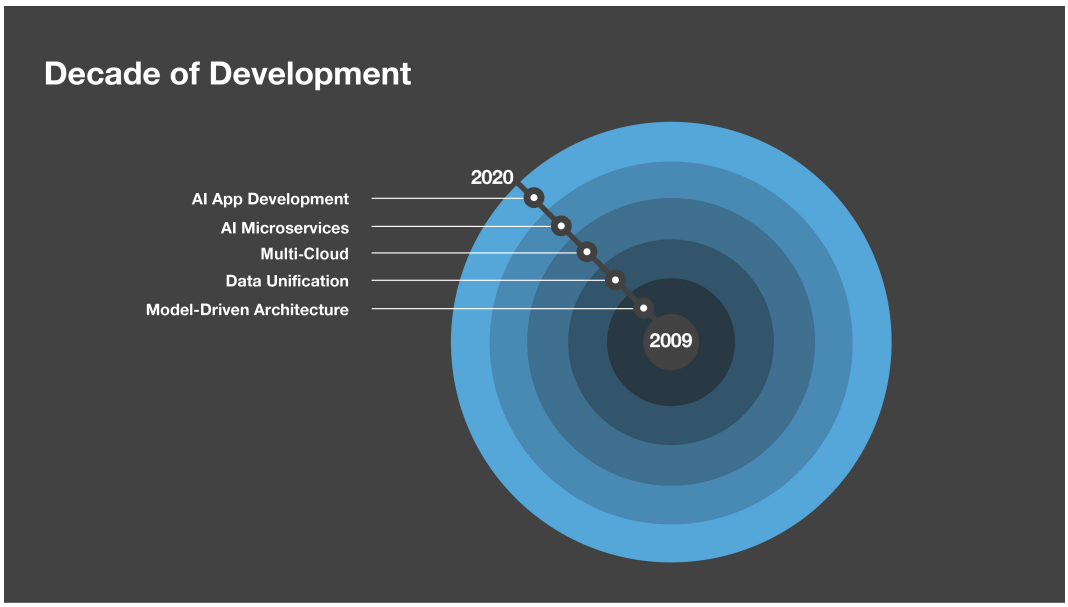
We will expand our leveraged distribution channel with additional distribution partners.

We will continue to develop high volume distribution channels including digital marketing, telesales, and strategic distributors, particularly to address the needs of small and medium businesses.

We are bringing new product families to market, such as C3 AI CRM powered by Microsoft Dynamics 365 and Adobe Experience Cloud, that we believe will develop into substantial recurring revenue streams for C3.ai.

We expect to form additional strategic development and distribution agreements, like those we have in place with Microsoft and Baker Hughes, that we expect will provide us highly leveraged access to other vertical and horizontal markets.

We continue to invest heavily in research and development (41% of our revenue in fiscal year 2020) to maintain technology leadership. Our product roadmap includes a wide range of new functions and products to be released in the coming years that we expect to contribute to revenue growth with both new and existing customers.



University Relations: C3.ai Digital Transformation Institute

Established in February 2020, the C3.ai Digital Transformation Institute, or C3.ai DTI, is a research consortium dedicated to accelerating the benefits of artificial intelligence for business, government, and society. C3.ai DTI engages the world's leading scientists to conduct research and train practitioners in the new Science of Digital Transformation, which operates at the intersection of artificial intelligence, machine learning, cloud computing, internet of things, big data analytics, organizational behavior, public policy, and ethics.

The nine C3.ai DTI consortium member universities and laboratories are: University of Illinois at Urbana-Champaign, or UIUC, University of California, Berkeley, Carnegie Mellon University, Lawrence Berkeley National Laboratory, Massachusetts Institute of Technology, National Center for Supercomputing Applications, or NCSA, at UIUC, Princeton University, Stanford University, and the University of Chicago. Industry partners include C3.ai and Microsoft. To support C3.ai DTI, C3.ai is providing C3.ai DTI $57,250,000 in cash contributions over the first five years of operation. C3.ai and Microsoft will contribute an additional in-kind support, including use of the C3 AI Suite and Azure computing, storage, and technical resources to support C3.ai DTI research.

The goal of C3.ai DTI is to develop the field of Digital Transformation Science by leveraging laboratory and research facilities at UC Berkeley, UIUC, and consortium institutions. C3.ai DTI forms dynamic teams of the world's best researchers to interact with faculty and students to advance AI techniques for industrial, commercial, and public sector applications. At the heart of C3.ai DTI is a constant flow of new ideas and expertise provided by ongoing research, visiting scholars and research scientists, and educational programs. This rich ecosystem focuses on addressing some of the complex issues inherent in the digital transformation of society and developing the new Science of Digital Transformation. C3.ai DTI focuses research on the intersection of artificial intelligence, machine learning, internet of things, cloud computing, big data analytics, organizational behavior, public policy, and ethics.

Specifically, C3.ai DTI supports the development of machine learning algorithms, data security, and cybersecurity techniques to address and advance solutions related to predictive analytics, resilient operation under faults and cyberattack, and assured system security. C3.ai DTI research is engaged in analyzing new business operation models, developing methods for organizational change management, developing advanced methods of protecting privacy, and advancing dialog related to the ethical implications of AI. Central to C3.ai DTI's research is the development and validation of algorithms and designs that can dramatically affect societal systems.

In addition to contributing to the public good, C3.ai DTI exposes the capabilities of our AI Suite and AI Applications to potentially thousands of researchers, undergraduates, and graduate students at these world-renowned institutions. This helps to further build the community of C3.ai users and to establish C3.ai as the standard for developing and deploying large-scale Enterprise AI applications to solve the world's hardest problems.

C3.ai DTI Research Award Program

Through a Call for Research Proposals managed by UC Berkeley and UIUC, C3.ai DTI annually awards up to 26 grants, ranging from $100,000 to $500,000 and for 12 months in duration. In addition to the grants, C3.ai DTI provides recipients with significant cloud computing, supercomputing, data, and software resources. This includes unlimited use of the C3 AI Suite, free access to Azure, and access to the NCSA Blue Waters supercomputer at UIUC and the NERSC Perlmutter supercomputer at Lawrence Berkeley National Laboratory. Multidisciplinary and multi-institution projects are favored. Recipients are encouraged to conduct breakthrough research and to pursue and establish larger research projects with federal and other funding sources. Award recipients disseminate the results of their research during the award period, and all research results, methods, and algorithms, including algorithms and software from their research, are made available in the public domain (non-exclusive, royalty-free).

C3.ai DTI has initially funded 26 research projects to develop new AI techniques to address the challenges of the COVID-19 pandemic.

C3.ai DTI Visiting Scholars Program

C3.ai DTI Visiting Scholars participate in scholarly activities to promote the Science of Digital Transformation, including conducting research, organizing workshops, and developing curricula. All research results and curriculum development, including methods, algorithms, and software resulting from the collaborative research conducted by C3.ai DTI Visiting Scholars are made freely available in the public domain.

C3.ai DTI Data Analytics Platform

C3.ai DTI hosts an elastic cloud, big data, development, and operating platform, including the C3 AI Suite hosted in an Azure instance, for the purpose of supporting C3.ai DTI research, curriculum development, and classwork. In addition, UC Berkeley and UIUC provide additional cloud computing and storage resources as well as use of the National Energy Research Supercomputer NERSC-9 Perlmutter at Lawrence Berkeley National Laboratory and the NCSA Blue Waters at UIUC. These resources are available to award recipients to conduct research on the development of machine learning algorithms, data security techniques, and cybersecurity methodologies related specifically to AI and IoT. The AI/ML and data analytics platform will also serve as an instructional and research platform for Digital Transformation Science courses.

C3.ai Investment Thesis

Enterprise AI is a huge addressable market.

We have a highly experienced CEO and management team with an established track record of identifying large technology markets in their nascent stage, developing innovative, superior solutions to meet the needs of those markets, assembling and organizing high-performance organizations, and building rapidly growing, financially sound, cash-positive, profitable, professionally managed, market-leading companies that accrue substantial value to customers, employees, partners, and investors.

We have developed a patented Enterprise AI suite enabling the successful digital transformation of leading corporations and government entities. First-mover advantage. Technology leadership. Substantial market eco-system. Recognized Enterprise AI market leadership. A high-performance corporate culture. Focused on excellence in execution.

We are in this for the long run, with the singular focus of establishing and maintaining recognized technology innovation and global market leadership in the Enterprise AI application software market.

Investment Thesis

- Huge Addressable Market
- First-mover Advantage
- Patented Enterprise AI Suite
- Substantial Market Partner Ecosystem
- Recognized AI Market Leadership
- Proven Track Record of Success
- Veteran Disciplined Management Team
- High-Performance Corporate Culture
- Excellence in Execution

MANAGEMENT

Executive Officers and Directors

The following table sets forth information for our executive officers and directors and senior advisor as of November 13, 2020:

Name	Age	Position
Executive Officers		
Thomas M. Siebel	67	Chief Executive Officer and Chairman of the Board
David Barter	49	Senior Vice President and Chief Financial Officer
Edward Y. Abbo	55	Chief Technology Officer
Houman Behzadi	42	Chief Product Officer
Bruce Cleveland	61	Senior Vice President and Chief Marketing Officer
Brady Mickelsen	50	Senior Vice President and General Counsel
Non-Employee Directors		
Patricia A. House(2)	66	Director
Richard C. Levin(1)	73	Director
Michael G. McCaffery(1)(3)	67	Lead Independent Director
Condoleezza Rice	65	Director
Nehal Raj	42	Director
S. Shankar Sastry	64	Director
Bruce Sewell(2)(3)	62	Director
Lorenzo Simonelli(1)	47	Director
Stephen M. Ward, Jr.(2)(3)	65	Director
Senior Advisor		
James H. Snabe	55	Senior Advisor to the Chief Executive Officer

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

Executive Officers

Thomas M. Siebel. Mr. Siebel is the founder of our company and has served as the Chairman of our board of directors since January 2009, and as our Chief Executive Officer since July 2011. Prior to founding our company, Mr. Siebel founded and served as the Chief Executive Officer of Siebel Systems, a global CRM software company, from 1993 until it merged with Oracle Corporation in January 2006. Mr. Siebel served in various leadership positions with Oracle Corporation from January 1984 to September 1990. Mr. Siebel currently serves as a member of the College of Engineering boards at the University of Illinois at Urbana-Champaign and the University of California, Berkeley. He was elected a member of the American Academy of Arts and Sciences in April 2013. Mr. Siebel holds a B.A. in History, an M.B.A., and an M.S. in Computer Science, each from the University of Illinois at Urbana-Champaign. He is the author of four books, including most recently the best-selling *Digital Transformation: Survive and Thrive in an Era of Mass Extinction* (RosettaBooks, 2019).

We believe Mr. Siebel is qualified to serve as a member of our board of directors because of his perspective and experience as our founder, as well as his extensive experience with technology companies.

David Barter. Mr. Barter has served as our Chief Financial Officer since October 2020. From May 2017 to October 2020, Mr. Barter served as Senior Vice President and Chief Financial Officer of Model N, Inc., a software company. From September 2013 to May 2017, Mr. Barter served as the Vice President of Finance at Guidewire Software, Inc., a provider of software solutions to the insurance industry. From October 2005 to September 2013, Mr. Barter held several senior leadership positions with Microsoft Corporation, including as the Chief Financial Officer of the Microsoft Financing division. Mr.

Barter holds a B.A. in Finance and Philosophy from the University of Notre Dame and an M.B.A from Northwestern University, Kellogg School of Management.

Edward Y. Abbo. Mr. Abbo has served as our Chief Technology Officer since July 2011. He previously served as our Chief Executive Officer from September 2009 to July 2011 and a member of our board of directors from August 2009 to November 2020. Prior to joining us, Mr. Abbo served as Senior Vice President of Engineering and Chief Technology Officer for Siebel Systems from July 1994 until it merged with Oracle Corporation in January 2006, and Senior Vice President of Oracle Corporation from January 2006 to July 2009. Mr. Abbo holds a B.S. in Mechanical and Aerospace Engineering from Princeton University and an M.S. in Mechanical Engineering from the Massachusetts Institute of Technology.

Houman Behzadi. Mr. Behzadi has served as our Chief Product Officer since October 2016. Mr. Behzadi previously served as our Senior Vice President and Chief Product Officer from October 2016 to July 2020, our Senior Vice President of Products and Engineering from July 2012 to October 2016, and our Vice President of Engineering from January 2010 to July 2012. Prior to joining us, Mr. Behzadi held various leadership roles with Siebel Systems from January 2001 until it merged with Oracle Corporation in January 2006, and then served as Director, Application Development at Oracle Corporation from January 2006 to January 2010. Mr. Behzadi holds a B.A. in Economics from the University of California, Santa Barbara.

Bruce Cleveland. Mr. Cleveland has served as our Senior Vice President and Chief Marketing Officer since November 2019. Mr. Cleveland previously served as an Advisor to our company from January 2009 to November 2019. From January 2016 to November 2019, Mr. Cleveland served as a General Partner of Wildcat Venture Partners, an early-stage venture capital firm. From June 2006 to December 2015, Mr. Cleveland served as Venture Partner and then a General Partner for InterWest Partners, a diversified venture capital firm. Mr. Cleveland held various leadership roles, including Senior Vice President and General Manager of Marketing, with Siebel Systems from April 1996 until it merged with Oracle Corporation in January 2006. Mr. Cleveland holds a B.S. in Business Administration from California State University, Sacramento.

Brady Mickelsen. Mr. Mickelsen has served as our Senior Vice President and General Counsel since August 2019. Prior to joining us, Mr. Mickelsen was Senior Vice President and Chief Legal Officer for TriNet Group, Inc., a publicly-traded human resources, payroll, and benefits solutions company, from June 2015 to November 2018. From October 2010 to June 2015, Mr. Mickelsen served as a partner at White & Case LLP, a global law firm. From March 2005 to October 2010, Mr. Mickelsen served in the legal department at Oracle Corporation, most recently as Vice President & Associate General Counsel. Mr. Mickelsen holds a B.A. in Public Policy from Stanford University and a J.D. from the University of Chicago Law School.

Non-Employee Directors

Patricia A. House. Ms. House is a co-founder of our company and has served as the Vice Chairman of our board of directors since January 2009. Until it merged with Oracle Corporation in January 2006, Ms. House served as a co-founder of Siebel Systems and held various leadership positions most recently as Executive Vice President. Ms. House has served on the board of directors of The William and Flora Hewlett, Foundation since March 2011 and on the board of directors the Carnegie Endowment for International Peace since October 2010. She also previously served on the board of directors of Levi Strauss & Co from July 2003 until November 2007. Ms. House holds a B.A. in Education from Western Michigan University.

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

Richard C. Levin. Dr. Levin has served as a member of our board of directors since August 2010. From April 2014 until June 2017, Dr. Levin was the Chief Executive Officer of Coursera, an online learning platform company. Prior to his role at Coursera, Dr. Levin served as President of Yale University from July 1993 to June 2013. Dr. Levin is currently a Fellow of the American Academy of Arts and Sciences and the American Philosophical Society and is a former trustee of The William and Flora Hewlett Foundation. Dr. Levin served as a director of American Express Co. from January 2007 to May 2019. Dr. Levin also served as an advisor on President Obama's Council of Advisors on Science and Technology. Dr. Levin holds a B.A. from Stanford University, a B.Litt. from Oxford University, and a Ph.D. in Economics from Yale University.

We believe Dr. Levin is qualified to serve as a member of our board of directors because of his significant management experience and financial expertise.

Michael G. McCaffery. Mr. McCaffery has served as a member of our board of directors since March 2009. Since December 2005, Mr. McCaffery has served as the Managing Director for Makena Capital Management, an investment

management firm, and was Chief Executive Officer of Makena Capital Management from December 2005 to January 2013. Since February 2015, Mr. McCaffery has also served on the board of directors for NVIDIA Corporation, a technology company. Mr. McCaffery holds a B.A. from the Woodrow Wilson School of Public and International Affairs at Princeton University, a B.A. Honours and an M.A. in Politics, Philosophy and Economics from Merton College at Oxford University as a Rhodes Scholar, and an M.B.A. from Stanford Graduate School of Business.

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

Nehal Raj. Mr. Raj has served as a member of our board of directors since August 2016. Since July 2006, Mr. Raj has been an investment professional at TPG, a private investment firm, where he is a Partner. Mr. Raj also served on the boards of directors for Domo, Inc., a cloud software company, from March 2014 to September 2019, and Zscaler, Inc., a cloud-based information security company, from July 2015 to January 2020. Mr. Raj also sits on the boards of directors for a number of privately held companies. Mr. Raj holds a B.A. in Economics and an M.S. in Industrial Engineering from Stanford University, and an M.B.A. from Harvard Business School.

We believe Mr. Raj is qualified to serve as a member of our board of directors because of his experience as a director of public technology companies and his background in the venture capital and private equity industry.

Condoleezza Rice. Dr. Rice has served as a member of our board of directors since December 2009. Since September 2020, Dr. Rice has served as the Tad and Dianne Taube Director of the Hoover Institution at Stanford University. In addition, since Dr. Rice has served as the Denning Professor of Global Business and the Economy for the Stanford Graduate School of Business since September 2010. Since March 2009, Dr. Rice has served as the Thomas and Barbara Stephenson Senior Fellow of Public Policy for the Hoover Institution, Stanford University, as a Senior Fellow for the Freeman Spogli Institute for International Studies, Stanford University, and as a Professor of Political Science for Stanford University. Dr. Rice has also served as a partner at RiceHadleyGates LLC, an international strategic consulting firm that Dr. Rice founded, since November 2009. From January 2005 to January 2009, Dr. Rice served as the Secretary of State of the United States of America and from January 2001 to January 2005, Dr. Rice served as Chief National Security Advisor to President George W. Bush. Dr. Rice currently serves on the boards of directors of Dropbox, Inc., a cloud-based file sharing company, and Makena Capital Management, LLC, a private endowment firm. Dr. Rice holds a Ph.D. in Political Science from the University of Denver, an M.A. in Political Science from the University of Notre Dame, and a B.A. in Political Science from the University of Denver.

We believe Dr. Rice is qualified to serve as a member of our board of directors because of her global business expertise and service on the boards of directors of various public companies.

S. Shankar Sastry. Dr. Sastry has served as a member of our board of directors since January 2009. Dr. Sastry has served in a number of roles with the University of California, Berkeley, including as the Thomas Siebel Professor of Computer Science since January 2019, the director of the Blum Center for Developing Economies since February 2007, and the co-director of the C3 Digital Transformation Institute since March 2020. He also served the Dean and Roy W. Carlson Professor of Engineering from July 2007 to June 2018 and as Chairman, Department of Electrical Engineering and Computer Sciences, University of California, Berkeley from January 2001 through June 2004. From October 2004 to July 2007, Dr. Sastry served the Director of the Center for Information Technology in the Interests of Society, an interdisciplinary center spanning UC Berkeley, Davis, Merced and Santa Cruz. From November 1999 to March 2001, he was the Director of the Information Technology Office at the Defense Advanced Research Projects Agency. He was elected to the National Academy of Engineering in 2001 and the American Academy of Arts and Sciences in 2004, and elected as a Fellow of IEEE in 1994, and International Federation of Automatic Control Fellow in 2016. Dr. Sastry received the President of India Gold Medal in 1977, the IBM Faculty Development in 1983, and the NSF U.S. Presidential Young Investigator Award in 1985. In 1990, he received the Eckman Award of the American Automatic Control Council in 1990, and in 2005, he received the Ragazzini Award for Distinguished Accomplishments in teaching. Dr. Sastry also received the distinguished Alumnus Award of the Indian Institute of Technology in 1999, the Distinguished Alumnus of the International House at UC Berkeley, and the David Marr prize for the best paper at the International Conference in Computer Vision in 1999. Dr. Sastry holds a B.Tech. from the Indian Institute of Technology, Bombay and an M.S. in Electrical Engineering and Computer Science, an M.A. in Mathematics and a Ph.D. in Electrical Engineering and Computer Sciences each from the University of California, Berkeley.

We believe Dr. Sastry is qualified to serve as a member of our board of directors because of his significant leadership experience in the engineering and technology industries.

Bruce Sewell. Mr. Sewell has served as a member of our board of directors since May 2017. Mr. Sewell served as the Senior Vice President, General Counsel and Secretary of Apple Inc., a technology company, from September 2009 to December 2017. From October 1996 to September 2009, Mr. Sewell served in various leadership positions with Intel Corporation, including as Senior Vice President, General Counsel from September 2002 to September 2009. Since January 2013, Mr. Sewell has served on the board of directors for Vail Resorts, Inc., a mountain resort company. Mr. Sewell holds a B.S. from Lancaster University (U.K.) and a J.D. from The George Washington University Law School.

We believe Mr. Sewell is qualified to serve as a member of our board of directors because of his significant executive experience in the technology industry.

Lorenzo Simonelli. Mr. Simonelli has served as a member of our board of directors since August 2019. Since October 2017, Mr. Simonelli has served as Chairman of the board of directors for Baker Hughes Company, an energy technology company, and since July 2017, has served as the Director, President, and Chief Executive Officer. From October 2013 to July 2017, Mr. Simonelli served as the President and Chief Executive Officer for GE Oil & Gas. Mr. Simonelli currently serves on the board of CNH Industrial, an industrial equipment company. Mr. Simonelli holds a B.S. in Business and Economics from Cardiff University and a Master Honoris Causa in Chemical Sciences from the University of Florence.

We believe Mr. Simonelli is qualified to serve as a member of our board of directors because of his significant experience in the energy industry and as a member of the boards of directors of various public companies.

Stephen M. Ward, Jr. Mr. Ward has served as a member of our board of directors since January 2009. Mr. Ward served as the Chief Executive Officer for Lenovo Group Limited, the international personal computer company formed by the acquisition of IBM's personal computer division by Lenovo, from April 2005 to January 2006. Prior to that acquisition, Mr. Ward held a number of management positions with IBM from September 1978 to April 2005, including Senior Vice President and General Manager of the Personal Systems and Retail Systems Group from March 2003 to April 2005, General Manager of the Industrial Sector from February 2000 to March 2003, General Manager of the Thinkpad and Mobile division from January 1998 to March 2000 and Chief Information Officer from February 1997 to March 2000. Mr. Ward has also served as a member of the board of directors for Carpenter Technology Corporation, a specialty metals company, since March 2001. From December 2014 until its sale to The Boeing Company in October 2018, Mr. Ward served as a member the board of directors of KLX Inc., an aerospace solutions and supply chain company, and since September 2018, he served as a member of the board of directors of KLX Energy Services Holdings, Inc., an oilfield services company spun out from KLX Inc. Mr. Ward also previously served as a member of the board of directors of E2Open, a supply chain SAS company he co-founded, from January 2001 to March 2015, E-Ink Corporation, a maker of electronic paper displays, from December 2006 to December 2009 and QD Vision, Inc., a nanomaterials product company, from June 2014 until its sale to Samsung in November 2016. Mr. Ward holds a B.S. in Mechanical Engineering from California Polytechnic State University, San Luis Obispo.

We believe Mr. Ward is qualified to serve as a member of our board of directors because of his extensive management experience in the technology industry and as a member of boards of directors of various public companies.

Senior Advisor

James H. Snabe. Mr. Snabe has served as a senior advisor to the Chief Executive Officer, Mr. Siebel, since September 2020. In his role, Mr. Snabe provides strategic advice and counsel to Mr. Siebel and the executive team and attends meetings of the Board of Directors in an ex officio, non-voting capacity. Mr. Snabe served as Co-Chief Executive Officer of SAP AG, a technology company, from February 2010 to May 2014, and as a member of the SAP AG supervisory board from May 2014 to May 2018. Mr. Snabe currently serves as Chairman of the Supervisory Board of Siemens AG, an industrial technology company and of A.P. Møller – Mærsk A/S, a shipping and transportation company. and also serves as a member of the Supervisory Board of Allianz SE, a financial services company. Mr. Snabe also serves as member of the Board of Trustees of the World Economic Forum, a non-profit organization.

Composition of Our Board of Directors

Our business and affairs are managed under the direction of our board of directors. We currently have 10 directors. Our current directors will continue to serve as directors until their resignation, removal or successor is duly elected.

Our board of directors may establish the authorized number of directors from time to time by resolution. In accordance with our amended and restated certificate of incorporation that will be in effect upon the completion of this offering, immediately after this offering, our board of directors will be divided into three classes with staggered three-year terms. At

each annual general meeting of stockholders, the successors to directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following election. Our directors will be divided among the three classes as follows:

- the Class I directors will be Thomas M. Siebel, Patricia A. House, Nehal Raj, and S. Shankar Sastry, and their terms will expire at our first annual meeting of stockholders following this offering;
- the Class II directors will be Richard C. Levin, Bruce Sewell, and Lorenzo Simonelli, and their terms will expire at our second annual meeting of stockholders following this offering; and
- the Class III directors will be Michael G. McCaffery, Condoleezza Rice, and Stephen M. Ward, Jr., and their terms will expire at our third annual meeting of stockholders following this offering.

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

Director Independence

Our board of directors has undertaken a review of the independence of each director. Based on information provided by each director concerning his or her background, employment and affiliations, our board of directors has determined that each of Mmes. House and Rice and Messrs. Levin, McCaffery, Raj, Sastry, Sewell, Simonelli, and Ward do not have relationships that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under the listing standards of the New York Stock Exchange. In making these determinations, our board of directors considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our shares held by each non-employee director and the transactions described in the section titled "Certain Relationships and Related Party Transactions."

Lead Independent Director

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

Committees of Our Board of Directors

Our board of directors has established an audit committee, a compensation committee and a nominating and corporate governance committee. The composition and responsibilities of each of the committees of our board of directors are described below. Members serve on these committees until their resignation or until otherwise determined by our board of directors. Our board of directors may establish other committees as it deems necessary or appropriate from time to time.

Audit Committee

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

Our Chief Executive Officer, Thomas M. Siebel, will be a non-voting ex officio member of the Audit Committee. He will not have any voting power on audit committee matters nor will he have any role in policy making in regard to audit committee matters.

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

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

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

Compensation Committee

Following this offering, our compensation committee consists of Ms. House and Messrs. Sewell and Ward. The chair of our compensation committee is Mr. Ward. Our board of directors has determined that each member of the compensation committee is independent under the listing standards of the New York Stock Exchange, and a "non-employee director" as defined in Rule 16b-3 promulgated under the Exchange Act.

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

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

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

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee consists of Messrs. McCaffery, Sewell, and Ward. The chair of our nominating and corporate governance committee is Mr. Sewell . Our board of directors has determined that each member of the nominating and corporate governance committee is independent under the listing standards of the New York Stock Exchange.

Specific responsibilities of our nominating and corporate governance committee include:

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

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

Code of Business Conduct and Ethics

We have adopted a code of business conduct and ethics that applies to our directors, officers, and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. Upon the completion of this offering, our code of business conduct and ethics will be available under the Corporate Governance section of our website at C3.ai. In addition, we intend to post on our website all disclosures that are required by law or the listing standards of the New York Stock Exchange concerning any amendments to, or waivers from, any provision of the code. The reference to our website address does not constitute incorporation by reference of the information contained at or available through our website, and you should not consider it to be a part of this prospectus.

Compensation Committee Interlocks and Insider Participation

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

Director Compensation

During the fiscal year ended April 30, 2020, we did not pay cash compensation to any of our non-employee directors for service on our board of directors. We have reimbursed and will continue to reimburse all of our non-employee directors for their reasonable out-of-pocket expenses incurred in attending board of directors and committee meetings.

The following table sets forth information regarding the compensation earned or paid to our directors during the fiscal year ended April 30, 2020, other than Thomas M. Siebel, our Chief Executive Officer, who is also a member of our board of

directors but did not receive any additional compensation for service as directors. The compensation of Mr. Siebel as a named executive officer is set forth in the section titled "Executive Compensation—Summary Compensation Table."

Name	Option Awards ($)(1)(2)	Total ($)
Patricia A. House(3)	689,650	689,650
Richard C. Levin(4)	750,169	750,169
Michael G. McCaffery(5)	951,619	951,619
Condoleezza Rice(6)	732,595	732,595
Nehal Raj	—	—
S. Shankar Sastry(7)	664,353	664,353
Bruce Sewell(8)	492,618	492,618
Lorenzo Simonelli	—	—
Stephen M. Ward, Jr.(9)	951,619	951,619

(1) The amounts disclosed represent the aggregate grant date fair value of the stock options granted under our 2012 Plan, computed in accordance with ASC Topic 718. The assumptions used in calculating the grant date fair value of the stock options are set forth in the notes to our audited consolidated financial statements included elsewhere in this prospectus. This amount does not reflect the actual economic value that may be realized by the named executive officers.
(2) Five percent of the shares subject to the option vest on a quarterly basis over the five-year period following the grant date, provided, however, if the optionholder fails to attend any regularly scheduled meeting of the board of directors during a quarter, then vesting for such quarter shall not occur and will be suspended. If the director satisfies the attendance requirements in subsequent quarters, then any shares which did not vest during prior quarters will vest upon the fifth anniversary of the applicable grant date. Each option also vests in full upon a change of control (as defined in the option agreement with each optionholders).
(3) As of April 30, 2020, Ms. House held options to purchase 135,954 shares of Class A common stock granted during the fiscal year ended April 30, 2020, all of which were exercisable as of such date.
(4) As of April 30, 2020, Dr. Levin held options to purchase 135,954 shares of Class A common stock granted during the fiscal year ended April 30, 2020, all of which were exercisable as of such date.
(5) As of April 30, 2020, Mr. McCaffery held options to purchase 203,931 shares of Class A common stock granted during the fiscal year ended April 30, 2020, all of which were exercisable as of such date.
(6) As of April 30, 2020, Dr. Rice held options to purchase 135,954 shares of Class A common stock granted during the fiscal year ended April 30, 2020, all of which were exercisable as of such date.
(7) As of April 30, 2020, Dr. Sastry held options to purchase 135,954 shares of Class A common stock granted during the fiscal year ended April 30, 2020, all of which were exercisable as of such date.
(8) As of April 30, 2020, Mr. Sewell held options to purchase 135,954 shares of Class A common stock granted during the fiscal year ended April 30, 2020, all of which were exercisable as of such date.
(9) As of April 30, 2020, Mr. Ward held options to purchase 203,931 shares of Class A common stock granted during the fiscal year ended April 30, 2020, all of which shares were exercisable as of such date.

In August 2020, our board of directors granted options to purchase: (i) 151,333 shares of common stock to Ms. House, (ii) 100,833 shares to Dr. Levin, (iii) 201,666 shares of common stock Mr. McCaffery, (iv) 100,833 shares to Dr. Rice, (v) 151,333 shares of common stock to Mr. Ward, (vi) 100,833 shares of common stock to Dr. Sastry and (vii) 321,711 shares of common stock to Mr. Sewell. Each of the options have an exercise price per share of $11.16. Five percent of the shares subject to the option vest on a quarterly basis over the five-year period following the grant date, provided, however, if the optionholder fails to attend any regularly scheduled meeting of the board of directors during a quarter, then vesting for such quarter shall not occur and will be suspended. If the director satisfies the attendance requirements in subsequent quarters, then any shares which did not vest during prior quarters will vest upon the fifth anniversary of the applicable grant date. Each option also vests in full upon a change of control (as defined in the option agreement with each optionholder).

In addition, in September 2020, our board of directors granted an option to purchase 5,000 shares of common stock to Dr. Rice with an exercise price per share of $11.16. The shares of common stock subject to such option vest in equal quarterly installments over twelve months measured from August 27, 2020, subject to Dr. Rice's continuous service with us as of each such vesting date.

In addition, the options permit early exercise, whereby the holder may purchase shares subject to such options prior to vesting, subject to our right to repurchase such shares, lapsing over time in accordance with the vesting schedule of the stock option.

EXECUTIVE COMPENSATION

Our named executive officers for the fiscal year ended April 30, 2020, consisting of our principal executive officer and the next two most highly compensated executive officers, were:

- Thomas M. Siebel, our Chief Executive Officer and Chairman of the Board;
- Edward Y. Abbo, our Chief Technology Officer; and
- Houman Behzadi, our Chief Product Officer.

Summary Compensation Table

The following table presents all of the compensation awarded to or earned by or paid to our named executive officers during the fiscal year ended April 30, 2020.

Name and Principal Position	Year	Salary	Bonus	Option Awards(1)	Non-Equity Incentive Plan Compensation	Other Compensation(2)	Total
Thomas M. Siebel, *Chief Executive Officer*	2020	$ 5,676	$ —	$ 10,303,125	$ —	$ —	$ 10,308,801
Edward Y. Abbo, *Chief Technology Officer*	2020	550,000	—	313,697	250,000	6,665,489	7,779,186
Houman Behzadi, *Chief Product Officer*	2020	450,000	—	235,237	250,000	3,557,453	4,492,690

(1) The amounts disclosed represent the aggregate grant date fair value of the stock options granted under our 2012 Plan, computed in accordance with ASC Topic 718. The assumptions used in calculating the grant date fair value of the stock options are set forth in the notes to our audited consolidated financial statements included elsewhere in this prospectus. This amount does not reflect the actual economic value that may be realized by the named executive officers.

(2) The amount disclosed represents the net proceeds paid in connection with the tender offer, as described in the section titled "Certain Relationships and Related Party Transactions—Tender Offer."

Annual Base Salary

The compensation of our named executive officers is generally determined and approved by the compensation committee of our board of directors. The base salaries of each of our executive officers for the fiscal year ended April 30, 2020 are listed in the table below.

Name	Fiscal Year Ended April 30, 2020 Base Salary
Thomas M. Siebel	$ 5,676
Edward Y. Abbo	550,000
Houman Behzadi	450,000

Annual Performance-Based Bonus Opportunity

In addition to base salaries, our executive officers other than Mr. Siebel are eligible to receive performance-based cash bonuses, which are designed to provide appropriate incentives to our executives to achieve defined performance goals and to reward our executives for individual achievement towards these goals. The performance-based bonus each executive officer is eligible to receive is generally based on the extent to which we achieve the corporate goals that our board or compensation committee establishes and is paid quarterly.

Equity-Based Incentive Awards

Prior to this offering, we have granted stock options to each of our named executive officers pursuant to the Amended and Restated 2012 Equity Incentive Plan, or 2012 Plan, the terms of which are described below under "—Employee Benefit and Stock Plans." All options are granted with a per share exercise price equal to no less than the fair market value of a share of our common stock on the date of the grant of such award.

In June 2019, our compensation committee granted options to purchase 144,737 shares of common stock to Mr. Abbo and 103,070 shares to Mr. Behzadi. Each of the options have an exercise price per share of $4.56. Twenty percent of the shares of common stock subject to such options vest on the one-year anniversary of the grant date, and the remaining 80% of the shares of common stock subject to the option vest in equal monthly installments over four years thereafter, subject to such executive's continuous service with us as of each such vesting date. In addition, each of the options permit early exercise, whereby the optionholder may purchase shares subject to such options prior to vesting, subject to our right to repurchase such shares, lapsing over time in accordance with the vesting schedule of the stock option.

In October 2019, our compensation committee granted options to purchase 5,438,182 shares of common stock to Mr. Siebel. The option has an exercise price per share of $4.68. The shares of common stock subject to such option vest in equal quarterly installments over five years measured from the grant date, subject to Mr. Siebel's continuous service with us as of each such vesting date. In addition, the options permit early exercise, whereby Mr. Siebel may purchase shares subject to such options prior to vesting, subject to our right to repurchase such shares, lapsing over time in accordance with the vesting schedule of the stock option.

In October 2019, Mr. Abbo exercised options granted in January 2014, July 2016 and May 2018 to purchase an aggregate of 129,822 shares of common stock.

Agreements with Our Named Executive Officers

We have entered into offer letter agreements setting forth the terms and conditions of employment for each of our named executive officers, except for Mr. Siebel, as described below. These agreements provide for at-will employment. In addition, each of our named executive officers has executed our standard form of confidential information and inventions assignment agreement.

Thomas M. Siebel

Mr. Siebel's current annual base salary is $5,676.

Edward Y. Abbo

We entered into an offer letter agreement with Mr. Abbo in July 2009, which was amended by an ongoing employment letter agreement that we entered into with Mr. Abbo in August 2011. Mr. Abbo's current annual base salary is $550,000, and he is eligible for a discretionary performance bonus equal to $250,000.

Houman Behzadi

We entered into an offer letter agreement with Mr. Behzadi in January 2010. Mr. Behzadi's current annual base salary is $500,000, and he is eligible for a discretionary performance bonus equal to $250,000.

Potential Payments upon Termination or Change in Control

Each of our named executive officers' stock options are subject to the terms of the 2012 Plan and form of stock option agreement thereunder. A description of the termination and change in control provisions in the 2012 Plan and stock options granted thereunder is provided below under "—Employee Benefit and Stock Plans."

Outstanding Equity Awards at Fiscal Year-End

The following table presents the outstanding equity incentive plan awards held by each named executive officer as of April 30, 2020.

	Option Awards(1)				
Name	Grant Date	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable(2)	Option Exercise Price Per Share(3)	Option Expiration Date
Thomas M. Siebel	11/30/2016(4)	1,500,000	—	$ 1.86	11/29/2026
	11/8/2017(4)	3,000,000	—	2.04	11/7/2027
	11/28/2018(4)	3,000,000	—	3.90	11/27/2028
	10/19/2019(5)	5,438,182	—	4.68	10/18/2029
Edward Y. Abbo	8/13/2012(6)	56,250	—	0.60	8/12/2022
	10/25/2012(6)	16,041	—	0.60	10/24/2022
	1/21/2014(6)	309,562	—	1.56	1/20/2024
	7/13/2016(5)	107,143	—	1.68	7/12/2026
	11/30/2016(5)	250,000	—	1.86	11/29/2026
	5/23/2018(5)	61,111	—	2.82	5/22/2028
	6/13/2019(5)	166,666	—	4.56	6/12/2029
Houman Behzadi	8/13/2012(6)	29,754	—	0.60	8/12/2022
	3/13/2013(6)	136,111	—	0.60	3/12/2023
	1/21/2014(6)	143,055	—	1.56	1/20/2024
	7/13/2016(6)	133,333	—	1.68	7/12/2026
	11/30/2016(5)	166,666	—	1.86	11/29/2026
	6/8/2017(5)	434,666	—	1.86	6/7/2027
	5/23/2018(5)	41,666	—	2.82	5/22/2028
	6/13/2019(5)	125,000	—	4.56	6/12/2029

(1) All of the option awards were granted under the 2012 Plan, the terms of which plan is described below under "—Employee Benefit and Stock Plans."
(2) All of the option awards may be early exercised prior to vesting.
(3) All of the option awards were granted with a per share exercise price equal to the fair market value of one share of our common stock on the date of grant, as determined in good faith by our board of directors or compensation committee.
(4) The shares subject to the option vest in equal quarterly installments over five years, subject to Mr. Siebel's continuous service with us as of each such vesting date.
(5) 20% of the shares subject to the option vested on the one-year anniversary of the grant date, and the remaining 80% of the shares subject to the option vest in equal monthly installments over four years thereafter, subject to the optionholder's continuous service with us as of each such vesting date.
(6) The option is fully vested.

Other Compensation and Benefits

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

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

qualified retirement plan, contributions to the 401(k) plan are deductible by us when made and contributions and earnings on those amounts are not generally taxable to the employees until withdrawn or distributed from the 401(k) plan.

Our named executive officers did not participate in, or earn any benefits under, a nonqualified deferred compensation plan sponsored by us during the fiscal year ended April 30, 2020. Our board of directors may elect to provide our officers and other employees with nonqualified defined contribution or other nonqualified deferred compensation benefits in the future if it determines that doing so is in our best interests.

Our named executive officers did not participate in, or otherwise receive any benefits under, any pension or retirement plan sponsored by us during the fiscal year ended April 30, 2020.

Employee Benefit and Stock Plans

2020 Equity Incentive Plan

Our board of directors adopted and our stockholders approved our 2020 Equity Incentive Plan, or the 2020 Plan, in November 2020. We expect our 2020 Plan will become effective on the date of the underwriting agreement related to this offering. Our 2020 Plan will come into existence upon its adoption by our board of directors, but no grants will be made under our 2020 Plan prior to its effectiveness. Once our 2020 Plan becomes effective, no further grants will be made under our 2012 Plan.

Awards.

Our 2020 Plan will provide for the grant of incentive stock options, or ISOs, within the meaning of Section 422 of the Code, to our employees and our parent and subsidiary corporations' employees, and for the grant of nonstatutory stock options, or NSOs, stock appreciation rights, restricted stock awards, restricted stock unit awards, performance awards and other forms of awards to our employees, directors and consultants and any of our affiliates' employees and consultants.

Authorized Shares.

Initially, the maximum number of shares of our Class A common stock that may be issued under our 2020 Plan after it becomes effective will not exceed 67,535,205 shares of our Class A common stock, which is the sum of (i) 22,000,000 new shares, plus (ii) an additional number of shares not to exceed 45,535,205 shares, consisting of (a) shares that remain available for the issuance of awards under our 2012 Plan as of immediately prior to the time our 2020 Plan becomes effective and (b) any shares of our Class A common stock subject to outstanding stock options or other stock awards granted under our 2012 Plan that, on or after our 2020 Plan becomes effective, terminate or expire prior to exercise or settlement; are not issued because the award is settled in cash; are forfeited because of the failure to vest; or are reacquired or withheld (or not issued) to satisfy a tax withholding obligation or the purchase or exercise price. In addition, the number of shares of our Class A common stock reserved for issuance under our 2020 Plan will automatically increase on May 1st of each year for a period of ten years, beginning on May 1, 2021 and continuing through May 1, 2030, in an amount equal to (1) 5 % of the total number of shares of our Class A common stock outstanding on April 30th of the immediately preceding fiscal year, or (2) a lesser number of shares determined by our board of directors no later than April 30th of the immediately preceding fiscal year. The maximum number of shares of our Class A common stock that may be issued on the exercise of ISOs under our 2020 Plan will be 202,605,615 shares.

Shares subject to stock awards granted under our 2020 Plan that expire or terminate without being exercised in full or that are paid out in cash rather than in shares will not reduce the number of shares available for issuance under our 2020 Plan. Shares withheld under a stock award to satisfy the exercise, strike or purchase price of a stock award or to satisfy a tax withholding obligation will not reduce the number of shares available for issuance under our 2020 Plan. If any shares of our Class A common stock issued pursuant to a stock award are forfeited back to or repurchased or reacquired by us (i) because of a failure to meet a contingency or condition required for the vesting of such shares; (ii) to satisfy the exercise, strike or purchase price of a stock award; or (iii) to satisfy a tax withholding obligation in connection with a stock award, the shares that are forfeited or repurchased or reacquired will revert to and again become available for issuance under our 2020 Plan.

Plan Administration.

Our board of directors, or a duly authorized committee of our board of directors, will administer our 2020 Plan. Our board of directors may delegate to one or more of our officers the authority to (i) designate employees (other than officers) to receive specified stock awards; and (ii) determine the number of shares subject to such stock awards. Under our 2020 Plan, our board of directors will have the authority to determine stock award recipients, the types of stock awards to be granted,

grant dates, the number of shares subject to each stock award, the fair market value of our Class A common stock, and the provisions of each stock award, including the period of exercisability and the vesting schedule applicable to a stock award.

Under our 2020 Plan, our board of directors also generally will have the authority to effect, with the consent of any materially adversely affected participant, (i) the reduction of the exercise, purchase, or strike price of any outstanding option or stock appreciation right; (ii) the cancellation of any outstanding option or stock appreciation right and the grant in substitution therefore of other awards, cash, or other consideration; or (iii) any other action that is treated as a repricing under generally accepted accounting principles.

Stock Options.

ISOs and NSOs are granted under stock option agreements adopted by the administrator. The administrator will determine the exercise price for stock options, within the terms and conditions of our 2020 Plan, except the exercise price of a stock option generally will not be less than 100% of the fair market value of our Class A common stock on the date of grant. Options granted under our 2020 Plan will vest at the rate specified in the stock option agreement as will be determined by the administrator.

The administrator will determine the term of stock options granted under our 2020 Plan, up to a maximum of 10 years. Unless the terms of an optionholder's stock option agreement, or other written agreement between us and the recipient, provide otherwise, if an optionholder's service relationship with us or any of our affiliates ceases for any reason other than disability, death, or cause, the optionholder may generally exercise any vested options for a period of three months following the cessation of service. This period may be extended in the event that exercise of the option is prohibited by applicable securities laws. If an optionholder's service relationship with us or any of our affiliates ceases due to death, or an optionholder dies within a certain period following cessation of service, the optionholder or a beneficiary may generally exercise any vested options for a period of 18 months following the date of death. If an optionholder's service relationship with us or any of our affiliates ceases due to disability, the optionholder may generally exercise any vested options for a period of 12 months following the cessation of service. In the event of a termination for cause, options generally terminate upon the termination date. In no event may an option be exercised beyond the expiration of its term.

Acceptable consideration for the purchase of Class A common stock issued upon the exercise of a stock option will be determined by the administrator and may include (i) cash, check, bank draft or money order; (ii) a broker-assisted cashless exercise; (iii) the tender of shares of our Class A common stock previously owned by the optionholder; (iv) a net exercise of the option if it is an NSO; or (v) other legal consideration approved by the administrator.

Unless the administrator provides otherwise, options or stock appreciation rights generally are not transferable except by will or the laws of descent and distribution. Subject to approval of the administrator or a duly authorized officer, an option may be transferred pursuant to a domestic relations order, official marital settlement agreement, or other divorce or separation instrument.

Tax Limitations on ISOs.

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

Restricted Stock Unit Awards.

Restricted stock unit awards are granted under restricted stock unit award agreements adopted by the administrator. Restricted stock unit awards may be granted in consideration for any form of legal consideration that may be acceptable to our board of directors and permissible under applicable law. A restricted stock unit award may be settled by cash, delivery of stock, a combination of cash and stock as deemed appropriate by the administrator, or in any other form of consideration set forth in the restricted stock unit award agreement. Additionally, dividend equivalents may be credited in respect of shares covered by a restricted stock unit award. Except as otherwise provided in the applicable award agreement, or other written agreement between us and the recipient, restricted stock unit awards that have not vested will be forfeited once the participant's continuous service ends for any reason.

Restricted Stock Awards.

Restricted stock awards are granted under restricted stock award agreements adopted by the administrator. A restricted stock award may be awarded in consideration for cash, check, bank draft or money order, past or future services to us, or any other form of legal consideration that may be acceptable to our board of directors and permissible under applicable law. The administrator will determine the terms and conditions of restricted stock awards, including vesting and forfeiture terms. If a participant's service relationship with us ends for any reason, we may receive any or all of the shares of Class A common stock held by the participant that have not vested as of the date the participant terminates service with us through a forfeiture condition or a repurchase right.

Stock Appreciation Rights.

Stock appreciation rights are granted under stock appreciation right agreements adopted by the administrator. The administrator will determine the purchase price or strike price for a stock appreciation right, which generally will not be less than 100% of the fair market value of our Class A common stock on the date of grant. A stock appreciation right granted under our 2020 Plan will vest at the rate specified in the stock appreciation right agreement as will be determined by the administrator. Stock appreciation rights may be settled in cash or shares of our Class A common stock or in any other form of payment as determined by our board of directors and specified in the stock appreciation right agreement.

The administrator will determine the term of stock appreciation rights granted under our 2020 Plan, up to a maximum of 10 years. If a participant's service relationship with us or any of our affiliates ceases for any reason other than cause, disability, or death, the participant may generally exercise any vested stock appreciation right for a period of three months following the cessation of service. This period may be further extended in the event that exercise of the stock appreciation right following such a termination of service is prohibited by applicable securities laws. If a participant's service relationship with us, or any of our affiliates, ceases due to disability or death, or a participant dies within a certain period following cessation of service, the participant or a beneficiary may generally exercise any vested stock appreciation right for a period of 12 months in the event of disability and 18 months in the event of death. In the event of a termination for cause, stock appreciation rights generally terminate upon the termination date. In no event may a stock appreciation right be exercised beyond the expiration of its term.

Performance Awards.

Our 2020 Plan will permit the grant of performance awards that may be settled in stock, cash or other property. Performance awards may be structured so that the stock or cash will be issued or paid only following the achievement of certain pre-established performance goals during a designated performance period. Performance awards that are settled in cash or other property are not required to be valued in whole or in part by reference to, or otherwise based on, our Class A common stock.

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

Other Stock Awards.

The administrator will be permitted to grant other awards based in whole or in part by reference to our Class A common stock. The administrator will set the number of shares under the stock award (or cash equivalent) and all other terms and conditions of such awards.

Non-Employee Director Compensation Limit.

The aggregate value of all compensation granted or paid to any non-employee director with respect to any calendar year, including awards granted and cash fees paid by us to such non-employee director, will not exceed $700,000 in total value, except such amount will increase to $900,000 for the first year for newly appointed or elected non-employee directors.

Changes to Capital Structure.

In the event there is a specified type of change in our capital structure, such as a stock split, reverse stock split, or recapitalization, appropriate adjustments will be made to (i) the class and maximum number of shares reserved for issuance under our 2020 Plan, (ii) the class and maximum number of shares by which the share reserve may increase automatically each year, (iii) the class and maximum number of shares that may be issued on the exercise of ISOs, and (iv) the class and number of shares and exercise price, strike price, or purchase price, if applicable, of all outstanding stock awards.

Corporate Transactions.

In the event of a corporate transaction (as defined below), unless otherwise provided in a participant's stock award agreement or other written agreement with us or one of our affiliates or unless otherwise expressly provided by the administrator at the time of grant, any stock awards outstanding under our 2020 Plan may be assumed, continued or substituted for by any surviving or acquiring corporation (or its parent company), and any reacquisition or repurchase rights held by us with respect to the stock award may be assigned to the successor (or its parent company). If the surviving or acquiring corporation (or its parent company) does not assume, continue or substitute for such stock awards, then (i) with respect to any such stock awards that are held by participants whose continuous service has not terminated prior to the effective time of the corporate transaction, or current participants, the vesting (and exercisability, if applicable) of such stock awards will be accelerated in full (or, in the case of performance awards with multiple vesting levels depending on the level of performance, vesting will accelerate at 100% of the target level) to a date prior to the effective time of the corporate transaction (contingent upon the effectiveness of the corporate transaction), and such stock awards will terminate if not exercised (if applicable) at or prior to the effective time of the corporate transaction, and any reacquisition or repurchase rights held by us with respect to such stock awards will lapse (contingent upon the effectiveness of the corporate transaction); and (ii) any such stock awards that are held by persons other than current participants will terminate if not exercised (if applicable) prior to the effective time of the corporate transaction, except that any reacquisition or repurchase rights held by us with respect to such stock awards will not terminate and may continue to be exercised notwithstanding the corporate transaction.

In the event a stock award will terminate if not exercised prior to the effective time of a corporate transaction, the administrator may provide, in its sole discretion, that the holder of such stock award may not exercise such stock award but instead will receive a payment equal in value to the excess (if any) of (i) the value of the property the participant would have received upon the exercise of the stock award, over (ii) any per share exercise price payable by such holder, if applicable. In addition, any escrow, holdback, earn out or similar provisions in the definitive agreement for the corporate transaction may apply to such payment to the same extent and in the same manner as such provisions apply to the holders of our Class A common stock.

Under our 2020 Plan, a "corporate transaction" is generally the consummation of (i) a sale or other disposition of all or substantially all of our consolidated assets; (ii) a sale or other disposition of at least 50% of our outstanding securities; (iii) a merger, consolidation or similar transaction following which we are not the surviving corporation; or (iv) a merger, consolidation or similar transaction following which we are the surviving corporation but the shares of our Class A common stock outstanding immediately prior to such transaction are converted or exchanged into other property by virtue of the transaction.

Change in Control.

Stock awards granted under our 2020 Plan may be subject to acceleration of vesting and exercisability upon or after a change in control (as defined below) as may be provided in the applicable stock award agreement or in any other written

agreement between us or any affiliate and the participant, but in the absence of such provision, no such acceleration will automatically occur.

Under our 2020 Plan, a "change in control" is generally (i) the acquisition by any person or company of more than 50% of the combined voting power of our then outstanding stock; (ii) a merger, consolidation or similar transaction in which our stockholders immediately before the transaction do not own, directly or indirectly, more than 50% of the combined voting power of the surviving entity (or the parent of the surviving entity) in substantially the same proportions as their ownership immediately prior to such transaction; (iii) stockholder approval of a complete dissolution or liquidation; (iv) a sale, lease, exclusive license or other disposition of all or substantially all of our assets other than to an entity more than 50% of the combined voting power of which is owned by our stockholders in substantially the same proportions as their ownership of our outstanding voting securities immediately prior to such transaction; or (v) when a majority of our board of directors becomes comprised of individuals who were not serving on our board of directors on the date of the underwriting agreement related to this offering, or the incumbent board, or whose nomination, appointment, or election was not approved by a majority of the incumbent board still in office.

Plan Amendment or Termination.

Our board of directors has the authority to amend, suspend, or terminate our 2020 Plan at any time, provided that such action does not materially impair the existing rights of any participant without such participant's written consent. Certain material amendments also require the approval of our stockholders. No ISOs may be granted after the tenth anniversary of the date our board of directors adopts our 2020 Plan. No stock awards may be granted under our 2020 Plan while it is suspended or after it is terminated.

2020 Employee Stock Purchase Plan

Our board of directors adopted and our stockholders approved our 2020 Employee Stock Purchase Plan, or the ESPP, in November 2020. Our ESPP will become effective immediately prior to and contingent upon the date of the underwriting agreement related to this offering. The purpose of our ESPP will be to secure the services of new employees, to retain the services of existing employees, and to provide incentives for such individuals to exert maximum efforts toward our success and that of our affiliates. Our ESPP will include two components. One component will be designed to allow eligible U.S. employees to purchase our Class A common stock in a manner that may qualify for favorable tax treatment under Section 423 of the Code. The other component will permit the grant of purchase rights that do not qualify for such favorable tax treatment in order to allow deviations necessary to permit participation by eligible employees who are foreign nationals or employed outside of the U.S. while complying with applicable foreign laws.

Share Reserve.

Following this offering, our ESPP will authorize the issuance of 3,000,000 shares of our Class A common stock under purchase rights granted to our employees or to employees of any of our designated affiliates. The number of shares of our Class A common stock reserved for issuance will automatically increase on May 1st of each year for a period of ten years, beginning on May 1, 2021 and continuing through May 1, 2030, by the lesser of (i) 1% of the total number of shares of our Class A common stock outstanding on April 30th of the immediately preceding fiscal year; and (ii) 4,500,000 shares, except before the date of any such increase, our board of directors may determine that such increase will be less than the amount set forth in clauses (i) and (ii).

Administration.

Our board of directors will administer our ESPP and may delegate its authority to administer our ESPP to our compensation committee. Our ESPP will be implemented through a series of offerings under which eligible employees are granted purchase rights to purchase shares of our Class A common stock on specified dates during such offerings. Under our ESPP, our board of directors will be permitted to specify offerings with durations of not more than 27 months and to specify shorter purchase periods within each offering. Each offering will have one or more purchase dates on which shares of our Class A common stock will be purchased for employees participating in the offering. Our ESPP will provide that an offering may be terminated under certain circumstances.

Payroll Deductions.

Generally, all regular employees, including executive officers, employed by us or by any of our designated affiliates, will be eligible to participate in our ESPP and to contribute, normally through payroll deductions, up to 15% of their earnings (as

defined in our ESPP) for the purchase of our Class A common stock under our ESPP. Unless otherwise determined by our board of directors, Class A common stock will be purchased for the accounts of employees participating in our ESPP at a price per share equal to the lesser of (i) 85% of the fair market value of a share of our Class A common stock on the first day of an offering; or (ii) 85% of the fair market value of a share of our Class A common stock on the date of purchase.

Limitations.

Employees may have to satisfy one or more of the following service requirements before participating in our ESPP, as determined by our board of directors: (i) being customarily employed for more than 20 hours per week; (ii) being customarily employed for more than five months per calendar year; or (iii) continuous employment with us or one of our affiliates for a period of time (not to exceed two years). No employee will be permitted to purchase shares under our ESPP at a rate in excess of $25,000 worth of our Class A common stock (based on the fair market value per share of our Class A common stock at the beginning of an offering) for each calendar year such a purchase right is outstanding. Finally, no employee will be eligible for the grant of any purchase rights under our ESPP if immediately after such rights are granted, such employee has voting power over 5% or more of our outstanding capital stock measured by vote or value under Section 424(d) of the Code.

Changes to Capital Structure.

Our ESPP will provide that in the event there occurs a change in our capital structure through such actions as a stock split, merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, liquidating dividend, combination of shares, exchange of shares, change in corporate structure, or similar transaction, our board of directors will make appropriate adjustments to: (i) the class(es) and maximum number of shares reserved under our ESPP; (ii) the class(es) and maximum number of shares by which the share reserve may increase automatically each year; (iii) the class(es) and number of shares subject to, and purchase price applicable to, outstanding offerings and purchase rights; and (iv) the class(es) and number of shares that are subject to purchase limits under ongoing offerings.

Corporate Transactions.

Our ESPP will provide that in the event of a corporate transaction (as defined below), any then-outstanding rights to purchase our stock under our ESPP may be assumed, continued, or substituted for by any surviving or acquiring entity (or its parent company). If the surviving or acquiring entity (or its parent company) elects not to assume, continue, or substitute for such purchase rights, then the participants' accumulated payroll contributions will be used to purchase shares of our Class A common stock within 10 business days before such corporate transaction, and such purchase rights will terminate immediately after such purchase.

Under our ESPP, a "corporate transaction" is generally the consummation of (i) a sale or other disposition of all or substantially all of our consolidated assets; (ii) a sale or other disposition of at least 50% of our outstanding securities; (iii) a merger, consolidation or similar transaction following which we are not the surviving corporation; or (iv) a merger, consolidation or similar transaction following which we are the surviving corporation but the shares of our Class A common stock outstanding immediately prior to such transaction are converted or exchanged into other property by virtue of the transaction.

Amendment or Termination.

Our board of directors will have the authority to amend or terminate our ESPP, except in certain circumstances such amendment or termination may not materially impair any outstanding purchase rights without the holder's consent. We will obtain stockholder approval of any amendment to our ESPP as required by applicable law or listing requirements.

Amended and Restated 2012 Equity Incentive Plan

Our board of directors adopted, and our stockholders approved, our 2012 Plan in July 2012. Our 2012 Plan was most recently amended in August 2020. No further stock awards will be granted under our 2012 Plan on or after the effectiveness of our 2020 Plan; however, awards outstanding under our 2012 Plan will continue to be governed by their existing terms.

Stock Awards

Our 2012 Plan provides for the grant of incentive stock options, or ISOs, to our employees and our parent and subsidiary corporations' employees, and for the grant of nonstatutory options, or NSOs, stock appreciation rights, restricted stock

awards, restricted stock unit awards, and other forms of stock awards to our employees, directors and consultants and any of our affiliates' employees and consultants.

Authorized Shares

As of October 31, 2020, we had reserved 64,309,629 shares of our Class A common stock for issuance under our 2012 Plan, all of which could be issued on the exercise of ISOs. As of October 31, 2020, there were stock options to purchase 42,661,167 shares of our Class A common stock outstanding under our 2012 Plan and 3,741,693 shares of our Class A common stock remained available for issuance under our 2012 Plan.

Prior to the effectiveness of our 2020 Plan, the expiration or termination of a stock award without all of the shares covered by the stock award being issued or settlement of a stock award for cash will not reduce or offset the number of shares of our Class A common stock that may be issued under our 2012 Plan, and any shares issued pursuant to a stock award that are forfeited back to or repurchased by us due to the failure to vest or reacquired to satisfy tax withholding obligations on, or the exercise or purchase price of, a stock award will again become available for issuance under our 2012 Plan. We expect that upon and following the effectiveness of our 2020 Plan, any such shares will be added to the shares available for issuance under our 2020 Plan as shares of our Class A common stock. In addition, we expect that upon the effectiveness of our 2020 Plan, the shares reserved but not issued or subject to outstanding awards under our 2012 Plan, if any, will be added to the shares available for issuance under our 2020 Plan as shares of our Class A common stock.

Plan Administration

Our board of directors, or a duly authorized committee of our board of directors, administers our 2012 Plan. The administrator has the authority to construe and interpret our 2012 Plan and stock awards granted under it and to make all other determinations necessary or expedient for the administration of our 2012 Plan. Under our 2012 Plan, the administrator also has the authority to effect, with the consent of any adversely affected participant, (1) the reduction of the exercise, purchase, or strike price of any outstanding stock award; (2) the cancellation of any outstanding stock award and the grant in substitution therefore of other awards, cash, or other consideration; or (3) any other action that is treated as a repricing under generally accepted accounting principles.

Stock Options

ISOs and NSOs are granted under stock option agreements adopted by the administrator. The administrator determines the exercise price for stock options, within the terms and conditions of our 2012 Plan, except the exercise price of a stock option generally will not be less than 100% of the fair market value of our Class B common stock on the date of grant. Options granted under our 2012 Plan vest at the rate specified in the stock option agreement as determined by the administrator.

The administrator determines the term of stock options granted under our 2012 Plan, up to a maximum of 10 years. Unless the terms of an optionholder's stock option agreement, or other written agreement between us and the optionholder, provide otherwise, if an optionholder's service relationship with us or any of our affiliates ceases for any reason other than disability, death, or cause, the optionholder may generally exercise any vested options for a period of three months following the cessation of service. This period may be extended if exercise of the option is prohibited by certain securities laws or our insider trading policy. If an optionholder's service relationship with us or any of our affiliates ceases due to death, or an optionholder dies within a certain period following cessation of service, the optionholder's estate or certain other persons may generally exercise any vested options for a period of 18 months following the date of death. If an optionholder's service relationship with us or any of our affiliates ceases due to disability, the optionholder may generally exercise any vested options for a period of 12 months following the cessation of service. In the event of a termination for cause, options generally terminate upon the termination date. In no event may an option be exercised beyond the expiration of its term.

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

Unless the administrator provides otherwise, options generally are not transferable except by will or the laws of descent and distribution. Subject to approval of the administrator or a duly authorized officer, an option may be transferred pursuant to a domestic relations order, official marital settlement agreement, or other divorce or separation instrument.

Tax Limitations on ISOs

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

Restricted Stock Awards

Restricted stock awards are granted under restricted stock award agreements adopted by the administrator. A restricted stock award may be awarded in consideration for cash, check, bank draft or money order, past or future services to us, or any other form of legal consideration that may be acceptable to our board of directors and permissible under applicable law. The administrator will determine the terms and conditions of restricted stock awards, including vesting and forfeiture terms. If a participant's service relationship with us ends for any reason, we may receive any or all of the shares of common stock held by the participant that have not vested as of the date the participant terminates service with us through a forfeiture condition or a repurchase right.

Changes to Capital Structure

If there is a specified type of change in our capital structure, such as a stock split, reverse stock split, or recapitalization, the administrator will appropriately and proportionately adjust (1) the class(es) and maximum number of shares reserved for issuance under our 2012 Plan; (2) the class(es) and maximum number of shares that may be issued on the exercise of ISOs; and (3) the class(es) and number of shares and price per share, if applicable, of stock subject to outstanding stock awards.

Corporate Transaction

Our 2012 Plan provides that in the event of a corporate transaction (as defined below), unless otherwise provided in an award agreement or other written agreement between us and the participant, the administrator may take one or more of the following actions with respect to outstanding stock awards:

- arrange for the assumption, continuation, or substitution of a stock award by the surviving or acquiring corporation or its parent company;
- arrange for the assignment of any reacquisition or repurchase rights held by us to the surviving or acquiring corporation or its parent company;
- accelerate the vesting, in whole or in part, of the stock award and, if applicable, the time at which the stock award may be exercised, to a date prior to the effective time of the corporate transaction and provide for its termination if not exercised (if applicable) at or prior to the effective time of the corporate transaction;
- arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by us;
- cancel the stock award, to the extent not vested or not exercised prior to the effective time of the corporate transaction, in exchange for such cash consideration, if any, as the administrator deems appropriate; and
- make a payment, in such form as determined by the administrator, equal to the excess, if any, of the value of the property the participant would have received upon the exercise of the stock award immediately prior to the effective time of the corporate transaction over any exercise price payable by the holder in connection with such exercise.

The administrator is not obligated to treat all stock awards or portions of stock awards in the same manner and is not obligated to treat all participants in the same manner.

Under our 2012 Plan, a "corporate transaction" is generally the consummation of (1) a sale or other disposition of all or substantially all of our consolidated assets; (2) a sale or other disposition of at least 90% of our outstanding securities; (3) a merger, consolidation or similar transaction following which we are not the surviving corporation; or (4) a merger, consolidation or similar transaction following which we are the surviving corporation but the shares of our common stock outstanding immediately prior to such transaction are converted or exchanged into other property by virtue of the transaction.

Change in Control

A stock award under our 2012 Plan may be subject to additional acceleration of vesting and exercisability upon or after a change in control (as defined below) as may be provided in the award agreement or any other written agreement between us and the participant, but in the absence of such provision, no such acceleration will occur.

Under our 2012 Plan, unless specified otherwise in a written agreement between us and a participant with respect to such participant's stock awards, a "change in control" is generally (1) the acquisition by any person or entity (or group of persons and/or entities) of more than 50% of the combined voting power of our then outstanding securities other than by merger, consolidation, or similar transaction; (2) a merger, consolidation or similar transaction in which our stockholders immediately before the transaction do not own, directly or indirectly, more than 50% of the combined voting power of the surviving entity (or the parent of the surviving entity) in substantially the same proportions as their ownership immediately prior to such transaction; (3) approval of a plan of complete dissolution or liquidation of our company by our stockholders or board of directors (except for a liquidation into a parent corporation); (4) a sale, lease, exclusive license or other disposition of all or substantially all of our consolidated assets other than to an entity more than 50% of the combined voting power of which is owned by our stockholders in substantially the same proportions as their ownership of our outstanding voting securities immediately prior to such transaction; or (5) the individuals who made up our board of directors on the date that the 2012 Plan was adopted, or the incumbent board, ceasing for any reason to constitute at least a majority of the members of our board of directors, except if the appointment or election of any new board member was approved or recommended by a majority vote of the incumbent board then still in office, such new member will, for purposes of the 2012 Plan, be considered as a member of the incumbent board.

Plan Amendment and Termination

The administrator may amend, suspend, or terminate our 2012 Plan at any time, provided that such action does not impair the existing rights of any participant without such participant's written consent. Certain material amendments of our 2012 Plan also require the approval of our stockholders. As noted above, no further awards will be granted under our 2012 Plan on or after the effectiveness of our 2020 Plan; however, awards outstanding under our 2012 Plan will continue to be governed by their existing terms.

Limitations of Liability and Indemnification Matters

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

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

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

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

certificate of incorporation and amended and restated bylaw provisions are necessary to attract and retain qualified persons as directors and officers. We also maintain customary directors' and officers' liability insurance.

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

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

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Other than compensation arrangements for our directors and executive officers, which are described elsewhere in this prospectus, the following describes transactions since May 1, 2017 and each currently proposed transaction in which:

- we have been or are to be a participant;
- the amounts involved exceeded or will exceed $120,000; and
- any of our directors, executive officers or holders of more than 5% of our outstanding capital stock, or any immediate family member of, or person sharing the household with, any of these individuals or entities, had or will have a direct or indirect material interest.

Sale of Series F and Series G Convertible Preferred Stock

Between January and February 2018, we sold shares of our Series F convertible preferred stock, and between February and April 2019, we sold shares of our Series G convertible preferred stock, to certain holders of more than 5% of our capital stock, our directors, officers or their respective affiliates, each as set forth below.

Name	Shares of Series F Convertible Preferred Stock	Series F Aggregate Purchase Price	Shares of Series G Convertible Preferred Stock	Series G Aggregate Purchase Price
Entities affiliated with TPG(1)(2)	3,825,203	$ 74,999,997.75	2,522,042	$ 49,999,996.97
The Siebel Living Trust u/a/d 7/27/1993, as amended(3)	1,251,920	$ 24,546,158.13	—	$ —
Patricia A. House(4)	51,002	$ 999,999.09	50,033	$ 991,924.15

(1) Entities associated with TPG holding shares of our Series F convertible preferred stock whose shares are aggregated for purposes of reporting share ownership information are The Rise Fund Cadia, L.P. and TPG Growth III Cadia, L.P.
(2) Nehal Raj, a member of our board of directors since August 2016, serves as a Partner at TPG.
(3) Thomas M. Siebel, our Chief Executive Officer and Chairman of the Board, controls The Siebel Living Trust u/a/d 7/27/1993. Such shares of Series F convertible preferred stock were purchased in exchange for a full recourse promissory note of $24.5 million, bearing an interest rate of 2.18%, which note has been repaid in full in the amount of approximately $26.0 million, including the payment of the outstanding principal and accrued interest.
(4) Ms. House is a member of our board of directors.

Transactions with Baker Hughes

In June 2019, we sold 9,529,762 shares of our Class B common stock and 1,283,333 shares of our Series G convertible preferred stock to Baker Hughes Holdings LLC, or Baker Hughes, a holder of more than 5% of our outstanding capital stock, at a purchase price of $4.62 per share and $19.8252 per share, respectively.

In June 2019, we also entered into agreements with Baker Hughes under which Baker Hughes received a three-year subscription to use our offerings for internal use and development of applications on the C3 AI Suite, as well as the exclusive right to resell our offerings worldwide in the oil and gas market and non-exclusively in other markets. This arrangement was revised in June 2020 to extend the term to a total of five years with an expiration date in the fiscal year ending April 30, 2024 and to modify the annual contractual amount of Baker Hughes' commitments to $53.3 million, $75.0 million, $125.0 million, and $150.0 million, which are inclusive of their revised direct subscription fees of $27.2 million per year over the fiscal years ending April 30, 2021, 2022, 2023, and 2024, respectively. See the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" for additional information.

Lorenzo Simonelli, a member of our board of directors, serves as Chairman, President, and Chief Executive Officer of Baker Hughes. Mr. Simonelli was appointed to our board in connection with the strategic collaboration agreements described above. Concurrently with the execution of such agreements, we entered into a voting agreement with Thomas M. Siebel, our founder and Chief Executive Officer, and Baker Hughes, which provides that we will nominate and Mr. Siebel will vote all shares held by him and his affiliates so as to elect one individual designated by Baker Hughes, provided that such person is reasonably approved by the board.

Tender Offer

In September and October 2019, as part of a tender offer to employees, we repurchased the following options to purchase shares of common stock and shares of Class A common stock from the following related parties:

Name	Options to Purchase Shares of Class A Common Stock	Shares of Class A Common Stock	Aggregate Net Proceeds
Edward Y. Abbo(1)	121,458	101,437	$ 6,665,488.94
Houman Behzadi(2)	120,058	—	$ 3,557,453.41
Persons affiliated with Thomas M. Siebel(3)	13,733	—	$ 384,028.40

(1) Mr. Abbo is our Chief Technology Officer.
(2) Mr. Behzadi is our Chief Product Officer.
(3) A son of Thomas M. Siebel is employed by us and participated in the tender offer.

Secondary Sales

In October 2019, Thomas M. Siebel (1) sold to TPG an aggregate of 2,083,332 shares of our Class A-1 common stock, Series C* convertible preferred stock, and Series D convertible preferred stock for an aggregate purchase price of approximately $50.0 million, and (2) sold to another existing stockholder an aggregate of 1,879,466 shares of our Series D convertible preferred stock and Series E convertible preferred stock for an aggregate purchase price of approximately $50.0 million.

Travel Expense Reimbursement

Our board of directors has approved an aircraft reimbursement policy which provides for reimbursement for an eligible executive who uses his or her own aircraft for business travel at a rate determined by the audit committee to be below market rates for the charter of similar aircraft. Thomas M. Siebel owns aircraft which he uses from time to time for business travel. Pursuant to this policy an aggregate of $9.0 million was paid in March 2020 to Mr. Siebel with respect to such business travel from 2012 through April 2020, representing reimbursement for such nine-year period of business-related travel. Due to the fact that the hourly reimbursement rate for the use of the aircraft is less than the actual operational costs incurred by Mr. Siebel as owner of the aircraft, Mr. Siebel does not profit from the use of the aircraft.

Transactions with Immediate Family

A son of Thomas M. Siebel is employed by us. He does not share a household with Mr. Siebel, is not one of our executive officers and does not report to any of our executive officers. His compensation was established by us in accordance with its compensation practices applicable to employees with comparable qualifications and responsibilities and holding similar positions and without the involvement of Mr. Siebel. His total cash compensation in each of fiscal 2020 and 2019 was less than $315,000, exclusive of proceeds received in connection with the tender offer described above. He has received and continues to be eligible for equity awards on the same general terms and conditions as applicable to employees in similar positions who do not have such family relationship.

Registration Rights Agreement

We are party to an amended and restated registration rights agreement, or the Registration Rights Agreement, with certain holders of our capital stock, including entities affiliated with each of Thomas M. Siebel, TPG, and Baker Hughes. The Registration Rights Agreement provides the holders of our convertible preferred stock with certain registration rights, including the right to demand that we file a registration statement or request that their shares be covered by a registration statement that we are otherwise filing, including the registration statement related to this offering. In connection with this offering, the holders of up to 55,057,773 shares of our Class A common stock issuable on conversion of outstanding preferred stock will be entitled to rights with respect to the registration of their shares under the Securities Act under the Registration Rights Agreement. For a description of these registration rights, see the section titled “Description of Capital Stock—Registration Rights.”

Investors’ Rights Agreement

We are party to an amended and restated investors’ rights agreement, or the IRA, with certain holders of our capital stock, including entities affiliated with each of Thomas M. Siebel, TPG, and Baker Hughes. The IRA provides the holders of

our convertible preferred stock with information rights and a right of first refusal with regard to certain issuances of our capital stock, which will not apply to this offering. Both the information rights and right of right of first refusal will terminate upon the completion of this offering.

Co-Sale Agreement

We are party to an amended and restated co-sale agreement, or the Co-Sale Agreement, with certain holders of our capital stock, including entities affiliated with each of Thomas M. Siebel, TPG, and Baker Hughes. The Co-Sale Agreement provides that entities affiliated with TPG, and Baker Hughes have a right to purchase shares of our capital stock which entities affiliated with Thomas M. Siebel propose to sell or transfer to other parties. This right will terminate upon the completion of this offering.

Rights of First Refusal

Pursuant to our amended and restated bylaws, equity compensation plans and certain agreements with our stockholders, we or our assignees have a right to purchase shares of our capital stock which stockholders propose to sell to other parties. Since May 2019, we have waived our right of first refusal in connection with the sale of certain shares of our capital stock, including sales by certain of our executive officers, resulting in the purchase of such shares by certain of our stockholders, including related persons. See the section titled “Principal Stockholders” for additional information regarding beneficial ownership of our capital stock.

Indemnification

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

Policies and Procedures for Related Person Transactions

Prior to the completion of this offering, our board of directors will adopt a related person transaction policy to be effective in connection with this offering. Pursuant to this policy, our executive officers, directors, nominees for election as a director, beneficial owners of more than 5% of any class of our common stock, and any members of the immediate family of any of the foregoing persons are not permitted to enter into a related person transaction with us without the approval or ratification of our board of directors or our audit committee. Any request for us to enter into a transaction with an executive officer, director, nominee for election as a director, beneficial owner of more than 5% of any class of our common stock, or any member of the immediate family of any of the foregoing persons, in which the amount involved exceeds $120,000 and such person would have a direct or indirect interest, must be presented to our board of directors or our audit committee for review, consideration, and approval. In approving or rejecting any such proposal, our board of directors or our audit committee is to consider the material facts of the transaction, including whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related person’s interest in the transaction.

PRINCIPAL STOCKHOLDERS

The following table sets forth information with respect to the beneficial ownership of our capital stock as of October 31, 2020, and as adjusted to reflect the sale of our Class A common stock offered by us in this offering and the concurrent private placements assuming no exercise of the underwriters' option to purchase additional shares, for:

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

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

Applicable percentage ownership before the offering and the concurrent private placements is based on 73,276,582 shares of Class A common stock and 3,499,992 shares of Class B common stock outstanding as of October 31, 2020, assuming the automatic conversion of (i) all 33,628,776 outstanding shares of our convertible preferred stock as of October 31, 2020, except our Series A* Preferred Stock, into an aggregate of 33,628,776 shares of our Class A common stock, assuming an initial public offering price of $32.50 per share, which is the midpoint of the price range set forth on the cover page of this prospectus and (ii) all 3,499,992 outstanding shares of our Series A* Preferred Stock as of October 31, 2020, into an aggregate of 3,499,992 shares of our Class B common stock, which will occur immediately prior to the completion of this offering and the concurrent private placements. Applicable percentage ownership after the offering and the concurrent private placements is based on shares of Class A common stock and shares of Class B common stock outstanding immediately after the completion of this offering and the concurrent private placements, assuming no exercise by the underwriters of their option to purchase additional shares of Class A common stock. In computing the number of shares beneficially owned by a person and the percentage ownership of such person, we deemed to be outstanding all shares subject to options held by the person that are currently exercisable, or exercisable within 60 days of October 31, 2020. However, except as described above, we did not deem such shares outstanding for the purpose of computing the percentage ownership of any other person.

Unless otherwise indicated, the address of each beneficial owner listed below is c/o C3.ai, Inc., 1300 Seaport Blvd, Suite 500, Redwood City, California 94063.

	Shares Beneficially Owned Prior to Offering and the Concurrent Private Placements					Shares Beneficially Owned After Offering and the Concurrent Private Placements				
	Class A Common Stock		Class B Common Stock		% of Total Voting Power†	Class A Common Stock		Class B Common Stock		% of Total Voting Power†
Name of Beneficial Owner	Shares	%	Shares	%		Shares	%	Shares	%	
5% Stockholders										
Entities affiliated with Thomas M. Siebel(1)(2)	34,836,577	37.71%	3,425,800	97.88%	77.09%	34,836,577	30.97%	3,425,800	97.88%	71.70%
Entities affiliated with TPG(3)	16,206,631	22.12	—	—	6.53	16,206,631	17.35	—	—	6.04
Baker Hughes Holdings LLC(4)	10,813,095	14.76	—	—	4.36	10,813,095	11.58	—	—	4.03
Named Executive Officers and Directors										
Thomas. M. Siebel(1)	34,827,361	37.70	2,925,800	83.59	67.74	34,827,361	30.96	2,925,800	83.59	63.00
Shares subject to voting proxy(2)	9,216	*	500,000	14.29	10.07	9,216	*	500,000	14.29	9.32
Total	34,836,577	37.71	3,425,800	97.88	77.09	34,836,577	30.97	3,425,800	97.88	71.70
Edward Y. Abbo(5)	2,080,308	2.80	—	—	*	2,080,308	2.20	—	—	*
Houman Behzadi(6)	1,394,080	1.87	—	—	*	1,394,080	1.47	—	—	*
Patricia A. House(7)	1,019,536	1.39	500,000	14.29	10.47	1,019,536	1.09	500,000	14.29	9.68
Richard Levin(8)	644,965	*	—	—	*	644,965	*	—	—	*
Michael G. McCaffery(9)	1,378,776	1.88	—	—	*	1,378,776	1.47	—	—	*
Nehal Raj(3)	16,206,631	22.12	—	—	6.53	16,206,631	17.35	—	—	6.04
Condoleezza Rice(10)	667,349	*	—	—	*	667,349	*	—	—	*
S. Shankar Sastry(11)	644,962	*	—	—	*	644,962	*	—	—	*
Bruce Sewell(12)	633,831	*	—	—	*	633,831	*	—	—	*
Lorenzo Simonelli(4)	10,813,095	14.76	—	—	4.36	10,813,095	11.58	—	—	4.03
Stephen M. Ward. Jr.(13)	1,213,365	1.64	—	—	*	1,213,365	1.29	—	—	*
All directors and officers as a group	74,732,338	74.28	3,425,800	97.88	89.27	74,732,338	61.91	3,425,800	97.88	83.19

* Represents beneficial ownership of less than 1%.

† Represents the voting power with respect to all shares of our Class A common stock and Class B common stock, voting together as a single class. Each share of Class A common stock will be entitled to one vote per share, and each share of Class B common stock will be entitled to 50 votes per share. The Class A common stock and Class B common stock will vote together on all matters (including the election of directors) submitted to a vote of stockholders, except under limited circumstances described in "Description of Capital Stock—Class A and Class B Common Stock—Voting Rights."

(1) Consists of (a) 9,216 shares of Class A common stock held of record by First Virtual Holdings, LLC, (b) 2,175,666 shares of Class A common stock held of record by Thomas M. Siebel, (c) 170,294 shares of Class A common stock held of record by Siebel Asset Management, L.P., (d) 72,695 shares of Class A common stock held of record by Siebel Asset Management III, L.P., (e) 1,237,115 shares of Class A common stock held of record by The Siebel 2011 Irrevocable Children's Trust, (f) 12,057,527 shares of Class A common stock held of record by The Siebel Living Trust u/a/d 7/27/1993, (g) 19,104,848 shares of Class A common stock subject to options exercisable within 60 days of October 31, 2020, of which 4,912,636 shares of Class A common stock are vested as of such date, (h) 500,000 shares of Class B common stock held of record by First Virtual Holdings, LLC, (i) 2,050,788 shares of Class B common stock held of record by The Siebel Living Trust u/a/d 7/27/1993 and (j) the following shares over which Mr. Siebel has sole dispositive power: (i) 43,378 shares of Class B common stock held of record by The Siebel 2013 Annuity Trust I u/a/d 10/8/2013, (ii) 43,378 shares of Class B common stock held of record by The Siebel 2013 Annuity Trust II u/a/d 10/8/2013, (iii) 82,582 shares of Class B common stock held of record by The Siebel 2014 Annuity Trust I u/a/d 10/22/2014, (iv) 82,582 shares of Class B common stock held of record by The Siebel 2014 Annuity Trust II u/a/d 10/22/2014, (v) 23,914 shares of Class B common stock held of record by The Siebel 2017 Annuity Trust I u/a/d 11/28/2017, (vi) 23,914 shares of Class B common stock held of record by The Siebel 2017 Annuity Trust II u/a/d 11/28/2017, (vii) 18,623 shares of Class B common stock held of record by The Siebel 2018 Annuity Trust I u/a/d 12/13/2018, (viii) 18,623 shares of Class B common stock held of record by The Siebel 2018 Annuity Trust II u/a/d 12/13/2018, (ix) 19,009 shares of Class B common stock held of record by The Siebel 2020 Annuity Trust I u/a/d 3/4/2020 and (x) 19,009 shares of Class B common stock held of record by The Siebel 2020 Annuity Trust II u/a/d 3/4/2020.

(2) Consists of 9,216 shares of Class A Common Stock and 500,000 shares of Class B Common stock over which Mr. Siebel holds an irrevocable proxy pursuant to a voting agreement between Mr. Siebel and Patricia A. House. We do not believe that the parties to these voting agreements constitute a "group" under Section 13 of the Securities Exchange Act of 1934, as amended, as Mr. Siebel exercises voting control over these shares. For more information about the voting agreements, see the section titled "Description of Capital Stock—Voting Agreement."

(3) Consists of (a) 4,318,374 shares of Class A common stock held of record by The Rise Fund Cadia, L.P., a Delaware limited partnership, (b) 9,804,925 shares of Class A common stock held of record by TPG Growth III Cadia, L.P., a Delaware limited partnership, and (c) 2,083,332 shares of Class A common stock held of record by TPG Tech Adjacencies Cadia, L.P., a Delaware limited partnership (together with TPG Growth III Cadia, L.P. and The Rise Fund Cadia, L.P., the "TPG Funds"). The general partner of TPG Growth III Cadia, L.P. is TPG Growth GenPar III, L.P., a Delaware limited partnership, whose general partner is TPG Growth GenPar III Advisors, LLC, a Delaware limited liability company, whose sole member is TPG Holdings I, L.P., a Delaware limited partnership ("TPG Holdings I"), whose general partner is TPG Holdings I-A, LLC, a Delaware limited liability company, whose sole member is TPG Group Holdings (SBS), L.P., a Delaware limited partnership, whose general partner TPG Group Holdings (SBS) Advisors, LLC, a Delaware limited liability company, whose sole member is TPG Group Holdings (SBS) Advisors, Inc., a Delaware corporation. The general partner of The Rise Fund Cadia, L.P. is The Rise Fund GenPar, L.P., a Delaware limited partnership, whose general partner is The Rise Fund GenPar Advisors, LLC, a Delaware limited liability company, whose sole member is TPG Holdings I. The general partner of TPG Tech Adjacencies Cadia, L.P. is TPG Tech Adjacencies SPV GP, LLC, a Cayman limited liability company, whose sole member is TPG Tech Adjacencies GenPar, L.P.,

a Delaware limited partnership, whose general partner is TPG Tech Adjacencies GenPar Advisors, LLC, a Delaware limited liability company, whose sole member is TPG Holdings I. David Bonderman and James G. Coulter are sole stockholders of TPG Group Holdings (SBS) Advisors, Inc. and may therefore be deemed to beneficially own the securities held by the TPG Funds. Messrs. Bonderman and Coulter disclaim beneficial ownership of the securities held by the TPG Funds except to the extent of their pecuniary interest therein. The address of TPG Group Holdings (SBS) Advisors, Inc. and Messrs. Bonderman and Coulter is c/o TPG Global, LLC, 301 Commerce Street, Suite 3300, Fort Worth, Texas 76102.

(4) Consists of 10,813,095 shares of Class A common stock held of record by Baker Hughes Holdings LLC, or Baker Hughes. The address for Baker Hughes is 17021 Aldine Westfield Road, Houston, Texas 77073.

(5) Consists of (a) 840,574 shares of Class A common stock held of record by Mr. Abbo, (b) 1,061,147 shares of Class A common stock subject to options exercisable within 60 days of October 31, 2020, 658,368 of which are vested as of such date, (c) 54,666 shares of Class A common stock held of record by Abbo 2012 Children's Trust, and (d) 123,921 shares of Class A common stock held of record by Edward Y. Abbo and Alison C. Abbo 2001 Family Trust.

(6) Consists of (a) 231,108 shares of Class A common stock held of record by Mr. Behzadi and (b) 1,162,972 shares of Class A common stock subject to options exercisable within 60 days of October 31, 2020, 695,885 of which are vested as of such date.

(7) Consists of (a) 717,574 shares of Class A common stock held of record by Ms. House, 69,088 of which are subject to a right of repurchase by us as of December 30, 2020, 60 days after October 31, 2020, (b) 301,962 shares of Class A common stock subject to options exercisable within 60 days of October 31, 2020, none of which are vested as of such date, and (c) 500,000 shares of Class B common stock held of record by Ms. House. Includes 9,216 shares of Class A Common stock and 500,000 shares of Class B Common stock over which Mr. Siebel holds an irrevocable proxy pursuant to a voting agreement between Mr. Siebel and Patricia A. House. See Footnote (2) for additional details.

(8) Consists of (a) 408,178 shares of Class A common stock held of record by Dr. Levin and (b) 236,787 shares of Class A common stock subject to options exercisable within 60 days of October 31, 2020, 27,190 of which are vested as of such date.

(9) Consists of (a) 652,493 shares of Class A common stock held of record by Mr. McCaffery, (b) 201,666 shares of Class A common stock subject to options exercisable within 60 days of October 31, 2020, none of which are vested as of such date, and (c) 524,617 shares of Class A common stock held of record by McCaffery Family Trust as amended 12/18/00.

(10) Consists of (a) 74,387 shares of Class A common stock held of record by Dr. Rice and (b) 592,962 shares of Class A common stock subject to options exercisable within 60 days of October 31, 2020, 272,721 of which are vested as of such date.

(11) Consists of (a) 74,640 shares of Class A common stock held of record by Dr. Sastry and (b) 570,322 shares of Class A common stock subject to options exercisable within 60 days of October 31, 2020, 254,248 of which are vested as of such date.

(12) Consists of 633,831 shares of Class A common stock subject to options exercisable within 60 days of October 31, 2020, 118,347 of which are vested as of such date.

(13) Consists of (a) 673,018 shares of Class A common stock held of record by Mr. Ward and (b) 540,347 shares of Class A common stock subject to options exercisable within 60 days of October 31, 2020, 124,814 of which are vested as of such date.

DESCRIPTION OF CAPITAL STOCK

General

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

Our amended and restated certificate of incorporation provides for two classes of common stock: Class A common stock and Class B common stock. Upon completion of this offering, our amended and restated certificate of incorporation will authorize shares of undesignated preferred stock, the rights, preferences, and privileges of which may be designated from time to time by our board of directors.

Upon the completion of this offering, our authorized capital stock will consist of the following shares, all with a par value of $0.001 per share, of which:

- 1,000,000,000 shares are designated as Class A common stock;
- 3,500,000 shares are designated as Class B common stock; and
- 200,000,000 shares are designated as preferred stock.

After giving effect to the conversion of all outstanding shares of preferred stock, other than shares of our Series A* Preferred Stock, and all outstanding shares of Class A-1 common stock, into shares of Class A common stock immediately upon the completion of this offering and the concurrent private placements, there would have been 93,391,966 shares of Class A common stock outstanding on October 31, 2020, held by 562 stockholders of record. After giving effect to the conversion of all outstanding shares of Series A* Preferred Stock into shares of Class B common stock immediately prior to the completion of this offering, there would have been 3,499,992 shares of Class B common stock outstanding on October 31, 2020, held by 21 stockholders of record. As of October 31, 2020, we had outstanding options to acquire 42,661,167 shares of Class A common stock under Amended and Restated 2012 Equity Incentive Plan, or the 2012 Plan.

Shares of Class A common stock outstanding after this offering does not give effect to any additional shares of Class A common stock issuable upon conversion of the Series F, Series G, or Series H convertible preferred stock, or the Ratchet Preferred, if the actual initial public offering price is lower than $29.4102 per share. If the initial public offering price is lower than $29.4102, the conversion price of the Ratchet Preferred will be adjusted so that the product of (1) the number of shares of Class A common stock issuable upon conversion of each share of Ratchet Preferred at such adjusted Ratchet Preferred conversion price multiplied by (2) the public offering price, equals $29.4102 (as adjusted for stock splits, stock dividends, and the like). See Note 8 to our consolidated financial statements included elsewhere in this prospectus for additional information regarding the Ratchet Preferred.

Class A and Class B Common Stock

All issued and outstanding shares of our Class A common stock and Class B common stock will be duly authorized, validly issued, fully paid and non-assessable. All authorized but unissued shares of our Class A common stock and Class B common stock will be available for issuance by our board of directors without any further stockholder action, except as required by the listing standards of the New York Stock Exchange. Our amended and restated certificate of incorporation will provide that, except with respect to voting rights and conversion rights, the Class A common stock and Class B common stock are treated equally and identically.

Voting Rights

Holders of Class A common stock will be entitled to one vote per share on all matters to be voted upon by the stockholders, and holders of Class B common stock will be entitled to 50 votes per share on all matters to be voted upon by the stockholders. The holders of our Class A common stock and Class B common stock will generally vote together as a single class on all matters submitted to a vote of our stockholders, unless otherwise required by Delaware law or our amended

and restated certificate of incorporation. Delaware law could require either holders of our Class A common stock or Class B common stock to vote separately as a single class in the following circumstances:

- if we were to seek to amend our amended and restated certificate of incorporation to increase or decrease the number of authorized shares of a class of our capital stock, then that class would be required to vote separately to approve the proposed amendment;
- if we were to seek to amend our amended and restated certificate of incorporation to increase or decrease the par value of a class of our capital stock, then that class would be required to vote separately to approve the proposed amendment; and
- if we were to seek to amend our amended and restated certificate of incorporation in a manner that alters or changes the powers, preferences, or special rights of a class of our capital stock in a manner that affected its holders adversely, then that class would be required to vote separately to approve the proposed amendment.

As a result, in these limited instances, the holders of a majority of the Class A common stock could defeat an amendment to our amended and restated certificate of incorporation.

Our amended and restated certificate of incorporation that will be in effect upon the completion of this offering will not provide for cumulative voting for the election of directors.

Dividend Rights

Holders of Class A common stock and Class B common stock will be entitled to ratably receive dividends if, as and when declared from time to time by our board of directors at its own discretion out of funds legally available for that purpose, after payment of dividends required to be paid on outstanding preferred stock, if any. Under Delaware law, we can only pay dividends either out of "surplus" or out of the current or the immediately preceding year's net profits. Surplus is defined as the excess, if any, at any given time, of the total assets of a corporation over its total liabilities and statutory capital. The value of a corporation's assets can be measured in a number of ways and may not necessarily equal their book value.

Right to Receive Liquidation Distributions

Upon our dissolution, liquidation or winding-up, the assets legally available for distribution to our stockholders are distributable ratably among the holders of our Class A common stock and Class B common stock, subject to prior satisfaction of all outstanding debt and liabilities and the preferential rights and payment of liquidation preferences, if any, on any outstanding shares of preferred stock.

Conversion

Each share of our Class B common stock is convertible at any time at the option of the holder into one share of our Class A common stock. In addition, each share of our Class B common stock will convert automatically into one share of our Class A common stock upon any transfer, whether or not for value, except certain transfers to entities, to the extent the transferor retains sole dispositive power and exclusive voting control with respect to the shares of Class B common stock, and certain other transfers described in our amended and restated certificate of incorporation. All outstanding shares of our Class B common stock will convert into shares of our Class A common stock upon the earliest of (1) the date that is six months following the death or incapacity of Mr. Siebel, (2) the date that is six months following the date that Mr. Siebel is no longer providing services to us as an officer, employee, director or consultant, (3) the 20-year anniversary of the date of the closing of our initial public offering, and (4) the date specified by the holders of a majority of the then outstanding shares of Class B common stock, voting as a separate class.

Other Matters

The Class A common stock and Class B common stock will have no preemptive rights pursuant to the terms of our amended and restated certificate of incorporation and our amended and restated bylaws. There will be no redemption or sinking fund provisions applicable to the Class A common stock and Class B common stock. All outstanding shares of our Class A common stock will be fully paid and non-assessable, and the shares of our Class A common stock offered in this offering, upon payment and delivery in accordance with the underwriting agreement, will be fully paid and non-assessable.

Preferred Stock

As of October 31, 2020, there were 37,128,768 shares of convertible preferred stock outstanding. See Note 8 to our consolidated financial statements included elsewhere in this prospectus for more information regarding the terms of our outstanding convertible preferred stock. Immediately prior to the completion of this offering, (1) each outstanding share of convertible preferred stock, other than shares of our Series A* Preferred Stock will convert into one share of our Class A common stock and (2) each outstanding share of our Series A* Preferred Stock will convert into one share of our Class B common stock.

Upon the completion of this offering, our board of directors may, without further action by our stockholders, fix the rights, preferences, privileges, and restrictions of up to an aggregate of 200,000,000 shares of preferred stock in one or more series and authorize their issuance. These rights, preferences, and privileges could include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund terms and the number of shares constituting any series or the designation of such series, any or all of which may be greater than the rights of our common stock. The issuance of our preferred stock could adversely affect the voting power of holders of our common stock and the likelihood that such holders will receive dividend payments and payments upon liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring or preventing a change of control or other corporate action. Upon the completion of this offering, no shares of preferred stock will be outstanding, and we have no present plan to issue any shares of preferred stock.

Options

As of October 31, 2020, we had outstanding options under our equity compensation plans to purchase an aggregate of 42,661,167 shares of our Class A common stock under the 2012 Plan, with a weighted-average exercise price of $5.5665 per share.

Voting Agreement

Thomas M. Siebel, our Chief Executive Officer, has entered into a voting agreement, or the Voting Agreement, with Patricia A. House, a member of our board of directors, that will remain in effect after the completion of this offering. This voting agreement covers 9,216 shares of Class A Common Stock and 500,000 shares of Class B common stock held by Ms. House, or the House Shares, which will represent approximately 9.32% of the outstanding voting power of our capital stock after our initial public offering.

Under the Voting Agreement, Ms. House agreed to vote the House Shares as directed by, and granted an irrevocable proxy to, Mr. Siebel at his discretion on all matters to be voted upon by stockholders. Such proxy and power granted by Ms. House to Mr. Siebel will survive the death, incompetency or disability of Ms. House. The Voting Agreement will terminate (1) upon the closing of an Acquisition (as defined in our amended and restated certificate of incorporation, as may be amended from time to time) or (2) at such time as Mr. Siebel terminates the Voting Agreement by written action.

We do not believe that the parties to these voting agreements constitute a “group” under Section 13 of the Exchange Act, as Mr. Siebel exercises voting control over the shares held by these stockholders.

Registration Rights

We are party to an amended and restated registration rights agreement, or the Registration Rights Agreement, that provides that certain holders of our preferred stock and certain shares of our preferred stock, including certain holders of at least 1% of our outstanding capital stock, have certain registration rights as set forth below. The registration of shares of our common stock by the exercise of registration rights described below would enable the holders to sell these shares without restriction under the Securities Act when the applicable registration statement is declared effective. We will pay the registration expenses, not to exceed $25,000, of the shares registered by the demand, piggyback and Form S-3 registrations described below.

Generally, in an underwritten offering, the managing underwriter, if any, has the right, subject to specified conditions, to limit the number of shares such holders may include. The demand, piggyback and Form S-3 registration rights described below will expire three years after the completion of this offering, of which this prospectus is a part, or with respect to any particular stockholder, (1) such time after the completion of this offering that such stockholder can sell all of its shares entitled to registration rights under Rule 144 of the Securities Act during any 90-day period or (2) such time that such stockholder owns less than 1% of our outstanding Class A Common Stock as converted pursuant to this offering.

Demand Registration Rights

The holders of an aggregate of 55,057,773 shares of our Class A common stock will be entitled to certain demand registration rights. At any time beginning 180 days after the completion of this offering, the holders of a majority of these shares may request that we register all or a portion of their shares. We are obligated to effect only two such registrations.

Piggyback Registration Rights

In connection with this offering, the holders of an aggregate of 55,057,773 shares of our Class A common stock were entitled to, and the necessary percentage of holders waived, their rights to notice of this offering and to include their shares of registrable securities in this offering. After this offering, if we propose to register any of our securities under the Securities Act, either for our own account or for the account of other security holders, the holders of these shares and the shares to be sold in the concurrent private placements will be entitled to certain piggyback registration rights allowing the holder to include their shares in such registration, subject to certain marketing and other limitations. As a result, whenever we propose to file a registration statement under the Securities Act, other than with respect to (1) a registration relating solely to employee benefit plans, (2) a registration relating to the offer and sale of debt securities, (3) a registration relating to a corporate reorganization or other Rule 145 transaction, or (4) a registration on any registration form that does not permit secondary sales, the holders of these shares are entitled to notice of the registration and have the right to include their shares in the registration, subject to limitations that the underwriters may impose on the number of shares included in the offering.

Form S-3 Registration Rights

The holders of an aggregate of 55,057,773 shares of Class A common stock will be entitled to certain Form S-3 registration rights. The holders of these shares can make a request that we register their shares on Form S-3 if we are qualified to file a registration statement on Form S-3 and if the reasonably anticipated aggregate gross proceeds of the shares offered would equal or exceed $1.0 million.

Anti-Takeover Effects of Delaware Law and Our Certificate of Incorporation and Bylaws

Some provisions of Delaware law, our amended and restated certificate of incorporation and our amended and restated bylaws contain or will contain provisions that could make the following transactions more difficult: (1) an acquisition of us by means of a tender offer; (2) an acquisition of us by means of a proxy contest or otherwise; (3) or the removal of our incumbent officers and directors. It is possible that these provisions could make it more difficult to accomplish or could deter transactions that stockholders may otherwise consider to be in their best interest or in our best interests, including transactions which provide for payment of a premium over the market price for our shares.

These provisions, summarized below, are intended to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors. We believe that the benefits of the increased protection of our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging these proposals because negotiation of these proposals could result in an improvement of their terms.

Dual Class Stock

As described above in "—Class A and Class B Common Stock—Voting Rights," our amended and restated certificate of incorporation provides for a dual class common stock structure, which provides our founders with significant influence over all matters requiring stockholder approval, including the election of directors and significant corporate transactions, such as a merger or other sale of our company or our assets.

Stockholder Meetings

Our amended and restated bylaws will provide that a special meeting of stockholders may be called only by our chairman of the board, chief executive officer or president, or by a resolution adopted by a majority of our board of directors.

Requirements for Advance Notification of Stockholder Nominations and Proposals

Our amended and restated bylaws will establish advance notice procedures with respect to stockholder proposals to be brought before a stockholder meeting and the nomination of candidates for election as directors, other than nominations made by or at the direction of the board of directors or a committee of the board of directors.

Elimination of Stockholder Action by Written Consent

Our amended and restated certificate of incorporation and amended and restated bylaws will eliminate the right of stockholders to act by written consent without a meeting.

Staggered Board

Our board of directors will be divided into three classes. The directors in each class will serve for a three-year term, one Class being elected each year by our stockholders. For more information on the classified board, see the section titled "Management—Composition of Our Board of Directors." This system of electing and removing directors may tend to discourage a third party from making a tender offer or otherwise attempting to obtain control of us because it generally makes it more difficult for stockholders to replace a majority of the directors.

Removal of Directors

Our amended and restated certificate of incorporation will provide that no member of our board of directors may be removed from office by our stockholders except for cause and, in addition to any other vote required by law, upon the approval of not less than two thirds of the total voting power of all of our outstanding voting stock then entitled to vote in the election of directors.

Stockholders Not Entitled to Cumulative Voting

Our amended and restated certificate of incorporation will not permit stockholders to cumulate their votes in the election of directors. Accordingly, the holders of a majority of the outstanding shares of our common stock entitled to vote in any election of directors can elect all of the directors standing for election, if they choose, other than any directors that holders of our preferred stock may be entitled to elect.

Delaware Anti-Takeover Statute

We are subject to Section 203 of the Delaware General Corporation Law, which prohibits persons deemed to be "interested stockholders" from engaging in a "business combination" with a publicly held Delaware corporation for three years following the date these persons become interested stockholders unless the business combination is, or the transaction in which the person became an interested stockholder was, approved in a prescribed manner or another prescribed exception applies. Generally, an "interested stockholder" is a person who, together with affiliates and associates, owns, or within three years prior to the determination of interested stockholder status did own, 15% or more of a corporation's voting stock. Generally, a "business combination" includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. The existence of this provision may have an anti-takeover effect with respect to transactions not approved in advance by the board of directors.

Choice of Forum

Our amended and restated certificate of incorporation will provide that the Court of Chancery of the State of Delaware will be the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (1) any derivative action or proceeding brought on our behalf; (2) any action asserting a claim of breach of a fiduciary duty or other wrongdoing by any of our directors, officers, employees, or agents to us or our stockholders; (3) any action asserting a claim against us arising pursuant to any provision of the General Corporation Law of the State of Delaware or our certificate of incorporation or bylaws; (4) any action to interpret, apply, enforce, or determine the validity of our certificate of incorporation or bylaws; or (5) any action asserting a claim governed by the internal affairs doctrine. The provisions would not apply to suits brought to enforce a duty or liability created by the Securities Act, the Exchange Act, or any other claim for which the U.S. federal courts have exclusive jurisdiction. However, as Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act, and an investor cannot waive compliance with the federal securities laws and the rules and regulations thereunder, there is uncertainty as to whether a court would enforce such a provision. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated certificate of incorporation provides that the U.S. federal district courts will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act.

While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our amended and

restated certificate of incorporation. This may require significant additional costs associated with resolving such action in other jurisdictions and there can be no assurance that the provisions will be enforced by a court in those other jurisdictions.

These exclusive 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, or other employees, which may discourage lawsuits against us and our directors, officers and other employees. If a court were to find either exclusive-forum provision in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur further significant additional costs associated with resolving the dispute in other jurisdictions, all of which could seriously harm our business.

Amendment of Charter Provisions

The amendment of any of the above provisions, except for the provision making it possible for our board of directors to issue preferred stock, would require approval by holders of at least two-thirds of the total voting power of all of our outstanding voting stock.

The provisions of Delaware law, our amended and restated certificate of incorporation, and our amended and restated bylaws could have the effect of discouraging others from attempting hostile takeovers, and as a consequence, they may also inhibit temporary fluctuations in the market price of our Class A common stock that often result from actual or rumored hostile takeover attempts. These provisions may also have the effect of preventing changes in the composition of our board and management. It is possible that these provisions could make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests.

Transfer Agent and Registrar

The transfer agent and registrar for our Class A common stock and Class B common stock will be Computershare Trust Company, N.A. The transfer agent's address is 250 Royall Street, Canton, Massachusetts 02021.

Exchange Listing

Our Class A common stock is currently not listed on any securities exchange. We have been approved to have our Class A common stock listed on the New York Stock Exchange under the symbol "AI."

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our Class A common stock. Future sales of substantial amounts of Class A common stock in the public market, or the perception that such sales may occur, could adversely affect the market price of our Class A common stock. Although we have been approved to have our Class A common stock listed on the New York Stock Exchange, we cannot assure you that there will be an active public market for our Class A common stock.

Following the completion of this offering and the concurrent private placements, based on the number of shares of our Class A common stock and Class B common stock outstanding as of October 31, 2020 and assuming (1) the conversion of all outstanding shares of our convertible preferred stock, other than shares of our Series A* Preferred Stock into 33,628,776 shares of our Class A common stock immediately prior to the completion of this offering, (2) the conversion of all outstanding shares of our Series A* Preferred Stock into 3,499,992 shares of our Class B common stock immediately prior to the completion of this offering, and (3) no exercise of the underwriters' option to purchase additional shares of Class A common stock, we will have outstanding an aggregate of approximately 93,391,966 shares of Class A common stock and 3,499,992 shares of Class B common stock.

Of these shares, all shares of Class A common stock sold in this offering will be freely tradable without restriction or further registration under the Securities Act, except for any shares of Class A common stock purchased by our "affiliates," as that term is defined in Rule 144 under the Securities Act. Shares purchased by our affiliates would be subject to the Rule 144 resale restrictions described below, other than the holding period requirement.

The outstanding shares of Class A common stock not sold in this offering and the Class B common stock outstanding after this offering will be "restricted securities," as that term is defined in Rule 144 under the Securities Act. These restricted securities are eligible for public sale only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rules 144 or 701 under the Securities Act, each of which is summarized below. All of these shares will be subject to a lock-up period under the lock-up agreements and market standoff agreements described below.

In addition, of the 42,661,167 shares of our Class A common stock that were subject to stock options outstanding under the Amended and Restated 2012 Equity Incentive Plan, or the 2012 Plan, as of October 31, 2020, of which options to purchase 12,855,912 shares of Class A common stock were vested as of such date, upon exercise, these shares will be eligible for sale subject to the lock–up agreements described below and Rules 144 and 701 under the Securities Act.

Lock-Up Agreements and Market Standoff Provisions

We, and all of our directors, executive officers and the holders of substantially all of our common stock and securities exercisable for or convertible into our Class A common stock and Class B common stock outstanding immediately on the completion of this offering, have agreed, or will agree, with the underwriters that, until 180 days after the date of this prospectus, or the restricted period, subject to certain exceptions, we and they will not, without the prior written consent of Morgan Stanley & Co. LLC and J.P. Morgan Securities LLC, offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of any of our shares of common stock, any options or warrants to purchase any of our shares of common stock or any securities convertible into or exchangeable for or that represent the right to receive shares of our common stock; provided that such restricted period will end with respect to 20% of the shares subject to each lock-up agreement if at any time beginning 90 days after the date of this prospectus (1) we have issued a quarterly earnings release announced by press release through a major news service, or on a report on Form 8-K and (2) the last reported closing price of our Class A common stock is at least 33% greater than the initial public offering price of our Class A common stock for 10 out of any 15 consecutive trading days, ending on or after the 90th day after the date of this prospectus; and provided further that, if 90 days after the date of this prospectus occurs within five trading days of a trading black-out period, the above referenced early expiration period will be the sixth trading day immediately preceding the commencement of the trading black-out period. In addition, with respect to shares not released as a result of such early release, if 180 days after the date of this prospectus occurs within five trading days of a trading black-out period, the restricted period will expire on the sixth trading day immediately preceding the commencement of the trading black-out period. These agreements are described in the section titled "Underwriters." Morgan Stanley & Co. LLC and J.P. Morgan Securities LLC may release any of the securities subject to these lock-up agreements at any time, subject to applicable notice requirements.

In addition to the restrictions contained in the lock-up agreements described above, we have entered into agreements with all of our security holders that contain market stand-off provisions imposing restrictions on the ability of such security holders to offer, sell or transfer our equity securities for a period of 180 days following the date of this prospectus.

Upon expiration of the lock-up period, certain of our stockholders will have the right to require us to register their shares under the Securities Act. See the sections titled "—Registration Rights" below and "Description of Capital Stock—Registration Rights."

Upon the expiration of the lock-up period, substantially all of the shares subject to such lock-up restrictions will become eligible for sale, subject to the exceptions and limitations discussed below.

After the offering, certain of our employees, including our executive officers, and/or directors may enter into written trading plans that are intended to comply with Rule 10b5-1 under the Securities Act. Sales under these trading plans would not be permitted until the expiration of the lock-up agreements relating to the offering described above.

The shares sold in the concurrent private placements to Spring Creek Capital, LLC, an affiliate of Koch Industries, Inc., and Microsoft Corporation will be subject to market standoff agreements with us for a period of up to 365 days after the date of this prospectus as well as being subject to lock-up agreements with the underwriters described above.

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, and who has beneficially owned shares of our capital stock for at least six months would be entitled to sell in "broker's transactions" or certain "riskless principal transactions" or to market makers, a number of shares within any three-month period that does not exceed the greater of:

- 1% of the number of shares of our Class A common stock then outstanding, which will equal approximately 933,920 shares immediately after this offering and the concurrent private placements; or
- the average weekly trading volume in our Class A common stock on during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Affiliate resales under Rule 144 are also subject to the availability of current public information about us. In addition, if the number of shares being sold under Rule 144 by an affiliate during any three-month period exceeds 5,000 shares or has an aggregate sale price in excess of $50,000, the seller must file a notice on Form 144 with the Securities and Exchange Commission and concurrently with either the placing of a sale order with the broker or the execution of a sale directly with a market maker.

Non-Affiliate Resales of Restricted Securities

In general, beginning 90 days after the effective date of the registration statement of which this prospectus is a part, a person who is not an affiliate of ours at the time of sale, and has not been an affiliate at any time during the 90 days preceding a sale, and who has beneficially owned shares of our capital stock for at least six months but less than a year, is entitled to sell such shares subject only to the availability of current public information about us. If such person has held our shares for at least one year, such person can resell under Rule 144(b)(1) without regard to any Rule 144 restrictions, including the 90-day public company requirement and the current public information requirement.

Non-affiliate resales are not subject to the manner of sale, volume limitation or notice filing provisions of Rule 144.

Rule 701

In general, under Rule 701, any of our employees, directors, officers, consultants or advisors who purchases shares from us in connection with a compensatory stock or option plan or other written agreement before the effective date of a registration statement under the Securities Act is entitled to sell such shares 90 days after such effective date in reliance on Rule 144. Securities issued in reliance on Rule 701 are restricted securities and, subject to the contractual restrictions described above, beginning 90 days after the date of this prospectus, may be sold by persons other than "affiliates," as defined in Rule 144, subject only to the manner of sale provisions of Rule 144 and by "affiliates" under Rule 144 without compliance with its one-year minimum holding period requirement. However, substantially all Rule 701 shares are subject to lock-up agreements as described above and will become eligible for sale upon the expiration of the restrictions set forth in those agreements.

Form S-8 Registration Statement

We intend to file one or more registration statements on Form S-8 under the Securities Act to register all shares of Class A common stock subject to outstanding stock options and Class A common stock issued or issuable under the 2020 Equity Incentive Plan, or 2020 Plan, the 2012 Plan and the 2020 Employee Stock Purchase Plan, or the ESPP. We expect to file the registration statement covering shares offered pursuant to these stock plans shortly after the date of this prospectus, permitting the resale of such shares by non-affiliates in the public market without restriction under the Securities Act and the sale by affiliates in the public market subject to compliance with the resale provisions of Rule 144.

Registration Rights

As of October 31, 2020, holders of up to 55,057,773 shares of our Class A common stock, which includes all of the shares of Class A common stock issuable upon the automatic conversion of our convertible preferred stock, other than shares of our Series A* Preferred Stock, immediately prior to the completion of this offering and the concurrent private placements, or their transferees, will be entitled to various rights with respect to the registration of these shares under the Securities Act upon the completion of this offering and the expiration of lock-up agreements. Registration of these shares under the Securities Act would result in these shares becoming fully tradable without restriction under the Securities Act immediately upon the effectiveness of the registration, except for shares purchased by affiliates. See the section titled “Description of Capital Stock—Registration Rights” for additional information. Shares covered by a registration statement will be eligible for sale in the public market upon the expiration or release from the terms of the lock-up agreement.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS OF OUR CLASS A COMMON STOCK

The following discussion is a summary of the material U.S. federal income tax consequences to non-U.S. holders (as defined below) of the acquisition, ownership and disposition of our Class A common stock issued pursuant to this offering. This discussion is not a complete analysis of all potential U.S. federal income tax consequences relating thereto, does not address the potential application of the Medicare contribution tax on net investment income or the alternative minimum tax, and does not address any estate or gift tax consequences or any tax consequences arising under any state, local or foreign tax laws, or any other U.S. federal tax laws. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended, or the Code, Treasury Regulations promulgated thereunder, judicial decisions and published rulings and administrative pronouncements of the Internal Revenue Service, or the IRS, all as in effect as of the date of this prospectus. These authorities are subject to differing interpretations and may change, possibly retroactively, resulting in U.S. federal income tax consequences different from those discussed below. We have not requested a ruling from the IRS with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS or a court will agree with such statements and conclusions.

This discussion is limited to non-U.S. holders who purchase our Class A common stock pursuant to this offering and who hold our Class A common stock as a "capital asset" within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a particular holder in light of such holder's particular circumstances. This discussion also does not consider any specific facts or circumstances that may be relevant to holders subject to special rules under the U.S. federal income tax laws, including:

- certain former citizens or long-term residents of the United States;
- partnerships or other pass-through entities (and investors therein);
- "controlled foreign corporations";
- "passive foreign investment companies";
- corporations that accumulate earnings to avoid U.S. federal income tax;
- banks, financial institutions, investment funds, insurance companies, brokers, dealers or traders in securities;
- tax-exempt organizations and governmental organizations;
- tax-qualified retirement plans;
- persons subject to special tax accounting rules under Section 451(b) of the Code;
- persons who hold or receive our Class A common stock pursuant to the exercise of any employee stock option or otherwise as compensation;
- "qualified foreign pension funds" as defined in Section 897(l)(2) of the Code and entities all of the interests of which are held by qualified foreign pension funds;
- persons that own, or have owned, actually or constructively, more than 5% of our Class A common stock;
- persons who have elected to mark securities to market; and
- persons holding our Class A common stock as part of a hedging or conversion transaction or straddle, or a constructive sale, or other risk reduction strategy or integrated investment.

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes holds our Class A common stock, the U.S. federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. Partnerships holding our Class A common stock and the partners in such partnerships are urged to consult their tax advisors about the particular U.S. federal income tax consequences to them of holding and disposing of our Class A common stock.

THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE PARTICULAR U.S. FEDERAL INCOME TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING AND DISPOSING OF OUR CLASS A COMMON STOCK, AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER ANY STATE, LOCAL OR FOREIGN TAX LAWS AND ANY OTHER U.S. FEDERAL TAX LAWS.

Definition of Non-U.S. Holder

For purposes of this discussion, a non-U.S. holder is any beneficial owner of our Class A common stock that is not a "U.S. person" or a partnership (including any entity or arrangement treated as a partnership) for U.S. federal income tax purposes. A U.S. person is any person that, for U.S. federal income tax purposes, is or is treated as any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation (or any entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust (1) whose administration is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust or (2) that has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

Distributions on Our Class A Common Stock

As described under the section titled "Dividend Policy," we have not paid and do not anticipate paying any cash distributions in the foreseeable future. However, if we make cash or other property distributions on our Class A common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts that exceed such current and accumulated earnings and profits and, therefore, are not treated as dividends for U.S. federal income tax purposes will constitute a return of capital and will first be applied against and reduce a holder's tax basis in our Class A common stock, but not below zero. Any excess amount distributed will be treated as gain realized on the sale or other disposition of our Class A common stock and will be treated as described under the section titled "—Gain On Disposition of Our Class A Common Stock" below.

Subject to the discussions below regarding effectively connected income, backup withholding and FATCA (as defined below), dividends paid to a non-U.S. holder of our Class A common stock generally will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends or such lower rate specified by an applicable income tax treaty. To receive the benefit of a reduced treaty rate, a non-U.S. holder must furnish us or the applicable withholding agent a valid IRS Form W-8BEN or IRS Form W-8BEN-E (or applicable successor form) certifying such holder's qualification for the reduced rate. This certification must be provided to us or the withholding agent before the payment of dividends and must be updated periodically. If the non-U.S. holder holds the stock through a financial institution or other agent acting on the non-U.S. holder's behalf, the non-U.S. holder will be required to provide appropriate documentation to the agent, which then will be required to provide certification to us or the withholding agent, either directly or through other intermediaries.

If a non-U.S. holder holds our Class A common stock in connection with the conduct of a trade or business in the United States, and dividends paid on our Class A common stock are effectively connected with such holder's U.S. trade or business (and are attributable to such holder's permanent establishment or fixed base in the United States if required by an applicable tax treaty), the non-U.S. holder will be exempt from U.S. federal withholding tax. To claim the exemption, the non-U.S. holder must generally furnish a valid IRS Form W-8ECI (or applicable successor form) to the applicable withholding agent.

However, any such effectively connected dividends paid on our Class A common stock generally will be subject to U.S. federal income tax on a net income basis at the regular U.S. federal income tax rates in the same manner as if such holder were a resident of the United States. A non-U.S. holder that is a foreign corporation also may be subject to an additional branch profits tax equal to 30% (or such lower rate specified by an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, as adjusted for certain items.

Non-U.S. holders that do not provide the required certification on a timely basis, but that qualify for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

Non-U.S. holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules.

Gain on Disposition of Our Class A Common Stock

Subject to the discussions below regarding backup withholding and FATCA, a non-U.S. holder generally will not be subject to U.S. federal income tax on any gain realized on the sale or other disposition of our Class A common stock, unless:

- the gain is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States and, if required by an applicable income tax treaty, is attributable to a permanent establishment or fixed base maintained by the non-U.S. holder in the United States;
- the non-U.S. holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met; or
- our Class A common stock constitutes a "United States real property interest" by reason of our status as a United States real property holding corporation, or USRPHC, for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding the disposition or the non-U.S. holder's holding period for our Class A common stock, and our Class A common stock is not regularly traded on an established securities market (as defined in applicable Treasury Regulations).

Determining whether we are a USRPHC depends on the fair market value of our U.S. real property interests relative to the fair market value of our other trade or business assets and our foreign real property interests. We believe that we are not currently and do not anticipate becoming a USRPHC for U.S. federal income tax purposes, although there can be no assurance we will not in the future become a USRPHC.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular U.S. federal income tax rates in the same manner as if such holder were a resident of the United States. A non-U.S. holder that is a foreign corporation also may be subject to an additional branch profits tax equal to 30% (or such lower rate specified by an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, as adjusted for certain items. Gain described in the second bullet point above will be subject to U.S. federal income tax at a flat 30% rate (or such lower rate specified by an applicable income tax treaty), but may be offset by certain U.S.-source capital losses (even though the individual is not considered a resident of the United States), provided that the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses. Gain described in the third bullet point above will generally be subject to U.S. federal income tax in the same manner as gain that is effectively connected with the conduct of a U.S. trade or business (subject to any provisions under an applicable income tax treaty), except that the branch profits tax generally will not apply. Non-U.S. holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules.

Information Reporting and Backup Withholding

Annual reports are required to be filed with the IRS and provided to each non-U.S. holder indicating the amount of dividends on our Class A common stock paid to such holder and the amount of any tax withheld with respect to those dividends. These information reporting requirements apply even if no withholding was required because the dividends were effectively connected with the holder's conduct of a U.S. trade or business, or withholding was reduced or eliminated by an applicable income tax treaty. This information also may be made available under a specific treaty or agreement with the tax authorities in the country in which the non-U.S. holder resides or is established. Backup withholding, currently at a 24% rate, generally will not apply to payments to a non-U.S. holder of dividends on or the gross proceeds of a disposition of our Class A common stock provided the non-U.S. holder furnishes the required certification for its non-U.S. status, such as by providing a valid IRS Form W-8BEN, IRS Form W-8BEN-E or IRS Form W-8ECI (or applicable successor form), or certain other requirements are met. Backup withholding may apply if the payor has actual knowledge, or reason to know, that the holder is a U.S. person who is not an exempt recipient.

Backup withholding is not an additional tax. If any amount is withheld under the backup withholding rules, the non-U.S. holder should consult with a U.S. tax advisor regarding the possibility of and procedure for obtaining a refund or a credit against the non-U.S. holder's U.S. federal income tax liability, if any.

Withholding on Foreign Entities

Sections 1471 through 1474 of the Code, commonly referred to as FATCA, impose a U.S. federal withholding tax of 30% on certain payments made to a "foreign financial institution" (as specially defined under these rules) unless such institution enters into an agreement with the U.S. government to withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding certain U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners) or an exemption applies. FATCA also generally will impose a U.S. federal withholding tax of 30% on certain payments made to a non-financial foreign entity unless such entity either certifies that it does not have any "substantial United States owners" as defined in the Code or provides the withholding agent a certification identifying certain direct and indirect U.S. owners of the entity or an exemption applies. An intergovernmental agreement between the United States and an applicable foreign country may modify these requirements. Under certain circumstances, a non-U.S. holder might be eligible for refunds or credits of such taxes. FATCA currently applies to dividends paid on our Class A common stock. FATCA would have applied to payments of gross proceeds from the sale or other disposition of stock, but under proposed regulations (the preamble to which specifies that taxpayers are permitted to rely on such proposed regulations pending finalization), no withholding would apply with respect to payments of gross proceeds.

Prospective investors are encouraged to consult with their own tax advisors regarding the possible implications of FATCA on their investment in our Class A common stock.

UNDERWRITERS

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. LLC, J.P. Morgan Securities LLC and BofA Securities, Inc. are acting as representatives, have severally agreed to purchase, and we have agreed to sell to them, severally, the number of shares indicated below:

Name	Number of Shares
Morgan Stanley & Co. LLC	
J.P. Morgan Securities LLC	
BofA Securities, Inc.	
Deutsche Bank Securities Inc.	
Canaccord Genuity LLC	
JMP Securities LLC	
KeyBanc Capital Markets Inc.	
Needham & Company, LLC	
Piper Sandler & Co.	
Wedbush Securities Inc.	
Total	

The underwriters are offering the shares of Class A common stock subject to their receipt and acceptance of the shares from us and subject to prior sale and the underwriters' right to reject any order in whole or in part. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of Class A common stock offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the shares of Class A common stock offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters' option to purchase additional shares of Class A common stock described below.

The underwriters initially propose to offer part of the shares of Class A common stock directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers at a price that represents a concession not in excess of $ per share under the public offering price. After the initial offering of the shares of Class A common stock, the offering price and other selling terms may from time to time be varied by the representatives.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to 2,325,000 additional shares of Class A common stock at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the shares of Class A common stock offered by this prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional shares of Class A common stock as the number listed next to the underwriter's name in the preceding table bears to the total number of shares of Class A common stock listed next to the names of all underwriters in the preceding table.

At our request, the underwriters have reserved up to 5% of the shares offered by this prospectus for sale at the initial public offering price to certain individuals identified by our officers and directors who have expressed an interest in purchasing common stock in this offering. The sales will be made at our direction by J.P. Morgan Securities LLC and its affiliates through a directed share program. The number of shares available for sale to the general public in this offering will be reduced to the extent that such participants purchase the reserved shares. Any reserved shares not so purchased will be offered by the underwriters to the general public on the same terms as the other shares offered by this prospectus. We have agreed to indemnify the underwriters against certain liabilities and expenses, including liabilities under the Securities Act, in connection with the sale of the shares reserved for the directed share program.

The following table shows the per share and total public offering price, underwriting discounts and commissions, and proceeds before expenses to us. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase up to an additional 2,325,000 shares of Class A common stock.

		Total	
	Per Share	No Exercise	Full Exercise
Public offering price	$	$	$
Underwriting discounts and commissions to be paid by us:	$	$	$
Proceeds, before expenses, to us	$	$	$

The estimated expenses related to the offering and the concurrent private placements payable by us, exclusive of the underwriting discounts and commissions, are approximately $7.5 million. We have agreed to reimburse the underwriters for expenses relating to clearance of this offering with the Financial Industry Regulatory Authority up to $35,000.

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed 5% of the total number of shares of Class A common stock offered by them.

We have been approved to have our Class A common stock listed on the New York Stock Exchange under the trading symbol "AI."

We and all directors and officers, the holders of all of our outstanding stock and stock options and each participant in our directed share program (with respect to their purchased shares through such program) have agreed that, without the prior written consent of Morgan Stanley & Co. LLC and J.P. Morgan Securities LLC, on behalf of the underwriters, subject to certain exceptions, we and they will not, and will not publicly disclose an intention to, during the period ending 180 days after the date of this prospectus, or the restricted period:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock;
- file any registration statement with the Securities and Exchange Commission relating to the offering of any shares of common stock or any securities convertible into or exercisable or exchangeable for common stock; or
- 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) that is designed or intended, or which could reasonably be expected, to lead to or result in a sale or disposition of any shares of common stock, or of securities convertible into or exercisable or exchangeable for common stock, or that otherwise transfers to another, in whole or in part, any of the economic consequences of ownership of common stock.

whether any such transaction described above is to be settled by delivery of common stock or such other securities, in cash or otherwise; provided that such restricted period will end with respect to 20% of the shares subject to each lock-up agreement if at any time beginning 90 days after the date of this prospectus (1) we have issued a quarterly earnings release announced by press release through a major news service or on a report on Form 8-K and (2) the last reported closing price of our Class A common stock is at least 33% greater than the initial public offering price of our Class A common stock for 10 out of any 15 consecutive trading days ending on or after the 90th day after the date of this prospectus; and provided further that, if 90 days after the date of this prospectus occurs within five trading days of a trading black-out period, the above referenced early expiration period will be the sixth trading day immediately preceding the commencement of the trading black-out period. In addition, with respect to shares not released as a result of such early release, if 180 days after the date of this prospectus occurs within five trading days of a trading black-out period, the restricted period will expire on the sixth trading day immediately preceding the commencement of the trading black-out period. In addition, we and each such person agrees that, without the prior written consent of Morgan Stanley & Co. LLC and J.P. Morgan Securities LLC, on behalf of the underwriters, we or such other person will not, during the restricted period, make any demand for, or exercise any right with respect to, the registration of any shares of common stock or any security convertible into or exercisable or exchangeable for common stock.

The shares sold in the concurrent private placements to Spring Creek Capital, LLC, an affiliate of Koch Industries, Inc., and Microsoft Corporation will be subject to market standoff agreements with us for a period of up to 365 days after the date of this prospectus as well as being subject to lock-up agreements with the underwriters described above.

The restrictions described in the immediately preceding paragraphs are subject to specified exceptions, including, without limitation, the following:

- transfers of shares of common stock acquired in open market transactions after the completion of this offering provided that no filing under Section 16 of the Exchange Act would be required or voluntarily made;
- sales of shares of Class A common stock pursuant to the underwriting agreement;
- transfers of shares of common stock or any security convertible into or exercisable or exchangeable for common stock (1) as bona fide gifts, charitable contributions or for bona fide estate planning purposes; (2) upon death, by will or intestate succession; (3) to an immediate family member or a trust for the direct or indirect benefit of the lock-up party or the immediate family of the lock-up party; or (4) by a lock-up party that is a trust to a trustor or beneficiary of the trust or to the estate of a beneficiary of such trust;
- transfers or distributions of shares of common stock or any security convertible into or exercisable or exchangeable for common stock by a lock-up party that is a corporation, partnership, limited liability company, trust or other business entity (1) to limited partners, members, stockholders or holders of similar equity interests in the undersigned (or in each case its nominee or custodian) or (2) 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 affiliates of the lock-up party;
- transfers of shares of common stock or any security convertible into or exercisable or exchangeable for common stock that occurs by operation of law pursuant to a qualified domestic order or in connection with a divorce settlement; provided that any filing required by Section 16 of the Exchange Act shall clearly indicate in the footnotes thereto the nature and conditions of such transfer and that such transfer occurred by operation of law, court order, or in connection with a divorce settlement, as the case may be; provided further that no other public announcement or filing shall be required or shall be voluntarily made during the restricted period;
- (1) the receipt by the lock-up party of shares of common stock upon the exercise, vesting or settlement of options, restricted stock units or other equity awards granted under a stock incentive plan or other equity award plan, which plan is described in this prospectus, or (2) the transfer of shares of common stock or any securities convertible into common stock to us upon a vesting or settlement event of our restricted stock units or other securities or upon the exercise of options to purchase our securities on a “cashless” or “net exercise” basis to the extent permitted by the instruments representing such options (and any transfer to us necessary in respect of such amount needed for the payment of taxes, including estimated taxes and withholding tax and remittance obligations, due as a result of such vesting, settlement or exercise whether by means of a “net settlement” or otherwise) so long as such vesting, settlement, “cashless” exercise or “net exercise” is effected solely by the surrender of outstanding options (or the common stock issuable upon the exercise thereof) or shares of common stock to us and our cancellation of all or a portion thereof to pay the exercise price and/or withholding tax and remittance obligations in connection with the vesting, settlement or exercise of the restricted stock unit, option or other equity award; provided that the shares received upon vesting, settlement or exercise of the restricted stock unit, option or other equity award are subject to a lock-up agreement with the underwriters, and that in the case of (1) or (2), no public announcement or filing under Section 16 of the Exchange Act, or any other public filing or disclosure or such receipt or transfer, shall be required or shall be voluntarily made by or on behalf of the lock-up party within 60 days after the date of this prospectus, and thereafter, any filing required under Section 16 of the Exchange Act to be made during the remainder of the restricted period shall include a statement to the effect that (A) such transaction reflects the circumstances described in (1) or (2), as the case may be, (B) such transaction was only with the Company and (C) in the case of (1) the shares of common stock received upon exercise or settlement of the option, restricted stock units or other equity awards are subject to the lock-up agreement with the underwriters;
- transfers to us of shares of common stock or any security convertible into or exercisable or exchangeable for common stock in connection with the repurchase by us from the lock-up party of shares of common stock or any security convertible into or exercisable or exchangeable for common stock pursuant to a repurchase right arising upon the termination of the lock-up party’s employment;

- with us; provided that such repurchase right is pursuant to contractual agreements with us; provided further that any filing required by Section 16 of the Exchange Act shall clearly indicate in the footnotes thereto that the such transfer is being made pursuant to the circumstances described in this bullet point and that no shares or securities were sold by the reporting person; provided further that no other public announcement or filing shall be required or shall be voluntarily made during the restricted period;

- transfers of shares of common stock or any security convertible into or exercisable or exchangeable for common stock pursuant to a bona fide third-party tender offer, merger, consolidation or other similar transaction involving a change of control which occurs after the consummation of this offering that is approved by our board of directors and made to all holders of capital stock of the Company, is open to all holders of our capital stock; provided that in the event that such tender offer, merger, consolidation or other such transaction is not completed, the securities held by the lock-up party shall remain subject to the provisions of the lock-up agreement;

- the establishment of a trading plan on behalf of a stockholder, officer or director pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of common stock; provided that (1) such plan does not provide for the transfer of common stock during the restricted period and (2) to the extent a public announcement or filing under the Exchange Act, if any, is required of or voluntarily made by or on behalf of the lock-up party or us regarding the establishment of such plan, such announcement or filing shall include a statement to the effect that no transfer of common stock may be made under such plan during the restricted period; or

- (1) to the conversion of outstanding preferred stock into shares of common stock in connection with the consummation of this offering or (2) any conversion or reclassification of common stock as described in this prospectus (including the conversion of shares of Class B common stock into Class A common stock), provided that such shares of common stock received upon conversion remain subject to the terms of the lock-up agreement; provided further that in the case of (2) any filing required by Section 16 of the Exchange Act shall clearly indicate in the footnotes thereto the nature and conditions of such conversion or reclassification.

provided that:

- in the case of any transfer or distribution pursuant to the third through fifth bullets above, each donee, trustee, distributee or transferee shall sign and deliver a lock-up letter agreement; and

- in the case of any transfer or distribution pursuant to the third and fourth bullets above, (1) no public announcement or filing under Section 16 of the Exchange Act, or any other public filing or disclosure shall be required or shall be voluntarily made during the restricted period, and (2) such transfer or distribution shall not involve a disposition for value.

Morgan Stanley & Co. LLC and J.P. Morgan Securities LLC, in their sole discretion, may release the common stock and other securities subject to the lock-up agreements described above in whole or in part at any time provided that, if the stockholder is one of our officers or directors, Morgan Stanley & Co. LLC and J.P. Morgan Securities LLC will notify us of the impending release or waiver at least three business days before the release or waiver, and we have agreed to announce the impending release or waiver at least two business days before the release or waiver, except where the release or waiver is effected solely to permit a transfer of securities that is not for consideration and where the transferee has agreed in writing to be bound by the same lock-up agreement terms in place for the transferor.

In order to facilitate the offering of the Class A common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the Class A common stock. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under the option. The underwriters can close out a covered short sale by exercising the option or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under the option. The underwriters may also sell shares in excess of the option, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the Class A common stock in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, shares of Class A common stock in the open market to stabilize the price of the Class A common stock. These activities may raise or maintain the market price of the Class A common stock above independent market levels or prevent or

retard a decline in the market price of the Class A common stock. The underwriters are not required to engage in these activities and may end any of these activities at any time.

We and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

A prospectus in electronic format may be made available on websites maintained by one or more underwriters, or selling group members, if any, participating in this offering. The representatives may agree to allocate a number of shares of Class A common stock to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters that may make Internet distributions on the same basis as other allocations.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses. Certain of the underwriters and their respective affiliates are our customers or have been customers from time to time and may be customers in the future in arm's length transactions on market competitive terms.

In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. The underwriters and their respective affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

Pricing of the Offering

Prior to this offering, there has been no public market for our Class A common stock. The initial public offering price was determined by negotiations between us and the representatives. Among the factors to be considered in determining the initial public offering price will be our future prospects and those of our industry in general, our sales, earnings and certain other financial and operating information in recent periods, and the price-earnings ratios, price-sales ratios, market prices of securities, and certain financial and operating information of companies engaged in activities similar to ours. After the public offering of the shares of our Class A common stock, the offering price and other selling terms may be changed by the underwriters. Sales of shares made outside of the United States may be made by affiliates of the underwriters.

Selling Restrictions

General

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the shares of Class A common stock offered by this prospectus in any jurisdiction where action for that purpose is required. The shares of Class A common stock offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

European Economic Area and the United Kingdom

In relation to each Member State of the European Economic Area and the United Kingdom, or each a Relevant State, no shares of our Class A common stock 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 shares of our Class A common stock which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers

of shares of our Class A common stock may be made to the public in that Relevant State 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; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of shares of our Class A common stock shall require us or any of our representatives to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to any shares of our Class A common stock in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares of our Class A common stock to be offered so as to enable an investor to decide to purchase any shares of our Class A common stock, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129 (as amended).

This European Economic Area selling restriction is in addition to any other selling restrictions set out below.

United Kingdom

In the United Kingdom, this prospectus is only addressed to and directed at qualified investors who are (1) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order); or (2) high net worth entities and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). Any investment or investment activity to which this prospectus relates is available only to relevant persons and will only be engaged with relevant persons. Any person who is not a relevant person should not act or rely on this prospectus or any of its contents.

Canada

The shares of Class A common stock may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the shares of Class A common stock must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Hong Kong

Shares of our Class A common stock may not be offered or sold by means of any document other than (1) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), (2) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), and no advertisement, invitation, or document relating to shares of our Class A common stock 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 laws of Hong Kong) other than with respect to shares of our Class A common stock which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) 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 shares of our Class A common stock may not be circulated or distributed, nor may the shares of our Class A common stock 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 (1) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (SFA) (2) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA, or (3) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where shares of our Class A common stock are subscribed or purchased under Section 275 by a relevant person which is: (1) a corporation (which is not an accredited investor) 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; or (2) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired shares of our Class A common stock under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

Solely for purposes of the notification requirements under Section 309B(1)(c) of the Securities and Futures Act, Chapter 289 of Singapore. The shares are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Japan

No registration pursuant to Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended), or the FIEL, has been made or will be made with respect to the solicitation of the application for the acquisition of the shares of Class A common stock.

Accordingly, the shares of Class A common stock have not been, directly or indirectly, offered or sold and will not be, directly or indirectly, offered or sold in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or re-sale, 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, and otherwise in compliance with, the FIEL and the other applicable laws and regulations of Japan.

For Qualified Institutional Investors, or QIIs

Please note that the solicitation for newly-issued or secondary securities (each as described in Paragraph 2, Article 4 of the FIEL) in relation to the shares of Class A common stock constitutes either a "QII only private placement" or a "QII only secondary distribution" (each as described in Paragraph 1, Article 23-13 of the FIEL). Disclosure regarding any such solicitation, as is otherwise prescribed in Paragraph 1, Article 4 of the FIEL, has not been made in relation to the shares of Class A common stock. The shares of Class A common stock may only be transferred to QIIs.

For Non-QII Investors

Please note that the solicitation for newly-issued or secondary securities (each as described in Paragraph 2, Article 4 of the FIEL) in relation to the shares of Class A common stock constitutes either a "small number private placement" or a "small number private secondary distribution" (each as is described in Paragraph 4, Article 23-13 of the FIEL). Disclosure regarding any such solicitation, as is otherwise prescribed in Paragraph 1, Article 4 of the FIEL, has not been made in relation

to the shares of Class A common stock. The shares of Class A common stock may only be transferred en bloc without subdivision to a single investor.

Switzerland

This prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Class A common stock. The Class A common stock may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act, or FinSA, and will not be listed on the SIX Swiss Exchange, or SIX, or on any other stock exchange or regulated trading venue (exchange or multilateral trading facility) in Switzerland. This document does not constitute a prospectus within the meaning of, and 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 venue (exchange or multilateral trading facility) in Switzerland. Neither this document nor any other offering or marketing material relating to the Class A common stock constitutes a prospectus pursuant to the FinSA, and neither this document nor any other offering or marketing material relating to the Class A common stock 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, or the Class A common stock 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 Class A common stock will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, or FINMA, and the offer of Class A common stock has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes, or CISA. The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Class A common stock.

Australia

No placement document, prospectus, product disclosure statement, or other disclosure document has been lodged with the Australian Securities and Investments Commission, or ASIC, in relation to this 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 our Class A common stock may only be made to persons, or 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 our Class A common stock without disclosure to investors under Chapter 6D of the Corporations Act.

The Class A common stock 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 securities 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.

Brazil

The offer and sale of our Class A common stock has not been, and will not be, registered (or exempted from registration) with the Brazilian Securities Commission (Comissão de Valores Mobiliários – CVM) and, therefore, will not be carried out by any means that would constitute a public offering in Brazil under Law No. 6,385, of December 7, 1976, as amended, under CVM Rule No. 400, of December 29, 2003, as amended, or under CVM Rule No. 476, of January 16, 2009, as amended. Any representation to the contrary is untruthful and unlawful. As a consequence, our Class A common stock cannot be offered and sold in Brazil or to any investor resident or domiciled in Brazil. Documents relating to the offering of our Class A common stock, as well as information contained therein, may not be supplied to the public in Brazil, nor used in connection with any public offer for subscription or sale of Class A common stock to the public in Brazil.

China

This prospectus will not be circulated or distributed in the People's Republic of China, or PRC, and the Class A common stock will not be offered or sold, and will not be offered or sold to any person for re-offering or resale directly or indirectly to any residents of the PRC except pursuant to any applicable laws and regulations of the PRC. Neither this prospectus nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with applicable laws and regulations.

France

Neither this prospectus nor any other offering material relating to the Class A common stock offered by this prospectus has been and will not be submitted to the clearance procedures of the Autorité des Marchés Financiers or of the competent authority of another member state of the European Economic Area and notified to the Autorité des Marchés Financiers. The Class A common stock has not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France. Neither this prospectus nor any other offering material relating to the Class A common stock has been or will be:

(a) released, issued, distributed or caused to be released, issued or distributed to the public in France;

(b) used in connection with any offer for subscription or sale of the notes to the public in France.

Such offers, sales and distributions will be made in France only:

(c) to qualified investors (investisseurs qualifiés) and/or to a restricted circle of investors (cercle restreint d'investisseurs), in each case acting for their own account, or otherwise in circumstances in which no offer to the public occurs, all as defined in and in accordance with Articles L.411-2, D.411-1, D.411-2, D.734-1, D.744-1, D.754-1 and D.764-1 of the French Code monétaire et financier;

(d) to investment services providers authorized to engage in portfolio management on behalf of third parties; or

(e) in a transaction that, in accordance with Article L.411-2-I-1°-or-2° -or 3° of the French Code monétaire et financier and Article 211-2 of the General Regulations (Règlement Général) of the Autorité des Marchés Financiers, does not constitute a public offer (offre au public).

The Class A common stock may not be distributed directly or indirectly to the public except in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French Code monétaire et financier and applicable regulations thereunder.

Kuwait

The Class A common stock has not been authorized or licensed for offering, marketing or sale in the State of Kuwait. The distribution of this prospectus and the offering and sale of the Class A common stock in the State of Kuwait is restricted by law unless a license is obtained from the Kuwait Ministry of Commerce and Industry in accordance with Law 31 of 1990. Persons into whose possession this prospectus comes are required by us and the international underwriters to inform themselves about and to observe such restrictions. Investors in the State of Kuwait who approach us or any of the international underwriters to obtain copies of this prospectus are required by us and the international underwriters to keep such prospectus confidential and not to make copies thereof or distribute the same to any other person and are also required to observe the restrictions provided for in all jurisdictions with respect to offering, marketing and the sale of the Class A common stock.

Qatar

The Class A common stock described in this prospectus have not been, and will not be, offered, sold or delivered, at any time, directly or indirectly in the State of Qatar in a manner that would constitute a public offering. This prospectus has not been, and will not be, registered with or approved by the Qatar Financial Markets Authority or Qatar Central Bank and may not be publicly distributed. This prospectus is intended for the original recipient only and must not be provided to any other person. It is not for general circulation in the State of Qatar and may not be reproduced or used for any other purpose.

Saudi Arabia

This document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations as issued by the board of the Saudi Arabian Capital Market Authority, or CMA, pursuant to

resolution number 2-11-2004 dated 4 October 2004 as amended by resolution number 1-28-2008, as amended, or the CMA Regulations. The CMA does not make any representation as to the accuracy or completeness of this document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document, you should consult an authorised financial adviser.

United Arab Emirates

The Class A common stock has not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (including the Dubai International Financial Centre) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Financial Centre) governing the issue, offering and sale of securities. Further, this prospectus does not constitute a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and is not intended to be a public offer. This prospectus has not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority or the Dubai Financial Services Authority.

CONCURRENT PRIVATE PLACEMENTS

Each of Spring Creek Capital, LLC, an affiliate of Koch Industries, Inc., and Microsoft Corporation has entered into an agreement with us pursuant to which they have agreed to purchase $100.0 million and $50.0 million, respectively, of our Class A common stock in a private placement at a per share price equal to the initial public offering price. Based on an assumed initial public offering price of $32.50 per share, which is the midpoint of the price range set forth on the cover page of this prospectus, Spring Creek Capital, LLC and Microsoft Corporation will purchase 3,076,923 and 1,538,461 shares, respectively, of our Class A common stock. We will receive the full proceeds and will not pay any underwriting discounts or commissions with respect to the shares that are sold in the private placements. Our agreements with each of Spring Creek Capital, LLC and Microsoft Corporation are contingent upon, and are scheduled to close immediately subsequent to, the closing of this offering as well as the satisfaction of certain conditions to closing. The sale of these shares to Spring Creek Capital, LLC and Microsoft Corporation will not be registered in this offering and will be subject to market standoff agreements with us for a period of up to 365 days after the date of this prospectus and lock-up agreements with the underwriters. See the section titled “Shares Eligible for Future Sale—Lock-Up Agreements and Market Standoff Provisions” for additional information regarding such restrictions. We refer to these private placements as the concurrent private placements.

LEGAL MATTERS

The validity of the shares of Class A common stock being offered by this prospectus will be passed upon for us by Cooley LLP, Palo Alto, California. As of the date of this prospectus, a partner in Cooley LLP beneficially owns 37,500 shares of our Series B* convertible preferred stock, 8,060 shares of our Series B-1A* convertible preferred stock, and 4,252 shares of our Series D convertible preferred stock, which collectively represent less than 1% of our outstanding shares of capital stock. Wilson Sonsini Goodrich & Rosati, P.C., Palo Alto, California, is acting as counsel to the underwriters in connection with this offering.

EXPERTS

The consolidated financial statements as of April 30, 2019 and April 30, 2020 and for each of the years then ended have been included in this Prospectus, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing herein. Such financial statements are included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1, including exhibits and schedules, under the Securities Act, with respect to the shares of Class A common stock being offered by this prospectus. This prospectus, which constitutes part of the registration statement, does not contain all of the information in the registration statement and its exhibits. For further information with respect to us and the Class A common stock offered by this prospectus, we refer you to the registration statement and its exhibits. Statements contained in this prospectus as to the contents of any contract or any other document referred to are not necessarily complete, and in each instance, we refer you to the copy of the contract or other document filed as an exhibit to the registration statement. Each of these statements is qualified in all respects by this reference.

You can read our SEC filings, including the registration statement, over the Internet at the SEC's website at www.sec.gov.

Upon the completion of this offering, we will be subject to the information reporting requirements of the Securities Exchange Act of 1934 and we will file reports, proxy statements and other information with the SEC. We also maintain a website at C3.ai, at which, following the completion of this offering, you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Information contained on or accessible through our website is not a part of this prospectus, and the inclusion of our website address in this prospectus is an inactive textual reference only.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of C3.ai, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of C3.ai, Inc. and subsidiaries (the "Company") as of April 30, 2020 and 2019, the related consolidated statements of operations, comprehensive loss, redeemable convertible preferred stock, redeemable convertible A-1 common stock and stockholders' deficit, cash flows, and the related notes for each of the two years in the period ended April 30, 2020 (collectively referred to as the "financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of April 30, 2020 and 2019, and the results of its operations and its cash flows for each of the two years in the period ended April 30, 2020, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ DELOITTE & TOUCHE LLP

San Jose, California
September 18, 2020, (November 30, 2020 as to the effects of the reverse stock split described in Note 1)

We have served as the Company's auditor since 2018.

C3.AI, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except for share and per share data)

	April 30,		October 31,	Pro Forma Stockholders' Equity October 31,
	2019	2020	2020	2020
			(unaudited)	(unaudited)
Assets				
Current assets				
Cash and cash equivalents	$ 98,607	$ 33,104	114,603	
Short-term investments	57,910	211,874	175,841	
Accounts receivable, net of allowance of $755, $755, and $773 (unaudited) as of April 30, 2019 and 2020 and October 31, 2020, respectively[1]	63,486	30,827	33,190	
Prepaid expenses and other current assets	3,824	5,400	11,510	
Total current assets	223,827	281,205	335,144	
Property and equipment, net	7,303	8,723	7,413	
Goodwill	625	625	625	
Long-term investments	33,505	725	725	
Other assets, non-current	2,225	13,830	11,693	
Total assets	$ 267,485	$ 305,108	355,600	
Liabilities, redeemable convertible preferred stock, redeemable convertible Class A-1 common stock and stockholders' (deficit) equity				
Current liabilities				
Accounts payable	$ 5,660	$ 4,726	10,059	
Accrued compensation and employee benefits	13,042	13,693	12,977	
Deferred revenue, current[2]	80,197	53,537	78,681	
Accrued and other current liabilities	3,301	9,083	10,648	
Total current liabilities	102,200	81,039	112,365	
Deferred revenue, non-current	11,028	6,758	3,275	
Other long-term liabilities	926	6,001	5,734	
Total liabilities	114,154	93,798	121,374	
Commitments and contingencies (note 7)				
Redeemable convertible preferred stock, $0.001 par value. 223,183,791, 233,107,379 and 233,107,379 shares authorized as of April 30, 2019 and 2020, and October 31, 2020 (unaudited), respectively; 34,191,515, 37,128,768 and 37,128,768 shares issued and outstanding as of April 30, 2019 and 2020 and October 31, 2020 (unaudited), respectively; Liquidation preference of $300,734, $376,178, and $400,725 as of April 30, 2019 and 2020 and October 31, 2020 (unaudited), respectively; no shares authorized, issued or outstanding as of October 31, 2020, pro forma (unaudited)	299,965	375,207	399,753	—
Redeemable convertible class A-1 common stock, $0.001 par value. 6,666,667 shares authorized as of April 30, 2019 and 2020 and October 31, 2020 (unaudited); 6,666,665 shares issued and outstanding as of April 30, 2019 and 2020 and October 31, 2020 (unaudited); Liquidation preference of $18,800 as of April 30, 2019 and 2020 and October 31, 2020 (unaudited); no shares authorized, issued or outstanding as of October 31, 2020, pro forma (unaudited)	18,800	18,800	18,800	—
Stockholders' (deficit) equity				
Class A common stock, $0.001 par value. 390,000,000 shares authorized as of April 30, 2019 and 2020 and October 31, 2020 (unaudited); 20,057,254, 31,210,159, and 32,981,141 shares issued and outstanding as of April 30, 2019 and 2020 and October 31, 2020 (unaudited), respectively; 1,000,000,000 shares authorized, 73,276,582 issued and outstanding as of October 31, 2020, pro forma (unaudited)	20	31	33	73
Class B common stock, $0.001 par value; 21,000,000 shares authorized as of April 30, 2019 and 2020 and October 31, 2020; no shares issued and outstanding as of April 30, 2019 and 2020 and October 31, 2020, respectively; 3,500,000 shares authorized, 3,499,992 shares issued and outstanding as of October 31, 2020 pro forma (unaudited)	—	—	—	3
Additional paid-in capital	58,731	110,485	124,009	542,518
Accumulated other comprehensive income	74	424	62	62
Accumulated deficit	(224,259)	(293,637)	(308,431)	(308,431)
Total stockholders' (deficit) equity	(165,434)	(182,697)	(184,327)	234,226
Total liabilities, redeemable convertible preferred stock, redeemable convertible Class B-1 common stock and stockholders' (deficit) equity	$ 267,485	$ 305,108	355,600	$ 355,600

(1) Including amounts from a related party of $20,000, $250 and $400 (unaudited) as of April 30, 2019 and 2020 and October 31, 2020, respectively.
(2) Including amounts from a related party of $19,944, $1,499 and $16,279 (unaudited) as of April 30, 2019 and 2020 and October 31, 2020, respectively.

The accompanying notes are an integral part of these consolidated financial statements.

C3.AI, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Year Ended April 30,		Six Months Ended October 31,	
	2019	2020	2019	2020
			(unaudited)	
Revenue				
Subscription[1]	$ 77,472	$ 135,394	$ 63,998	$ 71,549
Professional services[2]	14,133	21,272	9,767	10,275
Total revenue	91,605	156,666	73,765	81,824
Cost of revenue				
Subscription	24,560	31,479	14,630	15,671
Professional services	5,826	7,308	3,716	4,909
Total cost of revenue	30,386	38,787	18,346	20,580
Gross profit	61,219	117,879	55,419	61,244
Operating expenses				
Sales and marketing	37,882	94,974	37,224	36,446
Research and development	37,318	64,548	34,791	29,398
General and administrative	22,061	29,854	14,250	13,249
Total operating expenses	97,261	189,376	86,265	79,093
Loss from operations	(36,042)	(71,497)	(30,846)	(17,849)
Interest income	3,508	4,251	1,979	868
Other (expense) income, net	(546)	(1,752)	(96)	2,440
Net loss before provision for income taxes	(33,080)	(68,998)	(28,963)	(14,541)
Provision for income taxes	266	380	185	253
Net loss	$ (33,346)	$ (69,378)	$ (29,148)	$ (14,794)
Net loss per share attributable to common stockholders, basic and diluted	$ (1.32)	$ (1.94)	$ (0.85)	$ (0.39)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	25,329	35,800	34,380	37,673
Pro forma net loss per share, basic and diluted (unaudited)		$ (0.97)		$ (0.20)
Weighted-average shares used in computing pro forma net loss per share, basic and diluted (unaudited)		71,192		73,550

(1) Including related party revenue of $56, $40,425, $20,695 (unaudited) and $13,620 (unaudited) for the years ended April 30, 2019 and 2020 and the six months ended October 31, 2019 and 2020, respectively.
(2) Including related party revenue of nil, $292, $98 (unaudited) and nil (unaudited) for the years ended April 30, 2019 and 2020 and the six months ended October 31, 2019 and 2020, respectively.

The accompanying notes are an integral part of these consolidated financial statements.

C3.AI, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(In thousands)

	Year Ended April 30,		Six Months Ended October 31,	
	2019	2020	2019	2020
			(unaudited)	
Net loss	(33,346)	(69,378)	$ (29,148)	$ (14,794)
Other comprehensive income				
Unrealized gains and losses on investment securities, net of tax	75	350	67	(362)
Total comprehensive loss	(33,271)	(69,028)	(29,081)	(15,156)

The accompanying notes are an integral part of these consolidated financial statements.

C3.AI, INC.
CONSOLIDATED STATEMENTS OF REDEEMABLE CONVERTIBLE PREFERRED STOCK, REDEEMABLE CONVERTIBLE CLASS A-1 COMMON STOCK AND STOCKHOLDERS' DEFICIT
(In thousands)

	Redeemable Convertible Preferred Stock		Redeemable Convertible A-1 Common Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive (Loss) Income	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance as of April 30, 2018	31,582	$ 248,471	6,667	$ 18,800	18,568	$ 19	$ 50,999	$ (1)	$ (190,847)	$ (139,830)
Issuance of Series G Preferred Stock, net of issuance costs of $257	2,610	51,494	—	—	—	—	—	—	—	—
Issuance of Class A common stock upon exercise of stock options	—	—	—	—	1,489	1	1,838	—	—	1,839
Vesting of early exercised Class A common stock options	—	—	—	—	—	—	1,561	—	—	1,561
Stock-based compensation expense	—	—	—	—	—	—	4,267	—	—	4,267
Cumulative-effect adjustment related to the adoption of ASU 2016-09	—	—	—	—	—	—	66	—	(66)	—
Other comprehensive income	—	—	—	—	—	—	—	75	—	75
Net loss	—	—	—	—	—	—	—	—	(33,346)	(33,346)
Balance as of April 30, 2019	34,192	299,965	6,667	18,800	20,057	20	58,731	74	(224,259)	(165,434)
Issuance of Series G Preferred Stock, net of issuance costs $34	1,283	25,406	—	—	—	—	—	—	—	—
Issuance of Class A common stock	—	—	—	—	9,530	10	44,017	—	—	44,027
Issuance of Series H Preferred Stock, net of issuance costs $164	1,654	49,836	—	—	—	—	—	—	—	—
Issuance of Class A common stock upon exercise of stock options	—	—	—	—	1,787	2	2,319	—	—	2,321
Vesting of early exercised Class A common stock options	—	—	—	—	—	—	655	—	—	655
Tender offer repurchases	—	—	—	—	(164)	(1)	(3,547)	—	—	(3,548)
Stock-based compensation expense	—	—	—	—	—	—	8,310	—	—	8,310
Other comprehensive income	—	—	—	—	—	—	—	350	—	350
Net loss	—	—	—	—	—	—	—	—	(69,378)	(69,378)
Balance as of April 30, 2020	37,129	$ 375,207	6,667	$ 18,800	31,210	$ 31	$ 110,485	$ 424	$ (293,637)	$ (182,697)

The accompanying notes are an integral part of these consolidated financial statements.

C3.AI, INC.
CONSOLIDATED STATEMENTS OF REDEEMABLE CONVERTIBLE PREFERRED STOCK, REDEEMABLE CONVERTIBLE CLASS A-1 COMMON STOCK AND STOCKHOLDERS' DEFICIT
(In thousands)

	Redeemable Convertible Preferred Stock		Redeemable Convertible A-1 Common Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive (Loss) Income	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance as of April 30, 2019	34,192	$ 299,965	6,667	$ 18,800	20,057	$ 20	$ 58,731	$ 74	$ (224,259)	$ (165,434)
Issuance of Series G Preferred Stock, net of issuance costs $34 (unaudited)	1,283	25,406	—	—	—	—	—	—	—	—
Issuance of Class A common stock (unaudited)	—	—	—	—	9,530	10	44,017	—	—	44,027
Issuance of Series H Preferred Stock, net of issuance costs $164	1,654	49,836	—	—	—	—	—	—	—	—
Issuance of Class A common stock upon exercise of stock options (unaudited)	—	—	—	—	1,356	1	1,568	—	—	1,569
Vesting of early exercised Class A common stock options (unaudited)	—	—	—	—	—	—	263	—	—	263
Tender offer repurchases	—	—	—	—	(164)	(1)	(3,547)	—	—	(3,548)
Stock-based compensation expense (unaudited)	—	—	—	—	—	—	3,371	—	—	3,371
Other comprehensive income (unaudited)	—	—	—	—	—	—	—	67	—	67
Net loss (unaudited)	—	—	—	—	—	—	—	—	(29,148)	(29,148)
Balance as of October 31, 2019 (unaudited)	37,129	$ 375,207	6,667	$ 18,800	30,779	$ 30	$ 104,403	$ 141	$ (253,407)	$ (148,833)

	Redeemable Convertible Preferred Stock		Redeemable Convertible A-1 Common Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive (Loss) Income	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance as of April 30, 2020	37,129	$ 375,207	6,667	$ 18,800	31,210	$ 31	$ 110,485	$ 424	$ (293,637)	$ (182,697)
Repayment of shareholder loan	—	24,546	—	—	—	—	1,457	—	—	1,457
Issuance of Class A common stock (unaudited)	—	—	—	—	1,771	2	3,061	—	—	3,063
Vesting of early exercised Class A common stock options (unaudited)	—	—	—	—	—	—	1,325	—	—	1,325
Stock-based compensation expense (unaudited)	—	—	—	—	—	—	7,681	—	—	7,681
Other comprehensive income (unaudited)	—	—	—	—	—	—	—	(362)	—	(362)
Net loss (unaudited)	—	—	—	—	—	—	—	—	(14,794)	(14,794)
Balance as of October 31, 2020 (unaudited)	37,129	$ 399,753	6,667	$ 18,800	32,981	$ 33	$ 124,009	$ 62	$ (308,431)	$ (184,327)

The accompanying notes are an integral part of these consolidated financial statements.

C3.AI, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended April 30,		Six Months Ended October 31,	
	2019	2020	2019	2020
			(unaudited)	
Cash flows from operating activities:				
Net loss	$ (33,346)	$ (69,378)	$ (29,148)	$ (14,794)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities				
Depreciation and amortization	550	1,302	362	2,098
Non-cash operating lease cost	—	3,052	1,497	1,650
Stock-based compensation expense	4,267	8,310	3,362	7,681
Impairment on investment	—	1,025	—	—
Other	534	(657)	(42)	(75)
Changes in operating assets and liabilities				
Accounts receivable[1]	(46,144)	32,659	42,094	(2,380)
Prepaid expenses, other current assets and other assets	(1,677)	(4,265)	(6,158)	(48)
Accounts payable	48	(1,219)	1,093	3,159
Accrued compensation and employee benefits	4,170	651	(2,219)	(716)
Lease liability	—	(3,174)	(1,536)	(1,745)
Other liabilities	(533)	1,343	(349)	2,345
Deferred revenue[2]	37,255	(30,930)	(11,677)	21,661
Net cash provided by (used in) operating activities	(34,876)	(61,281)	(2,721)	18,836
Cash flows from investing activities:				
Purchase of property and equipment	(6,811)	(2,298)	(1,503)	(919)
Capitalized software development costs	—	(581)	(708)	—
Purchase of investments	(166,303)	(219,853)	—	(128,330)
Maturity and sale of investments	76,886	98,659	41,648	164,098
Net cash provided by (used in) investing activities	(96,228)	(124,073)	39,437	34,849
Cash flows from financing activities:				
Proceeds from repayment of shareholder loan	—	—	—	26,003
Proceeds from issuance of Series G, net of issuance costs	51,567	25,333	25,333	—
Proceeds from issuance of Series H, net of issuance costs	—	49,836	49,837	—
Repurchase of common stock and options in tender offer	—	(3,548)	(3,548)	—
Proceeds from Payroll Protection Program loan	—	—	—	—
Payment of deferred offering costs	—	—	—	(2,325)
Proceeds from issuance of common stock	—	44,027	44,027	—
Proceeds from exercise of Class A common stock options	2,905	4,203	2,961	4,536
Net cash provided by financing activities	54,472	119,851	118,610	28,214
Net increase (decrease) in cash, cash equivalents and restricted cash	(76,632)	(65,503)	155,326	81,899
Cash, cash equivalents and restricted cash at beginning of period	175,739	99,107	99,107	33,604
Cash, cash equivalents and restricted cash at end of period	$ 99,107	$ 33,604	$ 254,433	$ 115,503
Cash and cash equivalents	98,607	33,104	253,933	114,603
Restricted cash included in other assets	500	500	500	900
Total cash, cash equivalents and restricted cash	$ 99,107	$ 33,604	$ 254,433	$ 115,503
Supplemental disclosures of cash flow information—cash paid for income taxes	$ 131	$ 660	$ 351	$ 323
Supplemental disclosure of non-cash investing and financing activity:				
Purchases of property and equipment included in accounts payable and accrued liabilities	$ 60	$ 417	$ 87	$ 146
Purchases of capitalized software included in accounts payable and accrued liabilities	$ —	$ —	$ —	$ —
Deferred offering costs included in accounts payable and accrued liabilities	$ —	$ —	$ —	$ 2,994
Series G issuance cost included in accounts payable	$ 73	$ —	$ —	$ —
Series H issuance cost included in accounts payable	$ —	$ —	$ 1	$ —
Vesting of early exercised stock options	$ 1,561	$ 655	$ 263	$ 1,325

(1) Including changes in related party balances of $(20,000), $19,750, $19,967 (unaudited) and $(150) (unaudited) for the years ended April 30, 2019 and 2020 and for the six months ended October 31, 2019 and 2020, respectively.
(2) Including changes in related party balances of $19,944, $(18,445), $1,262 (unaudited) and $14,780 (unaudited) for the years ended April 30, 2019 and 2020 and for the six months ended October 31, 2019 and 2020, respectively.

The accompanying notes are an integral part of these consolidated financial statements.

1. Summary of Business and Significant Accounting Policies

Business

C3.ai, Inc. and subsidiaries, or collectively, C3 or the Company, is an enterprise artificial intelligence, or AI, software provider for accelerating digital transformation. The C3 AI Suite supports the value chain in various industries with prebuilt and configurable AI applications for business use cases including predictive maintenance, fraud detection, sensor network health, supply network optimization, energy management, anti-money laundering, and customer engagement. The Company supports customers in the United States, Europe, and the rest of the world. The Company was initially formed as a limited liability company in Delaware on January 8, 2009 and converted to a Delaware corporation in June 2012.

Basis of Presentation and Principles of Consolidation

The Company prepares its consolidated financial statements in accordance with generally accepted accounting principles in the United States, or GAAP. The consolidated financial statements include the accounts of C3.ai, Inc. and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Reverse Stock Split

On November 25, 2020, the Company amended and restated its certificate of incorporation to effect a reclassification of the Company's Class B common stock and Class C common stock into Class A common stock and redeemable convertible Class B-1 common stock into a new redeemable convertible Class A-1 common stock. The rights, including the liquidation, dividend, and voting rights, are substantially identical for each class of common stock reclassified. All references to Class B common stock and Class C common stock have been recast to Class A common stock, and all references to redeemable convertible Class B-1 common stock have been recast to redeemable convertible Class A-1 common stock in these consolidated financial statements to give retrospective effect to the reclassification for all periods presented. The Company also authorized a new Class B common stock. The rights, including the liquidation and dividend rights, of the Class A common stock and the new Class B common stock are substantially identical, other than the voting rights and conversion rights upon transfer of the Class B common stock. See Note 8 for more information.

Additionally, the Company effected a 6-for-1 reverse stock split of the Company's common stock, preferred stock, and stock option awards. The par value of the common stock and preferred stock was not adjusted as a result of the reverse stock split. The authorized shares of the Class A common stock, new Class A-1 common stock, new Class B common stock and preferred stock was adjusted to 390,000,000 shares, 6,666,667 shares, 21,000,000 shares, and 233,107,379 shares, respectively. All authorized, issued, and outstanding shares of common stock, preferred stock, stock option awards, and per share data included in these financial statements have been recast to give retrospective effect to the adjusted authorized shares and reverse stock split for all periods presented.

Use of Estimates

The preparation of the accompanying consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions about future events. These estimates and the underlying assumptions affect the amounts of assets and liabilities reported, disclosures about contingent assets and liabilities, and reported amounts of revenue and expenses. Actual results and outcomes could differ significantly from the Company's estimates, judgments, and assumptions. Significant estimates include determining standalone selling price for performance obligations in contracts with customers and estimating variable consideration, the estimated expected benefit period for deferred contract acquisition costs, the useful lives of long-lived assets, the value of common stock and other assumptions used to measure stock-based compensation, and the valuation of deferred income tax assets and uncertain tax positions. These estimates and assumptions are based on management's best estimates and judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. The Company adjusts such estimates and assumptions when facts and circumstances dictate. Changes in those estimates resulting from continuing changes in the economic environment will be reflected in the financial statements in future periods. As future events and their effects cannot be determined with precision, actual results could materially differ from those estimates and assumptions.

Fiscal Year

The Company's fiscal year ends on April 30. References to fiscal 2019 and 2020 relate to the fiscal years ended April 30, 2019 and 2020, respectively.

Unaudited Interim Consolidated Financial Information

The accompanying interim consolidated balance sheet as of October 31, 2020, the consolidated statements of operations, comprehensive loss, redeemable convertible preferred stock, redeemable convertible Class A-1 Common stock and stockholders' deficit, and cash flows for the six months ended October 31, 2019 and 2020, and the related footnote disclosures are unaudited. These unaudited interim consolidated financial statements have been prepared in accordance with GAAP. In management's opinion, the unaudited interim consolidated financial statements include all adjustments necessary to state fairly the Company's financial position as of October 31, 2020 and its results of operations and cash flows for the six months ended October 31, 2019 and 2020. The financial data and the other information disclosed in the notes to these consolidated financial statements related to the six-month periods are unaudited. The results of operations for the six months ended October 31, 2020 are not necessarily indicative of the results expected for the year ending April 30, 2021 or any other future period.

Unaudited Pro Forma Consolidated Balance Sheet Information

Unaudited pro forma consolidated balance sheet information as of October 31, 2020 has been presented to show the assumed effect to the consolidated balance sheet for the automatic conversion of the outstanding redeemable convertible preferred stock upon the consummation of a qualified initial public offering, or IPO, as described in Note 8 as if such conversion had occurred on October 31, 2020. Immediately prior to the consummation of a qualified IPO, all outstanding shares of Series A* convertible preferred stock will automatically convert into 3,499,992 shares of Class B common stock and the remaining convertible preferred stock and redeemable convertible Class A-1 common stock will convert into 43,795,433 shares of Class A common stock. The unaudited pro forma consolidated balance sheet information does not give effect to the shares of common stock issuable and the proceeds expected to be received upon the closing of a qualified IPO.

Unaudited Pro Forma Net Loss Per Share

Unaudited pro forma basic and diluted net loss per share attributable to common stockholders for the year ended April 30, 2020 and the six months ended October 31, 2020 has been presented to give effect to the automatic conversion of Series A* convertible preferred stock into Class B common stock and all remaining convertible preferred stock and redeemable convertible Class A-1 common stock into Class A common stock immediately prior to the consummation of a qualified IPO as of the beginning of the period or the original date of issuance, if later. The unaudited pro forma basic and diluted net loss per share attributable to common stockholders does not give effect to the shares of common stock issuable upon the completion of a qualified IPO.

Concentration of Risk

Financial instruments that potentially subject the Company to concentration of credit risk consist of cash and cash equivalents, investments and accounts receivable. The majority of the Company's cash and cash equivalents are held by one financial institution. The Company is exposed to that financial institution to the extent that its cash balance with that financial institution is in excess of Federal Deposit Insurance Company, or FDIC, insurance limits. The Company's investment policy is to invest in securities with a minimum rating of P1 by Moody's, A1 by Standard & Poor's, F-1 by Fitch's or higher for short-term investments, and minimum rating of A2 by Moody's, A by Standard & Poor's, or A by Fitch's or higher for long-term investments.

All of the Company's customers consist of corporate and governmental entities. A limited number of customers have accounted for a large part of the Company's revenue and accounts receivable to date. Two separate customers accounted for 14% and 12%, respectively, of revenue for the year ended April 30, 2019. Two separate customers accounted for 26% and 10%, respectively, of revenue for the year ended April 30, 2020. Two separate customers accounted for 28% and 10%, respectively, of revenue for the six months ended October 31, 2019. Two separate customers accounted for 17% and 12%, respectively, of revenue for the six months ended October 31, 2020. Three separate customers accounted for 32%, 27%, and 16% of accounts receivable at April 30, 2019. Three separate customers accounted for 33%, 19%, and 15% of accounts receivable at April 30, 2020. Three separate customers accounted for 22%, 16%, and 11% of accounts receivable at October 31, 2020.

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. The Company's cash equivalents consisted of investments in money market funds as of April 30, 2019 and 2020 and October 31, 2020.

Restricted Cash

The Company had restricted cash pledged as security deposits at April 30, 2019 and 2020 and October 31, 2020 of $0.5 million, $0.5 million, and $0.9 million, respectively, primarily representing a security deposit required by certain leases. The balance of restricted cash as of April 30, 2019 and 2020 and October 31, 2020 was recorded as long-term other assets on the consolidated balance sheets.

Investments

The Company determines the appropriate classification of investments at the time of purchase and reevaluates such determination at each period-end. The Company's investments, comprised of money market funds, U.S. treasury securities, certificates of deposit, commercial paper and corporate debt securities, are classified as available-for-sale.

Such securities are carried at estimated fair values and reported in cash equivalents, short-term investments or long-term investments. Unrealized gains and losses, net of tax, are reported in other comprehensive loss as a separate component on the consolidated statements of comprehensive loss. Fair value is determined based on quoted market rates when observable or by utilizing data points that are observable, such as quoted prices, interest rates and yield curves. Declines in fair value judged to be other-than-temporary on securities available for sale are recorded within other expense, net on the consolidated statements of comprehensive loss. In order to determine whether a decline in value is other-than-temporary, the Company evaluates, among other factors, the duration and extent to which the fair value has been less than the carrying value and its intent and ability to retain the investment for a period of time sufficient to allow for any anticipated recovery in fair value. The cost of securities sold is based on the specific-identification method. Interest on securities classified as available-for-sale is included in interest income (expense) on the consolidated statements of operations.

Non-marketable equity securities without readily determinable fair values are recorded at cost, less impairment, and adjusted to fair value within other expense, net if there are observable price changes for identical or similar securities. Non-marketable equity securities are recorded within long-term investments. Impairment loss is recorded in other expense, net on the consolidated statements of operations. Prior to the adoption of ASU 2016-01 in the fiscal year beginning May 1, 2019, investments in non-marketable equity securities were recorded at cost less impairment, if any, with any losses resulting from an impairment recognized in other expense, net.

Accounts Receivable

Accounts receivable consist of current trade receivables from customers. The Company records accounts receivable at their net realizable value. Judgment is required in assessing the realization of these receivables, including the current creditworthiness of each customer and related aging of the past-due balances. Management evaluates all accounts periodically, and an allowance for doubtful accounts may be established based on specific identification using the best facts available and reevaluated and adjusted as additional information is received. An allowance for doubtful accounts balance of $0.8 million, $0.8 million, and $0.8 million was recorded as of April 30, 2019 and 2020 and October 31, 2020, respectively. Accounts receivable as of April 30, 2019 and 2020 and October 31, 2020 included contract assets of $0.2 million, $0.5 million, and $0.1 million, respectively.

Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Assets and liabilities that are measured at fair value are reported using a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy maximizes the use of observable inputs and minimizes the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

Level 1—Quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2—Inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly.

Level 3—Inputs that are unobservable for the asset or liability.

To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized in Level 3. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The carrying amounts of the Company's financial instruments, including cash, cash equivalents, restricted cash, accounts receivable, accounts payable, and accrued expenses, approximate their fair value due to their short maturities. The fair value of the company's investments is discussed in Note 3.

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets are comprised primarily of prepaid cloud subscriptions, other receivables, costs to obtain and fulfill a contract, prepaid software subscriptions, prepaid rent, and prepaid health insurance premiums.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Assets are depreciated using the straight-line method over useful lives of three to five years. Leasehold improvements and certain furniture and fixtures are amortized using the straight-line method over the lesser of the remaining respective lease term or useful lives.

Impairment of Long-Lived Assets

The Company evaluates long-lived assets or asset groups for impairment whenever events indicate that the carrying value of an asset or asset group may not be recoverable based on expected future cash flows attributable to that asset or asset group. Recoverability of assets held and used is measured by comparing the carrying amount of an asset or an asset group to estimated undiscounted future net cash flows expected to be generated by the asset or asset group. If the carrying amount of an asset or asset group exceeds estimated undiscounted future cash flows, then an impairment charge would be recognized based on the excess of the carrying amount of the asset or asset group over its fair value. Assets to be disposed of are reported at the lower of their carrying amount or fair value less costs to sell. There were no impairment charges recognized related to long-lived assets during the during the years ended April 30, 2019 and 2020 and the six months ended October 31, 2020.

Goodwill

Goodwill is the amount by which the cost of acquired net assets in a business combination exceeds the fair value of the net identifiable assets on the date of purchase and is carried at its historical cost. The Company tests goodwill for impairment on an annual basis or more frequently if events or changes in circumstances indicate that the asset might be impaired. The Company performs its annual impairment test of goodwill as of February 1, and whenever events or circumstances indicate that the asset might be impaired. The tests did not result in an impairment to goodwill during the years ended April 30, 2019 and 2020 and the six months ended October 31, 2020.

Deferred Offering Costs

Deferred offering costs consist primarily of accounting, legal, and other fees related to the Company's proposed IPO. The deferred offering costs will be recorded against IPO proceeds upon the consummation of the IPO. If the IPO is abandoned, deferred offering costs will be expensed in the period the IPO is abandoned. There were no deferred offering costs as of April 30, 2019 or 2020 and $5.3 million as of October 31, 2020.

Leases

The Company has lease arrangements that include lease and non-lease components. The Company has elected to not account for the lease and non-lease components separately. For leases that commenced before the Company's adoption date of Accounting Standards Codification, or ASC, Topic 842, Leases, the Company elected the practical expedient to not reassess the following: (1) whether any expired or existing contracts contain leases; (2) the lease classification for any expired or existing leases; and (3) initial direct costs for any existing leases. For short-term leases, defined as leases with a lease term

of 12 months or less, the Company elected to not recognize an associated lease liability and right-of-use, or ROU, asset. Lease payments for short-term leases are expensed on a straight-line basis over the lease term.

The Company does not have financing leases. Operating lease ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of remaining lease payments over the lease term. The Company uses the rate implicit in the lease when readily determinable at lease inception. If the implicit rate is not readily determinable, the Company uses its incremental borrowing rate based on the information available at the adoption date for leases that commenced prior to the adoption date and the commencement date for leases that commenced after the adoption date. The incremental borrowing rate assumptions include the lease term and the Company's credit risk. The operating lease ROU asset also includes any advance lease payments made and excludes lease incentives. The Company's lease terms include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for lease payments is recognized on a straight-line basis as operating expense in the statements of operations over the lease term. Refer to Note 6 for more information.

Deferred Revenue

Deferred revenue consists of billings or cash received for services in advance of revenue recognition and is recognized as revenue when all of the Company's revenue recognition criteria are met. The portion of deferred revenue that is anticipated to be recognized as revenue during the succeeding twelve-month period is recorded as deferred revenue, current and the remaining portion is recorded as deferred revenue, non-current.

Revenue Recognition

The Company accounts for revenue in accordance with ASC Topic 606, Revenue From Contracts With Customers for all periods presented. The core principle of ASC 606 is to recognize revenue for the transfer of promised goods or services to customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. This principle is achieved by applying the following five-step approach:

Identification of the Contract, or Contracts, with a Customer. A contract with a customer exists when (1) the Company enters into an enforceable contract with a customer that defines each party's rights regarding the goods or services to be transferred and identifies the payment terms related to these goods or services, (2) the contract has commercial substance and (3) the Company determines that collection of substantially all consideration for goods or services that are transferred is probable based on the customer's intent and ability to pay the promised consideration. The Company applies judgment in determining the customer's ability and intention to pay, which is based on a variety of factors, including the customer's historical payment experience or, in the case of a new customer, published credit and financial information pertaining to the customer.

Identification of the Performance Obligations in the Contract. Performance obligations promised in a contract are identified based on the goods or services that will be transferred to the customer that are both capable of being distinct, whereby the customer can benefit from the goods or services either on their own or together with other resources that are readily available from third parties or from the Company, and are distinct in the context of the contract, whereby the transfer of the goods or services is separately identifiable from other promises in the contract. To the extent a contract includes multiple promised goods or services, the Company applies judgment to determine whether promised goods or services are capable of being distinct and distinct in the context of the contract. If these criteria are not met, the promised goods or services are accounted for as a combined performance obligation.

Determination of the Transaction Price. The transaction price is determined based on the consideration to which the Company will be entitled in exchange for transferring goods or services to the customer, net of sales taxes or value-added taxes. If the transaction price includes variable consideration, the Company includes an estimate of the amount it expects to receive if it is probable that a significant reversal of cumulative revenue recognized will not occur. Usage-based fees earned in exchange for the use of the Company's software licenses and subscription services are subject to the usage-based royalty and series guidance variable consideration estimation exceptions, respectively.

Allocation of the Transaction Price to the Performance Obligations in the Contract. Contracts that contain multiple performance obligations require an allocation of the transaction price to each performance obligation based on a relative standalone selling price, or SSP. When appropriate, the Company determines SSP based on the price at which the

performance obligation has previously been sold through past transactions, taking into account internally approved pricing guidelines related to the performance obligations. When the SSP of a license or subscription and bundled maintenance and support services is highly variable and the contract also includes additional performance obligations with observable SSP, the Company first allocates the transaction price to the performance obligations with established SSPs and then applies the residual approach to allocate the remaining transaction price to the license or subscription and bundled maintenance and support services. If applying the residual approach results in zero or very little consideration being allocated to the combined performance obligation, or to a bundle of goods or services, the Company will consider all reasonably available data to determine an appropriate allocation of the transaction price. If the contract contains a single performance obligation, the entire transaction price is allocated to the single performance obligation.

Recognition of Revenue when, or as, Performance Obligations are Satisfied. The Company satisfies substantially all of its performance obligations over time, as discussed in further detail below. Revenue is recognized at the time the related performance obligation is satisfied with the transfer of a promised good or service to a customer over time.

Subscriptions Revenue

Subscriptions relate to software licenses and software-as-a-service, or SaaS, offerings for the Company's C3 AI Suite and/or C3 AI Applications and include maintenance and support services. Licenses represent a contractual right for a customer to take possession of the software and it is feasible for the customer to host the software independently. SaaS represents a right for a customer to access the software through the Company's cloud environment and the customer does not have the right to take possession of the software. Maintenance and support services include critical and continuous updates to the software that are integral to maintaining the intended utility of the software over the contractual term. The Company's software and maintenance and support services are highly interdependent and interrelated and represent a single distinct performance obligation within the context of the contract satisfied over time.

Determining whether the software license and maintenance and support services are considered distinct performance obligations that should be accounted for separately or as one combined performance obligation may require significant judgment. In reaching its conclusion, the Company considered the nature of its promise to provide the customer real time analytics and machine learning algorithms that require regular re-training to maintain and improve prediction accuracy. The Company fulfills this promise by providing real time data feeds to the machine learning model and by providing regular tuning, optimization and critical updates to the constantly changing type system. Accordingly, the Company has determined that the software license and maintenance and support services fulfill a single promise to the customer under the contract.

The Company's subscriptions are generally offered under renewable, multi-year, fixed fee contracts where payments are typically due annually in advance. A time-elapsed output method is used to measure progress because the nature of the promise is a stand-ready service. The Company also offers premium stand-ready C3 Center of Excellence, or COE, support services, hosting services and trial services, which are distinct performance obligations. A description of the Company's offerings are as follows:

- *C3 AI Suite* is a comprehensive suite that allows for the design, deployment, and operation of AI, predictive analytics, and applications at enterprise scale. The C3 AI Suite provides data scientists and application developers robust advantages for rapid application and analytics development and deployment. Customers primarily pay for the C3 AI Suite via fixed annual fees based on the number of development users allowed to access the C3 AI Suite. The AI Suite offering is primarily a term subscription but at times has been sold as a perpetual license and generates additional runtime subscription fees, a type of usage-based royalty revenue based on compute and storage resources required to run the C3 AI Suite.
- *C3 AI Applications* are production applications that address a wide range of predictive analytics use cases. C3 AI Applications are industry-tested and proven enterprise-grade applications built on a cohesive suite architecture that is designed to integrate and process highly dynamic data sets from sensor networks and enterprise and extraprise information systems, and enable advanced machine learning capabilities. C3 AI Applications sold without the C3 AI Suite can be in the form of term or perpetual licenses or subscriptions and earn revenue through a fixed fee and/or usage-based royalties.
- *C3 Maintenance and Support Services* are provided for the C3 AI Suite and the C3 AI Applications that are selected by the customer. This support includes standard monitoring, performance monitoring, database maintenance,

security monitoring, upgrading, backup and restore, patching, etc. provided by the Company. The Company continuously provides updates that are critical to the continued utility of the software.

- *COE Support Services*. COE Support Services provide premium development services and support by an available pool of resources. The purpose of the COE is to provide the following stand-ready support services over the term of the COE agreement: (1) support and guidance on overall software application architecture; (2) data integration, data science, and application development support on the C3 AI Suite; (3) training on the C3 AI Suite and C3 AI Applications to the customer project team members; and (4) support to help address any developmental issues faced by the customer. COE Support Services are generally offered under renewable, multi-year, fixed fee contracts whereby payments are primarily due annually in advance and in most cases are co-terminus with the C3 AI Suite subscription term. COE Support Services represent a stand-ready performance obligation comprised of a series of distinct days of service that is satisfied and recognized in revenue ratably over the term of the COE agreement. Revenue for COE Support Services is included within subscription revenue in the consolidated statements of operations.

- *Trials.* Trial projects typically consist of several phases including project kickoff, design, data integration, configuration, validation and final demonstration. These trials are typically fixed-price eight to 16-week production pilots during which the Company works with customers to define a specific business problem or use case and address the use case using AI-based predictive analytics. During the trial, the Company integrates data, configures machine learning algorithms supporting the use case, and configures a user interface to present the resulting insights. At the end of a trial, the Company demonstrates a working application that shows the utility, benefit, and economic value to be gained from a production deployment of big data, analytics, and machine learning applications. These paid trials are solely meant to demonstrate the feasibility of the Company's offering to the customer and provide them with a level of confidence to encourage them to enter into a large, multi-year arrangement with the Company. Trial revenue is recognized ratably over time during the production pilot period.

- *Hosting Services*. For certain customers, the Company provides access to the C3 AI Suite and/or C3 AI Applications in the Company's cloud environment. The customer consumes and receives benefit throughout the hosting period from the entity's performance of hosting and providing access to the hosted software, which the customer would otherwise have to undertake itself or obtain another party to do. The Company recognizes hosting services over time based on the consumption patterns of the customers. Customers who choose to install the C3 AI Suite and/or C3 AI Applications in their own cloud environments do not subscribe to the Company's hosting services. Hosting services are generally offered as part of the subscription for C3 AI Suite and/or C3 Application arrangements and the amount of revenue recognized on a monthly basis varies based on actual consumption by the customer.

Professional Services

The Company's professional services primarily includes implementation services and training. The Company offers a complete range of professional service support both onsite and remotely, including training, application design, project management, system design, data modeling, data integration, application design, development support, data science, and application and AI Suite administration support. Professional services fees are based on the level of effort required to perform such tasks and are typically a fixed-fee engagement with a duration of less than 12 months. The Company recognizes revenue for its professional services over time on an input basis as the performance obligations are satisfied.

The Company typically invoices customers for subscription fees in annual increments upon execution of the initial contract or subsequent renewal, payable within 30 to 60 days, and providing customers access to C3 AI Suite and/or C3 AI Applications. Monthly usage-based runtime and hosting charges are billed as they are delivered. Certain government contracts are cancellable during the subscription term depending on the future fiscal funding available to the contract. The Company has not experienced any cancellation due to the funding constraint related to such contracts.

The timing of revenue recognition may differ from the timing of invoicing to customers. Accounts receivable are recorded at the invoiced amount, net of an allowance for doubtful accounts. A receivable is recognized in the period the Company delivers goods or provides services, or when the Company's right to consideration is unconditional. In situations where revenue recognition occurs before invoicing, an unbilled receivable is recorded, which represents a contract asset. Accounts receivable as of April 30, 2019 and 2020 and October 31, 2020 included contract assets of $0.2 million, $0.5 million, and $0.1 million, respectively.

While the timing of revenue recognition usually differs from the timing of payment, the Company has determined the contracts generally do not include a significant financing component, because the period between when the Company transfers its software and services to a customer and when the customer pays for the software and service is one year or less. The primary purpose of the invoicing terms is to provide customers with simplified and predictable ways of purchasing the Company's software and services, not to receive financing from the customers or to provide customers with financing.

Costs to Obtain and Fulfill a Contract

The Company's customer acquisition costs are primarily related to sales commissions earned by its sales force if such costs are incremental costs to obtain a contract without a service condition.

Sales commissions are deferred and then amortized taking into consideration the pattern of transfer to which assets relate. If the commissions paid on the initial and renewal contracts are not commensurate, the Company amortizes the commissions paid on the initial contract over an expected period of benefit, including expected renewals, which is determined to be approximately five years. In arriving at the average period of benefit the Company considered the duration of the Company's relationships with customers and the Company's technology. Sales commissions for renewal contracts are deferred and amortized over the contract period. Sales commissions for non-recurring contracts with a duration of one year or less are expensed when incurred.

Costs to obtain and fulfill a contract that will amortize within the succeeding 12-month period are classified as current and included in prepaid expenses and other current assets on the consolidated balance sheets. The remaining balance is classified as non-current and are included in other assets.

Cost of Revenue

Cost of subscription revenue consists primarily of costs related to compensation, including salaries, bonuses, benefits, stock-based compensation and other related expenses for the production environment, support and COE staff, hosting of our AI Suite, including payments to outside cloud service providers, and allocated overhead and depreciation for facilities.

Cost of professional services revenue consists primarily of compensation, including salaries, bonuses, benefits, stock-based compensation and other related costs associated with our professional service personnel, and allocated overhead and depreciation for facilities.

Warranties

The Company's offerings are warranted to perform in a manner consistent with industry standards.

The Company's arrangements generally include provisions for indemnifying customers against liabilities if its services infringe on a third party's intellectual property rights. They also generally include service-level agreements warranting defined levels of uptime reliability and performance.

To date, the Company has incurred immaterial costs as a result of its warranties and indemnifications. There are no accrued liabilities related to these obligations on the consolidated financial statements.

Stock-Based Compensation

Stock-based compensation expense related to stock option awards is recognized based on the fair value of the awards granted. The fair value of each option award is estimated on the grant date using the Black-Scholes option pricing model. The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the fair value of the underlying common stock, the expected term of the option, the expected volatility of the price of the Company's common stock, risk-free interest rates, and the expected dividend yield of the Company's common stock. The assumptions used to determine the fair value of the option awards represent management's best estimates. These estimates involve inherent uncertainties and the application of management's judgment. The related stock-based compensation expense is recognized on a straight-line basis over the requisite service period of the awards. The Company accounts for forfeitures as they occur.

Software Development Costs

The Company capitalizes certain software development costs subsequent to the establishment of technological feasibility. Based on the Company's product development process and substantial development risks, technological

feasibility, defined as a working prototype, is established for the Company's products when they are made available for general release. Other assets, non-current as of April 30, 2019 and 2020 and October 31, 2020 included capitalized software development costs of nil, $0.4 million, and $0.2 million, respectively.

Advertising Expenses

Advertising expenses of $5.2 million and $29.2 million incurred during the years ended April 30, 2019 and 2020, respectively, and advertising expenses of $8.6 million and $8.8 million incurred during the six months ended October 31, 2019 and 2020, respectively, were expensed as incurred as a component of sales and marketing expenses on the consolidated statements of operations.

401(k) Plan

The Company has a 401(k) tax deferred savings plan under which eligible employees may elect to have a portion of their salary deferred and contributed to the plan. Employer matching contributions are determined by the Company and are discretionary. During the years ended April 30, 2019 and 2020 and the six months ended October 31, 2020, the Company did not match any employee contributions.

Foreign Currency

The functional currency of the Company's foreign subsidiaries is the U.S. dollar. Accordingly, monetary assets and liabilities of the Company's foreign subsidiaries are remeasured into U.S. dollars at the exchange rates in effect at the reporting date, non-monetary assets and liabilities are re-measured at historical rates, and revenue and expenses are re-measured at average exchange rates in effect during each reporting period. Foreign currency transaction gains and losses have been immaterial in the periods presented.

Income Taxes

The Company accounts for income taxes using the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements. Under this method, the Company determines deferred tax assets and liabilities on the basis of the differences between the financial statement and tax bases of assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

Deferred tax assets are recognized to the extent that these assets are more likely than not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If the Company determines that it is able to realize its deferred tax assets in the future in excess of their net recorded amount, the Company records an adjustment to the deferred tax asset valuation allowance, which reduces the provision for income taxes.

Tax benefits from uncertain tax positions are recognized 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 Company's consolidated financial statements from such positions are measured based on the largest benefit that has a greater than 50% likelihood of being realized. Interest and penalties are recognized associated with tax matters as part of the income tax provision and include accrued interest and penalties with the related income tax liability on the Company's consolidated balance sheets.

Net Loss Per Share Attributable to Common Stockholders

Basic and diluted net loss per share attributable to common stockholders is presented in conformity with the two-class method required for participating securities. The Company considers all series of its redeemable convertible preferred stock to be participating securities. Under the two-class method, the net loss attributable to common stockholders is not allocated to the redeemable convertible preferred stock as the holders of its redeemable convertible preferred stock do not have a contractual obligation to share in the Company's losses. Net income is attributed to common stockholders and participating securities based on their participation rights. Basic net loss per share attributable to common stockholders is computed by dividing the net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period. Diluted earnings per share attributable to common stockholders adjusts basic earnings per

share for the potentially dilutive impact of stock options and redeemable convertible preferred stock. As the Company has reported losses for all periods presented, all potentially dilutive securities are antidilutive and accordingly, basic net loss per share equals diluted net loss per share.

Other Comprehensive Loss

Other comprehensive loss during the years ended April 30, 2019 and 2020 and the six months ended October 31, 2019 and 2020, related to unrealized gains or losses from available-for-sale investments.

Segment Information

Operating segments are defined as components of an entity where discrete financial information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and assessing performance. The Company has identified its Chief Executive Officer as the chief operating decision maker. The Company operates in one operating segment. The Company's chief operating decision maker allocates resources and assesses performance at the consolidated level. Revenue by geographical region can be found in the revenue recognition disclosures in Note 2. The Company's property and equipment, net, are primarily located in the United States. No single other country accounted for more than 10% of total property and equipment, net as of April 30, 2019 and 2020 and October 31, 2020.

Contribution Accounting

The Company entered into an agreement establishing the C3.ai Digital Transformation Institute, or C3.ai DTI, a program established to attract the world's leading scientists to join in a coordinated and innovative effort to advance the digital transformation of business, government, and society. As part of the agreement, the Company issued cash grants to C3.ai DTI which are conditional in nature and subject to execution of the program in line with specific requirements on an annual basis. The cash grants do not represent an exchange transaction since there is not a commensurate transfer of resources at fair value, resulting in the application of the contribution accounting model. Contributions are allocated between sales and marketing and research and development based on the estimated benefits received by the Company. The Company recognized nil, $5.7 million, nil and nil of expense related to the contribution in sales and marketing for the years ended April 30, 2019 and 2020, and six months ended October 31, 2019, and 2020, respectively. Additionally, the Company recognized nil and $5.7 million, nil and $1.2 million of expense related to the contribution in research and development for the years ended April 30, 2019 and 2020, and six months ended October 31, 2019 and 2020, respectively.

Recent Accounting Pronouncements

The Company currently qualifies as an "emerging growth company" under the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. Accordingly, the Company is provided the option to adopt new or revised accounting guidance either (1) within the same periods as those otherwise applicable to public business entities or (2) within the same time periods as private companies, including early adoption when permissible.

The Company has elected to adopt new or revised accounting guidance within the same time period as private companies, as indicated below.

Recently Adopted Accounting Standards—In January 2016, the Financial Accounting Standards Board, or FASB, issued Accounting Standards Update, or ASU, No. 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*, which makes targeted improvements to the accounting for, and presentation and disclosure of, financial instruments. ASU No. 2016-01 requires that most equity investments be measured at fair value, with subsequent changes in fair value recognized in net income. ASU No. 2016-01 does not affect the accounting for equity investments that would otherwise be consolidated or accounted for under the equity method. The new standard also affects financial liabilities under the fair value option and the presentation and disclosure requirements for financial instruments. The Company adopted this guidance in the fiscal year beginning May 1, 2019 using the modified retrospective transition method for investments in marketable securities and the prospective transition method for investments in non-marketable securities. Adoption of this guidance did not have a material impact to the Company's consolidated financial statements and related disclosures.

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, that supersedes ASC Topic 840, Leases. Subsequently, the FASB issued several updates to ASU No. 2016-02, codified in ASC Topic 842. The Company early adopted ASC 842, Leases, on May 1, 2019 using the modified retrospective method for all leases not substantially completed as of the date of adoption. The consolidated financial statements as of and for the year ended April 30, 2020 reflect the application of ASC

842 guidance while the consolidated financial statements as of and for the year ended April 30, 2019 were prepared under the previous guidance of ASC 840. The cumulative impact of the adoption of ASC 842 was not material, therefore, the Company did not record any adjustments to retained earnings. As a result of adopting ASC 842, the Company recorded operating lease ROU assets of $11.5 million, operating lease liabilities of $12.4 million, and a reduction of $0.9 million to deferred rent, primarily related to the corporate office lease, based on the present value of the future lease payments on the date of adoption. The Company determines if an arrangement is a lease or contains an embedded lease at inception if it contains the right to control the use of an identified asset. The Company determines whether a contract conveys the right to control the use of an identified asset for a period of time if the contract contains both the right to obtain substantially all of the economic benefits from the use of the identified asset and the right to direct the use of the identified asset.

In March 2016, the FASB issued ASU No. 2016-09, *Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*, which simplifies the accounting and reporting of share-based payment transactions, including adjustments to how excess tax benefits and payments for tax withholdings should be classified. In addition, entities are permitted to make an accounting policy election for the impact of forfeitures on the recognition of expense for share-based payment awards. Forfeitures can be estimated or recognized when they occur. The Company adopted this guidance in the fiscal year beginning May 1, 2018. The Company elected to account for forfeitures as they occur and adopted this provision on a modified retrospective basis. The adoption impact to beginning accumulated deficit was not material. The amendments related to the accounting for income taxes and the classification of excess tax benefits on the consolidated statement of cash flows were adopted prospectively. Adoption of all other changes in this guidance did not have a material impact to the Company's consolidated financial statements and related disclosures.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. The ASU addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice in how certain transactions are classified in the consolidated statement of cash flows. The Company adopted this guidance in the fiscal year beginning May 1, 2019 using a retrospective transition method. Adoption of this guidance did not have a material impact to the Company's consolidated financial statements and related disclosures.

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230), Restricted Cash*, which requires that entities show the changes in the total of cash, cash equivalents, restricted cash and restricted cash equivalents in the consolidated statement of cash flows. As a result, entities will no longer present transfers between cash and cash equivalents and restricted cash and restricted cash equivalents in the consolidated statement of cash flows. The Company early adopted this guidance in the fiscal year beginning May 1, 2018 using a retrospective transition method. Accordingly, prior period consolidated statements of cash flows was recast to conform to the current presentation.

In May 2017, the FASB issued ASU 2017-09, *Compensation-Stock Compensation (Topic 718): Scope of Modification Accounting*. The update provides guidance about which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting under Topic 718. The Company adopted the guidance as of May 1, 2018 using a prospective transition method. Adoption of this guidance did not have a material impact to the Company's consolidated financial statements and related disclosures.

In June 2018, the FASB issued ASU No. 2018-07, *Compensation-Stock Compensation (Topic 718): Improvements to Non-employee Share-Based Payment Accounting*, which expands the scope of Topic 718 to include share-based payment transactions for acquiring goods and services from non-employees and to account for awards to non-employees using the grant date fair value without subsequent periodic measurement. The Company early adopted this guidance in the fiscal year beginning May 1, 2018 using a modified retrospective transition method. Adoption of this guidance did not have a material impact to the Company's consolidated financial statements and related disclosures.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which requires a financial asset measured at amortized cost basis to be presented at the net amount expected to be collected. Credit losses relating to available-for-sale debt securities should be recorded through an allowance for credit losses. The guidance also limits the amount of credit losses to be recognized for available-for-sale debt securities to the amount by which carrying value exceeds fair value and requires the reversal of previously recognized credit losses if fair value increases. The guidance is effective for the fiscal year beginning May 1, 2023 with early adoption

permitted. The Company early adopted the guidance as of May 1, 2020 using a prospective transition method. Adoption of this guidance did not have a material impact to the Company's consolidated financial statements and related disclosures.

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment.* ASU 2018-04 simplifies how an entity is required to test goodwill for impairment by eliminating Step 2 from the goodwill impairment test. The guidance is effective for the fiscal year beginning May 1, 2023 with early adoption permitted. The Company early adopted the guidance as of May 1, 2020 using a prospective transition method. Adoption of this guidance did not have a material impact to the Company's consolidated financial statements and related disclosures.

In July 2017 the FASB issued ASU No. 2017-11, *Earnings Per Share (Topic 260), Distinguishing Liabilities from Equity (Topic 480), Derivatives and Hedging (Topic 815) I. Accounting for Certain Financial Instruments with Down Round Features II. Replacement of the Indefinite Deferral for Mandatorily Redeemable Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests with a Scope Exception*. Part I of this standard applies to entities that issue financial instruments such as warrants, convertible debt or redeemable convertible preferred stock that contain down-round features. Part II of this standard replaces the indefinite deferral for certain mandatorily redeemable noncontrolling interests and mandatorily redeemable financial instruments of nonpublic entities contained within ASC Topic 480 with a scope exception and does not impact the accounting for these mandatorily redeemable instruments. The Company adopted the guidance as of May 1, 2020 using a prospective transition method. Adoption of this guidance did not have a material impact to the Company's consolidated financial statements and related disclosures.

In August 2018 the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*, which modifies the disclosure requirements on fair value measurements with respect to Level 3 rollforwards, timing of liquidation of investments in certain entities that calculate net asset value, and measurement uncertainty. The Company adopted the guidance as of May 1, 2020 using a prospective transition method. Adoption of this guidance did not have a material impact to the Company's consolidated financial statements and related disclosures.

Recently Issued Accounting Standards Not Yet Adopted—In August 2018, the FASB issued ASU 2018-15, *Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract*, which requires a customer in a cloud computing arrangement that is a service contract to follow the internal-use software guidance in ASC 350-40 to determine which implementation costs to defer and recognize as an asset. The guidance is effective for the fiscal year beginning May 1, 2021. Early adoption is permitted. The Company is currently evaluating the effect that this guidance will have on the 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*. The amendments in this update simplify various aspects of the accounting for income tax by eliminating certain exceptions to the general approach under existing accounting guidance provided by ASC 740, Income Taxes, and clarifies certain aspects of the existing guidance to promote more consistent application. The amendments in this new standard include, the elimination of exceptions related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. The new standard also simplifies aspects of the accounting for franchise taxes and enacted changes in tax laws or rates and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill and that single-member limited liability companies and similar disregarded entities that are not subject to income tax are not required to recognize an allocation of consolidated income tax expense in their separate financial statements, but could elect to do so. The guidance is effective for the Company beginning May 1, 2022. Early adoption is permitted. The Company is currently evaluating the effect that this guidance will have on the consolidated financial statements and related disclosures.

2. Revenue

Disaggregation of Revenue

The following table presents revenue by geographical region (in thousands):

	Year Ended April 30,		As of October 31	
	2019	2020	2019	2020
			(unaudited)	
North America (1)	$ 61,314	$ 121,485	$ 57,118	$ 56,612
Europe, the Middle East and Africa (1)	27,629	33,086	16,361	22,781
Asia Pacific (1)	2,662	2,095	286	2,431
Total revenue	$ 91,605	$ 156,666	$ 73,765	$ 81,824

(1) The United States comprised 66%, 78%, 77% and 68% of the Company's revenue in the years ended April 30, 2019 and 2020 and the six months ended October 31, 2019 and 2020, respectively. France comprised 15%, 10.5%, 10% and 12% of the Company's revenue in the years ended April 30, 2019 and 2020 and the six months ended October 31, 2019 and 2020, respectively. No other country comprised 10% or greater of the Company's revenue for each of the years ended April 30, 2019 and 2020 and the six months ended October 31, 2019 and 2020.

Deferred Revenue

The following table reflects the deferred revenue balance (in thousands):

	As of April 30,		As of October 31
	2019	2020	2020
			(unaudited)
Deferred revenue, current	$ 80,197	$ 53,537	$ 78,681
Deferred revenue, non-current	11,028	6,758	3,275
Total deferred revenue	$ 91,225	$ 60,295	$ 81,956

Significant changes in the deferred revenue balances during the years ended April 30, 2019 and 2020 and the six months ended October 31, 2020 were as follows (in thousands):

	Deferred Revenue
May 1, 2018	$ 53,974
Performance obligations satisfied during the year that were included in the deferred revenue balance at the beginning of the year	(45,140)
Increases due to invoicing prior to satisfaction of performance obligations	82,391
April 30, 2019	91,225
Performance obligations satisfied during the year that were included in the deferred revenue balance at the beginning of the year	(83,093)
Increases due to invoicing prior to satisfaction of performance obligations	52,163
April 30, 2020	$ 60,295
Performance obligations satisfied during the period that were included in the deferred revenue balance at the beginning of the year (unaudited)	$ (42,312)
Increases due to invoicing prior to satisfaction of performance obligations (unaudited)	$ 63,973
October 31, 2020 (unaudited)	$ 81,956

Remaining Performance Obligation

Remaining performance obligations are committed and represent non-cancellable contracted revenue that has not yet been recognized and will be recognized as revenue in future periods. Some contracts allow customers to cancel the contracts without a significant penalty, and the cancellable amount of contract value is not included in the remaining performance obligations.

The Company excludes amounts related to performance obligations and usage-based royalties that are billed and recognized as they are delivered. This primarily consists of monthly usage-based runtime and hosting charges in the duration of some revenue contracts.

Revenue expected to be recognized from remaining performance obligations was approximately $239.7 million and $267.4 million as of April 30, 2020 and October 31, 2020, respectively of which $132.3 million and $133.4 million is expected to be recognized over the next 12 months and the remainder thereafter, respectively.

Costs to Obtain and Fulfill a Contract

As of April 30, 2019 and 2020 and October 31, 2020, the amount of costs to obtain and fulfill a contract included in prepaid expenses and other current assets was $0.8 million, $0.9 million, and $0.9 million, respectively. The amount of costs to obtain and fulfill a contract included in other assets as of April 30, 2019 and 2020 and October 31, 2020 was $0.9 million, $1.2 million, and $1.8 million, respectively. Expense recognized for costs to obtain and fulfill a contract for the years ended April 30, 2019 and 2020 and the six months ended October 31, 2019 and 2020, was $1.1 million, $1.0 million, $0.5 million, and $0.6 million, respectively, and is included in sales and marketing expenses on the consolidated statements of operations. There were no impairments related to costs to obtain and fulfill a contract for the years ended April 30, 2019 and 2020 and the six months ended October 31, 2020, respectively.

3. Fair Value Measurements

The Company's financial instruments consist primarily of cash and cash equivalents, marketable debt securities, accounts receivable, non-marketable equity securities, and accounts payable. Cash and cash equivalents and marketable debt securities are reported at their respective fair values on the consolidated balance sheets. Non-marketable equity securities are reported at cost less impairment. The remaining financial instruments are reported on the consolidated balance sheets at amounts that approximate current fair values.

The following table summarizes the types of assets measured at fair value on a recurring basis by level within the fair value hierarchy (in thousands):

	As of April 30, 2019				As of April 30, 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Money market funds	$ 50,101	$ —	$ —	$ 50,101	$ 10,260	$ —	$ —	$ 10,260
U.S. treasury securities	—	4,489	—	4,489	—	11,500	—	11,500
Certificate of deposit	—	1,000	—	1,000	—	28,477	—	28,477
U.S. government agencies securities	—	5,675	—	5,675	—	10,074	—	10,074
Commercial paper	—	4,735	—	4,735	—	94,397	—	94,397
Corporate debt securities	—	74,766	—	74,766	—	68,425	—	68,425
	$ 50,101	$ 90,665	$ —	$ 140,766	$ 10,260	$ 212,873	$ —	$ 223,133

	As of October 31, 2020			
	Level 1	Level 2	Level 3	Total
		(unaudited)		
Money market funds	$ 42,130	$ —	$ —	$ 42,130
U.S. treasury securities	—	134,871	—	134,871
Certificate of deposit	—	7,510	—	7,510
U.S. government agencies securities	—	5,003	—	5,003
Commercial paper	—	18,502	—	18,502
Corporate debt securities	—	20,955	—	20,955
	$ 42,130	$ 186,841	$ —	$ 228,971

The estimated fair value of securities classified as Level 2 financial instruments was determined based on third-party pricing services. The pricing services utilize industry standard valuation models, including both income- and market-based approaches, for which all significant inputs are observable, either directly or indirectly, to estimate fair value. Inputs used for

fair value measurement categorized as Level 2 include benchmark yields, reported trades, broker or dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications.

4. Investments

Available-for-Sale Marketable Securities

The following table summarizes the Company's available-for-sale marketable securities (in thousands):

	As of April 30, 2019				As of April 30, 2020			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Money market funds	$ 50,101	$ —	$ —	$ 50,101	$ 10,260	$ —	$ —	$ 10,260
U.S. treasury securities	4,489	—	—	4,489	11,489	11	—	11,500
Certificate of deposit	1,000	—	—	1,000	28,476	1	—	28,477
U.S. government agencies securities	5,676	—	(1)	5,675	9,995	79	—	10,074
Commercial paper	4,735	—		4,735	94,242	155	—	94,397
Corporate debt securities	74,690	76	—	74,766	68,246	179	—	68,425
	$ 140,691	$ 76	$ (1)	$ 140,766	$ 222,708	$ 425	$ —	$ 223,133

	As of October 31, 2020			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
	(unaudited)			
Money market funds	$ 42,130	$ —	$ —	$ 42,130
U.S. treasury securities	134,866	5	—	134,871
Certificate of deposit	7,500	10	—	7,510
U.S. government agencies securities	5,000	3	—	5,003
Commercial paper	18,488	14	—	18,502
Corporate debt securities	20,923	32	—	20,955
	$ 228,907	$ 64	$ —	$ 228,971

The following table summarizes the classification of the Company's available-for-sale investment securities in the Company's consolidated balance sheets (in thousands):

	As of April 30,		As of October 31,
	2019	2020	2020
			(unaudited)
Cash and cash equivalents	$ 51,101	$ 11,259	$ 58,166
Short-term investments	57,910	211,874	175,841
Long-term investments	31,755	—	—
Total	$ 140,766	$ 223,133	$ 234,007

Cash and cash equivalents in the table above excludes cash of $47.5 million as of April 30, 2019, $21.8 million as of April 30, 2020, and $56.4 million as of October 31, 2020.

The following table summarizes the Company's available-for-sale debt securities by contractual maturity (in thousands):

	As of April 30, 2019		As of April 30, 2020		As of October 31, 2020	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value
					(unaudited)	
Within one year	$ 58,916	$ 58,910	$ 212,449	$ 212,873	$ 186,778	$ 186,841
After one year through five years	31,674	31,755	—	—	—	—
Total	$ 90,590	$ 90,665	$ 212,449	$ 212,873	$ 186,778	$ 186,841

The following table summarizes the fair values and unrealized losses of the Company's available-for-sale marketable securities classified by length of time that the securities have been in a continuous unrealized loss position but were not deemed to be other-than-temporarily impaired, as of April 30, 2019 and 2020 (in thousands):

	As of April 30, 2019					
	Less Than 12 Months		12 Months or Greater		Total	
	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value
U.S. treasury securities	$ —	$ 2,495	$ —	$ —	$ —	$ 2,495
U.S. government agencies securities	(1)	4,176	—	—	(1)	4,176
Certificate of deposit	—	—	—	—	—	—
Commercial paper	(1)	3,488	—	—	(1)	3,488
Corporate debt securities	(15)	31,466	—	—	(15)	31,466
Total	$ (17)	$ 41,625	$ —	$ —	$ (17)	$ 41,625

	As of April 30, 2020					
	Less Than 12 Months		12 Months or Greater		Total	
	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value
U.S. treasury securities	$ —	$ —	$ —	$ —	$ —	$ —
U.S. government agencies securities	—	—	—	—	—	—
Certificate of deposit	(7)	10,995	—	—	(7)	10,995
Commercial paper	(5)	18,495	—	—	(5)	18,495
Corporate debt securities	(14)	14,921	—	—	(14)	14,921
Total	$ (26)	$ 44,411	$ —	$ —	$ (26)	$ 44,411

As of April 30, 2019, the Company had 24 investment positions that were in an unrealized loss position. As of April 30, 2020, the Company had 16 investment positions that were in an unrealized loss position. As of October 31, 2020, the Company had no investment position that was in an unrealized loss position. The Company had no other-than-temporary impairments on available-for-sale investment securities as of April 30, 2019 and 2020 and October 31, 2020 because the Company does not intend to sell these securities or believe that it will be required to sell these securities before the recovery of their amortized cost basis.

Non-Marketable Equity Securities

Non-marketable equity securities carried at cost of $1.8 million, $0.7 million and $0.7 million as of April 30, 2019 and 2020 and October 31, 2020, respectively, were recorded in long-term investments. The Company recognized an impairment on the non-marketable equity securities of $1.0 million, included in other expense, net, during the year ended April 30, 2020.

5. Balance Sheet Details

Property and Equipment

Property and equipment consisted of the following at April 30, 2019 and 2020 and October 31, 2020 (in thousands):

	Useful Life (in months)	As of April 30, 2019	As of April 30, 2020	As of October 31, 2020
				(unaudited)
Leasehold improvements	*	$ 6,650	$ 8,215	$ 8,636
Computer equipment	36	1,082	2,028	2,211
Office furniture and equipment	60	336	339	378
Property and equipment-gross		8,068	10,582	11,225
Less accumulated depreciation		(765)	(1,859)	(3,812)
Property and equipment—net		$ 7,303	$ 8,723	$ 7,413

* Leasehold improvements are amortized over the shorter of the estimated useful lives of the improvements or the remaining lease term.

Depreciation expense was $0.5 million, $1.2 million, $0.3 million and $2.0 million for the years ended April 30, 2019 and 2020, and six months ended October 31, 2019 and 2020, respectively.

Accrued Compensation and Employee Benefits

Accrued compensation and employee benefits consisted of the following at April 30, 2019 and 2020 (in thousands):

	As of April 30, 2019	As of April 30, 2020	As of October 31, 2020
			(unaudited)
Accrued bonus	$ 8,892	$ 8,356	$ 5,941
Accrued vacation	1,850	2,823	3,414
Accrued payroll taxes and benefits	1,011	1,397	2,129
Accrued commission	838	515	723
Accrued salaries	451	602	770
Accrued compensation and employee benefits	$ 13,042	$ 13,693	$ 12,977

Accrued and Other Current Liabilities

Accrued and other current liabilities include $1.0 million, $2.2 million and $2.4 million paid for common stock exercised prior to vesting as of April 30, 2019, 2020 and October 31, 2020, respectively. Current liabilities that transferred to stockholders' deficit upon vesting were $1.6 million, $0.7 million, and $1.3 million for the years ended April 30, 2019 and 2020, and six months ended October 31, 2020, respectively. Common stock exercised in advance of the vesting period is subject to the Company's repurchase right in the event that the holder no longer provides services to the Company. Additionally, this balance includes $0.7 million, $1.5 million, and $4.2 million of accrued general expenses as of April 30, 2019 and 2020, and October 31, 2020, respectively. Accrued and other current liabilities also reflect the current portion of operating lease liabilities. Refer to Note 6 for more information.

6. Leases

The Company's lease liability at April 30, 2020 and October 31, 2020 is primarily comprised of future payments related to the Company's various operating lease agreements for office space. Total operating lease cost for the year ended April 30, 2019 was $4.7 million. The components of total lease costs, including variable lease costs, for the year ended April 30, 2020 were as follows:

Lease Cost	Year Ended April 30, 2020
Operating lease cost	$ 3,825
Short term lease cost	1,324
Variable lease cost	1,542
Total lease cost	$ 6,691

Variable lease costs are primarily related to payments made to the Company's landlords for common area maintenance, property taxes, insurance, and other operating expenses. Short-term lease cost primarily represents payments related to marketing arrangements that contain embedded short-term leases of billboards. Supplemental cash flow information related to leases was as follows:

	Year Ended April 30, 2020
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 3,946
Right-of-use assets obtained in exchange for new lease liabilities:	
Operating leases	$ —

The following table presents the lease balances within the balance sheet, weighted-average remaining lease term, and weighted-average discount rates related to the Company's operating leases:

Operating leases		As of April 30, 2020
Right of use assets	Other assets	$ 8,409
Lease liabilities, current	Other current liabilities	3,533
Lease liabilities, non-current	Other long-term liabilities	5,647
Total operating lease liabilities		$ 9,180

Operating lease	As of April 30, 2020
Weighted average remaining lease term (in months)	28.9
Weighted average discount rate	7.3 %

Maturities of operating lease liabilities as of April 30, 2020 were as follows:

	As of April 30, 2020
Fiscal 2021	$ 4,063
Fiscal 2022	4,171
Fiscal 2023	1,756
Fiscal 2024	—
Fiscal 2025 and thereafter	—
Total future minimum lease payments	9,990
Less: Leases not yet commenced	—
Less: Imputed interest	(810)
Total operating lease liabilities	$ 9,180

Future minimum operating lease payments as of April 30, 2019 were as follows:

	As of April 30, 2019
Fiscal 2020	$ 3,947
Fiscal 2021	4,063
Fiscal 2022	4,171
Fiscal 2023	1,756
Fiscal 2024	—
Fiscal 2025 and thereafter	—
Total future minimum lease payments	$ 13,937

7. Commitments and Contingencies

Noncancelable Purchase Commitments

The Company entered into a noncancelable arrangement with a web-hosting services provider in November 2019. Under the arrangement, the Company committed to spend an aggregate of at least $30.0 million between November 2019 and November 2022, with a minimum amount of $10.0 million in each of the three years, on services with this vendor. The Company has incurred costs totaling $4.4 million and $6.1 million under the arrangement during the year ended April 30, 2020 and six months ended October 31, 2020, respectively.

C3.ai Digital Transformation Institute Grants

In February 2020, the Company entered into an agreement establishing C3.ai DTI, a program established to attract the world's leading scientists to join in a coordinated and innovative effort to advance the digital transformation of business, government, and society. As part of the agreement, the Company has agreed to issue grants to C3.ai DTI, which are subject to compliance with certain obligations. The grants shall be paid by the Company over five years in the form of cash, publicly traded securities, or other property of equivalent net value. As of April 30, 2020 and October 31, 2020 the total potential remaining contributions are $45.8 million and $44.6 million, respectively. The future grant payments are conditional in nature and subject to execution of the program in line with specific requirements on an annual basis.

Legal Proceedings

The Company is involved in various legal proceedings and periodically receives claims arising in the ordinary course of business. In the Company's opinion, resolution of these matters is not expected to have a material adverse impact on its consolidated statement of operations, cash flows, or balance sheet.

Blattman et al. v. Siebel et al., 15-cv-00530 (D. Del.)

On October 28, 2014, Eric Blattman and other former unitholders of E2.0 LLC (E2.0) filed suit in federal court against Thomas M. Siebel and David Schmaier, alleging violation of Section 10(b) of the Securities Exchange Act of 1934 and common law fraud based on alleged misrepresentations made during negotiations leading up to an April 30, 2012 merger between E2.0 and the Company. Plaintiffs thereafter amended their complaint to add the Company as a defendant, and to add breach of contract claims based on alleged violations of certain earn-out and indemnification provisions in the parties' merger agreement. A bench trial was held in February 2019, and in a January 29, 2020 opinion the court ruled in favor of defendants the Company, Siebel and Schmaier on all claims. The court also awarded defendants their reasonable attorneys' fees in defending the action.

In February 2020, Plaintiffs appealed only the portion of the district court's ruling related to the alleged breach of contract indemnification claim to the Third Circuit Court of Appeals, seeking damages of approximately $2.5 million. Plaintiffs also seek to overturn the district court's ruling that defendants are entitled to attorneys' fees, and contend that plaintiffs instead should recover their attorneys' fees. No appeal was taken with respect to the ruling in Defendants' favor on the remaining claims.

The appeal was fully briefed as of August 2020 and oral argument was held on November 9, 2020. The Company believes that the district court's ruling was correct and the appeal is without merit. It intends to vigorously defend against plaintiffs' appeal and thereafter seek to recover its attorneys' fees as previously awarded by the district court.

8. Redeemable Convertible Preferred Stock, Redeemable Convertible A-1 Common Stock and Common Stock

Redeemable Convertible Preferred Stock, Redeemable Convertible A-1 Common Stock and Common Stock

Redeemable convertible preferred stock outstanding as of April 30, 2019 and 2020 and October 31, 2020, respectively, consisted of the following (in thousands, except share amounts):

	As of April 30, 2019			
	Shares		Liquidation Amount	Carrying Value
	Authorized	Outstanding		
Series A*	21,000,000	3,499,992	$ 7,000	$ 7,000
Series B*	27,360,000	4,559,999	9,120	9,120
Series B-1A*	14,583,945	2,430,635	15,853	15,717
Series B-1B*	556,680	92,769	1,210	1,210
Series C*	16,678,511	2,779,738	19,014	18,980
Series D	73,670,824	12,278,422	103,662	103,531
Series E	3,240,060	540,003	11,803	11,756
Series F	42,701,251	5,399,581	81,322	81,157
Series G	23,392,520	2,610,376	51,750	51,494
Total convertible preferred stock	223,183,791	34,191,515	$ 300,734	$ 299,965

	As of April 30, 2020			
	Shares		Liquidation Amount	Carrying Value
	Authorized	Outstanding		
Series A*	21,000,000	3,499,992	$ 7,000	$ 7,000
Series B*	27,360,000	4,559,999	9,120	9,120
Series B-1A*	14,583,945	2,430,635	15,853	15,717
Series B-1B*	556,680	92,769	1,210	1,210
Series C*	16,678,511	2,779,738	19,014	18,980
Series D	73,670,824	12,278,422	103,662	103,531
Series E	3,240,060	540,003	11,803	11,756
Series F	42,701,251	5,399,581	81,322	81,157
Series G	23,392,520	3,893,701	77,194	76,900
Series H	9,923,588	1,653,928	50,000	49,836
Total convertible preferred stock	233,107,379	37,128,768	$ 376,178	$ 375,207

	As of October 31, 2020			
	Shares		Liquidation Amount	Carrying Value
	Authorized	Outstanding		
	(unaudited)			
Series A*	21,000,000	3,499,992	$ 7,000	$ 7,000
Series B*	27,360,000	4,559,999	9,120	9,120
Series B-1A*	14,583,945	2,430,635	15,853	15,717
Series B-1B*	556,680	92,769	1,210	1,210
Series C*	16,678,511	2,779,738	19,014	18,980
Series D	73,670,824	12,278,422	103,662	103,531
Series E	3,240,060	540,003	11,803	11,756
Series F	42,701,251	5,399,581	105,869	105,704
Series G	23,392,520	3,893,701	77,194	76,900
Series H	9,923,588	1,653,928	50,000	49,836
Total convertible preferred stock	233,107,379	37,128,768	$ 400,725	$ 399,754

Series G Preferred Stock

From February through April 2019, the Company issued 2,610,376 shares of Series G Preferred Stock at $19.8252 per share for total cash proceeds of $51.5 million, net of issuance cost of $0.3 million.

In June 2019, the Company issued 1,283,325 shares of Series G Preferred Stock at $19.8252 per share for total cash proceeds of $25.4 million, net of issuance costs of less than $0.1 million.

Series H Preferred Stock

In August 2019, the Company issued 1,653,928 shares of Series H Preferred Stock at $30.2310 per share for total cash proceeds of $49.8 million, net of issuance cost of $0.2 million.

The holders of Series D, Series E, Series F, Series G, and Series H preferred stock receive senior liquidation preferences that equal to the original issuance price of Series D, Series E, Series F, Series G, and Series H preferred stock respectively, plus all declared and unpaid dividends on a pari passu basis.

Series A*, Series B*, Series B-1A*, and Series B-1B* are referred herein as Early Preferred. Early Preferred, Series C*, Series D, Series E, Series F, Series G, and Series H are referred herein as Series Preferred.

Conversion

Upon an IPO where the per share offering price multiplied by the outstanding shares of the Company is not less than $50.0 million and the gross cash proceeds to the Company are at least $30.0 million (a Qualified Public Offering), or upon the affirmative election of the holders of a majority of outstanding shares, Series A* Preferred will automatically be converted into Class B common stock. All remaining Early Preferred and Series C* preferred stock shall automatically be converted into shares of Class A common stock.

Upon an IPO where the per share offering price is not less than $8.4426 and the gross cash proceeds to the Company are at least $75.0 million, or upon the affirmative election of the holders of a majority of outstanding shares, Series D, E, F, G and H preferred stock shall automatically be converted into shares of Class A common stock.

Upon the affirmative vote or written consent of a majority of the shares of common stock and preferred stock voting together as a single class on an as-if-converted to Class A common stock basis, or upon the closing of a qualified IPO, all shares Class A-1 common stock may be converted into fully paid and nonassessable shares of Class A common stock on a one to one basis.

The initial conversion price for the redeemable convertible preferred stock is $1.998 for Series A* preferred stock, $1.998 for Series B* preferred stock, $6.522 for the Series B-1A* preferred stock, $13.038 for Series B-1B* preferred stock,

$6.84 for Series C* preferred stock, $8.442 for Series D preferred stock, $21.858 for Series E preferred stock, $19.608 for the Series F preferred stock, $19.8252 for Series G preferred stock, and $30.231 for Series H preferred stock.

Protective Provisions

In connection with a public offering, in which the price per share of the Company's common stock is less than $29.4102 (adjusted for stock splits, stock dividends, and the like), or if any shares of Series F, Series G, or Series H Preferred Stock, or collectively the Ratchet Preferred, convert to Class A common stock outside of a public offering and any company equity securities are listed with volume-weighted average closing sale price of less than $29.4102 (adjusted for stock splits, stock dividends, and the like), effective immediately prior to the completion of such public offering or conversion, the Ratchet Preferred conversion price will be adjusted so that, the product of (1) the number of shares of common stock issuable upon conversion of such share of Ratchet Preferred at such adjusted Ratchet Preferred conversion price multiplied by (2) the public offering price, equal $29.4102 (adjusted for stock splits, stock dividends, and the like).

If the Company issues or sells additional common stock (outside of stock split, stock dividends, and the like), at a price less than the then effective Ratchet Preferred conversion price or Series E preferred conversion price, the then existing Ratchet Preferred conversion price or Series E preferred conversion price shall be reduced by a fraction with the numerator being (1) the number of shares of common stock deemed outstanding, as defined, immediately prior to such issue or sale, plus (2) the number of shares of common stock that the aggregate consideration received or deemed received by the Company for the total number of additional shares of common stock so issued would purchase at such then-existing Series E Preferred Conversion Price or Ratchet Preferred Conversion Price, as applicable, and the denominator being the number of shares of common stock deemed outstanding immediately prior to such issue or sale plus the total number of additional shares of common stock so issued. No adjustment shall be made to the Series E or Ratchet Preferred conversion price in an amount less than 1% of such conversion price, but shall be otherwise included in any subsequent adjustment. As of April 30, 2020 and October 31, 2020, there have been no adjustments made pursuant to these provisions.

Liquidation Rights

If a merger or acquisition, change of control, sale of the Company, liquidation or winding of the business, the holders of Series D, Series E, Series F, Series G, and Series H shall be entitled to receive, in preference of Early Preferred, Series C* Preferred Stock, and common stocks, an amount per share of $8.4426, $21.8574, $19.6068, $19.8252, and $30.231 respectively, plus any declared but unpaid dividends prior to any other distributions, on a pari passu basis. After the distribution to Series D, Series E, Series F, and Series G, holders of Series C* shall be entitled to receive, in preference of Early Preferred and common stocks, an amount of $6.84 per share, plus any declared but unpaid dividends. After the distribution to Series G, Series F, Series E, Series D, and Series C*, the holders of Early Preferred are entitled to receive an amount of $1.998, $1.998, $6.522, and $13.038 per share respectively, plus any declared but unpaid dividends, on a pari passu basis.

After the distribution to Series Preferred, the holders of Class A-1 common stock, in preference of Class A and Class B common stock, shall be entitled to receive an amount of $2.82 per share. After the distribution to Series Preferred and Class A-1 common stock set forth above, the remaining assets of the Company shall be distributed ratably to the holders of all common stock and preferred stock on an as-if-converted to Class A common basis or Class B common basis, as applicable.

In the event that, after distributions set forth above, the holders of Series D, Series F, Series G, and Series H Preferred Stock have not received an amount per share of $12.6642, $29.4102, $29.7378, and $45.3468 respectively, the holders of Series D, Series F, Series G, and Series H Preferred Stock shall be entitled to receive additional amounts per share until they receive an amount per share of $12.6642, $29.4102, $29.7378, and $45.3468 respectively, by (1) reducing common stock, Early Preferred, Series C* and Series E ratably in proportion to their full amounts; (2) reducing Class A-1 common ratably in proportion to their full amounts; (3) reducing Early Preferred ratably in proportion to their full amounts; (4) reducing Series C* ratably in proportion to their full amounts; and (5) reducing Series E ratably in proportion to their full amounts.

Redeemable Convertible Preferred Stock Balance Sheet Classifications

As the shares of redeemable convertible preferred stock are redeemable upon a deemed liquidation event as discussed in the Liquidation Rights, and because the Company determined that such a deemed liquidation would be outside of its control, the redeemable convertible preferred stock is recorded at issuance date fair value outside of stockholders' deficit in the

Redeemable Convertible Preferred Stock section of the balance sheet. As it is uncertain as to when a redemption event may occur, if ever, the carrying amounts of the redeemable convertible preferred stock are not accreted to their redemption value until such event were to become probable.

Redeemable Convertible Class A-1 Common Stock

Redeemable convertible Class A-1 common stock outstanding as of April 30, 2019 and 2020 and October 31, 2020, respectively, consisted of the following (in thousands, except share amounts):

	As of April 30, 2019			
	Shares		Liquidation Amount	Carrying Value
	Authorized	Outstanding		
Class A-1 common stock	6,666,667	6,666,665	$ 18,800	$ 18,800

	As of April 30, 2020			
	Shares		Liquidation Amount	Carrying Value
	Authorized	Outstanding		
Class A-1 common stock	6,666,667	6,666,665	$ 18,800	$ 18,800

	As of October 31, 2020			
	Shares		Liquidation Amount	Carrying Value
	Authorized	Outstanding		
	(unaudited)			
Class A-1 common stock	6,666,667	6,666,665	$ 18,800	$ 18,800

As noted above the Class A-1 common stock has similar rights and privileges upon a liquidation event as the redeemable convertible preferred stock.

Common Stock

As of April 30, 2019, there were 390,000,000, 21,000,000, and 6,666,667 shares of common stock authorized for Class A, Class B, and Class A-1 common stock, of which 20,057,254, nil, and 6,666,665 shares were outstanding, respectively

As of April 30, 2020, there were 390,000,000, 21,000,000, and 6,666,667, shares of common stock authorized for Class A, Class B, and Class A-1 common stock, of which 31,210,159, nil, and 6,666,665 shares were outstanding, respectively.

As of October 31, 2020, there were 390,000,000, 21,000,000, and 6,666,667 shares of common stock authorized for Class A, Class B, and Class A-1 common stock, of which 32,981,141, nil, and 6,666,665 shares were outstanding, respectively.

In June 2019, the Company issued 9,529,763 shares of Class A common stock at $4.62 per share for total cash proceeds of $44.0 million.

Dividends

Each share of preferred stock and common stock shall have the right to receive cash dividends, when and if declared by the board of directors. Prior and in preference to dividends on common stock, the holders of Series Preferred stock are entitled to receive non-cumulative cash dividends, at a rate of 6% of the original issue price of $1.998, $1.998, $6.522, $13.038, $6.84, $8.4426, $21.8574, $19.6068, $19.8252, and $30.231 per share for Series A*, B*, B-1A*, B-1B*, C*, D, E, F, G, and H Preferred Stock, respectively, as adjusted for stock dividends, combinations, splits, recapitalizations and the like, per annum, out of any assets at the time legally available therefor, when, as and if declared by the board of directors. If dividends are paid on any share of common stock, the Company shall pay equivalent additional dividend on all outstanding shares of Series Preferred stock on an as-if-converted to common stock basis.

No dividends on preferred stock or common stock have been declared by the board of directors as of April 30, 2019 and 2020 and October 31, 2020.

Voting Rights

In the event of a qualified public offering in which Series A* preferred stock converts to Class B common stock, Class B common stock will have full voting rights equivalent to 50 multiplied by the number of shares held. Each holder of Series B*, B-1A*, B-1B*, C*, D, E, F, G, and H preferred stock, Class A common stock and Class A-1 common stock that is not a holder of Series A* has full voting rights equivalent to the number of shares held. All voting securities shall vote together and not as a separate class.

Common Stock Subject to Repurchase

Under the Company's 2012 Incentive Plan, optionholders are allowed to exercise stock options to purchase Class A common stock prior to vesting. The Company has the right to repurchase at the original purchase price any unvested but outstanding common shares upon termination of service of the optionholder. The consideration received for an early exercise of a stock option is considered to be a deposit of the exercise price and the related amount is recorded as a liability. The net proceeds during fiscal years ended April 30, 2019 and 2020 and the six months ended October 31, 2019 and 2020 were $1.1 million, $1.9 million, $1.4 million and $1.5 million, respectively. The liability is reclassified into equity on a ratable basis as the stock options vest. The Company has recorded a current liability of $1.0 million, $2.2 million, and $2.4 million as of April 30, 2019 and 2020 and October 31, 2020, respectively. Unvested Class A common stock of 458,106, 663,763, and 759,206 at April 30, 2019 and 2020 and October 31, 2020 were subject to such repurchase right and are legally issued and outstanding as of each period presented. See Note 9 for more information.

Third-Party Stock Transactions

In October 2019, the Company announced and completed a tender offer to repurchase Class A common stock of 163,685 shares and vested stock options of 811,189 shares from employees and officers at a price of $30.2310 per share. The repurchase transactions for vested stock options were conducted as net cash settlements where the holders of vested stock options received the difference between the repurchase price and the respective option exercise price. The total net transaction price was $28.5 million. The Company recognized $24.9 million in compensation expense related to the shares repurchased for the difference between the repurchase price and the fair value of the Company's common stock at the time of repurchase.

9. Stock-Based Compensation

On June 29, 2012, the Company adopted the C3, Inc. 2012 Incentive Plan. Under the 2012 Incentive Plan, the Company may grant stock options, restricted stock, and other stock awards to employees, directors, and service providers at prices not less than the fair market value at date of grant.

Stock Options to Acquire Class A Common Stock

These stock options generally expire 10 years from the date of grant, or earlier if services are terminated. Generally, each stock option for common stock is subject to a vesting schedule that, one fifth of the award vests after the first-year anniversary, and one-sixtieth of the award vests each month thereafter over the remaining four years, subject to continuous service.

As of April 30, 2019 and 2020 and October 31, 2020, the 2012 Incentive Plan authorized 39,200,478 shares, 56,392,963 shares, and 64,309,630 shares of Class A common stock, respectively, to be reserved for issuance on the exercise of stock options to purchase common stock, of which the right to purchase 1,479,742 shares, 7,380,373 shares, and 3,741,693 shares remained available for issuance, respectively.

A summary of the Company's option activity during the periods indicated was as follows:

	Options Outstanding			
	Number of Stock Options Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (years)	Aggregate Intrinsic Value
	(in thousands)			(in thousands)
Balance as of April 30, 2018	19,071	$ 1.80	8.26	$ 19,322
Granted	7,992	3.84		
Exercised	(1,529)	1.92		
Cancelled	(2,162)	2.28		
Balance as of April 30, 2019	23,372	$ 2.46	7.98	$ 50,679
Granted	16,619	4.86		
Exercised	(1,809)	2.34		
Cancelled	(5,305)	3.84		
Balance as of April 30, 2020	32,877	$ 3.48	8.03	$ 116,962
Granted (unaudited)	13,684	10.20		
Exercised(unaudited)	(1,779)	2.58		
Cancelled (unaudited)	(2,121)	5.28		
Balance as of October 31, 2020 (unaudited)	42,661	$ 5.58	8.18	$ 492,042
Vested and exercisable as of April 30, 2020	11,100	$ 2.22	6.57	$ 53,386
Vested and expected to vest as of April 30, 2020	33,189	$ 3.48	8.05	$ 117,535
Vested and exercisable as of October 31, 2020 (unaudited)	12,856	$ 2.58	6.35	$ 186,709
Vested and expected to vest as of October 31, 2020 (unaudited)	42,932	$ 5.58	8.20	$ 494,953

The weighted average grant date fair value of options granted during the years ended April 30, 2019 and 2020 and the six months ended October 31, 2019 and 2020 was $1.92, $2.22, $1.92, and $5.58, respectively. Aggregate intrinsic value represents the difference between the estimated fair value of the underlying common stock and the exercise price of outstanding in-the-money options. The total intrinsic value of options exercised during the years ended April 30, 2019 and 2020 and six months ended October 31, 2019 and 2020 was $2.5 million, $4.2 million, $3.3 million, and $14.2 million, respectively. The total grant date fair value of options vested during the years ended April 30, 2019 and 2020 and the three months ended October 31, 2019 and 2020 was $3.7 million, $6.8 million, $2.5 million, and $5.6 million, respectively.

As of April 30, 2019 and 2020 and October 31, 2020, there was $19.4 million, $40.2 million, and $102.2 million of unrecognized compensation cost related to stock options which are expected to be recognized over an estimated weighted-average period of 4.1, 4.0, and 4.3 years, respectively.

The grant-date fair value of the options issued for the years ended April 30, 2019 and 2020 and October 31, 2020 is estimated on the date of grant using the Black-Scholes-Merton option pricing model. The weighted average assumptions underlying the fair value estimation are provided in the following table:

	Year Ended April 30,		Six Months Ended October 31,	
	2019	2020	2019	2020
			(unaudited)	
Valuation assumptions:				
Expected dividend yield	— %	— %	— %	— %
Expected volatility	39.7 %	38.6 %	38.8 %	43.7 %
Expected term (years)	6.3	6.3	6.3	6.3
Risk-free interest rate	2.8 %	1.7 %	1.7 %	0.4 %

The following table summarizes the effects of stock-based compensation on the Company's consolidated statements of operations (in thousands):

	Year Ended April 30,		Six Months Ended October 31,	
	2019	2020	2019	2020
			(unaudited)	
Cost of subscription	$ 149	$ 370	$ 142	$ 343
Cost of professional services	69	122	63	137
Sales and marketing	1,739	3,074	1,281	3,045
Research and development	781	1,223	602	1,106
General and administrative	1,529	3,521	1,275	3,050
Total stock-based compensation expense	$ 4,267	$ 8,310	$ 3,363	$ 7,681

Shareholder Loan

In January 2018, in connection with the Series F preferred stock financing, the Company issued 1,251,921 shares of Series F Preferred Stock in exchange for a note receivable of $24.5 million with the CEO. The underlying shares are legally outstanding though are not included in the carrying amounts of preferred stock as the note receivable is treated as an equity classified stock-based option grant. In September 2020, the Company's CEO paid the outstanding full recourse promissory note and accrued interest in the amount of $26.0 million. During the year ended April 30, 2018, the Company recorded stock-based compensation expense of $3.9 million and $3.8 million related to the note within general and administrative expense and sales and marketing expense, respectively on the consolidated statement of operations. Valuation assumptions underlying the fair value estimation of the option grant include expected dividend yield of zero, expected volatility of 38.0%, expected term of 4.4 years, and a risk-free interest rate of 2.3%. No interest income was recorded for the note. Refer to Note 12 for more information.

10. Net Loss Per Share Attributable to Common Stockholders

Basic and diluted net loss per share attributable to common stockholders is presented in conformity with the two-class method required for participating securities. Class A and B common shares have identical liquidation and distribution rights. Class A-1 common shares has a liquidation preference, but is legal form common stock and participates in losses equally with all common stockholders. The net loss is allocated on a proportionate basis to participating securities and the resulting net loss per share attributable to common stockholders was the same for Class A, Class A-1, and Class B common shares. The Company considers all convertible preferred stock to be participating securities because they participate in any dividends declared on the Company's common stock on an as-if-converted basis. Convertible preferred does not participate in the net loss per share with common stockholders as the holders of the convertible preferred do not have a contractual obligation to share in the Company's losses. Basic net loss per share attributable to common stockholders is computed by dividing the net loss by the weighted-average number of shares of common stock outstanding during the period, less shares subject to repurchase. The diluted net loss per share attributable to common stockholders is computed by giving effect to all potential dilutive common stock equivalents outstanding for the period. For purposes of this calculation, the convertible preferred, stock options, and early exercised stock options subject to repurchase are considered to be potential common stock equivalents but have been excluded from the calculation of diluted net loss per share attributable to common stockholders as their effect is anti-dilutive. Basic net loss per share was the same as diluted net loss per share for the periods presented because the Company was in a loss position for the years ended April 30, 2019 and 2020, and the quarter ended October 31, 2019 and 2020.

The following table sets forth the computation of basic and diluted net loss per share attributable to common stockholders:

	Year Ended April 30,		Six Months Ended October 31,	
	2019	2020	2019	2020
			(unaudited)	
Numerator				
Net loss attributable to common stockholders	$ (33,346)	$ (69,378)	$ (29,148)	$ (14,794)
Denominator				
Basic and diluted weighted-average Class A common shares outstanding	18,662	29,133	27,713	31,006
Basic and diluted weighted-average Class A-1 common shares outstanding	6,667	6,667	6,667	6,667
Basic and diluted net loss per share attributable to common stockholders				
Basic and diluted net loss per Class A common shares outstanding	$ (1.32)	$ (1.94)	$ (0.85)	$ (0.39)
Basic and diluted net loss per Class A-1 common shares outstanding	$ (1.32)	$ (1.94)	$ (0.85)	$ (0.39)

At April 30, 2019 and 2020 and October 31, 2019 and 2020, the Company's potentially dilutive securities were convertible preferred stock and stock options, which have been excluded from the computation of diluted net loss per share as the effect would be to reduce the net loss per share attributable to common stockholders. Based on the amounts outstanding at April 30, 2019 and 2020 and October 31, 2019 and 2020, the potential shares of common stock that were excluded from the computation of diluted net loss per share attributable to common stockholders for the period presented because including them would have had an antidilutive effect were as follows:

	As of April 30		As of October 31,	
	2019	2020	2019	2020
			(unaudited)	
Convertible preferred stock				
Series A*	3,499,992	3,499,992	3,499,992	3,499,992
Series B*	4,559,999	4,559,999	4,559,999	4,559,999
Series B-1A*	2,430,635	2,430,635	2,430,635	2,430,635
Series B-1B*	92,769	92,769	92,769	92,769
Series C*	2,779,738	2,779,738	2,779,738	2,779,738
Series D	12,278,422	12,278,422	12,278,422	12,278,422
Series E	540,003	540,003	540,003	540,003
Series F	5,399,581	5,399,581	5,399,581	5,399,581
Series G	2,610,376	3,893,701	3,893,701	3,893,701
Series H	—	1,653,928	1,653,928	1,653,928
Stock options	23,821,538	33,533,380	33,170,428	43,428,121

Unaudited Pro Forma Net Loss Per Share

The Company has presented the unaudited pro forma basic and diluted net loss per share which has been computed to give effect to the conversion of the Company's convertible preferred into common stock (using the if-converted method) as though the conversion had occurred as of the beginning of the period or the original date of issuance, if later. The unaudited

pro forma net loss per share does not include shares being offered in the assumed IPO. The following table sets forth the computation of the Company's unaudited pro forma basic and diluted net loss per share:

	Year Ended April 30, 2020	Six Months Ended October 31, 2020
	(unaudited)	
Numerator		
Net loss and pro forma net loss	$ (69,378)	$ (14,794)
Denominator(1)		
Basic and diluted weighted-average Class A common shares outstanding	29,133	31,006
Pro forma adjustment to reflect assumed conversion of Class A-1	6,667	6,667
Pro forma adjustment to reflect assumed conversion of Series B* through H	31,892	32,377
Number of shares for used pro forma basic net loss share computation	67,692	70,050
Basic and diluted weighted-average Class A-1 common shares outstanding	6,667	6,667
Pro forma adjustment to reflect assumed conversion of Class A-1	(6,667)	(6,667)
Number of shares for used pro forma basic net loss share computation	—	—
Basic and diluted weighted-average Class B common shares outstanding	—	—
Pro forma adjustment to reflect assumed conversion of Series A* Preferred	3,500	3,500
Number of shares for used pro forma basic net loss share computation	3,500	3,500
Class A Pro forma basic and diluted net loss per share	$ (0.97)	$ (0.20)
Class B Pro forma basic and diluted net loss per share	$ (0.97)	$ (0.20)

(1) Class A-1 common stock and all series of redeemable convertible preferred stock, with the exception of Series A* redeemable convertible preferred stock are presented as converted into Class A common stock upon the consummation of a qualified IPO. The Series A* redeemable convertible preferred stock is presented as converted into Class B common stock upon the consummation of a qualified IPO.

11. Income Taxes

The components of the Company's net loss before provision for income taxes for the years ended April 30, 2019 and April 30, 2020 was as follows (in thousands):

	As of April 30,	
	2019	2020
Domestic	$ (33,868)	$ (69,887)
Foreign	788	889
Net loss before provision for income taxes	$ (33,080)	$ (68,998)

The components of the Company's provision for income taxes for the years ended April 30, 2019 and April 30, 2020 was as follows (in thousands):

	As of April 30,	
	2019	2020
Current expense		
Federal	—	—
State	$ 2	$ 113
Foreign	264	267
Total	266	380
Deferred expense		
Federal	—	—
State	—	—
Foreign	—	—
Total	—	—
Total provision for income taxes	$ 266	$ 380

The reconciliation of U.S. federal statutory rate to the Company's effective tax rate was follows (in thousands):

	As of April 30,	
	2019	2020
Expected benefit at federal statutory rate	$ (6,947)	$ (14,489)
State tax expense—net of federal benefit	2	113
Impact of foreign operations	306	85
Federal research and development credit	(389)	(530)
Change in valuation allowance	6,587	14,837
Stock-based compensation	337	(23)
Meals and entertainment	207	242
Other permanent items	163	145
Total provision for income taxes	$ 266	$ 380

The difference in the Company's effective tax rate and the U.S. federal statutory tax rate is primarily due to recording a full valuation allowance on the Company's U.S. deferred tax assets.

The components of deferred tax assets and liabilities as of April 30, 2019 and April 30, 2020 was as follows (in thousands):

	As of April 30,	
	2019	2020
Deferred tax assets		
Accrued payroll	$ 1,772	$ 2,081
Other accruals & reserves	497	3,174
Operating lease liability	—	2,235
Deferred revenue	8,226	2,959
Depreciation	1,070	1,365
Net operating losses	22,471	40,242
R&D tax credit	2,707	3,617
Stock based compensation	1,522	2,628
Other	33	(7)
Gross deferred tax assets	38,298	58,294
Valuation allowance	(37,955)	(55,812)
Total deferred tax assets	343	2,482
Deferred tax liabilities		
Prepaid expenses	(343)	(436)
Operating lease right-of-use asset	—	(2,046)
Total deferred tax liabilities	(343)	(2,482)
Net deferred tax assets/(liabilities)	$ —	$ —

In determining the need for a valuation allowance, the Company weighs both positive and negative evidence in the various jurisdictions in which it operates to determine whether it is more likely than not that its deferred tax assets are recoverable. In assessing the ultimate realizability of its net deferred tax assets, the Company considers all available evidence, including cumulative losses since inception and expected future losses and as such, management does not believe it is more likely than not that the deferred tax assets will be realized. Accordingly, a full valuation allowance has been established in the U.S. and no deferred tax assets and related tax benefit have been recognized in the accompanying financial statements. The valuation allowance as of April 30, 2019 and 2020 was $38.0 million and $55.8 million, respectively. The net change in the valuation allowance for the year was an increase of $17.8 million. The increase in the Company's valuation allowance compared to the prior year was primarily due to an increase in deferred tax assets arising from net operating loss.

As of April 30, 2019 and 2020, the Company had net operating loss carryforwards for federal income tax purposes of approximately $95.4 million and $168.6 million, respectively. The federal net operating loss carryforwards will expire, if not utilized, beginning in year 2029. Federal research and development tax credit carryforwards of approximately $4.0 million, will expire beginning in 2032 if not utilized. Federal charitable contribution carryforwards of approximately $11.6 million will expire beginning in 2021 if not utilized.

In addition, as of April 30, 2019 and 2020, the Company had net operating loss carryforwards for state income tax purposes of approximately $34.1 million and $73.2 million, respectively. The state net operating loss carryforwards will expire, if not utilized, beginning in the year 2032. The Company had state research and development tax credit carryforwards of approximately $4.1 million. The state research and development tax credits do not expire.

The Tax Reform Act of 1986 and similar California legislation impose substantial restrictions on the utilization of net operating losses and tax credit carryforwards if there is a change in ownership as provided by Section 382 of the Internal Revenue Code and similar state provisions. Such a limitation could result in the expiration of the net operating loss carryforwards and tax credits before utilization.

A reconciliation of the beginning and ending amount of the Company's total gross unrecognized tax benefits was as follows (in thousands):

	As of April 30,	
	2019	2020
Balance as of May 1	$ 2,229	$ 3,037
Increases for tax positions related to the prior year	37	—
Increases for tax positions related to the current year	771	1,011
Balance as of April 30	$ 3,037	$ 4,048

As of April 30, 2020, no amount of unrecognized tax benefits, if recognized, would impact the Company's effective income tax rate, given the Company's full valuation allowance position. The Company does not expect any unrecognized tax benefits to be recognized within the next 12 months.

The Company recognizes interest and penalties related to unrecognized tax benefits as a component of income tax expense. As of April 30, 2019 and 2020, the Company has no cumulative interest and penalties related to unrecognized tax benefits. The Company does not anticipate a significant change in the unrecognized tax benefits over the next 12 months.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act, or the CARES Act, was signed into law in the United States. The Company has assessed the relevant provisions and concluded the tax provisions of the CARES Act did not have a material impact to the Company's consolidated financial statements for the fiscal year ended April 30, 2020.

For the Six Months Ended October 31, 2019 and 2020

Accounting for income taxes for interim periods generally requires the provision for income taxes to be determined by applying an estimate of the annual effective tax rate for the full fiscal year to income or loss before income taxes, adjusted for discrete items, if any, for the reporting period. The Company updates its estimate of the annual effective tax rate each quarter and makes a cumulative adjustment in such period.

The Company recorded income tax expense of $0.2 million and $0.3 million for the six months ended October 31, 2019 and 2020, respectively. Income tax expense consists primarily of income taxes in foreign jurisdictions in which the Company conducts business. Due to the Company's history of losses in the United States, a full valuation allowance on substantially all of the Company's deferred tax assets, including net operating loss carryforwards, research and development tax credits, and other book versus tax differences, was maintained.

The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") was enacted by the United States on March 27, 2020. The CARES Act did not have a material impact on the Company's provision for income taxes for the six months ended October 31, 2020.

12. Related Party Transactions

Shareholder Loan

In January 2018, the Company issued 1,251,921 shares of Series F Preferred Stock in exchange for a non-recourse promissory note to Thomas M. Siebel, the Company's CEO, in the amount of $24.5 million. The promissory note has a term of five years with the ability to renew for up to four successive one year periods and bears interest at a rate of 2.18% per annum, compounded annually. In September 2020, the Company's CEO paid the outstanding full recourse promissory note and accrued interest in the amount of $26.0 million. Refer to Note 9 for more information.

Secondary Transactions

In October 2019, two secondary transactions occurred for total proceeds of $50.0 million each. The CEO sold 1,685,979 shares of Series D preferred and 193,489 shares of Series E preferred, each at a price of $26.6034 per share, to an existing stockholder. Additionally, the CEO sold 584,795 shares of Series C* preferred, 825,012 shares of Series D preferred, and 673,526 shares of redeemable convertible Class A-1 common stock at a price of $24.0000 per share to an existing stockholder. Stock-based compensation expense was not recognized in connection with these secondary transactions as the purchase price was equal to fair value in respect of the redemption and liquidation features of the shares sold at the time of sale.

In October 2019, the Company also completed a tender offer to repurchase Class A common stock and vested stock options from employees, including officers, at a price of $30.2310 per share. Refer to Note 8 for more information.

Revenue Transactions with a Certain Investor

In June 2019, the Company entered into multiple agreements with an investor under which they received a three-year subscription to use the Company's software. These agreements were revised in June 2020 to extend the term to five years and modify the subscription fees due. Under the revised agreements, the investor has made minimum, non-cancelable revenue commitments, which are inclusive of their direct subscription fees and third party revenue generated through the joint marketing arrangement with the investor, in the amount of $46.7 million in fiscal year 2020, $53.3 million in fiscal year 2021, $75.0 million in fiscal year 2022, $125.0 million in fiscal year 2023, and $150.0 million in fiscal year 2024. During the year ended April 30, 2020, the Company recognized total revenue of $46.7 million related to this arrangement. For future periods, any shortfalls against the total annual revenue commitment made to us by the investor will be assessed and recorded at the end of the fourth quarter of each fiscal year. The Company recognized subscription revenue from direct subscription fees from this investor of $0.1 million and $40.4 million during the years ended April 30, 2019 and 2020 and $20.7 million and $13.6 million for the six months ended October 31, 2019 and 2020, respectively. As of April 30, 2019 and 2020 and October 31, 2020, accounts receivable, net included $20.0 million, $0.2 million, and $0.4 million and deferred revenue, current included $19.9 million, $1.5 million, and $16.3 million associated with this investor, respectively.

Under the joint marketing arrangement, the Company is also obligated to pay the investor a sales commission on subscriptions and services offerings it resells in excess of these minimum revenue commitments. The Company did not incur any sales commission related to this arrangement during the year ended April 30, 2020 and the six months ended October 31, 2020.

13. Subsequent Events

Cares Act Loan

On May 1, 2020, the Company entered into Paycheck Protection Program Promissory Note and Agreement with Bank of America, pursuant to which the Company received loan proceeds of $6.3 million, or PPP Loan. The PPP Loan was made under, and was subject to the terms and conditions of, the PPP which was established under the CARES Act and is administered by the U.S. Small Business Administration. The term of the PPP Loan was two years with a maturity date of May 1, 2022 and contains a favorable fixed annual interest rate of 1.00%. Payments of principal and interest on the PPP Loan were deferred for the first six months of the term of the PPP Loan until November 1, 2020. Principal and interest were payable monthly and could be prepaid by the Company at any time prior to maturity with no prepayment penalties. On August 18, 2020, the Company repaid in full the PPP loan outstanding, including accrued interest of $0.1 million, in the amount of $6.4 million.

Contractual Arrangement Modification

In June 2019, the Company entered into multiple agreements with an investor under which they received a three-year subscription to use the Company's software. In June 2020, certain of the arrangements were modified. Refer to Note 12 for more information.

Payment of Promissory Note

On September 17, 2020, the Company's CEO paid the outstanding full recourse promissory note and accrued interest in the amount of $26.0 million.

The Company has evaluated the effects of subsequent events through September 18, 2020, the date the consolidated financial statements were available to be issued, and November 30, 2020 as it relates to the reverse stock split described in Note 1.

14. Subsequent Events (Unaudited)

For its unaudited interim consolidated financial statements as of October 31, 2020 and the six-month period then ended, the Company has evaluated the effects of subsequent events through November 23, 2020, which is the date that these unaudited interim consolidated financial statements were available to be issued, and November 30, 2020 as it relates to the reverse stock split described in Note 1.

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Enterprise AI

Part II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table indicates the expenses to be incurred in connection with the offering described in this registration statement, other than underwriting discounts and commissions, all of which will be paid by us. All amounts are estimated except the SEC registration fee, the Financial Industry Regulatory Authority, Inc., or FINRA, filing fee and the exchange listing fee.

	Amount
SEC registration fee	$ 66,120
FINRA filing fee	91,408
Exchange listing fee	300,000
Accountants' fees and expenses	1,700,000
Legal fees and expenses	2,400,000
Transfer agent's fees and expenses	15,000
Printing and engraving expenses	375,000
Miscellaneous	2,552,472
Total expenses	$ 7,500,000

Item 14. Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law authorizes a court to award, or a corporation's board of directors to grant, indemnity to directors and officers in terms sufficiently broad to permit such indemnification under certain circumstances for liabilities, including reimbursement for expenses incurred, arising under the Securities Act. Our amended and restated certificate of incorporation that will be in effect upon the completion of this offering permits indemnification of our directors, officers, employees and other agents to the maximum extent permitted by the Delaware General Corporation Law, and our amended and restated bylaws that will be in effect upon the completion of this offering provide that we will indemnify our directors and officers and permit us to indemnify our employees and other agents, in each case to the maximum extent permitted by the Delaware General Corporation Law.

At present, there is no pending litigation or proceeding involving a director or officer of C3.ai, Inc. regarding which indemnification is sought, nor is the registrant aware of any threatened litigation that may result in claims for indemnification.

We maintain insurance policies that indemnify our directors and officers against various liabilities arising under the Securities Act and the Exchange Act that might be incurred by any director or officer in his or her capacity as such.

Item 15. Recent Sales of Unregistered Securities.

Since May 1, 2017, we have issued the following unregistered securities:

- Between January and February 2018, we sold 5,399,581 shares of our Series F convertible preferred stock at a purchase price of $19.6068 per share, for an aggregate purchase price of approximately $105.9 million, including 1,251,920 shares of Series F convertible preferred stock issued to a stockholder in exchange for a note receivable of $24.5 million.
- Between February and April 2019, we sold 2,610,368 shares of our Series G convertible preferred stock at a purchase price of $19.8252 per share, for an aggregate purchase price of approximately $51.75 million.
- In June 2019, we sold 9,529,762 shares of our Class B common stock and 1,283,333 shares of Series G convertible preferred stock at a purchase price of $4.62 per share and $19.8252, respectively, for an aggregate purchase price of approximately $69.5 million.
- In August 2019, we sold 1,653,928 shares of our Series H convertible preferred stock at a purchase price of $30.2310 per share, for an aggregate purchase price of approximately $50.0 million.

- Since May 1, 2017, we granted to certain employees, consultants and directors options to purchase an aggregate of 47,016,780 shares of our Class A common stock under our Amended and Restated 2012 Equity Incentive Plan, or the 2012 Plan, at exercise prices ranging from $1.86 to $17.10 per share, for an aggregate exercise price of approximately $273.5 million.
- Since May 1, 2017, we issued and sold an aggregate of 7,311,204 shares of our Class A common stock upon the exercise of options under our 2012 Plan, at exercise prices ranging from $0.60 to $7.02 per share, for an aggregate exercise price of $15.9 million.

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions, or any public offering. Unless otherwise specified above, we believe these transactions were exempt from registration under the Securities Act in reliance on Section 4(2) of the Securities Act (and Regulation D or Regulation S promulgated thereunder) or Rule 701 promulgated under Section 3(b) of the Securities Act as transactions by an issuer not involving any public offering or under benefit plans and contracts relating to compensation as provided under Rule 701. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed on the share certificates issued in these transactions. All recipients had adequate access, through their relationships with us, to information about us. The sales of these securities were made without any general solicitation or advertising.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits.

Exhibit Number	Description of Exhibit
1.1	Form of Underwriting Agreement.
3.1	Amended and Restated Certificate of Incorporation of the Registrant, as currently in effect.
3.2*	Amended and Restated Bylaws of the Registrant, as currently in effect.
3.3	Form of Amended and Restated Certificate of Incorporation of the Registrant, to be effective immediately prior to the completion of this offering.
3.4	Form of Amended and Restated Bylaws of the Registrant, to be effective immediately prior to the completion of this offering.
4.1	Form of Class A common stock certificate of the Registrant.
4.2*	Amended and Restated Registration Rights Agreement by and among the Registrant and certain of its stockholders, dated August 15, 2019.
4.3*	Voting Agreement by and among the Registrant, Thomas M. Siebel and Patricia A. House, dated January 15, 2015.
4.4	Form of Amendment to Registration Rights Agreement and Waiver of Registration Rights and Notice by and among the Company and certain of its stockholders.
5.1	Opinion of Cooley LLP.
10.1*+	C3.ai, Inc. Amended and Restated 2012 Equity Incentive Plan and forms of agreements thereunder.
10.2+	C3.ai, Inc. 2020 Equity Incentive Plan and forms of agreements thereunder.
10.3+	C3.ai, Inc. 2020 Employee Stock Purchase Plan.
10.4*+	Offer Letter by and between the Registrant and Edward Y. Abbo, dated July 22, 2009.
10.5*+	Offer Letter by and between the Registrant and Houman Behzadi, dated January 6, 2010.
10.6*+	Revised Offer Letter by and between the Registrant and Edward Y. Abbo, dated July 15, 2011.
10.7*	Lease by and between the Registrant and Google LLC (as successor-in-interest to VII Pac Shores Investors, LLC), dated October 28, 2011.
10.8*	First Amendment to Lease by and between the Registrant and Google LLC, dated April 4, 2017.
10.9*	Second Amendment to Lease by and between the Registrant and Google LLC, dated November 7, 2017.
10.10*#	Joint Venture Agreement, by and between the Registrant and Baker Hughes Holdings LLC, dated June 6, 2019.
10.11*#	First Amendment to Joint Venture Agreement, by and between the Registrant and Baker Hughes Holdings LLC, dated September 26, 2019.
10.12*#	Second Amendment to Joint Venture Agreement, by and between the Registrant and Baker Hughes Holdings LLC, dated June 1, 2020.
10.13	Common Stock Purchase Agreement by and between the Registrant and Spring Creek Capital, LLC, dated as of November 25, 2020.
10.14	Common Stock Purchase Agreement by and between the Registrant and Microsoft Corporation, dated as of November 27, 2020.
21.1*	List of subsidiaries of the Registrant.
23.1	Consent of Deloitte & Touche LLP, independent registered public accounting firm.
23.2	Consent of Cooley LLP (included in Exhibit 5.1).
24.1*	Power of Attorney.

* Previously filed.
\+ Indicates management contract or compensatory plan.
\# Portions of this exhibit (indicated by asterisks) have been omitted as the registrant has determined that (1) the omitted information is not material and (2) the omitted information would likely cause competitive harm to the registrant if publicly disclosed.

(b) Financial Statement Schedules.

All financial statement schedules are omitted because the information required to be set forth therein is not applicable or is shown in the consolidated financial statements or the notes thereto.

Item 17. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant under the foregoing provisions or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. If a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant under Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Redwood City, State of California, on November 30, 2020.

C3.ai, Inc.

By: /s/ Thomas M. Siebel
Thomas M. Siebel
Chief Executive Officer

POWER OF ATTORNEY

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Thomas M. Siebel Thomas M. Siebel	Chief Executive Officer and Chairman of the Board of Directors *(Principal Executive Officer)*	November 30, 2020
/s/ David Barter David Barter	Senior Vice President and Chief Financial Officer *(Principal Financial Officer and Principal Accounting Officer)*	November 30, 2020
* Patricia A. House	Director	November 30, 2020
* Richard Levin	Director	November 30, 2020
* Michael G. McCaffery	Director	November 30, 2020
* Nehal Raj	Director	November 30, 2020
* Condoleezza Rice	Director	November 30, 2020
* S. Shankar Sastry	Director	November 30, 2020
* Bruce Sewell	Director	November 30, 2020
* Lorenzo Simonelli	Director	November 30, 2020
* Stephen M. Ward Jr.	Director	November 30, 2020

By: /s/ David Barter
Attorney-in-Fact

Exhibit 1.1

[•] Shares

C3.AI, INC.

CLASS A COMMON STOCK, PAR VALUE $0.001 PER SHARE

UNDERWRITING AGREEMENT

[•], 2020

[•], 2020

Morgan Stanley & Co. LLC
J.P. Morgan Securities LLC
BofA Securities, Inc.
As representatives of the several Underwriters
named in Schedule I hereto

c/o Morgan Stanley & Co. LLC
1585 Broadway
New York, New York 10036

c/o J.P. Morgan Securities LLC
383 Madison Avenue
New York, New York 10179

c/o BofA Securities, Inc.
One Bryant Park
New York, New York 10036

Ladies and Gentlemen:

C3.ai, Inc., a Delaware corporation (the "**Company**"), proposes to issue and sell to the several Underwriters named in Schedule I hereto (the "**Underwriters**") an aggregate of [] shares of the Class A common stock, par value $0.001 per share (the "**Firm Shares**") of the Company. The Company also proposes to issue and sell to the several Underwriters not more than an additional [] shares of its common stock, par value $0.001 per share (the "**Additional Shares**") if and to the extent that Morgan Stanley & Co. LLC ("**Morgan Stanley**"), J.P Morgan Securities LLC ("**J.P. Morgan**") and BofA Securities, Inc. ("**BofA**"), as representatives of the several Underwriters(the "**Representatives"**), shall have determined to exercise, on behalf of the Underwriters, the right to purchase such shares of Class A common stock granted to the Underwriters in Section 2 hereof. The Firm Shares and the Additional Shares are hereinafter collectively referred to as the "**Shares.**" The shares of Class A common stock and Class B common stock, each par value $0.001 per share, of the Company to be outstanding after giving effect to the sales contemplated hereby are hereinafter referred to as the "**Common Stock**."

The Company has filed with the Securities and Exchange Commission (the "**Commission**") a registration statement on Form S-1 (File No. 333-250082), including a preliminary prospectus, relating to the Shares. The registration statement as amended at the time it becomes effective, including the information (if any) deemed to be part of the registration statement at the time of effectiveness pursuant to Rule 430A under the Securities Act of 1933, as amended (the "**Securities Act**"), is hereinafter referred to as the "**Registration Statement**"; the prospectus in the form first used to confirm sales of Shares (or in the form first made available to

the Underwriters by the Company to meet requests of purchasers pursuant to Rule 173 under the Securities Act) is hereinafter referred to as the "**Prospectus**." If the Company has filed an abbreviated registration statement to register additional shares of Common Stock pursuant to Rule 462(b) under the Securities Act (a "**Rule 462 Registration Statement**"), then any reference herein to the term "**Registration Statement**" shall be deemed to include such Rule 462 Registration Statement.

For purposes of this agreement (the "**Agreement**"), "**free writing prospectus**" has the meaning set forth in Rule 405 under the Securities Act, "**preliminary prospectus**" shall mean each prospectus used prior to the effectiveness of the Registration Statement, and each prospectus that omitted information pursuant to Rule 430A under the Securities Act that was used after such effectiveness and prior to the execution and delivery of this Agreement, "**Time of Sale Prospectus**" means the preliminary prospectus contained in the Registration Statement at the time of its effectiveness together with the documents and pricing information and free writing prospectuses, if any, set forth in Schedule II hereto, and "**broadly available road show**" means a "bona fide electronic road show" as defined in Rule 433(h)(5) under the Securities Act that has been made available without restriction to any person. As used herein, the terms "Registration Statement," "preliminary prospectus," "Time of Sale Prospectus" and "Prospectus" shall include the documents, if any, incorporated by reference therein as of the date hereof.

J.P. Morgan has agreed to reserve a portion of the Shares to be purchased by it under this Agreement for sale to the Company's directors, officers, employees and business associates and other parties related to the Company (collectively, "**Participants**"), as set forth in each of the Time of Sale Prospectus and the Prospectus under the heading "Underwriters" (the "**Directed Share Program**"). The Shares to be sold by J.P. Morgan and its affiliates pursuant to the Directed Share Program, at the direction of the Company, are referred to hereinafter as the "**Directed Shares**". Any Directed Shares not orally confirmed for purchase by any Participant by the end of the business day on which this Agreement is executed will be offered to the public by the Underwriters as set forth in the Prospectus.

1. *Representations and Warranties*. The Company represents and warrants to and agrees with each of the Underwriters that:

(a) The Registration Statement has become effective; no stop order suspending the effectiveness of the Registration Statement is in effect, and no proceedings for such purpose or pursuant to Section 8A under the Securities Act are pending before or, to the Company's knowledge, threatened by the Commission.

(b) (i) The Registration Statement, when it became effective, did not contain and, as amended or supplemented, if applicable, will not contain, as of the date of such amendment or supplement, any 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, (ii) the Registration Statement and the Prospectus comply and, as amended or supplemented, if applicable, will, as of the date of such amendment or supplement, comply in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder, (iii) the Time of Sale Prospectus does not, and

at the time of each sale of the Shares in connection with the offering when the Prospectus is not yet available to prospective purchasers and at the Closing Date (as defined in Section 4) and at any Option Closing Date (as defined in Section 2), the Time of Sale Prospectus, as then amended or supplemented by the Company, if applicable, will not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, (iv) each broadly available road show, if any, when considered together with the Time of Sale Prospectus, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and (v) the Prospectus, as of its date, does not contain and, as amended or supplemented, if applicable, will not contain, as of the date of such amendment or supplement and as of the Closing Date and any Option Closing Date, any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the representations and warranties set forth in this paragraph do not apply to statements or omissions in the Registration Statement, the Time of Sale Prospectus or the Prospectus based upon information relating to any Underwriter furnished to the Company in writing by such Underwriter through or on behalf of the Representatives expressly for use therein.

(c) The Company is not an "ineligible issuer" in connection with the offering pursuant to Rules 164, 405 and 433 under the Securities Act. Any free writing prospectus that the Company is required to file pursuant to Rule 433(d) under the Securities Act has been, or will be, filed with the Commission in accordance with the applicable requirements of the Securities Act and the applicable rules and regulations of the Commission thereunder. Each free writing prospectus that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act or that was prepared by or on behalf of or used or referred to by the Company complies or will comply in all material respects with the requirements of the Securities Act and the applicable rules and regulations of the Commission thereunder. Except for the free writing prospectuses, if any, identified in Schedule II hereto, and electronic road shows, if any, each furnished to the Representatives before first use, the Company has not prepared, used or referred to, and will not, without the Representatives' prior consent, prepare, use or refer to, any free writing prospectus.

(d) The Company has been duly incorporated, is validly existing as a corporation in good standing under the laws of the State of Delaware, has the corporate power and authority to own or lease its property and to conduct its business as described in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus and is duly qualified to transact business and is in good standing in each jurisdiction (to the extent to concept of good standing is applicable in such jurisdiction) in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing (to the extent to concept of good standing is applicable in such jurisdiction) would not reasonably be

expected to, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(e) Each subsidiary of the Company has been duly incorporated, organized or formed, is validly existing as a corporation or other business entity in good standing under the laws of the jurisdiction of its incorporation, organization or formation (to the extent to concept of good standing is applicable in such jurisdiction), has the corporate or other business entity power and authority to own or lease its property and to conduct its business as described in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus and is duly qualified to transact business and is in good standing (to the extent to concept of good standing is applicable in such jurisdiction) in each jurisdiction in which the conduct of its business or its ownership or leasing of property requires such qualification, except to the extent that the failure to be so qualified or be in good standing (to the extent to concept of good standing is applicable in such jurisdiction) would not reasonably be expected to, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole. Except as otherwise disclosed in the Registration Statement, the Time of Sale Prospectus and the Prospectus, all of the issued shares of capital stock or other equity interests of each subsidiary of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims, except to the extent that such liens, encumbrances, equities or claims would not reasonably be expected to have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(f) This Agreement has been duly authorized, executed and delivered by the Company.

(g) As of the Closing Date, the authorized capital stock of the Company will conform as to legal matters in all material respects to the description thereof contained in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus.

(h) The shares of Common Stock outstanding prior to the issuance of the Shares have been duly authorized and are validly issued, fully paid and non-assessable.

(i) The Shares have been duly authorized and, when issued, delivered and paid for in accordance with the terms of this Agreement, will be validly issued, fully paid and non-assessable, and the issuance of the Shares will not be subject to any preemptive or similar rights that have not been validly waived.

(j) The execution and delivery by the Company of, and the performance by the Company of its obligations under, this Agreement will not contravene any provision of (i) applicable law, (ii) the certificate of incorporation or by-laws of the Company, (iii) any agreement or other instrument binding upon the Company or any of its subsidiaries that is material to the Company and its subsidiaries, taken as a whole, or (iv) any judgment, order or decree of any governmental body, agency or court having jurisdiction over the Company or any subsidiary, except in the case of clauses (i), (iii) and (iv) as

would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the Company and its subsidiaries, taken as a whole; and no consent, approval, authorization or order of, or qualification with, any governmental body, agency or court is required for the performance by the Company of its obligations under this Agreement, except such as have been obtained or waived or as may be required by the securities or Blue Sky laws of the various states in connection with the offer and sale of the Shares.

(k) There has not occurred any material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise, or in the earnings, management, business, or operations of the Company and its subsidiaries, taken as a whole, from that set forth in the Time of Sale Prospectus.

(l) There are no legal or governmental proceedings pending or, to the Company's knowledge, threatened to which the Company or any of its subsidiaries is a party or to which any of the properties of the Company or any of its subsidiaries is subject (i) other than proceedings accurately described in all material respects in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus and proceedings that would not reasonably be expected to, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole, or on the power or ability of the Company to perform its obligations under this Agreement or to consummate the transactions contemplated by each of the Registration Statement, the Time of Sale Prospectus and the Prospectus or (ii) that are required to be described in the Registration Statement, the Time of Sale Prospectus or the Prospectus and are not so described in all material respects; and there are no statutes, regulations, contracts or other documents to which the Company or any of its subsidiaries is subject or by which the Company or any of its subsidiaries is bound that are required to be described in the Registration Statement, the Time of Sale Prospectus or the Prospectus or to be filed as exhibits to the Registration Statement that are not described in all material respects or filed as required.

(m) Each preliminary prospectus filed as part of the Registration Statement as originally filed or as part of any amendment thereto, or filed pursuant to Rule 424 under the Securities Act, complied when so filed in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder.

(n) The Company is not, and immediately after giving effect to the offering and sale of the Shares and the application of the proceeds thereof as described in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus will not be, required to register as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

(o) The Company and each of its subsidiaries, taken as a whole, (i) are in compliance with any and all applicable foreign, federal, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants (collectively

"**Environmental Laws**"), (ii) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (iii) are in compliance with all terms and conditions of any such permit, license or approval, except where such noncompliance with Environmental Laws, failure to receive required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals would not reasonably be expected to, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(p) There are no costs or liabilities associated with Environmental Laws (including, without limitation, any capital or operating expenditures required for clean-up, closure of properties or compliance with Environmental Laws or any permit, license or approval, any related constraints on operating activities and any potential liabilities to third parties) which would, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(q) There are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to file a registration statement under the Securities Act with respect to any securities of the Company or to require the Company to include such securities with the Shares registered pursuant to the Registration Statement, except as have been validly waived or complied with in connection with the issuance and sale of the Shares contemplated hereby and as have been described in the Registration Statement, Time of Sale Prospectus and the Prospectus.

(r) (i) None of the Company or any of its subsidiaries or Controlled Affiliates (as defined below), or any director, officer, or employee thereof, or, to the Company's knowledge, any agent, representative, Associated Persons (as defined below) of the Company, its subsidiaries, or Controlled Affiliates, has taken any action in furtherance of an offer, payment, promise to pay, or authorization or approval of the payment, giving or receipt of money, property, gifts or anything else of value, directly or indirectly, to any government official (including any officer or employee of a government or government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office) ("**Government Official**") in order to influence official action, or to any person in violation of any applicable anti-corruption laws; (ii) the Company and each of its subsidiaries and Controlled Affiliates have conducted their businesses in compliance with applicable 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; and (iii) 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 any applicable anti-corruption laws. For the purposes of this section, (A) "***Controlled Affiliate***" means any entity which

is controlled by the Company, including without limitation, any direct or indirect subsidiary of the Company, and (B) "***Associated Person***" has the meaning provided in Section 8 of the UK Bribery Act ("***UKBA***").

(s) The operations of the Company and each of its subsidiaries are and have been conducted at all times in material compliance with all applicable financial recordkeeping and reporting requirements, including, to the extent applicable, those of the Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), and the applicable anti-money laundering statutes of jurisdictions where the Company and each of its subsidiaries conduct business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency having jurisdiction over the Company or any of its subsidiaries (collectively, the "**Anti-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 Anti-Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

(t) (i) None of the Company, any of its subsidiaries, or any director, officer, or employee thereof, or, to the Company's knowledge, any agent, Controlled Affiliate or representative of the Company or any of its subsidiaries, is an individual or entity ("**Person**") that is, or is 50% or more owned or otherwise controlled by one or more Persons that are:

(A) the subject of any sanctions administered or enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control, the United Nations Security Council, the European Union, Her Majesty's Treasury, or other relevant sanctions authority (collectively, "**Sanctions**"), or

(B) located, organized or resident in a country or territory that is the subject of comprehensive Sanctions (including, without limitation, Crimea, Cuba, Iran, North Korea and Syria).

(ii) The Company will not, directly or indirectly, use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person:

(A) to fund or facilitate any activities or business of or with any Person or in any country or territory that, at the time of such funding or facilitation, is the subject of Sanctions, except to the extent permitted under Sanctions and applicable law; or

(B) in any other manner that will result in a violation of Sanctions by any Person (including any Person participating in the offering, whether as underwriter, advisor, investor or otherwise).

(iii) For the past five (5) years, the Company and each of its subsidiaries have not knowingly engaged in, are not now knowingly engaged in, and will not knowingly engage in, any dealings or transactions with any Person, or in any country or territory, that at the time of the dealing or transaction is or was the subject of Sanctions, except to the extent permitted under Sanctions and applicable law.

(u) Subsequent to the respective dates as of which information is given in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus, except in each case as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus, (i) the Company and its subsidiaries, taken as a whole, have not incurred any material liability or obligation, direct or contingent, nor entered into any material transaction; (ii) the Company has not purchased any of its outstanding capital stock (except for acquisitions of capital stock by the Company pursuant to agreements that permit the Company to repurchase such shares upon the applicable party's termination of service to the Company or in connection with the exercise of the Company's right of first refusal upon a proposed transfer), nor declared, paid or otherwise made any dividend or distribution of any kind on its capital stock other than ordinary and customary dividends; and (iii) there has not been any material change in the capital stock, short-term debt or long-term debt of the Company and its subsidiaries, taken as a whole.

(v) The Company and its subsidiaries do not own any real property. The Company and its subsidiaries have good and marketable title to all personal property owned by them which is material to the business of the Company and its subsidiaries, in each case free and clear of all liens, encumbrances and defects except such as do not materially affect the value of such property and do not 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, to the Company's knowledge, 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.

(w)Except as set forth in the Prospectus, the Time of Sale Prospectus, or the Registration Statement, and except as in each case would not reasonably be expected to have a material adverse effect on the Company and its subsidiaries, taken as a whole, (i) the Company and its subsidiaries own, possess, or, to the Company's knowledge, can obtain on commercially reasonable terms, sufficient rights to all patents, patent rights, licenses, inventions, copyrights, know how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks, trade names, domain names, and other technology and

intellectual property rights, including registrations and applications for registration thereof (collectively, "**Intellectual Property Rights**") used in or reasonably necessary to the conduct of their businesses now operated and proposed to be operated, in each case as set forth in the Registration Statement, the Prospectus, or the Time of Sale Prospectus (collectively, such Intellectual Property Rights, the "**Company Intellectual Property Rights**"); (ii) the Company Intellectual Property Rights owned by the Company and its subsidiaries and the Company Intellectual Property Rights licensed to the Company and its subsidiaries, are subsisting and, to the Company's knowledge, are valid and enforceable, (iii) there is no pending or, to the Company's knowledge, threatened action, suit, proceeding or claim by others (A) challenging the validity, scope or enforceability of any such Company Intellectual Property Rights or (B) alleging that the Company or any of its subsidiaries has infringed, misappropriated or otherwise violated asserted rights of any others with respect to any Company Intellectual Property Rights; (iv) neither the Company nor any of its subsidiaries has sent or received any written notice alleging any infringement, misappropriation or other violation of Intellectual Property Rights; (v) to the Company's knowledge, no third party is infringing, misappropriating or otherwise violating, or has infringed, misappropriated or otherwise violated, any Company Intellectual Property Rights owned by the Company; (vi) to the Company's knowledge, (A) there is no pending or threatened action, suit, proceeding, or claim by any third party against the Company or any of its subsidiaries alleging that the conduct of the business of the Company or any of its subsidiaries, as described in the Registration Statement, the Time of Sale Prospectus, or the Prospectus, has infringed, misappropriated, or violated, or does infringe misappropriate, or violate, any Intellectual Property Right of any other person, and (B) neither the Company nor any of its subsidiaries has any liability (whether imposed, absolute, contingent, determined, determinable, or otherwise) for the infringement, misappropriation or other violation, of any Intellectual Property Rights of any other person; (vii) the Company and its subsidiaries use, and have used, commercially reasonable efforts to protect the confidentiality of their confidential information and other confidential information received from third parties, including maintaining the confidentiality of all information intended to be maintained as a trade secret.

(x) Except as set forth in the Prospectus, the Time of Sale Prospectus, or the Registration Statement, and except as in each case, would not reasonably be expected to have a material adverse effect on the Company and its subsidiaries, taken as a whole, (i) the Company and its subsidiaries use and have used any and all software and other materials distributed or made available under or subject to a "free," "open source," or similar licensing model (including but not limited to those being considered an open source software licenses by the Open Source Initiate or a free software license by the Free Software Foundation such as the MIT License, Apache License, GNU General Public License, GNU Lesser General Public License and GNU Affero General Public License) (collectively, "**Open Source Software**") in material compliance with all license terms applicable to such Open Source Software; and (ii) neither the Company nor any of its subsidiaries uses or distributes any Open Source Software in any manner that, as a result or condition of such use or distribution, requires or has required (A) the Company or any

of its subsidiaries to permit reverse engineering, decompiling, disassembling, or deriving of any software code or other technology owned by the Company or any of its subsidiaries or (B) any software code or other technology owned by the Company or any of its subsidiaries to be (1) disclosed or distributed in source code form; (2) licensed for the purpose of making derivative works; or (3) redistributed or otherwise made available at no or nominal charge.

(y) (i) The Company and each of its subsidiaries have complied and are presently in material compliance with all internal and external privacy policies, contractual obligations, industry standards, applicable laws, statutes, judgments, orders, rules and regulations of any court or arbitrator or other governmental or regulatory authority and any other legal obligations, in each case, relating to the collection, use, transfer, import, export, storage, protection, disposal and disclosure by the Company or any of its subsidiaries of personal, personally identifiable, household, sensitive, confidential or regulated data ("**Data Security Obligations**", and such data, "**Data**"); (ii) the Company has not received any notification of or complaint regarding and is unaware of any other facts that, individually or in the aggregate, would reasonably indicate non-compliance with any Data Security Obligation; and (iii) of there is no action, suit or proceeding by or before any court or governmental agency, authority or body pending or threatened alleging non-compliance with any Data Security Obligation.

(z) The Company and each of its subsidiaries have taken all technical and organizational measures reasonably necessary to protect the information technology systems and Data used in connection with the operation of the Company's and its subsidiaries' businesses. Without limiting the foregoing, the Company and its subsidiaries have used reasonable efforts to establish and maintain, and have established, maintained, implemented and complied with, reasonable physical, administrative, information technology, information security, cyber security and data protection controls, policies and procedures, including oversight, access controls, encryption, technological and physical safeguards and business continuity/disaster recovery and security plans that are designed to protect against and prevent breach, incidents, destruction, loss, unauthorized distribution, use, access, disablement, disclosure, misappropriation or modification, or other compromise or misuse of or relating to Data and the assets, equipment, computers, systems, networks, hardware, software, websites, applications, technology, data and databases, including the data and information of their respective customers and employees and any sensitive third-party data collected, maintained, processed or stored by or on behalf of the Company and its subsidiaries (such event, a "**Breach**"). To the Company's knowledge, there has been no such Breach, and the Company and its subsidiaries have not been notified of and have no knowledge of any event or condition that would reasonably be expected to result in, any such Breach.

(aa) No material labor dispute with the employees of the Company or any of its subsidiaries exists, or, to the knowledge of the Company, is imminent; and the Company is not aware of any existing, threatened or imminent labor disturbance by the employees of any of its principal suppliers, manufacturers or contractors that could,

singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(bb) (i) Any "employee benefit plan" (within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended, and the regulations and published interpretations thereunder (collectively, "**ERISA**")) established or maintained by the Company, its subsidiaries or their respective ERISA Affiliates (as defined below) or as to which the Company and any of its subsidiaries have any liability (an "**Employee Benefit Plan**") is and has been operated in compliance with its terms and all applicable laws, including ERISA and the Internal Revenue Code of 1986, as amended (the "**Code**"); (ii) no "reportable event" (as defined under ERISA) has occurred or is reasonably expected to occur with respect to any Employee Benefit Plan; (iii) no failure to satisfy the minimum funding standards (within the meaning of Section 412 of the Code or Section 302 of ERISA), whether or not waived, has occurred or is reasonably expected to occur with respect to any Employee Benefit Plan; (iv) the fair market value of the assets under each Employee Benefit Plan (excluding, for these purposes, accrued but unpaid contributions) exceeds the present value of all benefits accrued under such Employee Benefit Plan (determined based on those assumptions most recently used to fund such Employee Benefit Plan); (v) neither the Company, its subsidiaries nor any of their ERISA Affiliates has incurred or reasonably expects to incur any liability under (x) Title IV of ERISA with respect to termination of, or withdrawal from, any Employee Benefit Plan, (y) Sections 412, 430, 4971, 4975 or 4980B of the Code or (z) Sections 302, 303, 406, 4063 or 4064 of ERISA; (f) each Employee Benefit Plan that is intended to be qualified under Section 401(a) of the Code is so qualified and nothing has occurred, whether by action or failure to act, which would reasonably be expected to cause the loss of such qualification; (vi) there is no pending audit or investigation by the Internal Revenue Service, the U.S. Department of Labor, the Pension Benefit Guaranty Corporation or any other governmental or other regulatory entity or agency with respect to any Employee Benefit Plan; and (vii) neither the Company nor any of its subsidiaries have any "accumulated post-retirement benefit obligations" (within the meaning of Statement of Financial Accounting Standards 106). For the purposes of this Section, "**ERISA Affiliate**" means, with respect to the Company or any of its subsidiaries, any Person or trade or business treated together with the Company or any of its subsidiaries as a single employer under Sections 414(b), (c), (m) or (o) of the Code or under common control for purposes of Title IV of ERISA.

(cc) The Company and each of its subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as the Company reasonably believes are prudent and customary in the businesses in which they are engaged; neither the Company nor any of its subsidiaries has been refused any insurance coverage sought or applied for; and neither the Company nor any of its subsidiaries has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not,

singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(dd) The Company and its subsidiaries, taken as a whole, possess all certificates, authorizations and permits issued by the appropriate federal, state or foreign regulatory authorities necessary to conduct their respective businesses, except where the failure to obtain such certificates, authorizations or permits would not reasonably be expected to, singly or in the aggregate, have a material adverse effect on the Company and its subsidiaries, taken as a whole, and neither the Company nor any of its subsidiaries has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a material adverse effect on the Company and its subsidiaries, taken as a whole.

(ee) The financial statements included in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus, together with the related schedules and notes thereto, comply as to form in all material respects with the applicable accounting requirements of the Securities Act and present fairly the consolidated financial position of the Company and its subsidiaries as of the dates shown and its results of operations and cash flows for the periods shown, and such financial statements have been prepared in conformity with generally accepted accounting principles in the United States (“**U.S. GAAP**”) applied on a consistent basis throughout the periods covered thereby except for any normal year-end adjustments in the Company’s quarterly financial statements. The other financial information included in the Registration Statement, the Time of Sale Prospectus and the Prospectus has been derived from the accounting records of the Company and its consolidated subsidiaries and presents fairly in all material respects the information shown thereby; all disclosures included in the Registration Statement, the Time of Sale Prospectus and the Prospectus regarding “non-GAAP financial measures” (as such term is defined by the rules and regulations of Commission) comply with Regulation G of the Exchange Act and Item 10 of Regulation S-K of the Securities Act, to the extent applicable The pro forma financial statements and the related notes thereto included in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus present fairly the information shown therein, have been prepared in accordance with the Commission’s rules and guidelines with respect to pro forma financial statements and have been properly compiled on the bases described therein, and the assumptions used in the preparation thereof are reasonable and the adjustments used therein are appropriate to give effect to the transactions and circumstances referred to therein. The statistical, industry-related and market-related data included in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus are based on or derived from sources which the Company reasonably and in good faith believes are reliable and accurate and such data is consistent with the sources from which they are derived, in each case in all material respects.

(ff) Deloitte & Touche LLP, who have certified certain financial statements of the Company and its subsidiaries and delivered its report with respect to the audited

consolidated financial statements and schedules filed with the Commission as part of the Registration Statement and included in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus, is an independent registered public accounting firm with respect to the Company within the meaning of the Securities Act and the applicable rules and regulations thereunder adopted by the Commission and the Public Company Accounting Oversight Board (United States).

(gg) The Company and its subsidiaries, as a whole, maintain a system of internal accounting controls designed to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with U.S. GAAP and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus, since the end of the Company's most recent audited fiscal year, there has been (i) no material weakness in the Company's internal control over financial reporting (whether or not remediated) and (ii) 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.

(hh) Except as described in the Registration Statement, the Time of Sale Prospectus and the Prospectus, the Company has not sold, issued or distributed any shares of Common Stock during the six-month period preceding the date hereof, including any sales pursuant to Rule 144A under, or Regulation D or S of, the Securities Act, other than shares issued pursuant to employee benefit plans, qualified stock option plans or other employee compensation plans or pursuant to outstanding options, rights or warrants.

(ii) Neither the Company nor any of its subsidiaries is (i) in violation of its charter or by-laws or similar organizational documents; (ii) in default, and no event has occurred that, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement 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 property or asset of the Company or any of its subsidiaries is subject; or (iii) in violation of any law or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority, except, in the case of clauses (ii) and (iii) above, for any such default or violation that would not, individually or in the aggregate, have a material adverse effect.

(jj) The Registration Statement, the Prospectus, the Time of Sale Prospectus and any preliminary prospectus comply, and any amendments or supplements thereto will comply, with any applicable laws or regulations of foreign jurisdictions in which the Prospectus, the Time of Sale Prospectus or any preliminary prospectus, as amended or

supplemented, if applicable, are distributed in connection with the Directed Share Program.

(kk) No consent, approval, authorization or order of, or qualification with, any governmental body or agency, other than those obtained, is required in connection with the offering of the Directed Shares in any jurisdiction where the Directed Shares are being offered.

(ll) The Company has not offered, or caused J.P. Morgan or any J.P. Morgan Entity as defined in Section 9 to offer, Shares to any person pursuant to the Directed Share Program with the specific intent to unlawfully influence (i) a customer or supplier of the Company to alter the customer's or supplier's level or type of business with the Company, or (ii) a trade journalist or publication to write or publish favorable information about the Company or its products.

(mm) 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, reasonably be expected to 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, reasonably be expected to 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 notice or knowledge of any tax deficiency which would reasonably be expected to be determined adversely to the Company or its subsidiaries and which would reasonably be expected to have) a material adverse effect on the Company and its subsidiaries, taken as a whole.

(nn) No subsidiary of the Company is currently prohibited, directly or indirectly, under any agreement or other instrument to which it is a party or is subject, from paying any dividends to the Company, from making any other distribution on such subsidiary's capital stock or similar ownership interest, from repaying to the Company any loans or advances to such subsidiary from the Company or from transferring any of such subsidiary's properties or assets to the Company or any other subsidiary of the Company.

(oo) From the time of initial confidential submission of the Registration Statement to the Commission (or, if earlier, the first date on which the Company engaged directly or through any person authorized to act on its behalf in any Testing-the-Waters Communication) through the date hereof, the Company has been and is an "emerging growth company," as defined in Section 2(a) of the Securities Act (an "**Emerging Growth Company**"). "**Testing-the-Waters Communication**" means any oral or written

communication with potential investors undertaken in reliance on Section 5(d) of the Securities Act.

(pp) The Company (i) has not alone engaged in any Testing-the-Waters Communication with any person other than Testing-the-Waters Communications with the consent of the Representatives with entities that are reasonably believed to be qualified institutional buyers within the meaning of Rule 144A under the Securities Act or institutions that are reasonably believed to be accredited investors within the meaning of Rule 501 under the Securities Act and (ii) has not authorized anyone other than the Representatives to engage in Testing-the-Waters Communications. The Company reconfirms that the Representatives has been authorized to act on its behalf in undertaking Testing-the-Waters Communications. The Company has not distributed any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405 under the Securities Act other than those listed on Schedule II hereto.

(qq) As of the time of each sale of the Shares in connection with the offering when the Prospectus is not yet available to prospective purchasers, none of (A) the Time of Sale Prospectus, (B) any free writing prospectus, when considered together with the Time of Sale Prospectus, and (C) any individual Testing-the-Waters Communication, when considered together with the Time of Sale Prospectus, included, includes or will include an untrue statement of a material fact or omitted, omits or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

2. *Agreements to Sell and Purchase.* The Company hereby agrees to sell to the several Underwriters, and each Underwriter, upon the basis of the representations and warranties herein contained, but subject to the terms and conditions hereinafter stated, agrees, severally and not jointly, to purchase from the Company the respective numbers of Firm Shares set forth in Schedule I hereto opposite its name at $[ ] a share (the "**Purchase Price**").

On the basis of the representations and warranties contained in this Agreement, and subject to its terms and conditions, the Company agrees to sell to the Underwriters the Additional Shares, and the Underwriters shall have the right to purchase, severally and not jointly, up to [], Additional Shares at the Purchase Price, provided, however, that the amount paid by the Underwriters for any Additional Shares shall be reduced by an amount per share equal to any dividends declared by the Company and payable on the Firm Shares but not payable on such Additional Shares. The Representatives may exercise this right on behalf of the Underwriters in whole or from time to time in part by giving written notice not later than 30 days after the date of this Agreement. Any exercise notice shall specify the number of Additional Shares to be purchased by the Underwriters and the date on which such shares are to be purchased. Each purchase date must be at least one business day after the written notice is given and may not be earlier than the closing date for the Firm Shares or later than ten business days after the date of such notice. Additional Shares may be purchased as provided in Section 4 hereof solely for the purpose of covering over-allotments made in connection with the offering of the Firm Shares. On each day, if any, that Additional Shares are to be purchased (an "**Option Closing Date**"), each

Underwriter agrees, severally and not jointly, to purchase the number of Additional Shares (subject to such adjustments to eliminate fractional shares as the Representatives may determine) that bears the same proportion to the total number of Additional Shares to be purchased on such Option Closing Date as the number of Firm Shares set forth in Schedule I hereto opposite the name of such Underwriter bears to the total number of Firm Shares.

3. *Terms of Public Offering*. The Company is advised by the Representatives that the Underwriters propose to make a public offering of their respective portions of the Shares as soon after the Registration Statement and this Agreement have become effective as in the Representatives' judgment is advisable. The Company is further advised by the Representatives that the Shares are to be offered to the public initially at $[] a share (the "**Public Offering Price**") and to certain dealers selected by the Representatives at a price that represents a concession not in excess of $[] a share under the Public Offering Price, and that any Underwriter may allow, and such dealers may reallow, a concession, not in excess of $[] a share, to any Underwriter or to certain other dealers.

4. *Payment and Delivery.* Payment for the Firm Shares shall be made to the Company in Federal or other funds immediately available in New York City against delivery of such Firm Shares for the respective accounts of the several Underwriters at 10:00 a.m., New York City time, on [], 2020,[1] or at such other time on the same or such other date, not later than [], 2020,[2] as shall be designated in writing by the Representatives. The time and date of such payment are hereinafter referred to as the "**Closing Date**."

Payment for any Additional Shares shall be made to the Company in Federal or other funds immediately available in New York City against delivery of such Additional Shares for the respective accounts of the several Underwriters at 10:00 a.m., New York City time, on the date specified in the corresponding notice described in Section 2 or at such other time on the same or on such other date, in any event not later than [], 2020,[3] as shall be designated in writing by the Representatives.

The Firm Shares and Additional Shares shall be registered in such names and in such denominations as the Representatives shall request in writing not later than one full business day prior to the Closing Date or the applicable Option Closing Date, as the case may be. The Firm Shares and Additional Shares shall be delivered to the Representatives on the Closing Date or an Option Closing Date, as the case may be, for the respective accounts of the several Underwriters, with any transfer taxes payable in connection with the transfer of the Shares to the Underwriters duly paid, against payment of the Purchase Price therefor.

5. *Conditions to the Underwriters' Obligations*. The obligations of the Company to sell the Shares to the Underwriters and the several obligations of the Underwriters to purchase and pay for the Shares on the Closing Date are subject to the condition that the Registration

[1] NTD: To insert date 2 business days or, in the event the offering is priced after 4:30 p.m. Eastern Time, 3 business days after date of Underwriting Agreement.
[2] NTD: To insert date 5 business days after the date inserted in accordance with preceding footnote.
[3] NTD: To insert date 10 business days after the expiration of the green shoe option.

Statement shall have become effective not later than [] (New York City time) on the date hereof.

The several obligations of the Underwriters are subject to the following further conditions:

(a) Subsequent to the execution and delivery of this Agreement and prior to the Closing Date:

(i) no order suspending the effectiveness of the Registration Statement shall be in effect, and no proceeding for such purpose or pursuant to Section 8A under the Securities Act shall be pending before or threatened by the Commission;

(ii) The Shares to be delivered on the Closing Date or the Additional Closing Date, as the case may be, shall have been approved for listing on the New York Stock Exchange, subject to official notice of issuance.

(iii) there shall not have occurred any downgrading, nor shall any notice have been given of any intended or potential downgrading or of any review for a possible change that does not indicate the direction of the possible change, in the rating accorded any of the securities of the Company or any of its subsidiaries by any "nationally recognized statistical rating organization," as such term is defined in Section 3(a)(62) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"); and

(iv) there shall not have occurred any change, or any development involving a prospective change, in the condition, financial or otherwise, or in the earnings, management, business or operations of the Company and its subsidiaries, taken as a whole, from that set forth in the Time of Sale Prospectus that, in the Representatives' judgment, is material and adverse and that makes it, in the Representatives' judgment, impracticable to market the Shares on the terms and in the manner contemplated in the Time of Sale Prospectus.

(b) The Underwriters shall have received on the Closing Date a certificate, dated the Closing Date and signed on behalf of the Company by an executive officer of the Company, to the effect set forth in Sections 5(a)(i) and 5(a)(ii) above and to the effect that the representations and warranties of the Company contained in this Agreement are true and correct as of the Closing Date and that the Company has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied hereunder on or before the Closing Date.

The officer signing and delivering such certificate may rely upon his or her knowledge as to proceedings threatened.

(c) The Underwriters shall have received on the Closing Date an opinion and negative assurance letter of Cooley LLP, outside counsel for the Company, dated the Closing Date, in form and substance reasonably satisfactory to the Representatives.

(d) The Underwriters shall have received on the Closing Date an opinion and negative assurance letter of Wilson Sonsini Goodrich & Rosati, P.C., counsel for the Underwriters, dated the Closing Date, in form and substance satisfactory to the Representatives.

With respect to the negative assurance letters to be delivered pursuant to Sections 5(c) and 5(d) above, Cooley LLP and Wilson Sonsini Goodrich & Rosati, P.C. may state that their opinions and beliefs are based upon their participation in the preparation of the Registration Statement, the Time of Sale Prospectus and the Prospectus and any amendments or supplements thereto and review and discussion of the contents thereof, but are without independent check or verification, except as specified.

The opinion of Cooley LLP described in Section 5(c) above shall be rendered to the Underwriters at the request of the Company and shall so state therein.

(e) The Underwriters shall have received, on each of the date hereof and the Closing Date, a letter dated the date hereof or the Closing Date, as the case may be, in form and substance satisfactory to the Underwriters, from Deloitte & Touche LLP, independent public accountants, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the Registration Statement, the Time of Sale Prospectus and the Prospectus; *provided* that the letter delivered on the Closing Date shall use a "cut-off date" not earlier than the date hereof.

(f) The "lock-up" agreements, each substantially in the form of Exhibit A hereto, between the Representatives and certain stockholders, officers and directors of the Company relating to restrictions on sales and certain other dispositions of shares of Common Stock or certain other securities, delivered to the Representatives on or before the date hereof (the "**Lock-up Agreements**"), shall be in full force and effect on the Closing Date.

(g) The representations and warranties of the Company contained herein shall be true and correct on the date hereof and on and as of the Closing Date and any Option Closing Date; and the statements of the Company and its officers made in any certificates delivered pursuant to this Agreement shall be true and correct on and as of the Closing Date and any Option Closing Date.

(h) The Underwriters shall have received, on the date hereof and on the Closing Date, a certificate of the principal financial officer, in form and substance reasonably satisfactory to the Representatives.

(i) Such other documents as the Representatives may reasonably request with respect to the good standing of the Company, the due authorization and issuance of the Shares to be sold on such Closing Date and other matters related to the issuance of such Shares.

(j) The several obligations of the Underwriters to purchase Additional Shares hereunder are subject to the delivery to the Representatives on the applicable Option Closing Date of the following:

(i) a certificate, dated the Option Closing Date and signed on behalf of the Company by an executive officer of the Company, confirming that the certificate delivered on the Closing Date pursuant to Section 5(b) hereof remains true and correct as of such Option Closing Date;

(ii) an opinion and negative assurance letter of Cooley LLP, outside counsel for the Company, dated the Option Closing Date, relating to the Additional Shares to be purchased on such Option Closing Date and otherwise to the same effect as the opinion and negative assurance letter required by Section 5(c) hereof;

(iii) an opinion and negative assurance letter of Wilson Sonsini Goodrich & Rosati, P.C., counsel for the Underwriters, dated the Option Closing Date, relating to the Additional Shares to be purchased on such Option Closing Date and otherwise to the same effect as the opinion and negative assurance letter required by Section 5(d) hereof;

(iv) a letter dated the Option Closing Date, in form and substance satisfactory to the Representatives, from Deloitte & Touche LLP, independent public accountants, substantially in the same form and substance as the letter furnished to the Underwriters pursuant to Section 5(e) hereof; *provided* that the letter delivered on the Option Closing Date shall use a "cut-off date" not earlier than two business days prior to such Option Closing Date;

(v) a certificate of the principal financial officer, in form and substance reasonably satisfactory to the Representatives; and

(vi) such other documents as the Representatives may reasonably request with respect to the good standing of the Company, the due authorization and issuance of the Additional Shares to be sold on such Option Closing Date and other matters related to the issuance of such Additional Shares.

6. *Covenants of the Company*. The Company covenants with each Underwriter as follows:

(a) To advise the Representatives promptly, and confirm such advice in writing of the issuance by the Commission or any other governmental or regulatory

authority of any order suspending the effectiveness of the Registration Statement or preventing or suspending the use of any Registration Statement, any preliminary prospectus, the Time of Sale Prospectus, any such issuer free writing prospectus or any Written Testing-the-Waters Communication or the initiation or threatening of any proceeding for that purpose or pursuant to Section 8A of the Securities Act;

(b) To furnish to the Representatives without charge, four signed copies of the Registration Statement (including exhibits thereto) and for delivery to each other Underwriter a conformed copy of the Registration Statement (without exhibits thereto) and to furnish to the Representatives in New York City, without charge, prior to 10:00 a.m. New York City time on the business day next succeeding the date of this Agreement and during the period mentioned in Section 6(d) or 6(f) below, as many copies of the Time of Sale Prospectus, the Prospectus and any supplements and amendments thereto or to the Registration Statement as the Representatives may reasonably request.

(c) Before amending or supplementing the Registration Statement, the Time of Sale Prospectus or the Prospectus, to furnish to the Representatives a copy of each such proposed amendment or supplement and not to file any such proposed amendment or supplement to which the Representatives reasonably object, and to file with the Commission within the applicable period specified in Rule 424(b) under the Securities Act any prospectus required to be filed pursuant to such Rule.

(d) To furnish to the Representatives a copy of each proposed free writing prospectus to be prepared by or on behalf of, used by, or referred to by the Company and not to use or refer to any proposed free writing prospectus to which the Representatives reasonably object.

(e) Not to take any action that would result in an Underwriter or the Company being required to file with the Commission pursuant to Rule 433(d) under the Securities Act a free writing prospectus prepared by or on behalf of the Underwriter that the Underwriter otherwise would not have been required to file thereunder.

(f) If the Time of Sale Prospectus is being used to solicit offers to buy the Shares at a time when the Prospectus is not yet available to prospective purchasers and any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Time of Sale Prospectus in order to make the statements therein, in the light of the circumstances, not misleading, or if any event shall occur or condition exist as a result of which the Time of Sale Prospectus conflicts with the information contained in the Registration Statement then on file, or if, in the reasonable opinion of counsel for the Underwriters, it is necessary to amend or supplement the Time of Sale Prospectus to comply with applicable law, forthwith to prepare, file with the Commission and furnish, at its own expense, to the Underwriters and to any dealer upon request, either amendments or supplements to the Time of Sale Prospectus so that the statements in the Time of Sale Prospectus as so amended or supplemented will not, in the light of the circumstances when the Time of Sale Prospectus is delivered to a prospective purchaser,

be misleading or so that the Time of Sale Prospectus, as amended or supplemented, will no longer conflict with the Registration Statement, or so that the Time of Sale Prospectus, as amended or supplemented, will comply with applicable law.

(g) If, during such period after the first date of the public offering of the Shares as in the reasonable opinion of counsel for the Underwriters the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) of the Securities Act) is required by law to be delivered in connection with sales by an Underwriter or dealer, any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Prospectus in order to make the statements therein, in the light of the circumstances when the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) of the Securities Act) is delivered to a purchaser, not misleading, or if, in the reasonable opinion of counsel for the Underwriters, it is necessary to amend or supplement the Prospectus to comply with applicable law, forthwith to prepare, file with the Commission and furnish, at its own expense, to the Underwriters and to the dealers (whose names and addresses the Representatives will furnish to the Company) to which Shares may have been sold by the Representatives on behalf of the Underwriters and to any other dealers upon request, either amendments or supplements to the Prospectus so that the statements in the Prospectus as so amended or supplemented will not, in the light of the circumstances when the Prospectus (or in lieu thereof the notice referred to in Rule 173(a) of the Securities Act) is delivered to a purchaser, be misleading or so that the Prospectus, as amended or supplemented, will comply with applicable law.

(h) The Company will file the Prospectus with the Commission within the time periods specified by Rule 424(b) and Rule 430A, 430B or 430C under the Securities Act, will file any issuer free writing prospectus to the extent required by Rule 433 under the Securities Act; and the Company will furnish copies of the Prospectus and each issuer free writing prospectus (to the extent not previously delivered) to the Underwriters in New York City prior to 10:00 A.M., New York City time, on the business day next succeeding the date of this Agreement in such quantities as the Representative may reasonably request. The Company will pay the registration fee for this offering within the time period required by Rule 456(b)(1) under the Securities Act (without giving effect to the proviso therein) and in any event prior to the Closing Date.

(i) The Company will apply the net proceeds from the sale of the Shares as described in each of the Registration Statement, the Time of Sale Prospectus and the Prospectus under the heading “Use of Proceeds.”

(j) Neither the Company nor its subsidiaries or affiliates has taken or will take, directly or indirectly, any action designed to or that would reasonably be expected to cause or result in any stabilization or manipulation of the price of the Shares, provided, however, that the Company makes no such representation or warranty with respect to the actions of any Underwriter or affiliate or agent of any Underwriter acting on behalf of such Underwriter.

(k) To endeavor to qualify the Shares for offer and sale under the securities or Blue Sky laws of such jurisdictions as the Representatives shall reasonably request.

(l) The Company will use its reasonable best efforts to list, subject to notice of issuance, the Shares on the New York Stock Exchange.

(m) So long as the Shares are outstanding, the Company will furnish to the Representative, as soon as they are available, copies of all reports or other communications (financial or other) furnished to holders of the Shares, and copies of any reports and financial statements furnished to or filed with the Commission or any national securities exchange or automatic quotation system; provided the Company will be deemed to have furnished such reports and financial statements to the Representative to the extent they are filed on the Commission's Electronic Data Gathering, Analysis, and Retrieval system.

(n) The Company will, pursuant to reasonable procedures developed in good faith, retain copies of each issuer free writing prospectus that is not filed with the Commission in accordance with Rule 433 under the Securities Act.

(o) To make generally available to the Company's security holders and to the Representatives as soon as practicable an earnings statement covering a period of at least twelve months beginning with the first fiscal quarter of the Company occurring after the date of this Agreement which shall satisfy the provisions of Section 11(a) of the Securities Act and the rules and regulations of the Commission thereunder.

(p) To comply with all applicable securities and other laws, rules and regulations in each jurisdiction in which the Directed Shares are offered in connection with the Directed Share Program.

(q) Whether or not the transactions contemplated in this Agreement are consummated or this Agreement is terminated, to pay or cause to be paid all expenses incident to the performance of its obligations under this Agreement, including: (i) the fees, disbursements and expenses of the Company's counsel and the Company's accountants in connection with the registration and delivery of the Shares under the Securities Act and all other fees or expenses in connection with the preparation and filing of the Registration Statement, any preliminary prospectus, the Time of Sale Prospectus, the Prospectus, any free writing prospectus prepared by or on behalf of, used by, or referred to by the Company and amendments and supplements to any of the foregoing, including all printing costs associated therewith, and the mailing and delivering of copies thereof to the Underwriters and dealers, in the quantities hereinabove specified, (ii) all costs and expenses related to the transfer and delivery of the Shares to the Underwriters, including any transfer or other taxes payable thereon, (iii) the reasonable cost of printing or producing any Blue Sky or Legal Investment memorandum in connection with the offer and sale of the Shares under state securities laws and all expenses in connection with the qualification of the Shares for offer and sale under state securities laws as provided in Section 6(k) hereof, including filing fees and the reasonable and documented

fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky or Legal Investment memorandum, (iv) all filing fees and the reasonable fees and disbursements of counsel to the Underwriters incurred in connection with the review and qualification of the offering of the Shares by the Financial Industry Regulatory Authority (provided that the amount payable by the Company with respect to fees and disbursements of counsel for the Underwriters pursuant to (iii) and (iv) shall not exceed $35,000), (v) all fees and expenses in connection with the preparation and filing of the registration statement on Form 8-A relating to the Common Stock and all costs and expenses incident to listing the Shares on the NYSE/NYSE American/the Nasdaq Global Market and other national securities exchanges and foreign stock exchanges, (vi) the cost of printing certificates representing the Shares, (vii) the costs and charges of any transfer agent, registrar or depositary, (viii) the costs and expenses of the Company relating to investor presentations on any "road show" undertaken in connection with the marketing of the offering of the Shares, including, without limitation, expenses associated with the preparation or dissemination of any electronic road show, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show presentations with the prior approval of the Company, travel and lodging expenses of the representatives and officers of the Company and any such consultants, and the cost of any aircraft chartered in connection with the road show, (ix) the document production charges and expenses associated with printing this Agreement, (x) all fees and disbursements of counsel incurred by the Underwriters in connection with the Directed Share Program and stamp duties, similar taxes or duties or other taxes, if any, incurred by the Underwriters in connection with the Directed Share Program, and (xi) all other costs and expenses incident to the performance of the obligations of the Company hereunder for which provision is not otherwise made in this Section. It is understood, however, that except as provided in this Section, Section 8 entitled "Indemnity and Contribution", Section 9 entitled "Directed Share Program Indemnification" and the last paragraph of Section 11 below, the Underwriters will pay all of their costs and expenses, including fees and disbursements of their counsel, stock transfer taxes payable on resale of any of the Shares by them and any advertising expenses connected with any offers they may make.

(r) The Company will promptly notify the Representatives if the Company ceases to be an Emerging Growth Company at any time prior to the later of (i) completion of the distribution of the Shares within the meaning of the Securities Act and (ii) completion of the Restricted Period (as defined in this Section 6).

(s) If at any time following the distribution of any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405 under the Securities Act there occurred or occurs an event or development as a result of which such Testing-the-Waters Communication included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at that subsequent time, not misleading, the Company will promptly notify the Representatives and will

promptly amend or supplement, at its own expense, such Testing-the-Waters Communication to eliminate or correct such untrue statement or omission.

(t) The Company will deliver to each Underwriter (or its agent), on the date of execution of this Agreement, a properly completed and executed Certification Regarding Beneficial Owners of Legal Entity Customers, together with copies of identifying documentation, and the Company undertakes to provide such additional supporting documentation as each Underwriter may reasonably request in connection with the verification of the foregoing Certification.

The Company also covenants with each Underwriter that, without the prior written consent of Morgan Stanley and J.P. Morgan on behalf of the Underwriters, it will not, and will not publicly disclose an intention to, during the period ending 180 days after the date of the Prospectus (the "**Restricted Period**"), (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise or (3) submit or file any registration statement with the Commission relating to the offering of any shares of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock.

The restrictions contained in the preceding paragraph shall not apply to (A) the Shares to be sold hereunder, (B) the issuance by the Company of shares of Common Stock upon the exercise of an option or warrant or the conversion of a security outstanding on the date hereof as described in each of the Time of Sale Prospectus and Prospectus, (C) the grant of options, restricted stock units or any other type of equity award described in the Time of Sale Prospectus and Prospectus, or the issuance of shares of Common Stock by the Company (whether upon the exercise of stock options or otherwise) to employees, officers, directors, advisors or consultants of the Company pursuant to employee benefit plans in effect on the date hereof and described in the Time of Sale Prospectus and the Prospectus; *provided* that each recipient of Common Stock pursuant to this clause (C) shall execute a lock-up agreement substantially in the form of Exhibit A hereto with respect to the remaining portion of the Restricted Period, (D) the filing by the Company of a registration statement on Form S-8 relating to the issuance, vesting, exercise or settlement of equity awards granted or to be granted pursuant to any employee benefit plan in effect on the date hereof and described in the Time of Sale Prospectus, (E) facilitating the establishment of a trading plan on behalf of a stockholder, officer or director of the Company pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of Common Stock, *provided* that (i) such plan does not provide for the transfer of Common Stock during the Restricted Period and (ii) to the extent a public announcement or filing under the Exchange Act, if any, is required of or voluntarily made by the Company regarding the establishment of such plan, such announcement or filing shall include a statement to the effect that no transfer of Common Stock may be made under such plan during the Restricted Period, or (F) the sale or

issuance of or entry into an agreement to sell or issue Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock in connection with one or more mergers; acquisitions of securities, businesses, property or other assets, products or technologies; joint ventures; commercial relationships or other strategic corporate transactions or alliances; *provided* that the aggregate amounts of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock (on an as-converted, as-exercised or as-exchanged basis) that the Company may sell or issue or agree to sell or issue pursuant to this clause (F) shall not exceed 10% of the total number of shares of Common Stock of the Company issued and outstanding immediately following the completion of the transactions contemplated by this Agreement determined on a fully-diluted basis, and *provided further* that each recipient of Common Stock or any securities convertible into or exercisable or exchangeable for Common Stock pursuant to this clause (F) shall execute a lock-up agreement substantially in the form of Exhibit A hereto with respect to the remaining portion of the Restricted Period.

If Morgan Stanley and J.P. Morgan, together in their sole discretion, agree to release or waive the restrictions on the transfer of Shares set forth in a Lock-up Agreement for an officer or director of the Company and provides 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 Exhibit B hereto through a major news service at least two business days before the effective date of the release or waiver.

7. *Covenants of the Underwriters*. Each Underwriter, severally and not jointly, covenants with the Company not to take any action that would result in the Company being required to file with the Commission under Rule 433(d) a free writing prospectus prepared by or on behalf of such Underwriter that otherwise would not be required to be filed by the Company thereunder, but for the action of the Underwriter.

8. *Indemnity and Contribution.*

(a) The Company agrees to indemnify and hold harmless each Underwriter, each person, if any, who controls any Underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act and each director, officer or affiliate of any Underwriter within the meaning of Rule 405 under the Securities Act from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim) that arise out of, or are based upon, any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any amendment thereof, any preliminary prospectus, the Time of Sale Prospectus or any amendment or supplement thereto, any issuer free writing prospectus as defined in Rule 433(h) under the Securities Act, any Company information that the Company has filed, or is required to file, pursuant to Rule 433(d) under the Securities Act, any road show as defined in Rule 433(h) under the Securities Act (a "**road show**"), the Prospectus or any amendment or supplement thereto, or any Testing-the-Waters Communication, or arise out of, or are based upon, any

omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such losses, claims, damages or liabilities arise out of, or are based upon, any such untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use therein, it being understood and agreed that the only such information furnished by the Underwriters through the Representatives consists of the information described as such in paragraph (b) below.

(b) Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, its directors, its officers who sign the Registration Statement and each person, if any, who controls the Company within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the foregoing indemnity from the Company to such Underwriter, 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 third paragraph under the caption "Underwriting" and the information contained in the fourteenth paragraph under the caption "Underwriting."

(c) In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to Section 8(a) or 8(b), such person (the "**indemnified party**") shall promptly notify the person against whom such indemnity may be sought (the "**indemnifying party**") in writing and the indemnifying party, upon request of the indemnified party, shall retain counsel reasonably satisfactory to the indemnified party to represent the indemnified party and any others the indemnifying party may designate in such proceeding and shall pay the reasonably incurred, documented fees and disbursements of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the indemnifying party and the indemnified party shall have mutually agreed in writing to the retention of such counsel; (ii) the Indemnifying Person has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Person; (iii) the Indemnified Person shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the Indemnifying Person; or (iv) the named parties to any such proceeding (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the indemnifying party shall not, in respect of the legal expenses of any indemnified party in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all such indemnified parties and that all such fees and expenses shall be reimbursed as they are incurred. Such firm shall be designated in

writing by the Representatives, in the case of parties indemnified pursuant to Section 8(a), and by the Company, in the case of parties indemnified pursuant to Section 8(b). The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an indemnified party shall have requested an indemnifying party to reimburse the indemnified party for fees and expenses of counsel as contemplated by the second and third sentences of this paragraph, the indemnifying party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by such indemnifying party of the aforesaid request and (ii) such indemnifying party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding and does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) To the extent the indemnification provided for in Section 8(a) or 8(b) is unavailable to an indemnified party or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each indemnifying party under such paragraph, in lieu of indemnifying such indemnified party thereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (i) 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 hand from the offering of the Shares or (ii) if the allocation provided by clause 8(d)(i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause 8(d)(i) above but also the relative fault of the Company on the one hand and of the Underwriters on the other hand in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, 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 hand in connection with the offering of the Shares shall be deemed to be in the same respective proportions as the net proceeds from the offering of the Shares (after deducting underwriting discounts and commissions but before deducting expenses) received by the Company and the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover of the Prospectus, bear to the aggregate Public Offering Price of the Shares. The relative fault of the Company on the one hand and the Underwriters on the other hand 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 or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Underwriters' respective obligations to contribute pursuant to this Section 8 are several in proportion to the respective number of Shares they have purchased hereunder, and not joint.

(e) The Company and the Underwriters agree that it would not be just or equitable if contribution pursuant to this Section 8 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 that does not take account of the equitable considerations referred to in Section 8(d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in Section 8(d) shall be deemed to include, subject to the limitations set forth above, 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 Section 8, 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 that 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 Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The remedies provided for in this Section 8 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

(f) The indemnity and contribution provisions contained in this Section 8 and the representations, warranties and other statements of the Company contained in this Agreement shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of any Underwriter, any person controlling any Underwriter or any director, officer, or affiliate of any Underwriter or by or on behalf of the Company, its officers or directors or any person controlling the Company and (iii) acceptance of and payment for any of the Shares.

9. *Directed Share Program Indemnification.* (a) The Company agrees to indemnify and hold harmless J.P. Morgan, its affiliates, directors and officers and each person, if any, who controls J.P. Morgan within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act (each a "J.P. Morgan Entity") from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal fees and other expenses incurred in connection with defending or investigating any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred) (i) caused by any untrue statement or alleged untrue statement of a material fact contained in any material prepared by or with the consent of the Company for distribution to Participants in connection with the Directed Share Program or caused by any omission or alleged omission to state therein a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(ii) caused by the failure of any Participant to pay for and accept delivery of Directed Shares that the Participant agreed to purchase; or (iii) related to, arising out of, or in connection with the Directed Share Program, other than losses, claims, damages or liabilities (or expenses relating thereto) that are finally judicially determined to have resulted from the bad faith or gross negligence of the J.P. Morgan Entities.

(b) In case any proceeding (including any governmental investigation) shall be instituted involving any J.P. Morgan Entity in respect of which indemnity may be sought pursuant to Section 9(a) above, the J.P. Morgan Entity seeking indemnity shall promptly notify the Company in writing and the Company, upon request of the J.P. Morgan Entity, shall retain counsel reasonably satisfactory to the J.P. Morgan Entity to represent the J.P. Morgan Entity and any others the Company may designate in such proceeding and shall pay the reasonable fees and disbursements of such counsel related to such proceeding. In any such proceeding, any J.P. Morgan Entity shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such J.P. Morgan Entity unless (i) the Company and such J.P. Morgan Entity shall have mutually agreed to the retention of such counsel, (ii) the Company has failed within a reasonable time to retain counsel reasonably satisfactory to such J.P. Morgan Entity, (iii) the J.P. Morgan Entity shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the Company or (iv) the named parties to any such proceeding (including any impleaded parties) include both the Company and the J.P. Morgan Entity and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. The Company shall not, in respect of the legal expenses of the J.P. Morgan Entities in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all J.P. Morgan Entities. The Company shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent, the Company agrees to indemnify the J.P. Morgan Entities from and against any loss or liability by reason of such settlement. Notwithstanding the foregoing sentence, if at any time any J.P. Morgan Entity shall have requested the Company to reimburse such J.P. Morgan Entity for fees and expenses of counsel as contemplated by the second and third sentences of this paragraph, the Company agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by the Company of the aforesaid request and (ii) the Company shall not have reimbursed such J.P. Morgan Entity in accordance with such request prior to the date of such settlement. The Company shall not, without the prior written consent of the J.P. Morgan, effect any settlement of any pending or threatened proceeding in respect of which any J.P. Morgan Entity is or could have been a party and indemnity could have been sought hereunder by such J.P. Morgan Entity, unless (x) such settlement includes an unconditional release of the J.P. Morgan Entities from all liability on claims that are the subject matter of such proceeding and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of the J.P. Morgan Entity.

(c) To the extent the indemnification provided for in Section 9(a) above is unavailable to a J.P. Morgan Entity or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then the Company in lieu of indemnifying the J.P. Morgan Entity thereunder, shall contribute to the amount paid or payable by the J.P. Morgan Entity as a result of such losses, claims, damages or liabilities (1) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the J.P. Morgan Entities on the other hand from the offering of the Directed Shares or (2) if the allocation provided by clause 9(c)(1) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause 9(c)(1) above but also the relative fault of the Company on the one hand and of the J.P. Morgan Entities on the other hand in connection with any statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the J.P. Morgan Entities on the other hand in connection with the offering of the Directed Shares shall be deemed to be in the same respective proportions as the net proceeds from the offering of the Directed Shares (before deducting expenses) and the total underwriting discounts and commissions received by the J.P. Morgan Entities for the Directed Shares, bear to the aggregate public offering price of the Directed Shares. If the loss, claim, damage or liability is caused by an untrue or alleged untrue statement of material fact or the omission or alleged omission to state a material fact, the relative fault of the Company on the one hand and the J.P. Morgan Entities on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement or the omission or alleged omission relates to information supplied by the Company or by the J.P. Morgan Entities and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(d) The Company and the J.P. Morgan Entities agree that it would be not just or equitable if contribution pursuant to Section 9(c) above were determined by pro rata allocation (even if the J.P. Morgan Entities were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in Section 9(c) above. The amount paid or payable by the J.P. Morgan Entities as a result of the losses, claims, damages and liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by the J.P. Morgan Entities in connection with investigating or defending such any action or claim. Notwithstanding the provisions of Section 9(c) above, no J.P. Morgan Entity shall be required to contribute any amount in excess of the amount by which the total price at which the Directed Shares distributed to the public were offered to the public exceeds the amount of any damages that such J.P. Morgan Entity has otherwise been required to pay. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The remedies provided for in Section 9(a) through (d) are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

(e) The indemnity and contribution provisions contained in Section 9 (a) through (d) shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of any J.P. Morgan Entity or the Company, its officers or directors or any person controlling the Company and (iii) acceptance of and payment for any of the Directed Shares.

10. *Termination*. The Underwriters may terminate this Agreement by notice given by the Representatives to the Company, if after the execution and delivery of this Agreement and prior to or on the Closing Date or any Option Closing Date, as the case may be, (i) trading generally shall have been suspended or materially limited on, or by, as the case may be, any of the New York Stock Exchange, the NYSE American, the Nasdaq Global Market, or other relevant exchanges, (ii) trading of any securities of the Company shall have been suspended on any exchange or in any over-the-counter market, (iii) a material disruption in securities settlement, payment or clearance services in the United States or other relevant jurisdiction shall have occurred, (iv) any moratorium on commercial banking activities shall have been declared by Federal or New York State authorities or (v) there shall have occurred any outbreak or escalation of hostilities, or any change in financial markets or any calamity or crisis that, in the Representatives' judgment, is material and adverse and which, singly or together with any other event specified in this clause (v), makes it, in the Representatives' judgment, impracticable or inadvisable to proceed with the offer, sale or delivery of the Shares on the terms and in the manner contemplated in the Time of Sale Prospectus or the Prospectus.

11. *Effectiveness; Defaulting Underwriters*. This Agreement shall become effective upon the execution and delivery hereof by the parties hereto.

If, on the Closing Date or an Option Closing Date, as the case may be, any one or more of the Underwriters shall fail or refuse to purchase Shares that it has or they have agreed to purchase hereunder on such date, and the aggregate number of Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase is not more than one-tenth of the aggregate number of the Shares to be purchased on such date, the other Underwriters shall be obligated severally in the proportions that the number of Firm Shares set forth opposite their respective names in Schedule I bears to the aggregate number of Firm Shares set forth opposite the names of all such non-defaulting Underwriters, or in such other proportions as the Representatives may specify, to purchase the Shares which such defaulting Underwriter or Underwriters agreed but failed or refused to purchase on such date; *provided* that in no event shall the number of Shares that any Underwriter has agreed to purchase pursuant to this Agreement be increased pursuant to this Section 11 by an amount in excess of one-ninth of such number of Shares without the written consent of such Underwriter. If, on the Closing Date, any Underwriter or Underwriters shall fail or refuse to purchase Firm Shares and the aggregate number of Firm Shares with respect to which such default occurs is more than one-tenth of the aggregate number of Firm Shares to be purchased on such date, and arrangements satisfactory to the Representatives and the Company for the purchase of such Firm Shares are not made within 36 hours after such default, this Agreement shall terminate without liability on the part of any non-defaulting Underwriter or the Company. In any such case either the Representatives or the Company shall have the right to postpone the Closing Date, but in no event for longer than seven

days, in order that the required changes, if any, in the Registration Statement, in the Time of Sale Prospectus, in the Prospectus or in any other documents or arrangements may be effected. If, on an Option Closing Date, any Underwriter or Underwriters shall fail or refuse to purchase Additional Shares and the aggregate number of Additional Shares with respect to which such default occurs is more than one-tenth of the aggregate number of Additional Shares to be purchased on such Option Closing Date, the non-defaulting Underwriters shall have the option to (i) terminate their obligation hereunder to purchase the Additional Shares to be sold on such Option Closing Date or (ii) purchase not less than the number of Additional Shares that such non-defaulting Underwriters would have been obligated to purchase in the absence of such default. Any action taken under this paragraph shall not relieve any defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement.

If this Agreement shall be terminated by the Underwriters, or any of them, pursuant to Section 10, because of any failure or refusal on the part of the Company to comply with the terms or to fulfill any of the conditions of this Agreement required to be complied with or fulfilled by the Company, or if for any reason the Company shall be unable to perform its obligations under this Agreement, the Company will reimburse the Underwriters or such Underwriters as have so terminated this Agreement with respect to themselves, severally, for all out-of-pocket expenses (including the reasonable and documented fees and disbursements of their counsel) reasonably incurred by such Underwriters in connection with this Agreement or the offering contemplated hereunder.

12. *Entire Agreement*.

(a) This Agreement, together with any contemporaneous written agreements and any prior written agreements (to the extent not superseded by this Agreement) that relate to the offering of the Shares, represents the entire agreement between the Company and the Underwriters with respect to the preparation of any preliminary prospectus, the Time of Sale Prospectus, the Prospectus, the conduct of the offering, and the purchase and sale of the Shares.

(b) The Company acknowledges that in connection with the offering of the Shares: (i) the Underwriters have acted at arm's length, are not agents of, and owe no fiduciary duties to, the Company or any other person, (ii) the Underwriters owe the Company only those duties and obligations set forth in this Agreement, any contemporaneous written agreements and prior written agreements (to the extent not superseded by this Agreement), if any, (iii) the Underwriters may have interests that differ from those of the Company, and (iv) 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 waives to the full extent permitted by applicable law any claims it may have against the Underwriters arising from an alleged breach of fiduciary duty in connection with the offering of the Shares.

(c) Additionally, neither the Representatives nor any other Underwriter is advising the Company or any other person as to any legal, tax, investment, accounting or

regulatory matters in any jurisdiction. The Company shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby, and neither the Representatives nor the other Underwriters shall have any responsibility or liability to the Company with respect thereto.

13. *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.

For purposes of this Section a "**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.

14. *Counterparts*. This Agreement may be signed in two or more counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Counterparts may be delivered via facsimile, electronic mail (including any electronic signature complying with the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act or other applicable law) or other transmission method any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

15. *Applicable Law*. This Agreement and any claim, controversy or dispute arising under or related to this Agreement shall be governed by and construed in accordance with the internal laws of the State of New York.

16. *Compliance with USA Patriot Act.* 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.

17. *Headings*. The headings of the sections of this Agreement have been inserted for convenience of reference only and shall not be deemed a part of this Agreement.

18. *Notices*. All communications hereunder shall be in writing and effective only upon receipt and if to the Underwriters shall be delivered, mailed or sent to Morgan Stanley & Co. LLC, 1585 Broadway, New York, New York 10036, Attention: Equity Syndicate Desk with a copy to the Legal Department; to J.P. Morgan Securities LLC, 383 Madison A, New York, New York 10179; Attention Equity Syndicate Desk, with a copy to the Legal Department; to BofA Securities, Inc., One Bryant Park, New York, NY 10036; and if to the Company shall be delivered, mailed or sent to C3.ai, Inc., Attention: General Counsel, 1300 Seaport Blvd., Suite 500, Redwood City, California 94063.

19. *Submission to Jurisdiction*. The Company hereby submits to the exclusive jurisdiction of the U.S. federal and New York state courts in the Borough of Manhattan in The City of New York in any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby. The Company waives any objection which it may now or hereafter have to the laying of venue of any such suit or proceeding in such courts. The Company agrees that final judgment in any such suit, action or proceeding brought in such court shall be conclusive and binding upon the Company and may be enforced in any court to the jurisdiction of which Company is subject by a suit upon such judgment.

20. *Waiver of Jury Trial*. Each of the parties hereto hereby waives any right to trial by jury in any suit or proceeding arising out of or relating to this Agreement.

21. *Persons Entitled to Benefit of Agreement*. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers and directors and any controlling persons referred to herein, and the affiliates of each Underwriter referred to in Section 7 hereof. Nothing in this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein. No purchaser of Shares from any Underwriter shall be deemed to be a successor merely by reason of such purchase.

22. *Amendments or Waivers*. No amendment or waiver of any provision of this Agreement, nor any consent or approval to any departure therefrom, shall in any event be effective unless the same shall be in writing and signed by the parties hereto.

Very truly yours,

C3.AI, INC.

By: _____
Name:
Title:

Accepted as of the date hereof

Morgan Stanley & Co. LLC
J.P. Morgan Securities LLC
BofA Securities, Inc.

Acting severally on behalf of themselves and the several Underwriters named in Schedule I hereto.

By: Morgan Stanley & Co. LLC

By: _____
Name:
Title:

By: J.P. Morgan Securities LLC

By: _____
Name:
Title:

By: BofA Securities, Inc.

By: _____

Name:

Title:

SCHEDULE I

Underwriter	Number of Firm Shares To Be Purchased
Morgan Stanley & Co. LLC	[•]
J.P. Morgan Securities LLC	[•]
BofA Securities, Inc.	[•]
Deutsche Bank Securities Inc.	[•]
Canaccord Genuity LLC	[•]
JMP Securities LLC	[•]
KeyBanc Capital Markets Inc.	[•]
Needham & Company, LLC	[•]
Piper Sandler & Co.	[•]
Wedbush Securities Inc.	[•]
Total:	

SCHEDULE II

Time of Sale Prospectus

1. Preliminary Prospectus issued [], 2020

2. [Identify all free writing prospectuses filed by the Company under Rule 433(d) of the Securities Act]

3. [Free writing prospectus containing a description of terms that does not reflect final terms, if the Time of Sale Prospectus does not include a final term sheet]

4. [Orally communicated pricing information such as price per share and size of offering if a Rule 134 pricing term sheet is used at the time of sale instead of a pricing term sheet filed by the Company under Rule 433(d) as a free writing prospectus]

EXHIBIT A

FORM OF LOCK-UP AGREEMENT

_____, 2020

Morgan Stanley & Co. LLC
J.P. Morgan Securities LLC
BofA Securities, Inc.

c/o Morgan Stanley & Co. LLC
1585 Broadway
New York, NY 10036

c/o J.P. Morgan Securities LLC
383 Madison Avenue
New York, NY 10179

c/o BofA Securities, Inc.
One Bryant Park
New York, NY 10036

Ladies and Gentlemen:

The undersigned understands that Morgan Stanley & Co. LLC ("**Morgan Stanley**"), J.P. Morgan Securities LLC ("**J.P. Morgan**") and BofA Securities, Inc. (the "**Representatives**") propose to enter into an Underwriting Agreement (the "**Underwriting Agreement**") with C3.ai, Inc., a Delaware corporation (the "**Company**"), providing for the public offering (the "**Public Offering**") by the several underwriters listed in Schedule I to the Underwriting Agreement, including the Representatives (the "**Underwriters**"), of ___ shares (the "**Shares**") of the Class A common stock, par value $0.001 per share, of the Company (the "**Class A Stock**"). As used herein, the term "**Common Stock**" refers to shares of the Company's Common Stock, par value $0.001 per share, including any shares of Class A Stock and Class B common stock, par value $0.001 per share.

To induce the Underwriters that may participate in the Public Offering to continue their efforts in connection with the Public Offering, the undersigned hereby agrees that, without the prior written consent of each of Morgan Stanley and J.P. Morgan (the "**Releasors**") on behalf of the Underwriters, it will not, will not cause or direct any of its affiliates to, and will not publicly disclose an intention to, during the period commencing on the date of this letter (this "**Lock-Up Agreement**") and ending on and including the 180th day after the date of the final prospectus (such period, as may be modified by the Blackout-Related Release and/or Early Lockup Acceleration, the "**Restricted Period**") relating to the Public Offering (the "**Prospectus**"), (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock beneficially owned (as such term is used in Rule 13d-3 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")), by the undersigned or any other securities so owned convertible into or exercisable or

exchangeable for Common Stock (collectively, the "**Securities**") or (2) 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) that (x) is designed or intended, or which could reasonably be expected, to lead to or result in a sale or disposition of any shares of Common Stock, or of securities convertible into or exercisable or exchangeable for Common Stock, even if any such sale or disposition transaction or transactions would be made or executed by or on behalf of someone other than the undersigned, or (y) that otherwise transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of Common Stock or such other Securities, in cash or otherwise.

Notwithstanding the foregoing, if the 180th day after the date of the Prospectus (the "**Expiration Date**") will occur during or within five trading days of a Company "black-out" period under its insider trading policy (or similar period when trading is not permitted by insiders under the Company's insider trading policy) (a "**Blackout Period**"), the Restricted Period shall be shortened and the Expiration Date will instead be the sixth trading day immediately preceding the commencement of such Blackout Period (the "**Blackout-Related Release**"), provided that, in the case of a Blackout-Related Release, the Company shall announce by press release through a major news service, or on a Form 8-K, the Expiration Date of the Blackout-Related Release at least two business days prior to the opening of trading on such Expiration Date.

In addition, notwithstanding the foregoing, if at any time beginning 90 days after the date of the Prospectus (the "**Early Expiration Threshold Date**") (i) the Company has issued a quarterly earnings release announced by press release through a major news service, or on a report on Form 8-K, and (ii) the last reported closing price of the Class A Stock on the exchange on which the Class A Stock is listed (the "**Closing Price**") is at least 33% greater than the initial public offering price per share set forth on the cover page of the Prospectus (the "**IPO Price**") for 10 out of any 15 consecutive trading days ending on or after the Early Expiration Threshold Date, (any such 15 trading-day period during which such condition is satisfied, the "**Measurement Period**"), then 20% of the undersigned's Common Stock that are subject to the 180-day Restricted Period , which percentage shall be calculated based on the number of the undersigned's Common Stock subject to the 180-day Restricted Period as of the last day of the Measurement Period, will be automatically released from such restrictions (the "**Early Lock-Up Expiration**") immediately prior to the opening of trading on the exchange on which the Class A Stock is listed on the first trading day following the end of the Measurement Period (the "**Early Lock-Up Expiration Date**"); provided that, if the 90th day after the date of the Prospectus will occur during or within five trading days of a Blackout Period, the Early Expiration Threshold Date will instead be the sixth trading day immediately preceding the commencement of such Blackout Period (the "**Early Lock-Up Acceleration**"); provided further that, in the case of an Early Lock-Up Acceleration, the Company shall announce by press release through a major news service, or on a Form 8-K, the Early Lock-Up Acceleration and the Early Lock-Up Expiration Date at least two business days prior to the opening of trading on the Early Lock-Up Expiration Date.

The foregoing restrictions shall not apply:

(a) to transactions relating to shares of Common Stock or other Securities acquired in the Public Offering or in open market transactions after the completion of the Public Offering; provided that no filing under Section 16 of the Exchange Act, reporting a reduction in beneficial ownership of shares of Common Stock, shall be required or shall be voluntarily made during the Restricted Period in connection with subsequent sales of Common Stock or other Securities acquired in such open market transactions;

(b) to sales of Common Stock by the undersigned pursuant to the Underwriting Agreement;

(c) to transfers of shares of Common Stock or other Securities as a bona fide gift, charitable contribution or for bona fide estate planning purposes;

(d) to transfers of shares of Common Stock or other Securities by will or intestate succession upon the death of the undersigned, including to the transferee's nominee or custodian;

(e) to transfers of shares of Common Stock or other Securities to an immediate family member or any trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned (for purposes of this lock-up letter agreement, "immediate family" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin);

(f) to transfers or distributions of shares of Common Stock or any other Securities by a stockholder that is a trust to a trustor or beneficiary of the trust or to the estate of a beneficiary of such trust;

(g) if the undersigned is a corporation, partnership, limited liability company, trust or other business entity, (1) to distributions of shares of Common Stock or other Securities to limited partners, members, stockholders or holders of similar equity interests in the undersigned (or in each case its nominee or custodian) or (2) to transfers of shares of Common Stock or other Securities to another corporation, partnership, limited liability company, trust or other business entity (or in each case its nominee or custodian) that is an affiliate (as defined in Rule 405 promulgated under the Securities Act of 1933, as amended) of the undersigned, or to any investment fund or other entity controlled or managed by the undersigned or affiliates of the undersigned;

(h) to transfers of shares of Common Stock or other Securities by operation of law pursuant to a qualified domestic order or in connection with a divorce settlement; provided that any filing required by Section 16 of the Exchange Act shall clearly indicate in the footnotes thereto that such transfer is being made pursuant to the circumstances described in this clause (h) and such shares remain subject to this Lock-up Agreement; provided further that no other public announcement or filing shall be required or shall be voluntarily made during the Restricted Period;

(i) (1) the receipt by the undersigned from the Company of shares of Common Stock upon the exercise, vesting or settlement of options, restricted stock units or other equity awards granted under a stock incentive plan or other equity award plan, which plan is described in the Registration Statement, the Time of Sale Prospectus (as defined in the Underwriting Agreement) and the Prospectus, or (2) the transfer of shares of Common Stock or any securities convertible into Common Stock to the Company upon a vesting or settlement event of the Company's restricted stock units or other securities or upon the exercise of options to purchase the Company's securities on a "cashless" or "net exercise" basis to the extent permitted by the instruments representing such options (and any transfer to the Company necessary in respect of such amount needed for the payment of taxes, including estimated taxes and withholding tax and remittance obligations, due as a result of such vesting, settlement or exercise whether by means of a "net settlement" or otherwise) so long as such vesting, settlement, "cashless" exercise or "net exercise" is effected solely by the surrender of outstanding options (or the Common Stock issuable upon the exercise thereof) or shares of Common Stock to the Company and the Company's cancellation of all or a portion thereof to pay the exercise price and/or withholding tax and remittance obligations in connection with the vesting, settlement or exercise of the restricted stock unit, option or other equity award; provided (yy) that the shares received upon vesting, settlement or exercise of the restricted stock unit, option or other equity

award are subject to this Lock-up Agreement, and (zz) that in the case of clauses (1) or (2), no public announcement or filing under Section 16 of the Exchange Act, or any other public filing or disclosure or such receipt or transfer, shall be required or shall be voluntarily made by or on behalf of the undersigned within 60 days after the date of the Prospectus, and thereafter, any filing required under Section 16 of the Exchange Act to be made during the remainder of the Restricted Period shall include a statement to the effect that (A) such transaction reflects the circumstances described in (1) or (2), as the case may be, (B) such transaction was only with the Company and (C) in the case of (1) the shares of Common Stock received upon exercise or settlement of the option, restricted stock units or other equity awards are subject to this Lock-up Agreement;

(j) to transfers to the Company of shares of Common Stock or other Securities in connection with the repurchase by the Company from the undersigned of shares of Common Stock or other Securities pursuant to a repurchase right arising upon the termination of the undersigned's employment with the Company; provided that such repurchase right is pursuant to contractual agreements with the Company; provided further that any filing required by Section 16 of the Exchange Act shall clearly indicate in the footnotes thereto that the such transfer is being made pursuant to the circumstances described in this clause (j) and that no shares or securities were sold by the reporting person; provided further that no other public announcement or filing shall be required or shall be voluntarily made during the Restricted Period;

(k) to transfers of shares of Common Stock or other Securities pursuant to a bona fide third-party tender offer, merger, consolidation or other similar transaction involving a Change of Control (as defined below) of the Company which occurs after the consummation of the Public Offering that is approved by the Board of Directors of the Company and made to all holders of capital stock of the Company; provided that in the event that such tender offer, merger, consolidation or other such transaction is not completed, the Securities held by the undersigned shall remain subject to the provisions of this Lock-up Agreement (for purposes of this clause (k), "Change of Control" shall mean any bona fide third party tender offer, merger, consolidation or other similar transaction, in one transaction or a series of related transactions, 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, becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 of the Exchange Act) of at least a majority of the total voting power of the voting stock of the Company (or the surviving entity));

(l) to the establishment of a trading plan on behalf of a stockholder, officer or director of the Company pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of Common Stock; provided that (i) such plan does not provide for the transfer of Common Stock during the Restricted Period, other than, in the case of an Early Lock-Up Expiration and (ii) to the extent a public announcement or filing under the Exchange Act, if any, is required of or voluntarily made by or on behalf of the undersigned or the Company regarding (a) the establishment of such plan, such announcement or filing shall include a statement to the effect that no transfer of Common Stock may be made under such plan during the Restricted Period or (b) the transfer of shares of Common Stock in the case of an Early Lock-Up Expiration, any such filing under Section 16(a) of the Exchange Act shall clearly indicate in the footnotes thereto that the filing relates to the circumstances described in this clause (l); or

(m) (1) to the conversion of outstanding preferred stock into shares of Common Stock of the Company in connection with the consummation of the Public Offering (including the conversion of shares of Series A* preferred stock into Class B common stock) or (2) any conversion or reclassification of Common Stock as described in the Prospectus (including any conversion of Class B common stock into Class A Stock), provided that such shares of Common Stock received upon conversion remain subject to the terms of this Lock-up Agreement; provided further that in the case of clause (2) any filing required by

Section 16 of the Exchange Act shall clearly indicate in the footnotes thereto the nature and conditions of such conversion or reclassification.

provided that:

(w) in the case of any transfer or distribution pursuant to each of the clauses (c) through (h) above, each donee, trustee, distributee or transferee shall sign and deliver a Lock-up Agreement to the Representatives substantially in the form of this lock-up letter agreement;

(x) in the case of any transfer or distribution pursuant to each of the clauses (c) through (g) above, no public announcement or filing under Section 16 of the Exchange Act, or any other public filing or disclosure shall be required or shall be voluntarily made during the Restricted Period; and

(y) in the case of any transfer or distribution pursuant to each of clauses (c) through (g) above, such transfer or distribution shall not involve a disposition for value.

In addition, the undersigned agrees that, without the prior written consent of the Representatives on behalf of the Underwriters, it will not, during the Restricted Period, make any demand for or exercise any right with respect to, the registration of any shares of Common Stock or any other Securities. 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. If the undersigned is an officer or director of the Company, the undersigned further agrees that the foregoing provisions shall be equally applicable to any issuer-directed Shares the undersigned may purchase in the Public Offering.

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 Exchange Act), 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) the Releasors 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, the Releasors will notify the Company of the impending release or waiver, and (ii) the Company will agree 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 the Releasors 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.

In the event that any of the Releasors withdraws from or declines to participate in the Public Offering, all references to the Releasors contained in this Lock-Up Agreement shall be deemed to refer to the remaining Releasor that continues to participate in the Public Offering (the "**Remaining Releasor**"), and, in such event, any written consent, waiver or notice given or delivered in connection with this Lock-Up Agreement by the Remaining Releasor shall be deemed to be sufficient and effective for all purposes under this Lock-Up Agreement.

The undersigned understands that the Company and the Underwriters are relying upon this Lock-Up Agreement in proceeding toward consummation of the Public 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.

The undersigned acknowledges and agrees that the Underwriters have not provided any recommendation or investment advice nor have the Underwriters solicited any action from the undersigned with respect to the Public Offering of the Shares and the undersigned has consulted their own legal, accounting, financial, regulatory and tax advisors to the extent deemed appropriate. The undersigned further acknowledges and agrees that, although the Underwriters may provide certain Regulation Best Interest and Form CRS disclosures or other related documentation to you in connection with the Public Offering, the Underwriters are not making a recommendation to you to participate in the Public Offering or sell any Shares at the price determined in the Public Offering, and nothing set forth in such disclosures or documentation is intended to suggest that any Underwriter is making such a recommendation.

Whether or not the Public Offering actually occurs depends on a number of factors, including market conditions. Any Public Offering will only be made pursuant to an Underwriting Agreement, the terms of which are subject to negotiation between the Company and the Underwriters. Notwithstanding anything to the contrary contained herein, this Lock-Up Agreement will automatically terminate and the undersigned will be released from all of his, her or its obligations hereunder upon the earliest to occur, if any, of (i) the date that the Company, on the one hand, or the Releasors on the other hand, advises the other party in writing before the execution of the Underwriting Agreement that it has determined not to proceed with the Public Offering, (ii) the date that the Company withdraws the registration statement related to the Public Offering before the execution of the Underwriting Agreement, (iii) the date that the Underwriting Agreement is executed but is terminated (other than the provisions thereof which survive termination) prior to payment for and delivery of the shares of Common Stock to be sold thereunder or (iv) March 31, 2021, in the event that the Underwriting Agreement has not been executed by such date, provided that the Company may by written notice to the undersigned prior to March 31, 2021, extend such date for a period of up to an additional three months.

The undersigned and the Representatives hereby consent to receipt of this Lock-Up Agreement in electronic form and understand and agree that this Lock-Up Agreement may be signed electronically. In the event that any signature is delivered by facsimile transmission, electronic mail, or otherwise by electronic transmission evidencing an intent to sign this Lock-Up Agreement (including any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com), such facsimile transmission, electronic mail or other electronic transmission shall create a valid and binding obligation of the undersigned with the same force and effect as if such signature were an original. Execution and delivery of this Lock-Up Agreement by facsimile transmission, electronic mail or other electronic transmission is legal, valid and binding for all purposes.

This Lock-Up Agreement and any claim, controversy or dispute arising under to related thereto shall be governed by and construed in accordance with the laws of the State of New York.

[*Signature page follows*]

Very truly yours,

_____

Name of Security Holder *(Print exact name*)

By:

Signature

_____

If not signing in an individual capacity:

_____

Name of Authorized Signatory *(Print*)

_____

Title of Authorized Signatory *(Print*)

(indicate capacity of person signing if signing as custodian, trustee, or on behalf of an entity)

EXHIBIT B

FORM OF WAIVER OF LOCK-UP

_____, 20__

[Name and Address of
Officer or Director
Requesting Waiver]

Dear Mr./Ms. [Name]:

This letter is being delivered by Morgan Stanley & Co. LLC ("**Morgan Stanley**") and J.P. Morgan Securities LLC ("**J.P. Morgan**") in connection with the offering by C3.ai, Inc. (the "**Company**") of _____ shares of common stock, $0.001 par value (the "**Common Stock**"), of the Company and the lock-up agreement dated ____, 2020 (the "**Lock-up Agreement**"), executed by you in connection with such offering, and your request for a [waiver] [release] dated ____, 20__, with respect to ____ shares of Common Stock (the "**Shares**").

Morgan Stanley and J.P. Morgan hereby each agree to [waive] [release] the transfer restrictions set forth in the Lock-up Agreement, but only with respect to the Shares, effective _____, 20__; provided, however, that such [waiver] [release] is conditioned on the Company announcing the impending [waiver] [release] by press release through a major news service at least two business days before effectiveness of such [waiver] [release]. This letter will serve as notice to the Company of the impending [waiver] [release].

Except as expressly [waived] [released] hereby, the Lock-up Agreement shall remain in full force and effect.

Very truly yours,

Morgan Stanley & Co. LLC
J.P. Morgan Securities LLC
Acting severally on behalf of themselves and the several Underwriters named in Schedule I to the Underwriting Agreement

By: _____
Name:
Title:

cc: Company

FORM OF PRESS RELEASE

C3.ai, Inc.
[Date]

C3.ai, Inc. (the "**Company**") announced today that Morgan Stanley & Co. LLC and J.P. Morgan Securities LLC, each lead book-running managers in the Company's recent public sale of shares of its common stock, 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 ____, 20__ , 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.

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF C3.AI, INC.

Thomas M. Siebel hereby certifies that:

ONE: The current name of this corporation is C3.ai, Inc. The original name of this corporation is C3, Inc. and the date of filing the original Certificate of Incorporation of this corporation with the Secretary of State of the State of Delaware was June 29, 2012.

TWO: He is the duly elected and acting Chief Executive Officer of C3.ai, Inc., a Delaware corporation.

THREE: The Certificate of Incorporation of this corporation is hereby amended and restated to read as follows:

I.

The name of this corporation is C3.ai, Inc. (the "***Company***").

II.

The address of the registered office of the Company in the State of Delaware is 1209 Orange Street, Wilmington, Delaware 19801, County of New Castle. The name of the registered agent of the Company in the State of Delaware at such address is The Corporation Trust Company.

III.

The purpose of the Company is to engage in any lawful act or activity for which a corporation may be organized under the Delaware General Corporation Law (the "***DGCL***").

IV.

A. The total number of shares which the Company is authorized to issue is 650,774,046 shares, 390,000,000 shares of which shall be Class A Common Stock, par value $0.001 per share (the "***Class A Common***"), 6,666,667 shares of which shall be Class A-1 Common Stock, par value $0.001 per share (the "***Class A-1 Common***"), 21,000,000 shares of which shall be Class B Common Stock, par value $0.001 per share (the "***Class B Common***" and, together with the Class A Common and the Class A-1 Common, the "***Common Stock***"), and 233,107,379 shares of which shall be Preferred Stock (the "***Preferred Stock***"), par value $0.001 per share.

B. The number of authorized shares of Common Stock, including any separate class of Common Stock, may be increased or decreased (but not below the number of shares of Common Stock, or any separate class of Common Stock, then outstanding, as applicable) by the affirmative vote of the holders of a majority of the stock of the Company entitled to vote (voting together as a single class on an as-if-converted basis).

C. 21,000,000 of the authorized shares of Preferred Stock are hereby designated "Series A* Preferred Stock" (the "***Series A* Preferred***"). 27,360,000 of the authorized shares of Preferred Stock are hereby designated "Series B* Preferred Stock" (the "***Series B* Preferred***"). 14,583,945 of the authorized shares of Preferred Stock are hereby designated "Series B-1A* Preferred Stock" (the "***Series B-1A* Preferred***"). 556,680 of the authorized shares of Preferred Stock are hereby designated "Series B-1B* Preferred Stock" (the "***Series B-1B* Preferred***", and together with the Series A* Preferred, Series B* Preferred, and the Series B-1A* Preferred, the "***Early Preferred***"). 16,678,511 of the authorized shares of Preferred Stock are hereby designated "Series C* Preferred Stock" (the "***Series C* Preferred***"). 73,670,824 of the authorized shares of Preferred Stock are hereby designated "Series D Preferred Stock" (the "***Series D Preferred***"). 3,240,060 of the authorized shares of Preferred Stock are hereby designated "Series E Preferred Stock" (the "***Series E Preferred***"). 42,701,251 of the authorized shares of Preferred Stock are hereby designated the "Series F Preferred Stock" (the "***Series F Preferred***"). 23,392,520 of the authorized shares of Preferred Stock are hereby designated the "Series G Preferred Stock" (the "***Series G Preferred***"). 9,923,588 of the authorized shares of Preferred Stock are hereby designated the "Series H Preferred Stock" (the "***Series H Preferred***").

D. Upon the acceptance of this Amended and Restated Certificate of Incorporation for filing with the Secretary of State of the State of Delaware (the "***Effective Time***"):

1. **RECLASSIFICATION**. Automatically and without further action on the part of the Company, the holders of the Company's Class A Common Stock, par value $0.001 per share, outstanding immediately prior to the Effective Time, the holders of the Company's Class B Common Stock, par value $0.001 per share, outstanding immediately prior to the Effective Time (the "***Prior Class B Common Stock***"), the holders of the Company's Class B-1 Common Stock, par value $0.001 per share, outstanding immediately prior to the Effective Time (the "***Prior Class B-1 Common Stock***"), or the holders of the Company's Class C Common Stock, par value $0.001 per share, outstanding immediately prior to the Effective Time (the "***Prior Class C Common Stock***"), (i) each then outstanding share of the Prior Class B Common Stock and the Prior Class C Common Stock shall be reclassified as and become one (1) share of Class A Common, and (ii) each then outstanding share of the Prior Class B-1 Common Stock shall be reclassified as and become one (1) share of Class A-1 Common (collectively, the "***Reclassification***"). All of the shares of such classes of stock shall be uncertificated shares and the stockholder registered on the Corporation's books as the owner of the share so reclassified immediately prior to the Effective Time shall be registered on the Corporation's books as the owner of the share of Class A Common Stock and Class A-1 Common Stock issued upon Reclassification thereof, without the need for surrender or exchange thereof.

2. **CLASS A COMMON STOCK**. Each six (6) shares of Class A Common Stock whether issued and outstanding immediately prior to the Effective Time or outstanding after giving effect to the Reclassification shall, automatically and without any action on the part of the respective holders thereof and whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent, be combined and converted into one (1) share of Class A Common Stock. All shares of Class A Common Stock (including fractions thereof) held by a holder thereof shall be aggregated into the maximum number of resulting whole shares. For any remaining fraction of a share, the Corporation shall, in lieu of issuing a

fractional share, pay cash to such holder equal to the product of such fraction multiplied by the fair market value of one share of Class A Common Stock (after giving effect to the foregoing reverse stock split) as determined by the Corporation's Board of Directors.

3. CLASS A-1 COMMON STOCK. Each six (6) shares of Class A-1 Common Stock issued and outstanding immediately prior to the Effective Time and after giving effect to the Reclassification shall, automatically and without any action on the part of the respective holders thereof and whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent, be combined and converted into one (1) share of Class A-1 Common Stock. All shares of Class A-1 Common Stock (including fractions thereof) held by a holder thereof shall be aggregated into the maximum number of resulting whole shares. For any remaining fraction of a share, the Corporation shall, in lieu of issuing a fractional share, pay cash to such holder equal to the product of such fraction multiplied by the fair market value of one share of Class A-1 Common Stock (after giving effect to the foregoing reverse stock split) as determined by the Corporation's Board of Directors.

4. SERIES A* PREFERRED STOCK. Each six (6) shares of Series A* Preferred Stock issued and outstanding immediately prior to the Effective Time shall, automatically and without any action on the part of the respective holders thereof and whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent, be combined and converted into one (1) share of Series A* Preferred Stock. All shares of Series A* Preferred Stock (including fractions thereof) held by a holder thereof shall be aggregated into the maximum number of resulting whole shares. For any remaining fraction of a share, the Corporation shall, in lieu of issuing a fractional share, pay cash to such holder equal to the product of such fraction multiplied by the fair market value of one share of Series A* Preferred Stock (after giving effect to the foregoing reverse stock split) as determined by the Corporation's Board of Directors.

5. SERIES B* PREFERRED STOCK. Each six (6) shares of Series B* Preferred Stock issued and outstanding immediately prior to the Effective Time shall, automatically and without any action on the part of the respective holders thereof and whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent, be combined and converted into one (1) share of Series B* Preferred Stock. All shares of Series B* Preferred Stock (including fractions thereof) held by a holder thereof shall be aggregated into the maximum number of resulting whole shares. For any remaining fraction of a share, the Corporation shall, in lieu of issuing a fractional share, pay cash to such holder equal to the product of such fraction multiplied by the fair market value of one share of Series B* Preferred Stock (after giving effect to the foregoing reverse stock split) as determined by the Corporation's Board of Directors.

6. SERIES B-1A* PREFERRED STOCK. Each six (6) shares of Series B-1A* Preferred Stock issued and outstanding immediately prior to the Effective Time shall, automatically and without any action on the part of the respective holders thereof and whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent, be combined and converted into one (1) share of Series B-1A* Preferred Stock. All shares of Series B-1A* Preferred Stock (including fractions thereof) held by a holder thereof shall be

aggregated into the maximum number of resulting whole shares. For any remaining fraction of a share, the Corporation shall, in lieu of issuing a fractional share, pay cash to such holder equal to the product of such fraction multiplied by the fair market value of one share of Series B-1A* Preferred Stock (after giving effect to the foregoing reverse stock split) as determined by the Corporation's Board of Directors.

7. SERIES B-1B* PREFERRED STOCK. Each six (6) shares of Series B-1B* Preferred Stock issued and outstanding immediately prior to the Effective Time shall, automatically and without any action on the part of the respective holders thereof and whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent, be combined and converted into one (1) share of Series B-1B* Preferred Stock. All shares of Series B-1B* Preferred Stock (including fractions thereof) held by a holder thereof shall be aggregated into the maximum number of resulting whole shares. For any remaining fraction of a share, the Corporation shall, in lieu of issuing a fractional share, pay cash to such holder equal to the product of such fraction multiplied by the fair market value of one share of Series B-1B* Preferred Stock (after giving effect to the foregoing reverse stock split) as determined by the Corporation's Board of Directors.

8. SERIES C* PREFERRED STOCK. Each six (6) shares of Series C* Preferred Stock issued and outstanding immediately prior to the Effective Time shall, automatically and without any action on the part of the respective holders thereof and whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent, be combined and converted into one (1) share of Series C* Preferred Stock. All shares of Series C* Preferred Stock (including fractions thereof) held by a holder thereof shall be aggregated into the maximum number of resulting whole shares. For any remaining fraction of a share, the Corporation shall, in lieu of issuing a fractional share, pay cash to such holder equal to the product of such fraction multiplied by the fair market value of one share of Series C* Preferred Stock (after giving effect to the foregoing reverse stock split) as determined by the Corporation's Board of Directors.

9. SERIES D PREFERRED STOCK. Each six (6) shares of Series D Preferred Stock issued and outstanding immediately prior to the Effective Time shall, automatically and without any action on the part of the respective holders thereof and whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent, be combined and converted into one (1) share of Series D Preferred Stock. All shares of Series D Preferred Stock (including fractions thereof) held by a holder thereof shall be aggregated into the maximum number of resulting whole shares. For any remaining fraction of a share, the Corporation shall, in lieu of issuing a fractional share, pay cash to such holder equal to the product of such fraction multiplied by the fair market value of one share of Series D Preferred Stock (after giving effect to the foregoing reverse stock split) as determined by the Corporation's Board of Directors.

10. SERIES E PREFERRED STOCK. Each six (6) shares of Series E Preferred Stock issued and outstanding immediately prior to the Effective Time shall, automatically and without any action on the part of the respective holders thereof and whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent, be combined

and converted into one (1) share of Series E Preferred Stock. All shares of Series E Preferred Stock (including fractions thereof) held by a holder thereof shall be aggregated into the maximum number of resulting whole shares. For any remaining fraction of a share, the Corporation shall, in lieu of issuing a fractional share, pay cash to such holder equal to the product of such fraction multiplied by the fair market value of one share of Series E Preferred Stock (after giving effect to the foregoing reverse stock split) as determined by the Corporation's Board of Directors.

11. SERIES F PREFERRED STOCK. Each six (6) shares of Series F Preferred Stock issued and outstanding immediately prior to the Effective Time shall, automatically and without any action on the part of the respective holders thereof and whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent, be combined and converted into one (1) share of Series F Preferred Stock. All shares of Series F Preferred Stock (including fractions thereof) held by a holder thereof shall be aggregated into the maximum number of resulting whole shares. For any remaining fraction of a share, the Corporation shall, in lieu of issuing a fractional share, pay cash to such holder equal to the product of such fraction multiplied by the fair market value of one share of Series F Preferred Stock (after giving effect to the foregoing reverse stock split) as determined by the Corporation's Board of Directors.

12. SERIES G PREFERRED STOCK. Each six (6) shares of Series G Preferred Stock issued and outstanding immediately prior to the Effective Time shall, automatically and without any action on the part of the respective holders thereof and whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent, be combined and converted into one (1) share of Series G Preferred Stock. All shares of Series G Preferred Stock (including fractions thereof) held by a holder thereof shall be aggregated into the maximum number of resulting whole shares. For any remaining fraction of a share, the Corporation shall, in lieu of issuing a fractional share, pay cash to such holder equal to the product of such fraction multiplied by the fair market value of one share of Series G Preferred Stock (after giving effect to the foregoing reverse stock split) as determined by the Corporation's Board of Directors.

13. SERIES H PREFERRED STOCK. Each six (6) shares of Series H Preferred Stock issued and outstanding immediately prior to the Effective Time shall, automatically and without any action on the part of the respective holders thereof and whether or not the certificates representing such shares are surrendered to the Corporation or its transfer agent, be combined and converted into one (1) share of Series H Preferred Stock. All shares of Series H Preferred Stock (including fractions thereof) held by a holder thereof shall be aggregated into the maximum number of resulting whole shares. For any remaining fraction of a share, the Corporation shall, in lieu of issuing a fractional share, pay cash to such holder equal to the product of such fraction multiplied by the fair market value of one share of Series H Preferred Stock (after giving effect to the foregoing reverse stock split) as determined by the Corporation's Board of Directors.

The splits made pursuant to subsections 2 through 13 above are referred to herein as the "***Reverse Stock Split***." Unless otherwise specifically noted in this Amended and Restated

Certificate of Incorporation, all share numbers and prices per share have been adjusted to reflect the Reverse Stock Split. All of the shares of such classes and series of stock resulting from the Reverse Stock Split shall be uncertificated shares and the stockholder registered on the Corporation's books as the owner of shares prior to the Reverse Stock Split immediately prior to the Effective Time shall be registered on the Corporation's books as the owner of the shares resulting from the Reverse Stock Split, without the need for surrender or exchange thereof.

E. The rights, preferences, privileges, restrictions and other matters relating to each class of capital stock of the Company are as follows:

1. DIVIDEND RIGHTS.

(a) Holders of Preferred Stock, in preference to the holders of Common Stock, shall be entitled to receive, when, as and if declared by the Board of Directors (the "***Board***"), but only out of funds that are legally available therefor, cash dividends at the rate of six percent (6%) of the applicable Original Issue Price (as defined below) per annum on each outstanding share of Preferred Stock. Such dividends shall be non-cumulative.

(b) The "***Original Issue Price***" of the Series A* Preferred shall be $1.998 per share (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the filing date hereof). The "***Original Issue Price***" of the Series B* Preferred shall be $1.998 per share (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the filing date hereof). The "***Original Issue Price***" of the Series B-1A* Preferred shall be $6.522 per share (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the filing date hereof). The "***Original Issue Price***" of the Series B-1B* Preferred shall be $13.038 per share (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the filing date hereof). The "***Original Issue Price***" of the Series C* Preferred shall be $6.84 per share (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the filing date hereof). The "***Original Issue Price***" of the Series D Preferred shall be $8.4426 per share (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the filing date hereof). The "***Original Issue Price***" of the Series E Preferred shall be $21.8574 per share (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the filing date hereof). The "***Original Issue Price***" of the Series F Preferred shall be $19.6068 per share (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the filing date hereof). The "***Original Issue Price***" of the Series G Preferred shall be $19.8252 per share (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the filing date hereof). The "***Original Issue Price***" of the Series H Preferred shall be $30.231 per share (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the filing date hereof).

(c) So long as any shares of Preferred Stock are outstanding, the Company shall not pay or declare any dividend (whether in cash or property), or make any other distribution on the Common Stock, or purchase, redeem or otherwise acquire for value any

shares of Common Stock, until all dividends as set forth in Section 1(a) above on the Preferred Stock shall have been paid or declared and set apart, except for:

(i) acquisitions of Common Stock by the Company pursuant to agreements that permit the Company to repurchase such shares at no more than cost upon termination of services to the Company;

(ii) acquisitions of Common Stock in exercise of the Company's right of first refusal to repurchase such shares; or

(iii) distributions to holders of Common Stock in accordance with Section 3.

(d) In the event dividends are paid on any share of Common Stock, the Company shall pay an additional dividend on all outstanding shares of Preferred Stock in a per share amount equal (on an as-if-converted to Common Stock basis) to the amount paid or set aside for each share of Common Stock.

(e) The provisions of Sections 1(c) and 1(d) shall not apply to a dividend payable solely in Common Stock to which the provisions of Section 4(f) hereof are applicable, or any repurchase of any outstanding securities of the Company that is approved by the Board.

2. VOTING RIGHTS.

(a) General Rights. On any matter presented to the stockholders of the Company for their action or consideration at any meeting of stockholders of the Company (or by written consent of stockholders in lieu of meeting), (i) each holder of outstanding shares of Class A Common Stock and Class A-1 Common Stock shall be entitled to cast one (1) vote per whole share of Class A Common Stock or Class A-1 Common Stock, as applicable, held by such holder as of the record date for determining stockholders entitled to vote on such matter, (ii) each holder of outstanding shares of Class B Common Stock shall be entitled to cast fifty (50) votes per whole share of Class B Common Stock held by such holder as of the record date for determining stockholders entitled to vote on such matter, and (iii) each holder of outstanding shares of Preferred Stock shall be entitled to cast the number of votes equal to the number of whole shares of Common Stock into which the shares of Preferred Stock held by such holder are convertible as of the record date for determining stockholders entitled to vote on such matter. Except as provided by law or by the other provisions of this Amended and Restated Certificate of Incorporation, holders of Preferred Stock shall vote together with the holders of Common Stock as a single class and on an as-converted to Common Stock basis.

(b) Election of Board of Directors.

(i) The holders of Common Stock, Early Preferred, Series C* Preferred, Series D Preferred and Series E Preferred, voting together as a single class on an as-if-converted basis, shall be entitled to elect all members of the Board at each meeting or pursuant to each consent of the Company's stockholders for the election of directors, and to remove from

office such directors and to fill any vacancy caused by the resignation, death or removal of such directors.

(ii) Notwithstanding the provisions of Section 223(a)(1) and 223(a)(2) of the DGCL any vacancy, including newly created directorships resulting from any increase in the authorized number of directors or amendment of this Certificate, and vacancies created by removal or resignation of a director, may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced; provided, however, that where such vacancy occurs among the directors elected by the holders of a class or series of stock, the holders of shares of such class or series may override the Board of Directors' action to fill such vacancy by (i) voting for their own designee to fill such vacancy at a meeting of the Company's stockholders or (ii) written consent, if the consenting stockholders hold a sufficient number of shares to elect their designee at a meeting of the stockholders in which all members of such class or series are present and voted. Any director may be removed during his or her term of office without cause, by, and only by, the affirmative vote of the holders of the shares of the class or series of stock entitled to elect such director or directors, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders, and any vacancy thereby created may be filled by the holders of that class or series of stock represented at the meeting or pursuant to written consent. At any meeting held for the purpose of electing a director, the presence in person or by proxy of the holders of a majority of the outstanding shares of the class or series entitled to elect such director shall constitute a quorum for the purpose of electing such director.

(iii) No person entitled to vote at an election for directors may cumulate votes to which such person is entitled unless required by applicable law at the time of such election. During such time or times that applicable law requires cumulative voting, every stockholder entitled to vote at an election for directors may cumulate such stockholder's votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which such stockholder's shares are otherwise entitled, or distribute the stockholder's votes on the same principle among as many candidates as such stockholder desires. No stockholder, however, shall be entitled to so cumulate such stockholder's votes unless (A) the names of such candidate or candidates have been placed in nomination prior to the voting and (B) the stockholder has given notice at the meeting, prior to the voting, of such stockholder's intention to cumulate such stockholder's votes. If any stockholder has given proper notice to cumulate votes, all stockholders may cumulate their votes for any candidates who have been properly placed in nomination. Under cumulative voting, the candidates receiving the highest number of votes, up to the number of directors to be elected, are elected.

(c) Separate Vote of Series D Preferred. For so long as any shares of Series D Preferred remain outstanding, in addition to any other vote or consent required herein or by law, the vote or written consent of the holders of a majority of the outstanding Series D Preferred, voting as a separate series, shall be necessary for effecting or validating the following actions (whether by merger, recapitalization or otherwise), any such act or transactions effected

without such approval being null and void *(*to the fullest extent permitted by law) and of no force or effect:

(i) any amendment, alteration, waiver, repeal or nullification of any provision of the Certificate of Incorporation or Bylaws of the Company in a manner that materially adversely affects the powers, rights, preferences or privileges of the Series D Preferred; provided that authorization or issuance of an additional series of preferred stock shall not be deemed adverse;

(ii) any material transaction between the Company and Thomas M. Siebel or an affiliate thereof, excluding (A) compensation matters approved by the Compensation Committee, or (B) matters approved by the Board of Directors, including the person designated as the Series D Director (as defined in that certain Amended and Restated Investor Rights Agreement between the Company and certain of its investors, dated on or about January 16, 2018, as may be amended and/or restated from time to time (the "***Investor Rights Agreement***")); or

(iii) any amendment, alteration or repeal of this Section 2(c).

(d) Separate Vote of Series F Preferred. For so long as any shares of Series F Preferred remain outstanding, in addition to any other vote or consent required herein or by law, the vote or written consent of the holders of a majority of the outstanding Series F Preferred, voting as a separate series, shall be necessary for effecting or validating the following actions (whether by merger, recapitalization or otherwise), any such act or transactions effected without such approval being null and void *(*to the fullest extent permitted by law) and of no force or effect:

(i) any amendment, alteration, waiver, repeal or nullification of any provision of the Certificate of Incorporation or Bylaws of the Company in a manner that materially adversely affects the powers, rights, preferences or privileges of the Series F Preferred; provided that authorization or issuance of an additional series of preferred stock shall not be deemed adverse;

(ii) any material transaction between the Company and Thomas M. Siebel or an affiliate thereof, excluding (A) compensation matters approved by the Compensation Committee, or (B) matters approved by the Board of Directors, including the person designated as the Series D Director (as defined in the Investor Rights Agreement);

(iii) any increase or decrease to the authorized number of Series F Preferred; or

(iv) any amendment, alteration or repeal of this Section 2(d), Section 3(i) or Section 4(n).

(e) Separate Vote of Series G Preferred. For so long as any shares of Series G Preferred remain outstanding, in addition to any other vote or consent required herein or by law, the vote or written consent of the holders of sixty-eight percent (68%) of the outstanding Series G Preferred, voting as a separate series, shall be necessary for effecting or

validating the following actions (whether by merger, recapitalization or otherwise), any such act or transactions effected without such approval being null and void (to the fullest extent permitted by law) and of no force or effect:

(i) any amendment, alteration, waiver, repeal or nullification of any provision of the Certificate of Incorporation or Bylaws of the Company in a manner that materially adversely affects the powers, rights, preferences or privileges of the Series G Preferred; provided that authorization or issuance of an additional series of preferred stock shall not be deemed adverse;

(ii) any material transaction between the Company and Thomas M. Siebel or an affiliate thereof, excluding (A) compensation matters approved by the Compensation Committee, or (B) matters approved by the Board of Directors, including the person designated as the Series D Director (as defined in the Investor Rights Agreement);

(iii) any increase or decrease to the authorized number of Series G Preferred; or

(iv) any amendment, alteration or repeal of this Section 2(e), Section 3(i) or Section 4(n).

(f) **Separate Vote of Series H Preferred**. For so long as any shares of Series H Preferred remain outstanding, in addition to any other vote or consent required herein or by law, the vote or written consent of the holders of a majority of the outstanding Series H Preferred, voting as a separate series, shall be necessary for effecting or validating the following actions (whether by merger, recapitalization or otherwise), any such act or transactions effected without such approval being null and void (to the fullest extent permitted by law) and of no force or effect:

(i) any amendment, alteration, waiver, repeal or nullification of any provision of the Certificate of Incorporation or Bylaws of the Company in a manner that materially adversely affects the powers, rights, preferences or privileges of the Series H Preferred; provided that authorization or issuance of an additional series of preferred stock shall not be deemed adverse;

(ii) any increase or decrease to the authorized number of Series H Preferred; or

(iii) any material transaction between the Company and Thomas M. Siebel or an affiliate thereof, excluding (A) compensation matters approved by the Compensation Committee, or (B) matters approved by the Board of Directors, including the person designated as the Series D Director (as defined in the Investor Rights Agreement).

(iv) any amendment, alteration or repeal of this Section 2(f), Section 3(i) or Section 4(n).

3. LIQUIDATION RIGHTS.

(a) Upon a Liquidation Event (as defined in Section 3(g) below), before any distribution or payment shall be made to the holders of any of the Early Preferred, Series C* Preferred or of any Common Stock, the holders of Series D Preferred, Series E Preferred, Series F Preferred, Series G Preferred and Series H Preferred shall be entitled to be paid out of the assets of the Company legally available for distribution (or the consideration received by the Company or its stockholders in an Acquisition or Asset Transfer) for each share of Series D Preferred, Series E Preferred, Series F Preferred, Series G Preferred and Series H Preferred held by them, an amount per share of Series D Preferred, Series E Preferred, Series F Preferred, Series G Preferred and Series H Preferred, respectively, equal to the Original Issue Price of the Series D Preferred, Series E Preferred, Series F Preferred, Series G Preferred or Series H Preferred, respectively, plus all declared and unpaid dividends on the Series D Preferred, Series E Preferred, Series F Preferred, Series G Preferred and Series H Preferred, respectively, on a *pari passu* basis. If, upon any such Liquidation Event, the assets of the Company shall be insufficient to make payment in full to all holders of Series D Preferred, Series E Preferred, Series F Preferred, Series G Preferred and Series H Preferred of the liquidation preference set forth in this Section 3(a), then such assets (or consideration) shall be distributed among the holders of Series D Preferred, Series E Preferred Series F Preferred, Series G Preferred and Series H Preferred at the time outstanding, ratably in proportion to the full amounts to which they would otherwise be respectively entitled, on a *pari passu* basis. For the avoidance of doubt, (i) the amount payable to the holders of Series E Preferred pursuant to this Section 3(a) shall be subject to adjustment as provided for in Section 3(f), below, and (ii) any adjustment to the amount payable to the holders of Series E Preferred pursuant to Section 3(f) shall not reduce the amount payable to the holders of Series D Preferred, Series F Preferred, Series G Preferred and Series H Preferred pursuant to this Section 3(a).

(b) After the payment of the liquidation preference of the holders of Series D Preferred, Series E Preferred, Series F Preferred, Series G Preferred and Series H Preferred set forth in Section 3(a), before any distribution or payment shall be made to the holders of any Early Preferred or of any Common Stock, the holders of Series C* Preferred shall be entitled to be paid out of the remaining assets of the Company legally available for distribution (or the consideration received by the Company or its stockholders in an Acquisition or Asset Transfer) for each share of Series C* Preferred held by them, an amount per share of Series C* Preferred equal to the Original Issue Price of the Series C* Preferred plus all declared and unpaid dividends on the Series C* Preferred. If, upon any such Liquidation Event, the remaining assets of the Company shall be insufficient to make payment in full to all holders of Series C* Preferred of the liquidation preference set forth in this Section 3(b), then such remaining assets (or consideration) shall be distributed among the holders of Series C* Preferred at the time outstanding, ratably in proportion to the full amounts to which they would otherwise be respectively entitled.

(c) After the payment of the full liquidation preference of the Series H Preferred, Series G Preferred, Series F Preferred, Series E Preferred, Series D Preferred and the Series C* Preferred as set forth in Sections 3(a) and 3(b) above, and before any distribution or payment shall be made to the holders of any Common Stock, the holders of any Early Preferred

shall be entitled to be paid out of the remaining assets of the Company legally available for distribution (or the consideration received by the Company or its stockholders in an Acquisition or Asset Transfer) an amount per share of Early Preferred equal to the respective Original Issue Price plus all declared and unpaid dividends on the Early Preferred, on a *pari passu* basis. If, upon any such Liquidation Event, the remaining assets of the Company shall be insufficient to make payment in full to all holders of Early Preferred of the liquidation preference set forth in this Section 3(c), then such remaining assets (or consideration) shall be distributed among the holders of Early Preferred at the time outstanding, ratably in proportion to the full amounts to which they would otherwise be respectively entitled.

(d) After the payment of the full liquidation preference of the Preferred Stock as set forth in Sections 3(a), 3(b) and 3(c) above, and before any distribution or payment shall be made to the holders of any Class A Common or Class B Common, the holders of Class A-1 Common shall be entitled to be paid out of the remaining assets of the Company legally available for distribution (or the consideration received by the Company or its stockholders in an Acquisition or Asset Transfer) for each share of the Class A-1 Common held by them, an amount per share equal to $2.82 (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the filing date hereof). If, upon any such Liquidation Event, the remaining assets of the Company shall be insufficient to make such payment in full to all holders of Class A-1 Common of the liquidation preference set forth in this Section 3(d), then such remaining assets (or consideration) shall be distributed among the holders of Class A-1 Common at the time outstanding, ratably in proportion to the full amounts to which they would otherwise be entitled.

(e) After the payment of the full liquidation preferences set forth in Sections 3(a), 3(b), 3(c) and 3(d) above, the remaining assets of the Company legally available for distribution in such Liquidation Event (or the consideration received by the Company or its stockholders in an Acquisition or Asset Transfer), if any, shall be distributed ratably to the holders of the Common Stock and Preferred Stock on an as-if-converted to Class A Common basis or Class B Common basis, as applicable.

(f) Notwithstanding the foregoing, in the event that, after payments set forth above in paragraphs 3(a) and 3(e), the holders of Series D Preferred, Series F Preferred, Series G Preferred and Series H Preferred have not received a total amount per share of Series D Preferred, Series F Preferred, Series G Preferred and Series H Preferred held by them equal to the Original Issue Price for the Series D Preferred, the Series F Preferred, the Series G Preferred and Series H Preferred, respectively, multiplied by 1.5 (the "***Series D, F, G and H Preference***"), then (i) the Series D Preferred, the Series F Preferred, the Series G Preferred and Series H Preferred shall be entitled to be paid out of the assets of the Company legally available for distribution (or the consideration received by the Company or its stockholders in an Acquisition or Asset Transfer) for each such share of Series D Preferred, Series F Preferred, Series G Preferred and Series H Preferred held by them, an additional amount per share as is necessary to provide that the holders of the Series D Preferred, the Series F Preferred, the Series G Preferred and Series H Preferred have received the full Series D, F, G and H Preference; and (ii) the amounts payable to the holders of Common Stock, Early Preferred, Series C* Preferred and Series E Preferred in accordance with paragraphs 3(a)-(e) shall be reduced by the amount of the

Series D, F, G and H Preference as follows: (1) the amounts payable to the holders of Common Stock, Early Preferred, Series C* Preferred and Series E Preferred in accordance with Section 3(e) shall be reduced up to the unpaid aggregate Series D, F, G and H Preference, ratably in proportion to the full amounts to which such holders would otherwise be respectively entitled; (2) if the reduction in (1) above is less than the aggregate remaining unpaid Series D, F, G and H Preference, the amounts payable to the holders of Class A-1 Common in accordance with Section 3(d) shall be reduced up to the aggregate remaining unpaid Series D, F, G and H Preference, ratably in proportion to the full amounts to which such holders would otherwise be respectively entitled; (3) if the reductions in (1) and (2) above are less than the aggregate remaining unpaid Series D, F, G and H Preference, the amounts payable to the holders of Early Preferred in accordance with Section 3(c) shall be reduced up to the aggregate remaining unpaid Series D, F, G and H Preference, ratably in proportion to the full amounts to which such holders would otherwise be respectively entitled; (4) if the reduction in (1), (3) and (3) above are less than the aggregate remaining unpaid Series D, F, G and H Preference, the amounts payable to the holders of Series C* Preferred in accordance with Section 3(b) shall be reduced up to the aggregate remaining unpaid Series D, F, G and H Preference, ratably in proportion to the full amounts to which such holders would otherwise be respectively entitled; and (5) if the reduction in (1), (2), (3) and (4) above are less than the aggregate remaining unpaid Series D, F, G and H Preference, the amounts payable to the holders of Series E Preferred in accordance with Section 3(a) shall be reduced up to the aggregate remaining unpaid Series D, F, G and H Preference, ratably in proportion to the full amounts to which such holders would otherwise be respectively entitled.

(g) For the purposes of this Section 3, a "***Liquidation Event***" shall mean: (i) (A) any consolidation or merger of the Company with or into any other corporation or other entity or person, or any other corporate reorganization, other than any such consolidation, merger or reorganization in which the stockholders of the Company immediately prior to such consolidation, merger or reorganization, continue to hold at least a majority of the voting power of the surviving entity in substantially the same proportions (or, if the surviving entity is a wholly owned subsidiary, its parent) immediately after such consolidation, merger or reorganization, or (B) any transaction or series of related transactions to which the Company is a party in which in excess of fifty percent (50%) of the Company's voting power is transferred (any event described in the preceding subsections (A) and (B) referred to as an "***Acquisition***"); provided that an Acquisition shall not include any transaction or series of transactions principally for bona fide equity financing purposes in which all of the cash is received by the Company or any successor (or indebtedness of the Company is cancelled or converted or a combination thereof); (ii) (x) a sale, lease, transfer, exclusive license or other disposition of all or substantially all of the assets of the Company and its subsidiaries taken as a whole or (y) the sale or disposition (whether by merger, consolidation or otherwise, and whether in a single transaction or a series of related transactions) of one or more subsidiaries of the Company if substantially all of the assets of the Company and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Company (any event described in the preceding subsections (x) and (y) referred to as an "***Asset Transfer***"); or (iii) any liquidation, dissolution, or winding up of the Company, whether voluntary or involuntary.

(h) In any Acquisition or Asset Transfer, if the consideration to be received is securities of a corporation or other property other than cash, its value will be deemed its fair market value as determined in good faith by the Board on the date such determination is made.

(i) The Company shall not have the power to effect an Acquisition or Asset Transfer (A) without the consent of the holders of a majority of the then outstanding shares of Series F Preferred, voting as a separate series, unless the definitive agreement for such transaction provides that the consideration payable to the holders of Series F Preferred in connection therewith shall be allocated in accordance with this Section 3, (B) without the consent of the holders of a majority of the then outstanding shares of Series G Preferred, voting as a separate series, unless the definitive agreement for such transaction provides that the consideration payable to the holders of Series G Preferred in connection therewith shall be allocated in accordance with this Section 3, and (C) without the consent of the holders of a majority of the then outstanding shares of Series H Preferred, voting as a separate series, unless the definitive agreement for such transaction provides that the consideration payable to the holders of Series H Preferred in connection therewith shall be allocated in accordance with this Section 3.

4. CLASS A CONVERTIBLE PREFERRED CONVERSION RIGHTS. The holders of the Series B* Preferred, the Series B1-A* Preferred, the Series B1-B* Preferred, the Series C* Preferred, the Series D Preferred, the Series F Preferred, the Series G Preferred and the Series H Preferred (the "***Class A Convertible Preferred***") shall have the following rights with respect to the conversion of the Class A Convertible Preferred into shares of Class A Common (for the purposes of this Section 4, the "***Conversion Rights***").

(a) Optional Conversion. Subject to and in compliance with the provisions of this Section 4, any shares of Class A Convertible Preferred may, at the option of the holder, be converted at any time into fully-paid and nonassessable shares of Class A Common. The number of shares of Class A Common to which a holder of Class A Convertible Preferred shall be entitled upon conversion shall be the product obtained by multiplying the applicable "Class A Convertible Preferred Conversion Rate" then in effect (determined as provided in Section 4(b)) by the number of shares of Class A Convertible Preferred, as applicable, being converted.

(b) Class A Convertible Preferred Conversion Rate. The conversion rate in effect at any time for conversion of the Class A Convertible Preferred (the "***Class A Convertible Preferred Conversion Rate***") shall be the quotient obtained by dividing the applicable Original Issue Price of the Class A Convertible Preferred by the applicable "Class A Convertible Preferred Conversion Price" (as defined below).

(c) Class A Convertible Preferred Conversion Price. The conversion price for each series of Class A Convertible Preferred shall initially be the applicable Original Issue Price of such series of Class A Convertible Preferred (the "***Class A Convertible Preferred Conversion Price***"). Such initial Class A Convertible Preferred Conversion Price shall be adjusted from time to time in accordance with this Section 4 and, in the case of the Series F Preferred, Series G Preferred and Series H Preferred, Section 6(h). All references to the

Class A Convertible Preferred Conversion Price herein shall mean the Class A Convertible Preferred Conversion Price as so adjusted, for the applicable series.

(d) Mechanics of Optional Conversion. Each holder of Class A Convertible Preferred who desires to convert the same into shares of Class A Common pursuant to this Section 4 shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Company or any transfer agent for the Class A Convertible Preferred, and shall give written notice to the Company at such office that such holder elects to convert the same. Such notice shall state the number of shares of Class A Convertible Preferred being converted. Thereupon, the Company shall promptly issue and deliver at such office to such holder a certificate or certificates for the number of shares of Class A Common to which such holder is entitled and shall promptly pay (i) in cash or, to the extent sufficient funds are not then legally available therefor, in Class A Common (at the Class A Common's fair market value determined by the Board as of the date of such conversion), any declared and unpaid dividends on the shares of Class A Convertible Preferred being converted and (ii) in cash (at the Class A Common's fair market value determined by the Board as of the date of conversion) the value of any fractional share of Class A Common otherwise issuable to any holder of Class A Convertible Preferred. Such conversion shall be deemed to have been made at the close of business on the date of such surrender of the certificates representing the shares of Class A Convertible Preferred to be converted, and the person entitled to receive the shares of Class A Common issuable upon such conversion shall be treated for all purposes as the record holder of such shares of Class A Common on such date.

(e) Adjustment for Stock Splits and Combinations. If at any time or from time to time on or after the Effective Time, the Company effects a subdivision of the outstanding Class A Common, the applicable Class A Convertible Preferred Conversion Price in effect immediately before that subdivision shall be proportionately decreased. Conversely, if at any time or from time to time after the Effective Time the Company combines the outstanding shares of Class A Common into a smaller number of shares, the applicable Class A Convertible Preferred Conversion Price in effect immediately before the combination shall be proportionately increased. Any adjustment under this Section 4(e) shall become effective at the close of business on the date the subdivision or combination becomes effective.

(f) Adjustment for Common Stock Dividends and Distributions. If at any time or from time to time on or after the Effective Time the Company pays to holders of Class A Common a dividend or other distribution in additional shares of Class A Common, the holders of Class A Convertible Preferred shall be entitled to a proportionate share of any such distribution as though they were the holders of the number of shares of Class A Common of the Company into which their shares of Class A Convertible Preferred are convertible as of the record date fixed for the determination of the holders of Class A Common of the Company entitled to receive such distribution.

(g) Adjustment for Reclassification, Exchange, Substitution, Reorganization, Merger or Consolidation. If at any time or from time to time on or after the Effective Time, the Class A Common issuable upon the conversion of the Class A Convertible Preferred is changed into the same or a different number of shares of any class or classes of

stock, whether by recapitalization, reclassification, merger, consolidation or otherwise (other than an Acquisition as defined in Section 3 or a subdivision or combination of shares or stock dividend provided for elsewhere in this Section 4), in any such event each share of Class A Convertible Preferred shall thereafter be convertible in lieu of the Class A Common into which it was convertible prior to such event into the kind and amount of securities, cash or other property that a holder of the number of shares of Class A Common of the Company issuable upon conversion of one share of Class A Convertible Preferred immediately prior to such recapitalization, reclassification, merger, consolidation or other transaction would have been entitled to receive pursuant to such transaction, all subject to further adjustment as provided herein or with respect to such other securities or property by the terms thereof. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 4 with respect to the rights of the holders of Class A Convertible Preferred after the capital reorganization to the end that the provisions of this Section 4 (including adjustment of the applicable Class A Convertible Preferred Conversion Price then in effect and the number of shares issuable upon conversion of the Class A Convertible Preferred) shall be applicable after that event and be as nearly equivalent as practicable.

(h) Certificate of Adjustment. In each case of an adjustment or readjustment of the applicable Class A Convertible Preferred Conversion Price for the number of shares of Common Stock or other securities issuable upon conversion of the Class A Convertible Preferred (including, without limitation, any adjustment to the Ratchet Preferred Conversion Price pursuant to Section 6, below), if the Class A Convertible Preferred is then convertible pursuant to this Section 4, the Company, at its expense, shall compute such adjustment or readjustment in accordance with the provisions hereof and shall, upon request, prepare a certificate showing such adjustment or readjustment, and shall mail such certificate, by first class mail, postage prepaid, to each registered holder of Class A Convertible Preferred so requesting at the holder's address as shown in the Company's books. The certificate shall set forth such adjustment or readjustment, showing in detail the facts upon which such adjustment or readjustment is based. Failure to request or provide such notice shall have no effect on any such adjustment.

(i) Notices of Record Date. Upon (i) any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, or (ii) any Acquisition (as defined in Section 3) or other capital reorganization of the Company, any reclassification or recapitalization of the capital stock of the Company, any merger or consolidation of the Company with or into any other corporation, or any Asset Transfer (as defined in Section 3), or any voluntary or involuntary dissolution, liquidation or winding up of the Company, the Company shall mail to each holder of Class A Convertible Preferred at least ten (10) days prior to (x) the record date, if any, specified therein; or (y) if no record date is specified, the date upon which such action is to take effect (or, in either case, such shorter period approved by the holders of a majority of the outstanding Class A Convertible Preferred) a notice specifying (A) the date on which any such record is to be taken for the purpose of such dividend or distribution and a description of such dividend or distribution, (B) the date on which any such Acquisition, reorganization, reclassification, transfer, consolidation, merger, Asset Transfer, dissolution,

liquidation or winding up is expected to become effective, and (C) the date, if any, that is to be fixed as to when the holders of record of Common Stock (or other securities) shall be entitled to exchange their shares of Common Stock (or other securities) for securities or other property deliverable upon such Acquisition, reorganization, reclassification, transfer, consolidation, merger, Asset Transfer, dissolution, liquidation or winding up.

(j) Fractional Shares. No fractional shares of Class A Common shall be issued upon conversion of Class A Convertible Preferred. All shares of Class A Common (including fractions thereof) issuable upon conversion of more than one share of Class A Convertible Preferred by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If after the aforementioned aggregation the conversion would result in the issuance of any fractional share, the Company shall, in lieu of issuing any fractional share, pay cash equal to the product of such fraction multiplied by the fair market value of one share of Class A Common (as determined by the Board) on the date of conversion.

(k) Reservation of Stock Issuable Upon Conversion. The Company shall at all times reserve and keep available out of its authorized but unissued shares of Class A Common, solely for the purpose of effecting the conversion of the shares of the Class A Convertible Preferred, such number of its shares of Class A Common as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Class A Convertible Preferred. If at any time the number of authorized but unissued shares of Class A Common shall not be sufficient to effect the conversion of all then outstanding shares of the Class A Convertible Preferred, the Company will take such corporate action as may be necessary to increase its authorized but unissued shares of Class A Common to such number of shares as shall be sufficient for such purpose.

(l) Notices. Any notice required by the provisions of this Section 4 shall be in writing and shall be deemed effectively given: (i) upon personal delivery to the party to be notified, (ii) when sent by electronic transmission in compliance with the provisions of the DGCL if sent during normal business hours of the recipient; if not, then on the next business day, (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (iv) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with verification of receipt. All notices shall be addressed to each holder of record at the address of such holder appearing on the books of the Company.

(m) Payment of Taxes. The Company will pay all taxes (other than taxes based upon income) and other governmental charges that may be imposed with respect to the issue or delivery of shares of Class A Common upon conversion of shares of Class A Convertible Preferred, excluding any tax or other charge imposed in connection with any transfer involved in the issue and delivery of shares of Class A Common in a name other than that in which the shares of Class A Convertible Preferred so converted were registered.

(n) Waiver of Adjustment to Ratchet Preferred Conversion Price. Notwithstanding anything herein to the contrary, any downward adjustment to the Conversion Price applicable to the Series F Preferred, Series G Preferred or Series H Preferred (the "***Ratchet Preferred***") pursuant to Section 4 or Section 6(h) may only be waived, either prospectively or

retroactively or in a particular instance, by the consent or vote of the holders of (A) with respect to the Series F Preferred, at least a majority of the then outstanding shares of the Series F Preferred, voting together as a separate series, (B) with respect to the Series G Preferred, by the consent or vote of the holders of at least a majority of the then outstanding shares of the Series G Preferred, voting together as a separate series or (C) with respect to the Series H Preferred, by the consent or vote of the holders of at least a majority of the then outstanding shares of the Series H Preferred, voting together as a separate series. Any such waiver shall bind all future holders of the Series F Preferred, Series G Preferred or Series H Preferred, as applicable.

(o) Possible Issuance of Additional Stock to Ratchet Preferred.

(i) In connection with any public offering and sale of (A) any equity securities of the Company ("***Company Equity Securities***") or (B) any securities of the Company or any affiliate of the Company that are convertible into equity securities of the Company ("***Convertible Securities***"), in each case pursuant to an effective registration statement under the Securities Act of 1933, as amended, covering the offer and sale of Company Equity Securities or Convertible Securities, as applicable, whether for the account of the Company or for the account of any other person(s), or that otherwise results in the listing or quotation of Company Equity Securities or Convertible Securities, as applicable, on any non-U.S. securities exchange (a "***Public Offering***") and in which the product of (i) the number of shares of Common Stock issuable upon conversion of a share of Series F Preferred, Series G Preferred or Series H Preferred, as the case may be, at the Class A Convertible Preferred Conversion Price then applicable to such shares of Ratchet Preferred (with respect to such shares of Ratchet Preferred, the "***Ratchet Preferred Conversion Price***") multiplied by (ii) the offering price to the public ("***Public Offering Price***") per share of Common Stock (or, in the case of any Company Equity Securities other than Common Stock or Convertible Securities, the implied price per share of Common Stock) would equal less than $29.4102 (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the filing date hereof), then effective immediately prior to the consummation of the Public Offering, the Ratchet Preferred Conversion Price for the Series H Preferred, Series G Preferred or the Series F Preferred, as the case may be, will be adjusted to such number as would cause the product of (i) the number of shares of Common Stock issuable upon conversion of such share of Ratchet Preferred at such adjusted Ratchet Preferred Conversion Price multiplied by (ii) the Public Offering Price, to equal $29.4102 (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the filing date hereof).

(ii) In the event that any shares of Ratchet Preferred are converted into Class A Common other than in connection with a Public Offering and at a time that any Company Equity Securities or Convertible Securities are registered or subject to registration under the Securities Exchange Act of 1934, as amended, pursuant to Section 12(b) thereof (a "***Conversion Ratchet Event***") or are listed or quoted on any non-U.S. securities exchange and the product of (i) the number of shares of Common Stock issuable upon conversion of a share of Ratchet Preferred at the Ratchet Preferred Conversion Price multiplied by (ii) the volume-weighted average closing sale price per share of Common Stock (or, in the case of any Company Equity Securities other than Common Stock or Convertible Securities, the implied sale price per share of Common Stock) on the principal securities exchange on which the

applicable Company Equity Security or Convertible Security is traded for the twenty (20) trading day period immediately preceding the effective date of such conversion of shares of Ratchet Preferred into Class A Common (with respect to such shares of Ratchet Preferred, the "***Ratchet Conversion Price***") would equal less than $29.4102 (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the filing date hereof), then effective immediately prior to the effective time of such conversion of shares of Ratchet Preferred into Class A Common, the Ratchet Preferred Conversion Price with respect to such shares of Ratchet Preferred (but not, for the avoidance of doubt and if applicable, any Ratchet Preferred other than such shares of Ratchet Preferred that were not converted to Class A Common in connection with the Ratchet Event) will be adjusted to such number as would cause the product of (i) the number of shares of Common Stock issuable upon conversion of a share of Ratchet Preferred at such adjusted Ratchet Preferred Conversion Price, multiplied by (ii) the Ratchet Conversion Price, to equal $29.4102 (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the filing date hereof).

(iii) Notwithstanding the foregoing, nothing in this Section 4(o) shall result in any upward adjustment to the Ratchet Preferred Conversion Price.

5. SERIES A* CONVERSION RIGHTS. The holders of the Series A* Preferred shall have the following rights with respect to the conversion of the Series A* Preferred into shares of Class B Common:

(a) Optional Conversion. Subject to and in compliance with the provisions of this Section 4, any shares of Series A* Preferred may, at the option of the holder, be converted at any time into fully-paid and nonassessable shares of Class B Common, in accordance with the first paragraph of this Section 5. The number of shares of Class B Common to which a holder of Series A* Preferred shall be entitled upon conversion shall be the product obtained by multiplying the applicable "Series A* Preferred Conversion Rate" then in effect (determined as provided in Section 5(b)) by the number of shares of Series A* Preferred being converted.

(b) Series A* Preferred Conversion Rate. The conversion rate in effect at any time for conversion of the Series A*Preferred (the "***Series A* Preferred Conversion Rate***") shall be the quotient obtained by dividing the applicable Original Issue Price of the Series A* Preferred by the applicable "Series A* Preferred Conversion Price," calculated as provided in Section 5(c).

(c) Series A* Preferred Conversion Price. The conversion price for the Series A* Preferred shall initially be the applicable Original Issue Price of the Series A* Preferred (the "***Series A* Preferred Conversion Price***"). Such initial Series A* Preferred Conversion Price shall be adjusted from time to time in accordance with this Section 5. All references to the Series A* Preferred Conversion Price herein shall mean the Series A* Preferred Conversion Price as so adjusted.

(d) Mechanics of Optional Conversion. Each holder of Series A* Preferred who desires to convert the same into shares of Class B Common pursuant to this Section 5 shall surrender the certificate or certificates therefor, duly endorsed, at the office of the

Company or any transfer agent for the Series A* Preferred, and shall give written notice to the Company at such office that such holder elects to convert the same. Such notice shall state the number of shares of Series A* Preferred being converted. Thereupon, the Company shall promptly issue and deliver at such office to such holder a certificate or certificates for the number of shares of Class B Common to which such holder is entitled and shall promptly pay (i) in cash or, to the extent sufficient funds are not then legally available therefor, in Class B Common (at the Class B Common's fair market value determined by the Board as of the date of such conversion), any declared and unpaid dividends on the shares of Series A* Preferred being converted and (ii) in cash (at the Class B Common's fair market value determined by the Board as of the date of conversion) the value of any fractional share of Class B Common otherwise issuable to any holder of Series A* Preferred. Such conversion shall be deemed to have been made at the close of business on the date of such surrender of the certificates representing the shares of Series A* Preferred to be converted, and the person entitled to receive the shares of Class B Common issuable upon such conversion shall be treated for all purposes as the record holder of such shares of Class B Common on such date.

(e) Adjustment for Stock Splits and Combinations. If at any time or from time to time on or after the Effective Time the Company effects a subdivision of the outstanding Class B Common, the applicable Series A* Preferred Conversion Price in effect immediately before that subdivision shall be proportionately decreased. Conversely, if at any time or from time to time after the Effective Time the Company combines the outstanding shares of Class B Common into a smaller number of shares, the applicable Series A* Preferred Conversion Price in effect immediately before the combination shall be proportionately increased. Any adjustment under this Section 5(e) shall become effective at the close of business on the date the subdivision or combination becomes effective.

(f) Adjustment for Common Stock Dividends and Distributions. If at any time or from time to time on or after the Effective Time the Company pays to holders of Class B Common a dividend or other distribution in additional shares of Class B Common, the holders of Series A* Preferred shall be entitled to a proportionate share of any such distribution as though they were the holders of the number of shares of Class B Common of the Company into which their shares of Series A* Preferred are convertible as of the record date fixed for the determination of the holders of Class B Common of the Company entitled to receive such distribution.

(g) Adjustment for Reclassification, Exchange, Substitution, Reorganization, Merger or Consolidation. If at any time or from time to time on or after the Effective Time, the Class B Common issuable upon the conversion of the Series A* Preferred is changed into the same or a different number of shares of any class or classes of stock, whether by recapitalization, reclassification, merger, consolidation or otherwise (other than an Acquisition as defined in Section 3 or a subdivision or combination of shares or stock dividend provided for elsewhere in this Section 5), in any such event each share of Series A* Preferred shall thereafter be convertible in lieu of the Class B Common into which it was convertible prior to such event into the kind and amount of securities, cash or other property that a holder of the number of shares of Class B Common of the Company issuable upon conversion of one share of Series A* Preferred immediately prior to such recapitalization, reclassification, merger, consolidation or

other transaction would have been entitled to receive pursuant to such transaction, all subject to further adjustment as provided herein or with respect to such other securities or property by the terms thereof. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 5 with respect to the rights of the holders of Series A* Preferred after the capital reorganization to the end that the provisions of this Section 5 (including adjustment of the applicable Series A* Preferred Conversion Price then in effect and the number of shares issuable upon conversion of the Series A* Preferred) shall be applicable after that event and be as nearly equivalent as practicable.

(h) Certificate of Adjustment. In each case of an adjustment or readjustment of the applicable Series A* Preferred Conversion Price for the number of shares of Class B Common Stock or other securities issuable upon conversion of the Series A* Preferred, if the Series A* Preferred is then convertible pursuant to this Section 5, the Company, at its expense, shall compute such adjustment or readjustment in accordance with the provisions hereof and shall, upon request, prepare a certificate showing such adjustment or readjustment, and shall mail such certificate, by first class mail, postage prepaid, to each registered holder of Series A* Preferred so requesting at the holder's address as shown in the Company's books. The certificate shall set forth such adjustment or readjustment, showing in detail the facts upon which such adjustment or readjustment is based. Failure to request or provide such notice shall have no effect on any such adjustment.

(i) Notices of Record Date. Upon (i) any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, or (ii) any Acquisition (as defined in Section 3) or other capital reorganization of the Company, any reclassification or recapitalization of the capital stock of the Company, any merger or consolidation of the Company with or into any other corporation, or any Asset Transfer (as defined in Section 3), or any voluntary or involuntary dissolution, liquidation or winding up of the Company, the Company shall mail to each holder of Series A* Preferred at least ten (10) days prior to (x) the record date, if any, specified therein; or (y) if no record date is specified, the date upon which such action is to take effect (or, in either case, such shorter period approved by the holders of a majority of the outstanding Series A* Preferred) a notice specifying (A) the date on which any such record is to be taken for the purpose of such dividend or distribution and a description of such dividend or distribution, (B) the date on which any such Acquisition, reorganization, reclassification, transfer, consolidation, merger, Asset Transfer, dissolution, liquidation or winding up is expected to become effective, and (C) the date, if any, that is to be fixed as to when the holders of record of Common Stock (or other securities) shall be entitled to exchange their shares of Common Stock (or other securities) for securities or other property deliverable upon such Acquisition, reorganization, reclassification, transfer, consolidation, merger, Asset Transfer, dissolution, liquidation or winding up.

(j) Fractional Shares. No fractional shares of Class B Common shall be issued upon conversion of Series A* Preferred. All shares of Class B Common (including fractions thereof) issuable upon conversion of more than one share of Series A* Preferred by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If after the aforementioned aggregation the

conversion would result in the issuance of any fractional share, the Company shall, in lieu of issuing any fractional share, pay cash equal to the product of such fraction multiplied by the fair market value of one share of Class B Common (as determined by the Board) on the date of conversion.

(k) Reservation of Stock Issuable Upon Conversion. The Company shall at all times reserve and keep available out of its authorized but unissued shares of Class B Common, solely for the purpose of effecting the conversion of the shares of the Series A* Preferred, such number of its shares of Class B Common as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series A* Preferred. If at any time the number of authorized but unissued shares of Class B Common shall not be sufficient to effect the conversion of all then outstanding shares of the Series A* Preferred, the Company will take such corporate action as may be necessary to increase its authorized but unissued shares of Class A Common to such number of shares as shall be sufficient for such purpose.

(l) Notices. Any notice required by the provisions of this Section 5 shall be in writing and shall be deemed effectively given: (i) upon personal delivery to the party to be notified, (ii) when sent by electronic transmission in compliance with the provisions of the DGCL if sent during normal business hours of the recipient; if not, then on the next business day, (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (iv) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with verification of receipt. All notices shall be addressed to each holder of record at the address of such holder appearing on the books of the Company.

(m) Payment of Taxes. The Company will pay all taxes (other than taxes based upon income) and other governmental charges that may be imposed with respect to the issue or delivery of shares of Class B Common upon conversion of shares of Series A* Preferred, excluding any tax or other charge imposed in connection with any transfer involved in the issue and delivery of shares of Class B Common in a name other than that in which the shares of Series A* Preferred so converted were registered.

6. SERIES E PREFERRED AND OTHER CONVERSION RIGHTS.

The holders of the Series E Preferred shall have the following rights with respect to the conversion of the Series E Preferred into shares of Class A Common (for the purposes of this Section 6, the "***Conversion Rights***"):

(a) Optional Conversion. Subject to and in compliance with the provisions of this Section 6, any shares of Series E Preferred may, at the option of the holder, be converted at any time into fully-paid and nonassessable shares of Class A Common. The number of shares of Class A Common to which a holder of the Series E Preferred shall be entitled upon conversion shall be the product obtained by multiplying the "Series E Preferred Conversion Rate" then in effect (determined as provided in Section 6(b)) by the number of shares of Series E Preferred being converted.

(b) Series E Preferred Conversion Rate. The conversion rate in effect at any time for conversion of the Series E Preferred (the "***Series E Preferred Conversion***

Rate") shall be the quotient obtained by dividing the Original Issue Price of the Series E Preferred by the "Series E Preferred Conversion Price," calculated as provided in Section 6(c).

(c) Series E Preferred Conversion Price. The conversion price for the Series E Preferred shall initially be the Original Issue Price of such series of Series E Preferred (the "***Series E Preferred Conversion Price***"). The initial Series E Preferred Conversion Price shall be adjusted from time to time in accordance with this Section 6. All references to the Series E Preferred Conversion Price herein shall mean the Series E Preferred Conversion Price as so adjusted.

(d) Mechanics of Optional Conversion. Each holder of Series E Preferred who desires to convert the same into shares of Class A Common pursuant to this Section 6 shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Company or any transfer agent for the Series E Preferred, and shall give written notice to the Company at such office that such holder elects to convert the same. Such notice shall state the number of shares of Series E Preferred being converted. Thereupon, the Company shall promptly issue and deliver at such office to such holder a certificate or certificates for the number of shares of Class A Common to which such holder is entitled and shall promptly pay (i) in cash or, to the extent sufficient funds are not then legally available therefor, in Class A Common (at the Class A Common's fair market value determined by the Board as of the date of such conversion), any declared and unpaid dividends on the shares of the Series E Preferred being converted and (ii) in cash (at the Class A Common's fair market value determined by the Board as of the date of conversion) the value of any fractional share of Class A Common otherwise issuable to any holder of the Series E Preferred. Such conversion shall be deemed to have been made at the close of business on the date of such surrender of the certificates representing the shares of the Series E Preferred to be converted, and the person entitled to receive the shares of Class A Common issuable upon such conversion shall be treated for all purposes as the record holder of such shares of Class A Common on such date.

(e) Adjustment for Stock Splits and Combinations. If at any time or from time to time on or after the Original Issue Date the Company effects a subdivision of the outstanding Class A Common, the Series E Preferred Conversion Price in effect immediately before that subdivision shall be proportionately decreased. Conversely, if at any time or from time to time after the Original Issue Date the Company combines the outstanding shares of Class A Common into a smaller number of shares, the Series E Preferred Conversion Price in effect immediately before the combination shall be proportionately increased. Any adjustment under this Section 6(e) shall become effective at the close of business on the date the subdivision or combination becomes effective.

(f) Adjustment for Common Stock Dividends and Distributions. If at any time or from time to time on or after the Original Issue Date the Company pays to holders of Class A Common a dividend or other distribution in additional shares of Class A Common, the holders of the Series E Preferred shall be entitled to a proportionate share of any such distribution as though they were the holders of the number of shares of Class A Common of the Company into which their shares of Series E Preferred are convertible as of the record date

fixed for the determination of the holders of Class A Common of the Company entitled to receive such distribution.

(g) Adjustment for Reclassification, Exchange, Substitution, Reorganization, Merger or Consolidation. If at any time or from time to time on or after the Original Issue Date, the Class A Common issuable upon the conversion of the Series E Preferred is changed into the same or a different number of shares of any class or classes of stock, whether by recapitalization, reclassification, merger, consolidation or otherwise (other than an Acquisition as defined in Section 3 or a subdivision or combination of shares or stock dividend provided for elsewhere in this Section 6), in any such event each share of the Series E Preferred shall thereafter be convertible in lieu of the Class A Common into which it was convertible prior to such event into the kind and amount of securities, cash or other property that a holder of the number of shares of Class A Common of the Company issuable upon conversion of one share of the Series E Preferred immediately prior to such recapitalization, reclassification, merger, consolidation or other transaction would have been entitled to receive pursuant to such transaction, all subject to further adjustment as provided herein or with respect to such other securities or property by the terms thereof. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 6 with respect to the rights of the holders of Series E Preferred after the capital reorganization to the end that the provisions of this Section 6 (including adjustment of the Series E Preferred Conversion Price then in effect and the number of shares issuable upon conversion of the Series E Preferred) shall be applicable after that event and be as nearly equivalent as practicable.

(h) Sale of Shares Below the Series E Preferred Conversion Price or Applicable Ratchet Preferred Conversion Price.

(i) If at any time or from time to time on or after the Original Issue Date, the Company issues or sells, or is deemed by the express provisions of this Section 6(h) to have issued or sold, Additional Shares of Common Stock (as defined below), other than as provided in Section 4(e), 4(f), 4(g), 6(e), 6(f) or 6(g) above, for an Effective Price (as defined below) less than the then effective applicable Ratchet Preferred Conversion Price or Series E Preferred Conversion Price, as the case may be (a "***Qualifying Dilutive Issuance***"), then and in each such case, the then existing Series E Preferred Conversion Price or such Ratchet Preferred Conversion Price, as applicable, shall be reduced, as of the opening of business on the date of such issue or sale, to a price determined by multiplying the Series E Preferred Conversion Price or such Ratchet Preferred Conversion Price, as applicable, in effect immediately prior to such issuance or sale by a fraction:

(A) the numerator of which shall be (A) the number of shares of Common Stock deemed outstanding (as determined below) immediately prior to such issue or sale, plus (B) the number of shares of Common Stock that the Aggregate Consideration (as defined below) received or deemed received by the Company for the total number of Additional Shares of Common Stock so issued would purchase at such then-existing Series E Preferred Conversion Price or such Ratchet Preferred Conversion Price, as applicable, and

(B) the denominator of which shall be the number of shares of Common Stock deemed outstanding (as determined below) immediately prior to such issue or sale plus the total number of Additional Shares of Common Stock so issued.

For the purposes of the preceding sentence, the number of shares of Common Stock deemed to be outstanding as of a given date shall be the sum of (A) the number of shares of Common Stock outstanding, (B) the number of shares of Common Stock into which the then outstanding shares of Preferred Stock could be converted if fully converted on the day immediately preceding the given date, and (C) the number of shares of Common Stock that are issuable upon the exercise or conversion of all other rights, options and convertible securities outstanding on the day immediately preceding the given date.

(ii) No adjustment shall be made to the Series E Preferred Conversion Price or a Ratchet Preferred Conversion Price, as applicable, in an amount less than one percent (1%) of the Series E Preferred Conversion Price or such Ratchet Preferred Conversion Price, as applicable, then in effect. Any adjustment otherwise required by this Section 6(h) that is not required to be made due to the first sentence of this subsection (ii) shall be included in any subsequent adjustment to the Series E Preferred Conversion Price or such Ratchet Preferred Conversion Price, as applicable. Any adjustment required by this Section 6(h) shall be rounded to the first decimal for which such rounding represents less than one percent (1%) of the Series E Preferred Conversion Price or such Ratchet Preferred Conversion Price, as applicable, in effect after such adjustment.

(iii) For the purpose of making any adjustment required under this Section 6(h), the aggregate consideration received by the Company for any issue or sale of securities (the "***Aggregate Consideration***") shall be defined as: (A) to the extent it consists of cash, the gross amount of cash received by the Company before deduction of any underwriting or similar commissions, compensation or concessions paid or allowed by the Company in connection with such issue or sale and without deduction of any expenses payable by the Company, (B) to the extent it consists of property other than cash, the fair market value of that property as determined in good faith by the Board, and (C) if Additional Shares of Common Stock, Convertible Securities (as defined below) or rights or options to purchase either Additional Shares of Common Stock or Convertible Securities are issued or sold together with other stock or securities or other assets of the Company for a consideration that covers both, the portion of the consideration so received that may be reasonably determined in good faith by the Board to be allocable to such Additional Shares of Common Stock, Convertible Securities or rights or options.

(iv) For the purpose of the adjustment required under this Section 6(h), if the Company issues or sells (x) Preferred Stock or other stock, options, warrants, purchase rights or other securities exercisable for or convertible into, Additional Shares of Common Stock (such convertible stock or securities being herein referred to as "***Convertible Securities***") or (y) rights or options for the purchase of Additional Shares of Common Stock or Convertible Securities and if the Effective Price of such Additional Shares of Common Stock is less than the Series E Preferred Conversion Price or a Ratchet Preferred Conversion Price, as applicable, in each case the Company shall be deemed to have issued at the time of the issuance

of such rights or options or Convertible Securities the maximum number of Additional Shares of Common Stock issuable upon exercise or conversion thereof and to have received as consideration for the issuance of such shares an amount equal to the total amount of the consideration, if any, received by the Company for the issuance of such rights or options or Convertible Securities plus:

(A) in the case of such rights or options, the minimum amounts of consideration, if any, payable to the Company upon the exercise of such rights or options; and

(B) in the case of Convertible Securities, the minimum amounts of consideration, if any, payable to the Company upon the conversion thereof (other than by cancellation of liabilities or obligations evidenced by such Convertible Securities); *provided* that if the minimum amounts of such consideration cannot be ascertained, but are a function of antidilution or similar protective clauses, the Company shall be deemed to have received the minimum amounts of consideration without reference to such clauses.

(C) If the minimum amount of consideration payable to the Company upon the exercise or conversion of rights, options or Convertible Securities is reduced over time or on the occurrence or non-occurrence of specified events other than by reason of antidilution adjustments, the Effective Price shall be recalculated using the figure to which such minimum amount of consideration is reduced; *provided further,* that if the minimum amount of consideration payable to the Company upon the exercise or conversion of such rights, options or Convertible Securities is subsequently increased, the Effective Price shall be again recalculated using the increased minimum amount of consideration payable to the Company upon the exercise or conversion of such rights, options or Convertible Securities.

(D) No further adjustment of the Series E Preferred Conversion Price or a Ratchet Preferred Conversion Price, as applicable, as adjusted upon the issuance of such rights, options or Convertible Securities, shall be made as a result of the actual issuance of Additional Shares of Common Stock or the exercise of any such rights or options or the conversion of any such Convertible Securities. If any such rights or options or the conversion privilege represented by any such Convertible Securities shall expire without having been exercised, the Series E Preferred Conversion Price or a Ratchet Preferred Conversion Price, as applicable, as adjusted upon the issuance of such rights, options or Convertible Securities shall be readjusted to the Series E Preferred Conversion Price or Ratchet Preferred Conversion Price, as applicable, that would have been in effect had an adjustment been made on the basis that the only Additional Shares of Common Stock so issued were the Additional Shares of Common Stock, if any, actually issued or sold on the exercise of such rights or options or rights of conversion of such Convertible Securities, and such Additional Shares of Common Stock, if any, were issued or sold for the consideration actually received by the Company upon such exercise, plus the consideration, if any, actually received by the Company for the granting of all such rights or options, whether or not exercised, plus the consideration received for issuing or selling the Convertible Securities actually converted, plus the consideration, if any, actually received by the Company (other than by cancellation of liabilities or obligations evidenced by such

Convertible Securities) on the conversion of such Convertible Securities, *provided* that such readjustment shall not apply to prior conversions of Preferred Stock.

(v) For the purpose of making any adjustment to the Series E Preferred Conversion Price or a Ratchet Preferred Conversion Price required under this Section 6(h), "Additional Shares of Common Stock" shall mean all shares of Common Stock issued by the Company or deemed to be issued pursuant to this Section 6(h) (including shares of Common Stock subsequently reacquired or retired by the Company), other than:

(A) With respect to the Series E Preferred Conversion Price, shares of Series H Preferred issued pursuant to the Series H Preferred Stock Purchase Agreement dated August 15, 2019;

(B) shares of Common Stock issued upon conversion of the Preferred Stock;

(C) shares of Common Stock or Convertible Securities issued after the Original Issue Date to employees, officers or directors of, or consultants or advisors to the Company or any subsidiary pursuant to stock purchase or stock option plans or other arrangements that are approved by the Board;

(D) shares of Common Stock issued pursuant to the exercise or conversion of Convertible Securities outstanding as of the Original Issue Date;

(E) shares of Common Stock or Convertible Securities issued for consideration other than cash pursuant to a merger, consolidation, acquisition, strategic alliance or similar business combination approved by the Board;

(F) shares of Common Stock or Convertible Securities issued pursuant to any equipment loan or leasing arrangement, real property leasing arrangement or debt financing from a bank or similar financial or lending institution approved by the Board;

(G) shares of Common Stock or Convertible Securities issued in connection with strategic transactions involving the Company and other entities approved by the Board, including without limitation joint ventures, manufacturing, marketing, distribution, technology transfer or development arrangements;

(H) shares of Common Stock, Options or Convertible Securities issued in connection with sponsored research, collaboration, technology license, development, OEM, marketing or other similar agreements or strategic partnerships approved by the Board; and

(I) other than with respect to shares of Series G Preferred, shares of Common Stock that are issued with the unanimous approval of the Board of this corporation and the Board specifically states that it shall not be Additional Shares of Common Stock.

References to Common Stock in the subsections of this clause (v) above shall mean all shares of Common Stock issued by the Company or deemed to be issued pursuant to

this Section 6(h). The "***Effective Price***" of Additional Shares of Common Stock shall mean the quotient determined by dividing the total number of Additional Shares of Common Stock issued or sold, or deemed to have been issued or sold by the Company under this Section 6(h), into the Aggregate Consideration received, or deemed to have been received by the Company for such issue under this Section 6(h), for such Additional Shares of Common Stock. In the event that the number of shares of Additional Shares of Common Stock or the Effective Price cannot be ascertained at the time of issuance, such Additional Shares of Common Stock shall be deemed issued immediately upon the occurrence of the first event that makes such number of shares or the Effective Price, as applicable, ascertainable.

(vi) In the event that the Company issues or sells, or is deemed to have issued or sold, Additional Shares of Common Stock in a Qualifying Dilutive Issuance (the "***First Dilutive Issuance***"), then in the event that the Company issues or sells, or is deemed to have issued or sold, Additional Shares of Common Stock in a Qualifying Dilutive Issuance other than the First Dilutive Issuance as a part of the same transaction or series of related transactions as the First Dilutive Issuance (a "***Subsequent Dilutive Issuance***"), then and in each such case upon a Subsequent Dilutive Issuance the Series E Preferred Conversion Price or a Ratchet Preferred Conversion Price, as applicable, shall be reduced to the Series E Preferred Conversion Price or a Ratchet Preferred Conversion Price, as applicable, that would have been in effect had the First Dilutive Issuance and each Subsequent Dilutive Issuance all occurred on the closing date of the First Dilutive Issuance.

(i) Certificate of Adjustment. In each case of an adjustment or readjustment of the applicable Series E Preferred Conversion Price for the number of shares of Common Stock or other securities issuable upon conversion of the Series E Preferred, if the Series E Preferred is then convertible pursuant to this Section 6, the Company, at its expense, shall compute such adjustment or readjustment in accordance with the provisions hereof and shall, upon request, prepare a certificate showing such adjustment or readjustment, and shall mail such certificate, by first class mail, postage prepaid, to each registered holder of the Series E Preferred so requesting at the holder's address as shown in the Company's books. The certificate shall set forth such adjustment or readjustment, showing in detail the facts upon which such adjustment or readjustment is based. Failure to request or provide such notice shall have no effect on any such adjustment.

(j) Notices of Record Date. Upon (i) any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, or (ii) any Acquisition (as defined in Section 3) or other capital reorganization of the Company, any reclassification or recapitalization of the capital stock of the Company, any merger or consolidation of the Company with or into any other corporation, or any Asset Transfer (as defined in Section 3), or any voluntary or involuntary dissolution, liquidation or winding up of the Company, the Company shall mail to each holder of Series E Preferred at least ten (10) days prior to (x) the record date, if any, specified therein; or (y) if no record date is specified, the date upon which such action is to take effect (or, in either case, such shorter period approved by the holders of a majority of the outstanding Series E Preferred) a notice specifying (A) the date on which any such record is to be taken for the purpose of such dividend or distribution and a description of

such dividend or distribution, (B) the date on which any such Acquisition, reorganization, reclassification, transfer, consolidation, merger, Asset Transfer, dissolution, liquidation or winding up is expected to become effective, and (C) the date, if any, that is to be fixed as to when the holders of record of Common Stock (or other securities) shall be entitled to exchange their shares of Common Stock (or other securities) for securities or other property deliverable upon such Acquisition, reorganization, reclassification, transfer, consolidation, merger, Asset Transfer, dissolution, liquidation or winding up.

(k) Fractional Shares. No fractional shares of Class A Common shall be issued upon conversion of Series E Preferred. All shares of Class A Common (including fractions thereof) issuable upon conversion of more than one share of Series E Preferred by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If after the aforementioned aggregation the conversion would result in the issuance of any fractional share, the Company shall, in lieu of issuing any fractional share, pay cash equal to the product of such fraction multiplied by the fair market value of one share of Class A Common (as determined by the Board) on the date of conversion.

(l) Reservation of Stock Issuable Upon Conversion. The Company shall at all times reserve and keep available out of its authorized but unissued shares of Class A Common, solely for the purpose of effecting the conversion of the shares of the Series E Preferred, such number of its shares of Class A Common as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series E Preferred. If at any time the number of authorized but unissued shares of Class A Common shall not be sufficient to effect the conversion of all then outstanding shares of the Series E Preferred, the Company will take such corporate action as may be necessary to increase its authorized but unissued shares of Class A Common to such number of shares as shall be sufficient for such purpose.

(m) Notices. Any notice required by the provisions of this Section 6 shall be in writing and shall be deemed effectively given: (i) upon personal delivery to the party to be notified, (ii) when sent by electronic transmission in compliance with the provisions of the DGCL if sent during normal business hours of the recipient; if not, then on the next business day, (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (iv) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with verification of receipt. All notices shall be addressed to each holder of record at the address of such holder appearing on the books of the Company.

(n) Payment of Taxes. The Company will pay all taxes (other than taxes based upon income) and other governmental charges that may be imposed with respect to the issue or delivery of shares of Class A Common upon conversion of shares of Series E Preferred, excluding any tax or other charge imposed in connection with any transfer involved in the issue and delivery of shares of Class A Common in a name other than that in which the shares of Series E Preferred so converted were registered.

7. AUTOMATIC CONVERSION.

(a) Each share of Class A Convertible Preferred and Series E Preferred shall automatically be converted into shares of Class A Common, and each share of Series A* Preferred shall automatically be converted into shares of Class B Common, in each case based on the then-effective applicable Class A Convertible Preferred Conversion Price, Series E Preferred Conversion Price or Series A* Preferred Conversion Price, in accordance with the following subsections, as applicable:

(i) with respect to the Early Preferred and Series C* Preferred, at any time upon the affirmative election of the holders of a majority of the outstanding shares of the Early Preferred and Series C* Preferred;

(ii) with respect to the Early Preferred and Series C* Preferred, immediately prior to the closing of a firmly underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, covering the offer and sale of Common Stock for the account of the Company in which (A) (1) the per share offering price to the public multiplied by (2) the outstanding shares of capital stock of the Company, determined on an as-if converted basis (assuming the exercise or conversion of any outstanding options or convertible securities) is not less than $50,000,000 (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the filing date hereof) and (B) the gross cash proceeds to the Company (net of underwriting discounts, commissions and fees) are at least $30,000,000 (a "***Qualified Public Offering***");

(iii) with respect to the Series A* Preferred, Series D Preferred, Series E Preferred, Series F Preferred, Series G Preferred and Series H Preferred, immediately prior to the closing of a firmly underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, covering the offer and sale of Common Stock for the account of the Company in which (A) the per share offering price to the public is not less than the Original Issue Price of the Series D Preferred (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the filing date hereof) and (B) the gross cash proceeds to the Company (net of underwriting discounts, commissions and fees) are at least $75,000,000 (a "***Senior Preferred Qualified Public Offering***");

(iv) with respect to the Series D Preferred and Series E Preferred, upon the affirmative election of the holders of a majority of the outstanding shares of the Series D Preferred and Series E Preferred, voting together as a single class;

(v) with respect to the Series F Preferred, upon the affirmative election of the holders of a majority of the outstanding shares of the Series F Preferred, voting as a separate series;

(vi) with respect to the Series G Preferred, upon the affirmative election of the holders of a majority of the outstanding shares of the Series G Preferred, voting as a separate series; or

(vii) with respect to the Series H Preferred, upon the affirmative election of the holders of a majority of the outstanding shares of the Series H Preferred, voting as a separate series.

(b) Upon such automatic conversion, any declared and unpaid dividends shall be paid in accordance with the provisions of Section 4(d).

(c) Upon the occurrence of any of the events specified in Section 7(a) above, the applicable outstanding shares of Preferred Stock shall be converted automatically without any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Company or its transfer agent; *provided*, *however*, that the Company shall not be obligated to issue certificates evidencing the shares of Class A Common or Class B Common, as applicable, issuable upon such conversion unless the certificates evidencing such shares of Preferred Stock are either delivered to the Company or its transfer agent as provided below, or the holder notifies the Company or its transfer agent that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Company to indemnify the Company from any loss incurred by it in connection with such certificates. Upon the occurrence of such automatic conversion of the Preferred Stock, the holders of Preferred Stock shall surrender the certificates representing such shares at the office of the Company or any transfer agent for the applicable Preferred Stock. Thereupon, there shall be issued and delivered to such holder promptly at such office and in its name as shown on such surrendered certificate or certificates, a certificate or certificates for the number of shares of Class A Common or Class B Common, as applicable, into which the shares of Preferred Stock surrendered were convertible on the date on which such automatic conversion occurred, and any declared and unpaid dividends shall be paid in accordance with the provisions of Section 4(d).

8. COMMON CONVERSION RIGHTS

The holders of the Class B Common and Class A-1 Common (the "***Convertible Common***") shall have the following rights with respect to the conversion of the Convertible Common into shares of Class A Common:

(a) Optional Conversion. Subject to and in compliance with the provisions of this Section 8, at any time upon the affirmative vote or written consent of a majority of the shares of Common Stock and Preferred Stock voting together as a single class on an as-if-converted to Class A Common basis, all shares of Convertible Common may be converted into fully-paid and nonassessable shares of Class A Common on a one-to-one basis.

(b) Automatic Conversion.

(i) Each share of Convertible Common shall automatically be converted into shares of Class A Common, on a one-to-one basis immediately prior to the closing of a Qualified Public Offering.

(ii) Upon the occurrence of a Qualified Public Offering, the outstanding shares of Convertible Common shall be converted automatically without any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Company or its transfer agent; *provided*, *however*, that the Company shall

not be obligated to issue certificates evidencing the shares of Class A Common issuable upon such conversion unless the certificates evidencing such shares of Convertible Common are either delivered to the Company or its transfer agent as provided below, or the holder notifies the Company or its transfer agent that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Company to indemnify the Company from any loss incurred by it in connection with such certificates. Upon the occurrence of such automatic conversion of the Convertible Common, the holders of Convertible Common shall surrender the certificates representing such shares at the office of the Company or any transfer agent for the applicable class. Thereupon, there shall be issued and delivered to such holder promptly at such office and in its name as shown on such surrendered certificate or certificates, a certificate or certificates for the number of shares of Class A Common into which the shares of Convertible Common surrendered were convertible on the date on which such automatic conversion occurred.

(c) Fractional Shares. No fractional shares of Class A Common shall be issued upon conversion of the Convertible Common. All shares of Class A Common (including fractions thereof) issuable upon conversion of more than one share of Convertible Common by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If after the aforementioned aggregation the conversion would result in the issuance of any fractional share, the Company shall, in lieu of issuing any fractional share, pay cash equal to the product of such fraction multiplied by the fair market value of one share of Class A Common (as determined by the Board) on the date of conversion.

(d) Notices. Any notice required by the provisions of this Section 8 shall be in writing and shall be deemed effectively given: (i) upon personal delivery to the party to be notified, (ii) when sent by electronic transmission in compliance with the provisions of the DGCL if sent during normal business hours of the recipient; if not, then on the next business day, (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (iv) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with verification of receipt. All notices shall be addressed to each holder of record at the address of such holder appearing on the books of the Company.

(e) Payment of Taxes. The Company will pay all taxes (other than taxes based upon income) and other governmental charges that may be imposed with respect to the issue or delivery of shares of Class A Common upon conversion of shares of Convertible Common, excluding any tax or other charge imposed in connection with any transfer involved in the issue and delivery of shares of Class A Common in a name other than that in which the shares of Convertible Common so converted were registered.

9. NO REISSUANCE OF PREFERRED STOCK. Any shares or shares of Preferred Stock redeemed, purchased, converted or exchanged by the Company shall be cancelled and retired and shall not be reissued or transferred.

V.

A. The liability of the directors of the Company for monetary damages shall be eliminated to the fullest extent under applicable law.

B. To the fullest extent permitted by applicable law, the Company is authorized to provide indemnification of (and advancement of expenses to) directors, officers and agents of the Company (and any other persons to which applicable law permits the Company to provide indemnification) through Bylaw provisions, agreements with such agents or other persons, vote of stockholders or disinterested directors or otherwise in excess of the indemnification and advancement otherwise permitted by such applicable law. If applicable law is amended after approval by the stockholders of this Article V to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director to the Company shall be eliminated or limited to the fullest extent permitted by applicable law as so amended.

C. Any repeal or modification of this Article V shall only be prospective and shall not affect the rights or protections or increase the liability of any director under this Article V in effect at the time of the alleged occurrence of any action or omission to act giving rise to liability.

VI.

For the management of the business and for the conduct of the affairs of the Company, and in further definition, limitation and regulation of the powers of the Company, of its directors and of its stockholders or any class thereof, as the case may be, it is further *provided* that:

A. The management of the business and the conduct of the affairs of the Company shall be vested in its Board. The number of directors that shall constitute the whole Board shall be fixed by the Board in the manner provided in the Bylaws, subject to any restrictions which may be set forth in this Certificate.

B. The Board of Directors is expressly empowered to adopt, amend or repeal the Bylaws of the Company, subject to any restrictions that may be set forth in this Certificate. The stockholders shall also have the power to adopt, amend or repeal the Bylaws of the Company, subject to any restrictions that may be set forth in this Certificate.

C. The directors of the Company need not be elected by written ballot unless the Bylaws so provide.

VII.

Subject to Article IV, Sections 2(c), 2(d) and 2(e) and the other terms and provisions of this Amended and Restated Certificate of Incorporation, the Company reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the

manner now or hereafter prescribed by statute, and all rights conferred upon the stockholders herein are granted subject to this reservation.

* * * *

FOUR: This Amended and Restated Certificate of Incorporation has been duly approved by the Board of Directors of the Company.

FIVE: This Amended and Restated Certificate of Incorporation was approved by the holders of the requisite number of shares of said corporation in accordance with Section 228 of the DGCL. This Amended and Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Sections 242 and 245 of the DGCL by the stockholders of the Company.

IN WITNESS WHEREOF, C3.ai, Inc. has caused this Amended and Restated Certificate of Incorporation to be executed on November 25, 2020, by the undersigned, who affirms that the statements made herein are true and correct.

/s/ Thomas M. Siebel

Thomas M. Siebel
Chief Executive Officer

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF C3.AI, INC.

Thomas Siebel hereby certifies that:

ONE: The original date of filing the original Certificate of Incorporation of this company with the Secretary of State of the State of Delaware was June 29, 2012.

TWO: He is the duly elected and acting Chief Executive Officer of **C3.AI, INC.**, a Delaware corporation.

THREE: The Certificate of Incorporation of this corporation is hereby amended and restated to read as follows:

I.

The name of this company is C3.ai, Inc. (the "***Company***").

II.

The address of the registered office of the Company in the State of Delaware is 1209 Orange Street, Wilmington, Delaware, 19801, County of New Castle, and the name of the registered agent of the Company in the State of Delaware at such address is The Corporate Trust Company.

III.

The purpose of the Company is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of Delaware ("***DGCL***").

IV.

A. The Company is authorized to issue three classes of stock to be designated, respectively, "Class A Common Stock," "Class B Common Stock" and "Preferred Stock." The total number of shares that the Company is authorized to issue is 1,203,500,000 shares, 1,000,000,000 shares of which shall be Class A Common Stock (the "***Class A Common Stock***"), 3,500,000 shares of which shall be Class B Common Stock (the "***Class B Common Stock***" together with the Class A Common Stock, the "***Common Stock***") and 200,000,000 shares of which shall be Preferred Stock (the "***Preferred Stock***"). The Preferred Stock shall have a par value of $0.001 per share and the Common Stock shall have a par value of $0.001 per share.

B. The Preferred Stock may be issued from time to time in one or more series. The Board of Directors of the Company is hereby expressly authorized by resolution or resolutions to provide for the issue of all or any of the shares of the Preferred Stock in one or more series, and to fix the number of shares of such shares and to determine for each such series, such voting powers, full or limited, or no voting powers, and such designation, preferences, and relative, participating, optional, or other rights and such qualifications, limitations, or restrictions thereof, as shall be stated and expressed in the resolution or resolutions adopted by the Board of Directors providing for the issuance of such shares and as may be permitted by the DGCL. The Board of Directors is also expressly authorized to increase (but not about the authorized number of shares of Preferred Stock) or decrease (but not below the number of shares of such series then outstanding) the number of shares of any series subsequent to the issuance of shares of that series.

C. The number of authorized shares of Preferred Stock, Class A Common Stock or Class B Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of all of the outstanding shares of stock of the Company entitled to vote thereon, without a separate vote of the holders of the Preferred Stock, or of any series thereof, Class A Common Stock or Class B Common Stock unless a vote of any such holders is required pursuant to the terms of any Certificate of Designation filed with respect to any series of Preferred Stock.

D. Except as provided above, the rights, preferences, privileges, restrictions and other matters relating to the Class A Common Stock and Class B Common Stock are as follows:

1. Definitions.

(a) "***Acquisition***" means any consolidation or merger of the Company with or into any other Entity, other than any such consolidation or merger in which the stockholders of the Company immediately prior to such consolidation or merger continue to hold a majority of the voting power of the surviving Entity in substantially the same proportions (or, if the surviving Entity is a wholly owned subsidiary of another Entity, the surviving Entity's Parent) immediately after such consolidation, merger or reorganization; or (B) any transaction or series of related transactions to which the Company is a party in which in excess of 50% of the Company's voting power is transferred or issued; provided that an Acquisition shall not include any transaction or series of transactions principally for bona fide equity financing purposes.

(b) "***Approved Designee***" shall mean a person or persons who entitled to exercise Voting Control with respect to shares of Class B Common Stock following the death or Incapacity of the Founder pursuant to an agreement entered into between the Founder and some person or persons, and who is approved by a majority of the Independent Directors.

(c) "***Asset Transfer***" means the sale, lease or exchange of all or substantially all the assets of the Company.

(d) "***Certificate of Incorporation***" means the certificate of incorporation of the Company, as amended and/or restated from time to time, including the terms of any certificate of designations of any series of Preferred Stock.

(e) "***Entity***" means any corporation, partnership, limited liability company or other legal entity.

(f) "***Effective Time***" means the time the Amended and Restated Certificate of Incorporation of the Company filed with the Secretary of State of the State of Delaware immediately prior to the time shares of Class A Common Stock were first publicly traded became effective in accordance with the DGCL.

(g) "***Family Member***" means with respect to any natural person, the spouse, ex-spouse, parents, grandparents, lineal descendants, siblings and lineal descendants of siblings (in each case whether by blood relation or adoption) of such person.

(h) "***Final Conversion Date***" means 5:00 p.m. in New York City, New York on the last Trading Day of the fiscal year during which a Final Conversion Trigger Event occurs.

(i) "***Final Conversion Trigger Event***" shall mean the earliest to occur of any of the following (i) the occurrence of the six (6) month anniversary of the death or Incapacity of the

Founder; (ii) the occurrence of the six (6) month anniversary of the date that the Founder is no longer providing services to the Corporation as an officer, employee, director or consultant, (iii) the twentieth (20) year anniversary of the date of the closing of the Corporation's first firm commitment underwritten public offering pursuant to an effective registration statement under the Securities Act in connection with an offering of its securities on the Securities Exchange, (iv) the date of approval of a Final Conversion Trigger Event by the holders of a majority of the then outstanding shares of Class B Common Stock, voting as a separate class.

(j) "***Founder***" means Thomas M. Siebel, an individual.

(k) "***Incapacity***" means, with respect to an individual, that such individual is incapable of managing his or her financial affairs under the criteria set forth in the applicable probate code that can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months as determined by a licensed medical practitioner. In the event of a dispute regarding whether an individual has suffered an Incapacity, no Incapacity of such individual will be deemed to have occurred unless and until an affirmative ruling regarding such Incapacity has been made by a court of competent jurisdiction.

(l) "***Independent Directors***" means the members of the Board of Directors designated as independent directors in accordance with the requirements of the New York Stock Exchange or any national stock exchange under which the Company's equity securities are listed for trading.

(m) "***Liquidation Event***" means (i) any Asset Transfer or Acquisition in which cash or other property is, pursuant to the express terms of the Asset Transfer or Acquisition, to be distributed to the stockholders in respect of their shares of capital stock in the Company or (ii) any liquidation, dissolution and winding up of the Company; *provided, however,* for the avoidance of doubt, compensation pursuant to any employment, consulting, severance or other compensatory arrangement to be paid to or received by a person who is also a holder of Class A Common Stock or Class B Common Stock does not constitute consideration or a "distribution to stockholders" in respect of the Class A Common Stock or Class B Common Stock.

(n) "***Parent***" of an Entity means any Entity that directly or indirectly owns or controls a majority of the voting power of the voting securities or interests of such Entity.

(o) "***Permitted Entity***" means, with respect to a Qualified Stockholder, any Entity in which such Qualified Stockholder directly, or indirectly through one or more Permitted Transferees, has sole dispositive power and exclusive Voting Control with respect to all shares of Class B Common Stock held of record by such Entity.

(p) "***Permitted Transfer***" means, and be restricted to, any Transfer of a share of Class B Common Stock:

(i) by the Founder, by the Founder's Permitted Entities or by the Founder's Permitted Transferees as a result of or in connection with the Founder's death or Incapacity, either (i) to the Founder's Family Members or any Qualified Stockholder, or (ii) of Voting Control to an Approved Designee;

(ii) by a Qualified Stockholder that is a natural person (including a natural person serving in a trustee capacity with regard to a trust for the benefit of himself or herself and/or his or her Family Members), to the trustee of a Permitted Trust of such Qualified Stockholder or to such Qualified Stockholder in his or her individual capacity or as a trustee of a Permitted Trust;

(iii) by the trustee of a Permitted Trust of a Qualified Stockholder, to such Qualified Stockholder, the trustee of any other Permitted Trust of such Qualified Stockholder or any Permitted Entity of such Qualified Stockholder;

(iv) by a Qualified Stockholder to any Permitted Entity of such Qualified Stockholder; or

(v) by a Permitted Entity of a Qualified Stockholder to such Qualified Stockholder or any other Permitted Entity or the trustee of a Permitted Trust of such Qualified Stockholder.

(q) "***Permitted Transferee***" means a transferee of shares of Class B Common Stock received in a Transfer that constitutes a Permitted Transfer.

(r) "***Permitted Trust***" means a validly created and existing trust the beneficiaries of which are either a Qualified Stockholder or Family Members of the Qualified Stockholder or both, or a trust under the terms of which such Qualified Stockholder has retained a "qualified interest" within the meaning of §2702(b)(1) of the Internal Revenue Code (as amended from time to time) and/or a reversionary interest.

(s) "***Qualified Stockholder***" means (i) the record holder of a share of Class B Common Stock at the Effective Time; and (ii) a Permitted Transferee of a Qualified Stockholder.

(t) "***Trading Day***" means any day on which The Nasdaq Stock Market and the New York Stock Exchange are open for trading.

(u) "***Transfer***" of a share of Class B Common Stock means any sale, assignment, transfer, conveyance, hypothecation or other transfer or disposition of such share or any legal or beneficial interest in such share, whether or not for value and whether voluntary or involuntary or by operation of law, including, without limitation, a transfer of a share of Class B Common Stock to a broker or other nominee (regardless of whether there is a corresponding change in beneficial ownership), or the transfer of, or entering into a binding agreement with respect to, Voting Control (as defined below) over such share by proxy or otherwise; provided, however, that the following shall not be considered a "Transfer" within the meaning of this Article IV:

(i) the granting of a revocable proxy to officers or directors of the Company at the request of the Board of Directors in connection with actions to be taken at an annual or special meeting of stockholders;

(ii) the existence of any proxy granted prior to the Effective Time or the amendment or expiration of any such proxy;

(iii) entering into a voting trust, agreement or arrangement (with or without granting a proxy) solely with stockholders who are holders of Class B Common Stock that (A) is disclosed either in a Schedule 13D filed with the Securities and Exchange Commission or in writing to the Secretary of the Company, (B) either has a term not exceeding one year or is terminable by the holder of the shares subject thereto at any time and (C) does not involve any payment of cash, securities, property or other consideration to the holder of the shares subject thereto other than the mutual promise to vote shares in a designated manner;

(iv) the pledge of shares of Class B Common Stock by a stockholder that creates a mere security interest in such shares pursuant to a bona fide loan or indebtedness transaction

for so long as such stockholder continues to exercise exclusive Voting Control over such pledged shares; provided, however, that a foreclosure on such shares or other similar action by the pledgee shall constitute a "Transfer" unless such foreclosure or similar action qualifies as a "Permitted Transfer"; or

(v) entering into, or reaching an agreement, arrangement or understanding regarding, a support or similar voting or tender agreement (with or without granting a proxy) in connection with a Liquidation Event, Asset Transfer or Acquisition that has been approved by the Board of Directors.

A "***Transfer***" shall also be deemed to have occurred with respect to a share of Class B Common Stock beneficially held by (i) a Permitted Transferee on the date that such Permitted Transferee ceases to meet the qualifications to be a Permitted Transferee of the Qualified Stockholder who effected the Transfer of such shares to such Permitted Transferee, or (ii) an Entity that is a Qualified Stockholder, if there occurs a Transfer on a cumulative basis, from and after the Effective Time, of a majority of the voting power of the voting securities of such Entity or any Parent of such Entity, other than a Transfer to parties that were, as of the Effective Time, holders of voting securities of any such Entity or Parent of such Entity.

(v) "***Voting Control***" means, with respect to a share of Class B Common Stock, the power (whether exclusive or shared) to vote or direct the voting of such share by proxy, voting agreement or otherwise.

2. Rights Relating To Dividends, Subdivisions and Combinations.

(a) Subject to the prior rights of holders of any Preferred Stock at the time outstanding having prior rights as to dividends, the holders of the Class A Common Stock and Class B Common Stock shall be entitled to receive, when, as and if declared by the Board of Directors, out of any assets of the Company legally available therefor, such dividends as may be declared from time to time by the Board of Directors. Except as permitted in Section 2(b), any dividends paid to the holders of shares of Class A Common Stock and Class B Common Stock shall be paid pro rata, on an equal priority, pari passu basis, unless different treatment of the shares of each such class is approved by the affirmative vote of the holders of a majority of the outstanding shares of Class A Common Stock and a majority of the outstanding shares of Class B Common Stock, each voting separately as a class.

(b) The Company shall not declare or pay any dividend or make any distribution to the holders of Class A Common Stock or Class B Common Stock payable in securities of the Company unless the same dividend or distribution with the same record date and payment date shall be declared and paid on all shares of Common Stock; provided, however, that (i) dividends or other distributions payable in shares of Class A Common Stock or rights to acquire shares of Class A Common Stock may be declared and paid to the holders of Class A Common Stock without the same dividend or distribution being declared and paid to the holders of the Class B Common Stock if, and only if, a dividend payable in shares of Class B Common Stock, or rights to acquire shares of Class B Common Stock, as applicable, are declared and paid to the holders of Class B Common Stock at the same rate and with the same record date and payment date; and (ii) dividends or other distributions payable in shares of Class B Common Stock or rights to acquire shares of Class B Common Stock may be declared and paid to the holders of Class B Common Stock without the same dividend or distribution being declared and paid to the holders of the Class A Common Stock if, and only if, a dividend payable in shares of Class A Common Stock, or rights to acquire shares of Class A Common Stock, as applicable, are declared and paid to the holders of Class A Common Stock at the same rate and with the same record date and payment date.

(c) If the Company in any manner subdivides or combines (including by reclassification) the outstanding shares of Class A Common Stock or Class B Common Stock, then the outstanding shares of all Common Stock will be subdivided or combined in the same proportion and manner.

3. Liquidation Rights. In the event of a Liquidation Event, upon the completion of the distributions required with respect to any Preferred Stock that may then be outstanding, the remaining assets of the Company legally available for distribution to stockholders, or consideration payable to the stockholders of the Company, in the case of an Acquisition constituting a Liquidation Event, shall be distributed on an equal priority, pro rata basis to the holders of Class A Common Stock and Class B Common Stock (and the holders of any Preferred Stock that may then be outstanding, to the extent required by the Certificate of Incorporation), unless different treatment of the shares of each such class is approved by the affirmative vote of the holders of a majority of the outstanding shares of Class A Common Stock and a majority of the outstanding shares of Class B Common Stock, each voting separately as a class; *provided, however*, for the avoidance of doubt, compensation pursuant to any employment, consulting, severance or other compensatory arrangement to be paid to or received by a person who is also a holder of Class A Common Stock or Class B Common Stock does not constitute consideration or a "distribution to stockholders" in respect of the Class A Common Stock or Class B Common Stock.

4. Voting Rights.

(a) Class A Common Stock. Each holder of shares of Class A Common Stock shall be entitled to one vote for each share thereof held.

(b) Class B Common Stock. Each holder of shares of Class B Common Stock shall be entitled to ten votes for each share thereof held.

(c) Voting Generally. Except as required by law, the holders of Preferred Stock, Class A Common Stock and Class B Common Stock shall vote together and not as separate series or classes. Except as otherwise required by applicable law, holders of Class A Common Stock and Class B Common Stock, as such, shall not be entitled to vote on any amendment to the Certificate of Incorporation that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to the Certificate of Incorporation or applicable law.

5. Optional Conversion.

(a) Optional Conversion of the Class B Common Stock.

(i) At the option of the holder thereof, each share of Class B Common Stock shall be convertible, at any time or from time to time, into one fully paid and nonassessable share of Class A Common Stock as provided herein.

(ii) Each holder of Class B Common Stock who elects to convert the same into shares of Class A Common Stock shall surrender the certificate or certificates therefor (if any), duly endorsed, at the office of the Company or any transfer agent for the Class B Common Stock, and shall give written notice to the Company at such office that such holder elects to convert the same and shall state therein the number of shares of Class B Common Stock being converted. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the certificate or certificates representing the shares of Class B Common Stock to be converted, or, if the shares are uncertificated, immediately prior to the close of business on the date that the holder delivers

notice of such conversion to the Company's transfer agent and the person entitled to receive the shares of Class A Common Stock issuable upon such conversion shall be treated for all purposes as the record holder of such shares of Class A Common Stock at such time.

6. Automatic Conversion.

(a) Automatic Conversion of the Class B Common Stock. Each share of Class B Common Stock shall automatically be converted into one fully paid and nonassessable share of Class A Common Stock upon a Transfer, other than a Permitted Transfer, of such share of Class B Common Stock. Such conversion shall occur automatically without the need for any further action by the holders of such shares and whether or not the certificates representing such shares (if any) are surrendered to the Company or its transfer agent; provided, however, that the Company shall not be obligated to issue certificates evidencing the shares of Class A Common Stock issuable upon such conversion unless the certificates evidencing such shares of Class B Common Stock are either delivered to the Company or its transfer agent as provided below, or the holder notifies the Company or its transfer agent that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Company to indemnify the Company from any loss incurred by it in connection with such certificates. Upon the occurrence of such automatic conversion of the Class B Common Stock, the holders of Class B Common Stock so converted shall surrender the certificates representing such shares (if any) at the office of the Company or any transfer agent for the Class A Common Stock.

(b) Conversion upon Death. Each share of Class B Common Stock held of record by a natural person, including a natural person serving in a trustee capacity, other than the Founder (including the Founder holding shares in a trustee capacity) or a Permitted Transferee of such Founder, shall automatically, without any further action, convert into one fully paid and nonassessable share of Class A Common Stock upon the death of such natural person.

(c) Final Conversion. On the Final Conversion Date, each issued share of Class B Common Stock shall automatically, without any further action, convert into one share of Class A Common Stock. Following the Final Conversion Date, the Company may no longer issue any additional shares of Class B Common Stock. Such conversion shall occur automatically without the need for any further action by the holders of such shares and whether or not the certificates representing such shares (if any) are surrendered to the Company or its transfer agent; provided, however, that the Company shall not be obligated to issue certificates evidencing the shares of Class A Common Stock issuable upon such conversion unless the certificates evidencing such shares of Class B Common Stock are either delivered to the Company or its transfer agent as provided below, or the holder notifies the Company or its transfer agent that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Company to indemnify the Company from any loss incurred by it in connection with such certificates. Upon the occurrence of such automatic conversion of the Class B Common Stock, the holders of Class B Common Stock so converted shall surrender the certificates representing such shares (if any) at the office of the Company or any transfer agent for the Class A Common Stock.

(d) Procedures. The Company may, from time to time, establish such policies and procedures relating to the conversion of Class B Common Stock to Class A Common Stock and the general administration of this dual class stock structure, including the issuance of stock certificates (or the establishment of book-entry positions) with respect thereto, as it may deem reasonably necessary or advisable, and may from time to time request that holders of shares of Class B Common Stock furnish certifications, affidavits or other proof to the Corporation as it deems necessary to verify the ownership of Class B Common Stock and to confirm that a conversion to Class A Common Stock has not

occurred. A determination by the Secretary of the Company as to whether a Transfer results in a conversion to Class A Common Stock shall be conclusive and binding.

(e) Immediate Effect. In the event of a conversion of shares of Class B Common Stock to shares of Class A Common Stock pursuant to this Section 6, such conversion(s) shall be deemed to have been made at the time that the Transfer of shares occurred or immediately upon the Final Conversion Date, as applicable. Upon any conversion of Class B Common Stock to Class A Common Stock, all rights of the holder of shares of Class B Common Stock shall cease and the person or persons in whose names or names the certificate or certificates (or book-entry position(s)) representing the shares of Class A Common Stock are to be issued shall be treated for all purposes as having become the record holder or holders of such shares of Class A Common Stock.

7. Redemption. The Common Stock is not redeemable.

8. Reservation of Stock Issuable Upon Conversion. The Company shall at all times reserve and keep available out of its authorized but unissued shares of Class A Common Stock, solely for the purpose of effecting the conversion of the shares of the Class B Common Stock, as applicable, such number of its shares of Class A Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Class B Common Stock; and if at any time the number of authorized but unissued shares of Class A Common Stock shall not be sufficient to effect the conversion of all then-outstanding shares of Class B Common Stock, as applicable, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Class A Common Stock to such numbers of shares as shall be sufficient for such purpose.

9. Prohibition on Reissuance of Shares. Shares of Class B Common Stock that are acquired by the Company for any reason (whether by repurchase, upon conversion, or otherwise) shall be retired in the manner required by law and shall not be reissued as shares of Class B Common Stock.

V.

For the management of the business and for the conduct of the affairs of the Company, and in further definition, limitation and regulation of the powers of the Company, of its directors and of its stockholders or any class thereof, as the case may be, it is further provided that:

A. Board of Directors.

1. Generally. Except as otherwise provided in the Certificate of Incorporation or the DGCL, the business and affairs of the Company shall be managed by or under the direction of the Board of Directors. The number of directors that shall constitute the Board of Directors shall be fixed exclusively by resolutions adopted by the Board of Directors.

2. Election.

(a) Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, the directors shall be divided into three classes designated as Class I, Class II and Class III, respectively. Each class shall consist, as nearly as possible, of one-third of the total number of such directors. The Board of Directors is authorized to assign members of the Board of Directors already in office to such classes at the time the classification becomes effective. At the first annual meeting of stockholders following such initial classification of the Board of Directors, the initial term of office of the Class I directors shall expire and Class I directors shall be elected for a full term of three years. At the second annual meeting of stockholders following such initial classification of

the Board of Directors, the initial term of office of the Class II directors shall expire and Class II directors shall be elected for a full term of three years. At the third annual meeting of stockholders following such initial classification of the Board of Directors, the initial term of office of the Class III directors shall expire and Class III directors shall be elected for a full term of three years. At each succeeding annual meeting of stockholders, directors shall be elected for a full term of three years to succeed the directors of the class whose terms expire at such annual meeting.

(b) No stockholder entitled to vote at an election for directors may cumulate votes.

(c) Notwithstanding the foregoing provisions of this section, each director shall serve until his successor is duly elected and qualified or until his or her earlier death, resignation or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

(d) Election of directors need not be by written ballot unless the Bylaws so provide.

3. Removal of Directors. Subject to any limitations imposed by applicable law, removal shall be as provided in Section 141(k) of the DGCL.

4. Vacancies. Subject to any limitations imposed by applicable law and subject to the rights of the holders of any series of Preferred Stock, any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other causes and any newly created directorships resulting from any increase in the number of directors, shall, unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by the stockholders and except as otherwise provided by applicable law, be filled only by the Board of Directors by a majority of the directors then in office, although less than a quorum, or by the sole remaining director, and not by the stockholders. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the director for which the vacancy was created or occurred and until such director's successor shall have been elected and qualified.

5. Preferred Directors. Notwithstanding anything herein to the contrary, during any period when the holders of any series of Preferred Stock, voting separately as a series or together with one or more series, have the right to elect additional directors, then upon commencement and for the duration of the period during which such right continues: (i) the then otherwise total authorized number of directors of the Company shall automatically be increased by such specified number of directors, and the holders of such Preferred Stock shall be entitled to elect the additional directors so provided for or fixed pursuant to said provisions; and (ii) each such additional director shall serve until such director's successor shall have been duly elected and qualified, or until such director's right to hold such office terminates pursuant to said provisions, whichever occurs earlier, subject to his or her earlier death, resignation, retirement, disqualification or removal. Except as otherwise provided by the Board of Directors in the resolution or resolutions establishing such series, whenever the holders of any series of Preferred Stock having such right to elect additional directors are divested of such right pursuant to the provisions of such stock, the terms of office of all such additional directors elected by the holders of such stock, or elected to fill any vacancies resulting from the death, resignation, disqualification or removal of such additional directors, shall forthwith terminate and the total authorized number of directors of the Company shall be reduced accordingly.

B. Stockholder Actions. No action shall be taken by the stockholders of the Company except at an annual or special meeting of stockholders called in accordance with the Bylaws and no action

shall be taken by the stockholders by written consent. Advance notice of stockholder nominations for the election of directors and of business to be brought by stockholders before any meeting of the stockholders of the Company shall be given in the manner provided in the Bylaws of the Company.

C. **Bylaws**. The Board of Directors is expressly empowered to adopt, amend or repeal the Bylaws of the Company. The stockholders shall also have power to adopt, amend or repeal the Bylaws of the Company; *provided, however,* that, in addition to any vote of the holders of any class or series of stock of the Company required by law or by the Certificate of Incorporation, such action by stockholders shall require the affirmative vote of the holders of at least 66 2/3% of the voting power of all of the then-outstanding shares of the capital stock of the Company entitled to vote generally in the election of directors, voting together as a single class.

VI.

A. The liability of the directors of the Company for monetary damages for breach of fiduciary duty as a director shall be eliminated to the fullest extent permitted under applicable law.

B. To the fullest extent permitted by applicable law, the Company may provide indemnification of (and advancement of expenses to) directors, officers, and other agents of the Company (and any other persons to which applicable law permits the Company to provide indemnification) through Bylaw provisions, agreements with such agents or other persons, vote of stockholders or disinterested directors or otherwise.

C. Any repeal or modification of this Article VI shall only be prospective and shall not affect the rights under this Article VI in effect at the time of the alleged occurrence of any action or omission to act giving rise to liability.

D. Unless the Company consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (A) any derivative action or proceeding brought on behalf of the Company; (B) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any current or former director, officer or other employee of the Company or any stockholder to the Company or the Company's stockholders; (C) any action or proceeding asserting a claim against the Company or any current or former director, officer or other employee of the Company or any stockholder arising pursuant to any provision of the DGCL, the Certificate of Incorporation or the Bylaws of the Company (as each may be amended from time to time); (D) any action or proceeding to interpret, apply, enforce or determine the validity of the Certificate of Incorporation or the Bylaws of the Company (including any right, obligation or remedy thereunder); (E) any action or proceeding as to which the DGCL confers jurisdiction to the Court of Chancery of the State of Delaware; and (F) any action asserting a claim against the Company or any director, officer or other employee of the Company or any stockholder, governed by the internal affairs doctrine, in all cases to the fullest extent permitted by law and subject to the court's having personal jurisdiction over the indispensable parties named as defendants. This Article VII shall not apply to suits brought to enforce a duty or liability created by the Securities Exchange Act of 1934 or any other claim for which the federal courts have exclusive jurisdiction.

E. Unless the Company consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended.

F. Any person or Entity holding, owning or otherwise acquiring any interest in shares of capital stock of the Company shall be deemed to have notice of and to have consented to the provisions of this Article VI.

VII.

A. The Company reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, except as provided in paragraph B. of this Article VII, and all rights conferred upon the stockholders herein are granted subject to this reservation.

B. Notwithstanding any other provisions of this Certificate of Incorporation or any provision of law that might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote required by law or by this Certificate of Incorporation , the affirmative vote of the holders of at least 66 2/3% of the voting power of all of the then-outstanding shares of capital stock of the Company entitled to vote generally in the election of directors, voting together as a single class, shall be required to alter, amend or repeal Articles V, VI, and VII.

* * * *

FOUR: This Amended and Restated Certificate of Incorporation has been duly authorized in accordance with Sections 228, 242 and 245 of the DGCL.

[Signature Page Follows]

C3.ai, Inc. has caused this Amended and Restated Certificate of Incorporation to be signed by a duly authorized officer on December __, 2020.

C3.AI, INC.

By: _____

Thomas M. Siebel
Chief Executive Officer

AMENDED AND RESTATED BYLAWS

OF

C3.AI, INC.
(A DELAWARE CORPORATION)

ARTICLE I

OFFICES

Section 1. Registered Office. The registered office of the corporation in the State of Delaware shall be as set forth in the Certificate of Incorporation, as may be amended from time to time, of C3.ai, Inc. (the "***Certificate of Incorporation***").

Section 2. Other Offices. The corporation shall also have and maintain an office or principal place of business at such place as may be fixed by the Board of Directors, and may also have offices at such other places, both within and without the State of Delaware, as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE II

CORPORATE SEAL

Section 3. Corporate Seal. The Board of Directors may adopt a corporate seal. If adopted, the corporate seal shall consist of a die bearing the name of the corporation and the inscription, "Corporate Seal-Delaware." Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE III

STOCKHOLDERS' MEETINGS

Section 4. Place of Meetings. Meetings of the stockholders of the corporation may be held at such place, either within or without the State of Delaware, as may be determined from time to time by the Board of Directors. The Board of Directors may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication as provided under the General Corporation Law of the State of Delaware ("***DGCL***").

Section 5. Annual Meeting.

(a) The annual meeting of the stockholders of the corporation, for the purpose of election of directors and for such other business as may properly come before it, shall be held on such date and at such time as may be designated from time to time by the Board of Directors. Nominations of persons for election to the Board of Directors of the corporation and proposals of business to be considered by the stockholders may be made at an annual meeting of stockholders: (i) pursuant to the corporation's notice of meeting of stockholders; (ii) brought specifically by or at the direction of the Board of Directors or a duly authorized committee thereof; or (iii) by any stockholder of the corporation who was a stockholder of record at the time of giving the stockholder's notice provided for in Section 5(b) below, who is entitled to vote at the meeting and who complied with the notice procedures set forth in Section 5. For the avoidance of doubt, clause (iii) above shall be the exclusive means for a stockholder to make nominations and submit other business (other than matters properly included in the corporation's notice of meeting of stockholders and proxy statement under Rule 14a-8 under the Securities Exchange Act of 1934, as

amended (the "***1934 Act***"), and the rules and regulations thereunder before an annual meeting of stockholders).

(b) At an annual meeting of the stockholders, only such business shall be conducted as is a proper matter for stockholder action under Delaware law and as shall have been properly brought before the meeting in accordance with the procedures below.

(i) For nominations for the election to the Board of Directors to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of Section 5(a), the stockholder must deliver written notice to the Secretary at the principal executive offices of the corporation on a timely basis as set forth in Section 5(b)(iii) and must update and supplement such written notice on a timely basis as set forth in Section 5(c). Such stockholder's notice shall set forth: (A) as to each nominee such stockholder proposes to nominate at the meeting: (1) the name, age, business address and residence address of such nominee; (2) the principal occupation or employment of such nominee; (3) the class or series and number of shares of each class or series of capital stock of the corporation that are owned beneficially and of record by such nominee; (4) the date or dates on which such shares were acquired and the investment intent of such acquisition; and (5) such other information concerning such nominee as would be required to be disclosed in a proxy statement soliciting proxies for the election of such nominee as a director in an election contest (even if an election contest is not involved), or that is otherwise required to be disclosed pursuant to Section 14 of the 1934 Act and the rules and regulations promulgated thereunder (including such person's written consent to being named in the corporation's proxy statement and associated proxy card as a nominee of the stockholder and to serving as a director if elected); and (B) the information required by Section 5(b)(iv). The corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve (i) as an independent director (as such term is used in any applicable stock exchange listing requirements or applicable law) of the corporation or (ii) on any committee or sub-committee of the Board of Directors under any applicable stock exchange listing requirements or applicable law, and that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such proposed nominee.

(ii) Other than proposals sought to be included in the corporation's proxy materials pursuant to Rule 14a-8 under the 1934 Act, for business other than nominations for the election to the Board of Directors to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of Section 5(a), the stockholder must deliver written notice to the Secretary at the principal executive offices of the corporation on a timely basis as set forth in Section 5(b)(iii), and must update and supplement such written notice on a timely basis as set forth in Section 5(c). Such stockholder's notice shall set forth: (A) as to each matter such stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend these Bylaws, the language of the proposed amendment), the reasons for conducting such business at the meeting, and any material interest (including any anticipated benefit of such business to any Proponent (as defined below) other than solely as a result of its ownership of the corporation's capital stock, that is material to any Proponent individually, or to the Proponents in the aggregate) in such business of any Proponent; and (B) the information required by Section 5(b)(iv).

(iii) To be timely, the written notice required by Section 5(b)(i) or 5(b)(ii) must be received by the Secretary at the principal executive offices of the corporation not later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's annual meeting; *provided*, *however*, that, subject to the last sentence of this Section 5(b)(iii), in the event that the date of the annual meeting is advanced more than 30 days prior to or

delayed by more than 30 days after the anniversary of the preceding year's annual meeting, notice by the stockholder to be timely must be so received (A) not earlier than the close of business on the 120th day prior to such annual meeting and (B) not later than the close of business on the later of the 90th day prior to such annual meeting or, if later than the 90th day prior to such annual meeting, the 10th day following the day on which public announcement of the date of such meeting is first made. In no event shall an adjournment of an annual meeting for which notice has been given, or the public announcement thereof has been made, commence a new time period for the giving of a stockholder's notice as described above.

(iv) The written notice required by Section 5(b)(i) or 5(b)(ii) shall also set forth, as of the date of the notice and as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (each, a "***Proponent***" and collectively, the "***Proponents***"): (A) the name and address of each Proponent, as they appear on the corporation's books; (B) the class or series and number of shares of each class of capital stock of the corporation that are owned of record and beneficially by each Proponent; (C) a description of any agreement, arrangement or understanding (whether oral or in writing) with respect to such nomination or proposal between or among any Proponent and any of its affiliates or associates, and any others (including their names) acting in concert, or otherwise under the agreement, arrangement or understanding, with any of the foregoing; (D) a representation that the Proponents are holders of record or beneficial owners, as the case may be, of shares of the corporation entitled to vote at the meeting and intend to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice (with respect to a notice under Section 5(b)(i)) or to propose the business that is specified in the notice (with respect to a notice under Section 5(b)(ii)); (E) a representation as to whether the Proponents intend to deliver a proxy statement and form of proxy to holders of a sufficient number of holders of the corporation's voting shares to elect such nominee or nominees (with respect to a notice under Section 5(b)(i)) or to carry such proposal (with respect to a notice under Section 5(b)(ii)); (F) to the extent known by any Proponent, the name and address of any other stockholder supporting the proposal on the date of such stockholder's notice; and (G) a description of all Derivative Transactions (as defined below) by each Proponent during the previous 12-month period, including the date of the transactions and the class, series and number of securities involved in, and the material economic terms of, such Derivative Transactions.

(c) A stockholder providing the written notice required by Section 5(b)(i) or 5(b)(ii) shall update and supplement such notice in writing, if necessary, so that the information provided or required to be provided in such notice is true and correct in all material respects as of (i) the record date for the meeting and (ii) the date that is five Business Days (as defined below) prior to the meeting and, in the event of any adjournment thereof, five Business Days prior to such adjourned meeting. In the case of an update and supplement pursuant to clause (i) of this Section 5(c), such update and supplement shall be received by the Secretary at the principal executive offices of the corporation not later than five Business Days after the record date for the meeting. In the case of an update and supplement pursuant to clause (ii) of this Section 5(c), such update and supplement shall be received by the Secretary at the principal executive offices of the corporation not later than two Business Days prior to the date for the meeting, and, in the event of any adjournment thereof, two Business Days prior to such adjourned meeting.

(d) A person shall not be eligible for election or re-election as a director unless the person is nominated either in accordance with clause (ii) or clause (iii) of Section 5(a). Except as otherwise required by law, the Chairperson of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made, or proposed, as the case may be, in accordance with the procedures set forth in these Bylaws and, if any proposed nomination or business is not in compliance with these Bylaws, or the Proponent does not act in accordance with the representations in Sections 5(b)(iv)(D) and 5(b)(iv)(E), to declare that such proposal or nomination shall

not be presented for stockholder action at the meeting and shall be disregarded, notwithstanding that proxies in respect of such nomination or such business may have been solicited or received.

(e) Notwithstanding the foregoing provisions of this Section 5, in order to include information with respect to a stockholder proposal in the proxy statement and form of proxy for a stockholders' meeting, a stockholder must also comply with all applicable requirements of the 1934 Act and the rules and regulations thereunder. Nothing in these Bylaws shall be deemed to affect any rights of stockholders to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8 under the 1934 Act; *provided*, *however*, that any references in these Bylaws to the 1934 Act or the rules and regulations thereunder are not intended to and shall not limit the requirements applicable to proposals and/or nominations to be considered pursuant to Section 5(a).

(f) Notwithstanding anything herein to the contrary, in the event that the number of directors to be elected to the Board of Directors of the corporation at the annual meeting is increased effective after the time period for which nominations would otherwise be due under Section 5(b)(iii) and there is no public announcement by the corporation naming the nominees for the additional directorships at least one hundred (100) days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 5 shall also be considered timely, but only with respect to nominees for the additional directorships, if it shall be delivered to the Secretary at the principal executive offices of the corporation not later than the close of business on the tenth (10th) day following the day on which such public announcement is first made by the corporation.

(g) For purposes of Sections 5 and 6,

(i) "***affiliates***" and "***associates***" shall have the meanings set forth in Rule 405 under the Securities Act of 1933, as amended (the "***1933 Act***");

(ii) "***Business Day***" means any day other than Saturday, Sunday or a day on which banks are closed in New York City, New York.

(iii) "***Derivative Transaction***" means any agreement, arrangement, interest or understanding entered into by, or on behalf or for the benefit of, any Proponent or any of its affiliates or associates, whether record or beneficial: (A) the value of which is derived in whole or in part from the value of any class or series of shares or other securities of the corporation; (B) that otherwise provides any direct or indirect opportunity to gain or share in any gain derived from a change in the value of securities of the corporation; (C) the effect or intent of which is to mitigate loss, manage risk or benefit of security value or price changes; or (D) that provides the right to vote or increase or decrease the voting power of, such Proponent, or any of its affiliates or associates, with respect to any securities of the corporation, which agreement, arrangement, interest or understanding may include, without limitation, any option, warrant, debt position, note, bond, convertible security, swap, stock appreciation right, short position, profit interest, hedge, right to dividends, voting agreement, performance-related fee or arrangement to borrow or lend shares (whether or not subject to payment, settlement, exercise or conversion in any such class or series), and any proportionate interest of such Proponent in the securities of the corporation held by any general or limited partnership, or any limited liability company, of which such Proponent is, directly or indirectly, a general partner or managing member; and

(iv) "***public announcement***" shall mean disclosure in a press release reported by the Dow Jones Newswires, Associated Press or comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the 1934 Act or by such other means reasonably designed to inform the public or security holders in

general of such information including, without limitation, posting on the corporation's investor relations website.

Section 6. Special Meetings.

(a) Special meetings of the stockholders of the corporation may be called, for any purpose as is a proper matter for stockholder action under Delaware law, by (i) the Chairperson of the Board of Directors, (ii) the Chief Executive Officer, or (iii) the Board of Directors pursuant to a resolution adopted by the Board of Directors.

(b) For a special meeting called pursuant to Section 6(a), the person(s) calling the meeting shall determine the time and place, if any, of the meeting; provided, however, that only the Board of Directors or a duly authorized committee thereof may authorize a meeting solely by means of remote communication. Upon determination of the time and place, if any, of the meeting, the Secretary shall cause a notice of meeting to be given to the stockholders entitled to vote, in accordance with the provisions of Section 7. No business may be transacted at a special meeting otherwise than as specified in the notice of meeting.

(c) Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected (i) by or at the direction of the Board of Directors or a duly authorized committee thereof or (ii) by any stockholder of the corporation who is a stockholder of record at the time of giving notice provided for in this paragraph, who is entitled to vote at the meeting and who delivers written notice to the Secretary of the corporation setting forth the information required by Section 5(b)(i) and the information required by Section 5(b)(iv). In the event the corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder of record may nominate a person or persons (as the case may be), for election to such position(s) as specified in the corporation's notice of meeting, if written notice setting forth the information required by Section 5(b)(i) and the information required by Section 5(b)(iv) shall be received by the Secretary at the principal executive offices of the corporation not later than the close of business on the later of the 90th day prior to such meeting or the 10th day following the day on which the corporation first makes a public announcement of the date of the special meeting at which directors are to be elected. The stockholder shall also update and supplement such information as required under Section 5(c). In no event shall an adjournment of a special meeting for which notice has been given, or the public announcement thereof has been made, commence a new time period for the giving of a stockholder's notice as described above.

(d) A person shall not be eligible for election or re-election as a director unless the person is nominated either in accordance with clause (ii) or clause (iii) of Section 5(a). Except as otherwise required by law, the Chairperson of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in these Bylaws and, if any nomination or business is not in compliance with these Bylaws, to declare that such nomination shall not be presented for stockholder action at the meeting and shall be disregarded, notwithstanding that proxies in respect of such nomination may have been solicited or received.

(e) Notwithstanding the foregoing provisions of this Section 6, a stockholder must also comply with all applicable requirements of the 1934 Act and the rules and regulations thereunder with respect to matters set forth in this Section 6. Nothing in these Bylaws shall be deemed to affect any rights of stockholders to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8 under the 1934 Act; *provided, however,* that any references in these Bylaws to the 1934 Act or the rules and regulations thereunder are not intended to and shall not limit the requirements applicable to

nominations for the election to the Board of Directors or proposals of other businesses to be considered pursuant to Section 6(c).

Section 7. Notice of Meetings. Except as otherwise provided by law, notice, given in writing or by electronic transmission, of each meeting of stockholders shall be given not fewer than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting, such notice to specify the place, if any, date and hour, in the case of special meetings, the purpose or purposes of the meeting, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at any such meeting. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the corporation. If sent via electronic transmission, notice is given when directed to such stockholder's electronic mail address. Notice of the time, place, if any, and purpose of any meeting of stockholders (to the extent required) may be waived in writing, signed by the person entitled to notice thereof or by electronic transmission by such person, either before or after such meeting, and will be waived by any stockholder by his or her attendance thereat in person, by remote communication, if applicable, or by proxy, except when the stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Any stockholder so waiving notice of such meeting shall be bound by the proceedings of any such meeting in all respects as if due notice thereof had been given.

Section 8. Quorum. At all meetings of stockholders, except where otherwise provided by statute or by the Certificate of Incorporation, or by these Bylaws, the presence, in person, by remote communication, if applicable, or by proxy duly authorized, of the holders of a majority of the voting power of the outstanding shares of stock entitled to vote at the meeting shall constitute a quorum for the transaction of business. In the absence of a quorum, any meeting of stockholders may be adjourned, from time to time, either by the Chairperson of the meeting or by vote of the holders of a majority of the voting power of the shares represented thereat and entitled to vote thereon, but no other business shall be transacted at such meeting. The stockholders present at a duly called or convened meeting, at which a quorum is present, may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum. Except as otherwise provided by statute or by applicable stock exchange rules, or by the Certificate of Incorporation or these Bylaws, in all matters other than the election of directors, the affirmative vote of the holders of a majority of the voting power of the shares present in person, by remote communication, if applicable, or represented by proxy duly authorized at the meeting and entitled to vote generally on the subject matter shall be the act of the stockholders. Except as otherwise provided by statute, the Certificate of Incorporation or these Bylaws, directors shall be elected by a plurality of the votes of the shares present in person, by remote communication, if applicable, or represented by proxy duly authorized at the meeting and entitled to vote generally on the election of directors. Where a separate vote by a class or classes or series is required, except where otherwise provided by statute, by applicable stock exchange rules or by the Certificate of Incorporation or these Bylaws, a majority of the voting power of the outstanding shares of such class or classes or series, present in person, by remote communication, if applicable, or represented by proxy duly authorized, shall constitute a quorum entitled to take action with respect to that vote on that matter. Except where otherwise provided by statute, by applicable stock exchange rules or by the Certificate of Incorporation or these Bylaws, the affirmative vote of the holders of a majority (plurality, in the case of the election of directors) of voting power of such class or classes or series present in person, by remote communication, if applicable, or represented by proxy at the meeting shall be the act of such class or classes or series.

Section 9. Adjournment and Notice of Adjourned Meetings. Any meeting of stockholders, whether annual or special, may be adjourned from time to time either by the person(s) who called the

meeting or the Chairperson of the meeting, or by the vote of the holders of a majority of the voting power of the shares present in person, by remote communication, if applicable, or represented by proxy duly authorized at the meeting and entitled to vote thereon. When a meeting is adjourned to another time or place, if any, notice need not be given of the adjourned meeting if the time and place, if any, thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the corporation may transact any business that might have been transacted at the original meeting. If the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for determination of stockholders entitled to vote is fixed for the adjourned meeting, the Board of Directors shall fix as the record date for determining stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote at the adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record as of the record date so fixed for notice of such adjourned meeting.

Section 10. Voting Rights. For the purpose of determining those stockholders entitled to vote at any meeting of the stockholders, except as otherwise provided by law, only persons in whose names shares stand on the stock records of the corporation on the record date shall be entitled to vote at any meeting of stockholders. Every person entitled to vote shall have the right to do so either in person, by remote communication, if applicable, or by an agent or agents authorized by a proxy granted in accordance with Delaware law. An agent so appointed need not be a stockholder. No proxy shall be voted after three years from its date of creation unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by delivering to the Secretary of the corporation a revocation of the proxy or a new proxy bearing a later date. Voting at meetings of stockholders need not be by written ballot.

Section 11. Joint Owners of Stock. If shares or other securities having voting power stand of record in the names of two or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, tenants by the entirety, or otherwise, or if two or more persons have the same fiduciary relationship respecting the same shares, unless the Secretary is given written notice to the contrary and is furnished with a copy of the instrument or order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect: (a) if only one votes, his or her act binds all; (b) if more than one votes, the act of the majority so voting binds all; (c) if more than one votes, but the vote is evenly split on any particular matter, each faction may vote the securities in question proportionally, or may apply to the Delaware Court of Chancery for relief as provided in DGCL Section 217(b). If the instrument filed with the Secretary shows that any such tenancy is held in unequal interests, a majority or even-split for the purpose of subsection (c) shall be a majority or even-split in interest.

Section 12. List of Stockholders. The corporation shall prepare, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at said meeting, arranged in alphabetical order, showing the address of each stockholder and the number and class of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (b) during ordinary business hours, at the principal place of business of the corporation. In the event that the corporation determines to make the list available on an electronic network, the corporation may take reasonable steps to ensure that such information is available only to stockholders of the corporation. The list shall be open to examination of any stockholder during the time of the meeting as provided by law.

Section 13. Action without Meeting. Any action required or permitted to be taken at any annual or special meeting of stockholders of the corporation may be taken without a meeting, without prior notice and without a vote only to the extent permitted by and in the manner provided in the Certificate of Incorporation and in accordance with applicable law.

Section 14. Organization.

(a) At every meeting of stockholders, the Chairperson of the Board of Directors, or, if a Chairperson has not been appointed, is absent or refuses to act, the Chief Executive Officer, or, if no Chief Executive Officer is then serving, is absent or refuses to act, the President, or, if the President is absent or refuses to act, a Chairperson of the meeting designated by the Board of Directors, or, if the Board of Directors does not designate such Chairperson, a Chairperson chosen by a majority of the voting power of the stockholders entitled to vote, present in person or by proxy duly authorized, shall act as Chairperson. The Chairperson of the Board may appoint the Chief Executive Officer as Chairperson of the meeting. The Secretary, or, in his or her absence, an Assistant Secretary directed to do so by the Chairperson of the meeting, shall act as secretary of the meeting.

(b) The Board of Directors of the corporation shall be entitled to make such rules or regulations for the conduct of meetings of stockholders as it shall deem necessary, appropriate or convenient. Subject to such rules and regulations of the Board of Directors, if any, the Chairperson of the meeting shall have the right and authority to convene and (for any or no reason) to recess and/or adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such Chairperson, are necessary, appropriate or convenient for the proper conduct of the meeting, including, without limitation, establishing an agenda or order of business for the meeting, rules and procedures for maintaining order at the meeting and the safety of those present, limitations on participation in such meeting to stockholders of record of the corporation and their duly authorized and constituted proxies and such other persons as the Chairperson shall permit, restrictions on entry to the meeting after the time fixed for the commencement thereof, limitations on the time allotted to questions or comments by participants and regulation of the opening and closing of the polls for balloting on matters which are to be voted on by ballot. The date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at the meeting shall be announced at the meeting. Unless and to the extent determined by the Board of Directors or the Chairperson of the meeting, meetings of stockholders shall not be required to be held in accordance with rules of parliamentary procedure.

ARTICLE IV

DIRECTORS

Section 15. Number and Term of Office. The authorized number of directors of the corporation shall be fixed in accordance with the Certificate of Incorporation. Directors need not be stockholders.

Section 16. Powers. Except as otherwise provided in the Certificate of Incorporation or the DGCL, the business and affairs of the corporation shall be managed by or under the direction of the Board of Directors.

Section 17. Classes of Directors. The directors shall be divided into classes as and to the extent provided in the Certificate of Incorporation, except as otherwise required by applicable law.

Section 18. Vacancies. Vacancies on the Board of Directors shall be filled as provided in the Certificate of Incorporation, except as otherwise required by applicable law.

Section 19. Resignation. Any director may resign at any time by delivering his or her notice in writing or by electronic transmission to the Secretary, such resignation to specify whether it will be effective at a particular time. If no such specification is made, the resignation shall be effective at the time of delivery of the resignation to the Secretary.

Section 20. Removal. Subject to the rights of holders of any series of Preferred Stock to elect additional directors under specified circumstances, neither the Board of Directors nor any individual director may be removed except in the manner specified in Section 141 of the DGCL.

Section 21. Meetings.

(a) Regular Meetings. Unless otherwise restricted by the Certificate of Incorporation, regular meetings of the Board of Directors may be held at any time or date and at any place within or without the State of Delaware which has been designated by the Board of Directors and publicized among all directors, either orally or in writing, by telephone, including a voice-messaging system or other system designed to record and communicate messages, facsimile, telegraph or telex, or by electronic mail or other electronic means. No further notice shall be required for regular meetings of the Board of Directors.

(b) Special Meetings. Unless otherwise restricted by the Certificate of Incorporation, special meetings of the Board of Directors may be held at any time and place within or without the State of Delaware whenever called by the Chairperson of the Board, the Chief Executive Officer or the Board of Directors.

(c) Meetings by Electronic Communications Equipment. Any member of the Board of Directors, or of any committee thereof, may participate in a meeting by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

(d) Notice of Special Meetings. Notice of the time and place of all special meetings of the Board of Directors shall be given orally or in writing, by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, facsimile, telegraph or telex, or by electronic mail or other electronic means, during normal business hours, at least twenty-four (24) hours before the date and time of the meeting. If notice is sent by U.S. mail, it shall be sent by first class mail, postage prepaid at least three days before the date of the meeting. Notice of any special meeting may be waived in writing or by electronic transmission at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

(e) Waiver of Notice. The transaction of all business at any meeting of the Board of Directors, or any committee thereof, however called or noticed, or wherever held, shall be as valid as though it had been transacted at a meeting duly held after regular call and notice, if a quorum be present and if, either before or after the meeting, each of the directors not present who did not receive notice shall sign a written waiver of notice or shall waive notice by electronic transmission. All such waivers shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of any meeting will be waived by any director by attendance thereat, except when the director attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

Section 22. Quorum and Voting.

(a) Unless the Certificate of Incorporation requires a greater number, a quorum of the Board of Directors shall consist of a majority of the directors currently serving on the Board of Directors in accordance with the Certificate of Incorporation (but in no event less than one third of the total authorized number of directors); *provided*, *however*, at any meeting whether a quorum be present or otherwise, a majority of the directors present may adjourn from time to time until the time fixed for the next regular meeting of the Board of Directors, without notice other than by announcement at the meeting.

(b) At each meeting of the Board of Directors at which a quorum is present, all questions and business shall be determined by the affirmative vote of a majority of the directors present, unless a different vote be required by law, the Certificate of Incorporation or these Bylaws.

Section 23. Action without Meeting. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board of Directors or committee, as the case may be, consent thereto in writing or by electronic transmission. The consent or consents shall be filed with the minutes of proceedings of the Board of Directors or committee.

Section 24. Fees and Compensation. Directors shall be entitled to such compensation for their services as may be approved by the Board of Directors or a committee thereof to which the Board of Directors has delegated such responsibility and authority, including, if so approved, by resolution of the Board of Directors or a committee thereof to which the Board of Directors has delegated such responsibility and authority, a fixed sum and expenses of attendance, if any, for attendance at each regular or special meeting of the Board of Directors and at any meeting of a committee of the Board of Directors. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity as an officer, agent, employee, or otherwise and receiving compensation therefor.

Section 25. Committees.

(a) Executive Committee. The Board of Directors may appoint an Executive Committee to consist of one or more members of the Board of Directors. The Executive Committee, to the extent permitted by law and provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to (i) approving or adopting, or recommending to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders for approval, or (ii) adopting, amending or repealing any Bylaw of the corporation.

(b) Other Committees. The Board of Directors may, from time to time, appoint such other committees as may be permitted by law. Such other committees appointed by the Board of Directors shall consist of one or more members of the Board of Directors and shall have such powers and perform such duties as may be prescribed by the resolution or resolutions creating such committees, but in no event shall any such committee have the powers denied to the Executive Committee in these Bylaws.

(c) Term. The Board of Directors, subject to any requirements of any outstanding series of Preferred Stock and the provisions of subsections (a) or (b) of this Section 25, may at any time increase or decrease the number of members of a committee or terminate the existence of a committee. The membership of a committee member shall terminate on the date of his or her death or voluntary resignation from the committee or from the Board of Directors. The Board of Directors may at any time

for any reason remove any individual committee member and the Board of Directors may fill any committee vacancy created by death, resignation, removal or increase in the number of members of the committee. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee, and, in addition, in the absence or disqualification of any member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

(d) Meetings. Unless the Board of Directors shall otherwise provide, regular meetings of the Executive Committee or any other committee appointed pursuant to this Section 25 shall be held at such times and places as are determined by the Board of Directors, or by any such committee, and when notice thereof has been given to each member of such committee, no further notice of such regular meetings need be given thereafter. Special meetings of any such committee may be held at any place which has been determined from time to time by such committee, and may be called by any director who is a member of such committee, upon notice to the members of such committee of the time and place of such special meeting given in the manner provided for the giving of notice to members of the Board of Directors of the time and place of special meetings of the Board of Directors. Notice of any regular or special meeting of any committee may be waived in writing or by electronic transmission at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends such regular or special meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Unless otherwise provided by the Board of Directors in the resolutions authorizing the creation of the committee, a majority of the authorized number of members of any such committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at any meeting at which a quorum is present shall be the act of such committee.

Section 26. Duties of Chairperson of the Board of Directors. The Chairperson of the Board of Directors, if appointed and when present, shall preside at all meetings of the stockholders and the Board of Directors. The Chairperson of the Board of Directors shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers, as the Board of Directors shall designate from time to time.

Section 27. Organization. At every meeting of the directors, the Chairperson of the Board of Directors, or, if a Chairperson has not been appointed or is absent, the Chief Executive Officer (if a director), or, if a Chief Executive Officer is absent, the President (if a director), or if the President is absent, the most senior Vice President (if a director), or, in the absence of any such person, a Chairperson of the meeting chosen by a majority of the directors present, shall preside over the meeting. The Secretary, or in his absence, any Assistant Secretary or other officer, director or other person directed to do so by the person presiding over the meeting, shall act as secretary of the meeting.

ARTICLE V

OFFICERS

Section 28. Officers Designated. The officers of the corporation shall include, if and when designated by the Board of Directors, the Chief Executive Officer, the President, one or more Vice Presidents, the Secretary, the Chief Financial Officer and the Treasurer. The Board of Directors may also appoint one or more Assistant Secretaries and Assistant Treasurers and such other officers and agents with such powers and duties as it shall deem necessary. The Board of Directors may assign such additional titles to one or more of the officers as it shall deem appropriate. Any one person may hold any

number of offices of the corporation at any one time unless specifically prohibited therefrom by law. The salaries and other compensation of the officers of the corporation shall be fixed by or in the manner designated by the Board of Directors or a committee thereof to which the Board of Directors has delegated such responsibility.

Section 29. Tenure and Duties of Officers.

(a) General. All officers shall hold office at the pleasure of the Board of Directors and until their successors shall have been duly elected and qualified, unless sooner removed. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board of Directors.

(b) Duties of Chief Executive Officer. The Chief Executive Officer shall preside at all meetings of the stockholders and at all meetings of the Board of Directors (if a director), unless the Chairperson of the Board of Directors has been appointed and is present. Unless an officer has been appointed Chief Executive Officer of the corporation, the President shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the corporation. To the extent that a Chief Executive Officer has been appointed and no President has been appointed, all references in these Bylaws to the President shall be deemed references to the Chief Executive Officer. The Chief Executive Officer shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers, as the Board of Directors shall designate from time to time.

(c) Duties of President. The President shall preside at all meetings of the stockholders and at all meetings of the Board of Directors (if a director), unless the Chairperson of the Board of Directors, or the Chief Executive Officer has been appointed and is present. Unless another officer has been appointed Chief Executive Officer of the corporation, the President shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the corporation. The President shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers, as the Board of Directors (or the Chief Executive Officer, if the Chief Executive Officer and President are not the same person and the Board of Directors has delegated the designation of the President's duties to the Chief Executive Officer) shall designate from time to time.

(d) Duties of Vice Presidents. A Vice President may assume and perform the duties of the President in the absence or disability of the President or whenever the office of President is vacant (unless the duties of the President are being filled by the Chief Executive Officer). A Vice President shall perform other duties commonly incident to their office and shall also perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer, or, if the Chief Executive Officer has not been appointed or is absent, the President shall designate from time to time.

(e) Duties of Secretary. The Secretary shall attend all meetings of the stockholders and of the Board of Directors and shall record all acts and proceedings thereof in the minute book of the corporation. The Secretary shall give notice in conformity with these Bylaws of all meetings of the stockholders and of all meetings of the Board of Directors and any committee thereof requiring notice. The Secretary shall perform all other duties provided for in these Bylaws and other duties commonly incident to the office and shall also perform such other duties and have such other powers, as the Board of Directors shall designate from time to time. The Chief Executive Officer, or if no Chief Executive Officer is then serving, the President may direct any Assistant Secretary or other officer to assume and perform the duties of the Secretary in the absence or disability of the Secretary, and each Assistant Secretary shall perform other duties commonly incident to the office and shall also perform such other duties and have

such other powers as the Board of Directors or the Chief Executive Officer, or if no Chief Executive Officer is then serving, the President shall designate from time to time.

(f) Duties of Chief Financial Officer. The Chief Financial Officer shall keep or cause to be kept the books of account of the corporation in a thorough and proper manner and shall render statements of the financial affairs of the corporation in such form and as often as required by the Board of Directors or the Chief Executive Officer, or if no Chief Executive Officer is then serving, the President. The Chief Financial Officer, subject to the order of the Board of Directors, shall have the custody of all funds and securities of the corporation. The Chief Financial Officer shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer, or if no Chief Executive Officer is then serving, the President shall designate from time to time. To the extent that a Chief Financial Officer has been appointed and no Treasurer has been appointed, all references in these Bylaws to the Treasurer shall be deemed references to the Chief Financial Officer. The President may direct the Treasurer, if any, or any Assistant Treasurer, or the controller or any assistant controller to assume and perform the duties of the Chief Financial Officer in the absence or disability of the Chief Financial Officer, and each Treasurer and Assistant Treasurer and each controller and assistant controller shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer, or if no Chief Executive Officer is then serving, the President shall designate from time to time.

(g) Duties of Treasurer. Unless another officer has been appointed Chief Financial Officer of the corporation, the Treasurer shall be the chief financial officer of the corporation and shall keep or cause to be kept the books of account of the corporation in a thorough and proper manner and shall render statements of the financial affairs of the corporation in such form and as often as required by the Board of Directors or the Chief Executive Officer, or if no Chief Executive Officer is then serving, the President, and, subject to the order of the Board of Directors, shall have the custody of all funds and securities of the corporation. The Treasurer shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer, or if no Chief Executive Officer is then serving, the President and Chief Financial Officer (if not Treasurer) shall designate from time to time.

Section 30. Delegation of Authority. The Board of Directors may from time to time delegate the powers or duties of any officer to any other officer or agent, notwithstanding any provision hereof.

Section 31. Resignations. Any officer may resign at any time by giving notice in writing or by electronic transmission to the Board of Directors or to the Chief Executive Officer, or if no Chief Executive Officer is then serving, to the President or to the Secretary. Any such resignation shall be effective when received by the person or persons to whom such notice is given, unless a later time is specified therein, in which event the resignation shall become effective at such later time. Unless otherwise specified in such notice, the acceptance of any such resignation shall not be necessary to make it effective. Any resignation shall be without prejudice to the rights, if any, of the corporation under any contract with the resigning officer.

Section 32. Removal. Any officer may be removed from office at any time, either with or without cause, by the Board of Directors, by the Chief Executive Officer, or by any committee or other superior officer upon whom such power of removal may have been conferred by the Board of Directors.

ARTICLE VI

EXECUTION OF CORPORATE INSTRUMENTS AND VOTING OF SECURITIES OWNED BY THE CORPORATION

Section 33. Execution of Corporate Instruments. The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute on behalf of the corporation any corporate instrument or document, or to sign on behalf of the corporation the corporate name without limitation, or to enter into contracts on behalf of the corporation, except where otherwise provided by applicable law or these Bylaws, and such execution or signature shall be binding upon the corporation. All checks and drafts drawn on banks or other depositaries on funds to the credit of the corporation or in special accounts of the corporation shall be signed by such person or persons as the Board of Directors shall authorize so to do. Unless authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 34. Voting of Securities Owned by the Corporation. All stock and other securities and interests of other corporations and entities owned or held by the corporation for itself, or for other parties in any capacity, shall be voted, and all proxies with respect thereto shall be executed, by the person authorized so to do by resolution of the Board of Directors, or, in the absence of such authorization, by the Chairperson of the Board of Directors, the Chief Executive Officer, the President, or any Vice President.

ARTICLE VII

SHARES OF STOCK

Section 35. Form and Execution of Certificates. The shares of the corporation shall be represented by certificates, or shall be uncertificated if so provided by resolution or resolutions of the Board of Directors. Certificates for the shares of stock, if any, shall be in such form as is consistent with the Certificate of Incorporation and applicable law. Every holder of stock in the corporation represented by certificates shall be entitled to have a certificate signed by, or in the name of, the corporation by any two authorized officers of the corporation, certifying the number of shares owned by such holder in the corporation. Any or all of the signatures on the certificate may be facsimiles. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

Section 36. Lost Certificates. A new certificate or certificates shall be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed. The corporation may require, as a condition precedent to the issuance of a new certificate or certificates, the owner of such lost, stolen, or destroyed certificate or certificates, or the owner’s legal representative, to agree to indemnify the corporation in such manner as it shall require or to give the corporation a surety bond in such form and amount as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen, or destroyed.

Section 37. Transfers.

(a) Transfers of record of shares of stock of the corporation shall be made only upon its books by the holders thereof, in person or by attorney duly authorized, and, in the case of stock represented by certificate, upon the surrender of a properly endorsed certificate or certificates for a like number of shares.

(b) The corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the corporation to restrict the transfer of shares of stock of the corporation of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.

Section 38. Fixing Record Dates.

(a) In order that the corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall, subject to applicable law, not be more than 60 nor fewer than ten days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided, however,* that the Board of Directors may fix a new record date for the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

(b) In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 39. Registered Stockholders. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VIII

OTHER SECURITIES OF THE CORPORATION

Section 40. Execution of Other Securities. All bonds, debentures and other corporate securities of the corporation, other than stock certificates (covered in Section 35), may be signed by any executive officer (as defined in Article XI) or any other officer or person as may be authorized by the Board of Directors; *provided, however,* that where any such bond, debenture or other corporate security shall be authenticated by the manual signature, or where permissible facsimile signature, of a trustee under an indenture pursuant to which such bond, debenture or other corporate security shall be issued, the signatures of the persons signing and attesting the corporate seal on such bond, debenture or other corporate security may be the imprinted facsimile of the signatures of such persons. Interest coupons appertaining to any such bond, debenture or other corporate security, authenticated by a trustee as aforesaid, shall be signed by an executive officer of the corporation or such other officer or person as may be authorized by the Board of Directors, or bear imprinted thereon the facsimile signature of such person. In case any officer who shall have signed or attested any bond, debenture or other corporate security, or whose facsimile signature shall appear thereon or on any such interest coupon, shall have ceased to be such officer before the bond, debenture or other corporate security so signed or attested shall have been delivered, such bond, debenture or other corporate security nevertheless may be adopted by the corporation and issued and delivered as though the person who signed the same or whose facsimile signature shall have been used thereon had not ceased to be such officer of the corporation.

ARTICLE IX

DIVIDENDS

Section 41. Declaration of Dividends. Dividends upon the capital stock of the corporation, subject to the provisions of the Certificate of Incorporation and applicable law, if any, may be declared by the Board of Directors. Dividends may be paid in cash, in property, or in shares of the corporation's capital stock, subject to the provisions of the Certificate of Incorporation and applicable law.

Section 42. Dividend Reserve. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, thinks proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the Board of Directors shall think conducive to the interests of the corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created.

ARTICLE X

FISCAL YEAR

Section 43. Fiscal Year. The fiscal year of the corporation shall end on April 30 or on such other date as may otherwise be fixed by resolution of the Board of Directors.

ARTICLE XI

INDEMNIFICATION

Section 44. Indemnification of Directors, Executive Officers, Employees and Other Agents.

(a) Directors and Executive Officers. The corporation shall indemnify its directors and executive officers (for the purposes of this Article XI, "***executive officers***" shall have the meaning defined

in Rule 3b-7 promulgated under the 1934 Act) to the fullest extent permitted by the DGCL or any other applicable law as it presently exists or may hereafter be amended, who was or is made or is threatened to be made a party or is otherwise involved in proceeding, by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of the corporation, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by person; *provided, however,* that the corporation may modify the extent of such indemnification by individual contracts with its directors and executive officers, in which case such contract shall supersede and replace the provisions hereof; and, *provided, further,* that the corporation shall not be required to indemnify any director or executive officer in connection with any proceeding (or part thereof) initiated by such person unless (i) such indemnification is expressly required to be made by law, (ii) the proceeding was authorized by the Board of Directors of the corporation, (iii) such indemnification is provided by the corporation, in its sole discretion, pursuant to the powers vested in the corporation under the DGCL or any other applicable law or (iv) such indemnification is required to be made under subsection (d) of this Section 44.

(b) Other Officers, Employees and Other Agents. The corporation shall have the power to indemnify (including the power to advance expenses in a manner consistent with subsection (c) of this Section 44) its other officers, employees and other agents as set forth in the DGCL or any other applicable law. The Board of Directors shall have the power to delegate the determination of whether indemnification shall be given to any such person except executive officers to such officers or other persons as the Board of Directors shall determine.

(c) Expenses. The corporation shall advance to any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director or executive officer of the corporation, or is or was serving at the request of the corporation as a director or executive officer of another corporation, partnership, joint venture, trust or other enterprise, prior to the final disposition of the proceeding, promptly following request therefor, all expenses incurred by any director or executive officer in connection with such proceeding provided, however, that if the DGCL requires, an advancement of expenses incurred by a director or executive officer in his or her capacity as a director or executive officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the corporation of an undertaking (hereinafter an "***undertaking***"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a "***final adjudication***") that such indemnitee is not entitled to be indemnified for such expenses under this section or otherwise.

Notwithstanding the foregoing, unless otherwise determined pursuant to paragraph (d) of this section 44, no advance shall be made by the corporation to an executive officer of the corporation (except by reason of the fact that such executive officer is or was a director of the corporation in which event this paragraph shall not apply) in any action, suit or proceeding, whether civil, criminal, administrative or investigative, if a determination is reasonably and promptly made (i) by a majority vote of directors who were not parties to the proceeding, even if not a quorum, or (ii) by a committee of such directors designated by a majority vote of such directors, even though less than a quorum, or (iii) if there are no such directors, or such directors so direct, by independent legal counsel in a written opinion, that the facts known to the decision-making party at the time such determination is made demonstrate clearly and convincingly that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the corporation.

(d) Enforcement. Without the necessity of entering into an express contract, all rights to indemnification and advances to directors and executive officers under this Bylaw shall be deemed to be contractual rights and be effective to the same extent and as if provided for in a contract between the corporation and the director or executive officer. Any right to indemnification or advances granted by this section to a director or executive officer shall be enforceable by or on behalf of the person holding such right in any court of competent jurisdiction if (i) the claim for indemnification or advances is denied, in whole or in part, or (ii) no disposition of such claim is made within 90 days of request therefor. To the extent permitted by law, the claimant in such enforcement action, if successful in whole or in part, shall be entitled to be paid also the expense of prosecuting the claim to the fullest extent permitted by law. In connection with any claim for indemnification, the corporation shall be entitled to raise as a defense to any such action that the claimant has not met the standards of conduct that make it permissible under the DGCL or any other applicable law for the corporation to indemnify the claimant for the amount claimed. In connection with any claim by an executive officer of the corporation (except in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such executive officer is or was a director of the corporation) for advances, the corporation shall be entitled to raise a defense as to any such action clear and convincing evidence that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the corporation, or with respect to any criminal action or proceeding that such person acted without reasonable cause to believe that his or her conduct was lawful. Neither the failure of the corporation (including its Board of Directors, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in the DGCL or any other applicable law, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that claimant has not met the applicable standard of conduct. In any suit brought by a director or executive officer to enforce a right to indemnification or to an advancement of expenses hereunder, the burden of proving that the director or executive officer is not entitled to be indemnified, or to such advancement of expenses, under this section or otherwise shall be on the corporation.

(e) Non-Exclusivity of Rights. The rights conferred on any person by this Bylaw shall not be exclusive of any other right which such person may have or hereafter acquire under any applicable statute, provision of the Certificate of Incorporation, Bylaws, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding office. The corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advances, to the fullest extent not prohibited by the DGCL, or by any other applicable law.

(f) Survival of Rights. The rights conferred on any person by this Bylaw shall continue as to a person who has ceased to be a director or executive officer or officer, employee or other agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

(g) Insurance. To the fullest extent permitted by the DGCL or any other applicable law, the corporation, upon approval by the Board of Directors, may purchase insurance on behalf of any person required or permitted to be indemnified pursuant to this section.

(h) Amendments. Any repeal or modification of this section shall only be prospective and shall not affect the rights under this Bylaw in effect at the time of the alleged occurrence of any action or omission to act that is the cause of any proceeding against any agent of the corporation.

(i) Saving Clause. If this Bylaw or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the corporation shall nevertheless indemnify each director and executive officer to the full extent not prohibited by any applicable portion of this section that shall not have been invalidated, or by any other applicable law. If this section shall be invalid due to the application of the indemnification provisions of another jurisdiction, then the corporation shall indemnify each director and executive officer to the full extent under any other applicable law.

(j) Certain Definitions. For the purposes of this Bylaw, the following definitions shall apply:

(i) The term "***proceeding***" shall be broadly construed and shall include, without limitation, the investigation, preparation, prosecution, defense, settlement, arbitration and appeal of, and the giving of testimony in, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative.

(ii) The term "***expenses***" shall be broadly construed and shall include, without limitation, court costs, attorneys' fees, witness fees, fines, amounts paid in settlement or judgment and any other costs and expenses of any nature or kind incurred in connection with any proceeding.

(iii) The term the "***corporation***" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this section with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

(iv) References to a "***director***," "***executive officer***," "***officer***," "***employee***," or "***agent***" of the corporation shall include, without limitation, situations where such person is serving at the request of the corporation as, respectively, a director, executive officer, officer, employee, trustee or agent of another corporation, partnership, joint venture, trust or other enterprise.

(v) References to "***other enterprises***" shall include employee benefit plans; references to "***fines***" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "***serving at the request of the corporation***" shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "***not opposed to the best interests of the corporation***" as referred to in this section.

ARTICLE XII

NOTICES

Section 45. Notices.

(a) Notice to Stockholders. Notice to stockholders of stockholder meetings shall be given as provided in Section 7 herein. Without limiting the manner by which notice may otherwise be given effectively to stockholders under any agreement or contract with such stockholder, and except as

otherwise required by law, written notice to stockholders for purposes other than stockholder meetings may be sent by U.S. mail or nationally recognized overnight courier, or by facsimile, telegraph or telex or by electronic mail or other electronic means.

(b) Notice to Directors. Any notice required to be given to any director may be given by the method stated in subsection (a) or as otherwise provided in these Bylaws, with notice other than one which is delivered personally to be sent to such address as such director shall have filed in writing with the Secretary, or, in the absence of such filing, to the last known address of such director.

(c) Affidavit of Mailing. An affidavit of mailing, executed by a duly authorized and competent employee of the corporation or its transfer agent appointed with respect to the class of stock affected or other agent, specifying the name and address or the names and addresses of the stockholder or stockholders, or director or directors, to whom any such notice or notices was or were given, and the time and method of giving the same, shall in the absence of fraud, be prima facie evidence of the facts therein contained.

(d) Methods of Notice. It shall not be necessary that the same method of giving notice be employed in respect of all recipients of notice, but one permissible method may be employed in respect of any one or more, and any other permissible method or methods may be employed in respect of any other or others.

(e) Notice to Person with Whom Communication is Unlawful. Whenever notice is required to be given, under any provision of law or of the Certificate of Incorporation or Bylaws of the corporation, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the corporation is such as to require the filing of a certificate under any provision of the DGCL, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

(f) Notice to Stockholders Sharing an Address. Except as otherwise prohibited under the DGCL, any notice given under the provisions of the DGCL, the Certificate of Incorporation or the Bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Such consent shall have been deemed to have been given if such stockholder fails to object in writing to the corporation within 60 days of having been given notice by the corporation of its intention to send the single notice. Any consent shall be revocable by the stockholder by written notice to the corporation.

ARTICLE XIII

AMENDMENTS

Section 46. Amendments. Subject to the limitations set forth in Section 44(h) of these Bylaws or the provisions of the Certificate of Incorporation, the Board of Directors is expressly empowered to adopt, amend or repeal the Bylaws of the corporation. The stockholders also shall have power to adopt, amend or repeal the Bylaws of the corporation; provided, however, that, in addition to any vote of the holders of any class or series of stock of the corporation required by law or by the Certificate of Incorporation, such action by stockholders shall require the affirmative vote of the holders of at least 66 2/3% of the voting

power of all of the then-outstanding shares of the capital stock of the corporation entitled to vote generally in the election of directors, voting together as a single class.

ARTICLE XIV

LOANS TO OFFICERS

Section 47. Loans to Officers. Except as otherwise prohibited by applicable law, the corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the corporation or of its subsidiaries, including any officer or employee who is a director of the corporation or its subsidiaries, whenever, in the judgment of the Board of Directors, such loan, guarantee or assistance may reasonably be expected to benefit the corporation. The loan, guarantee or other assistance may be with or without interest and may be unsecured, or secured in such manner as the Board of Directors shall approve, including, without limitation, a pledge of shares of stock of the corporation. Nothing in these Bylaws shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the corporation at common law or under any statute.

ZQ|CERT#|COY|CLS|RGSTRY|ACCT#|TRANSTYPE|RUN#|TRANS#

CLASS A COMMON STOCK
PAR VALUE $0.001

C3.ai

Certificate Number
ZQ00000000

Shares
****

C3.AI, INC.

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

THIS CERTIFIES THAT

MR. SAMPLE & MRS. SAMPLE &
MR. SAMPLE & MRS. SAMPLE

SEE REVERSE FOR CERTAIN DEFINITIONS

CUSIP 12468P 104

is the owner of

ZERO HUNDRED THOUSAND
ZERO AND ZERO

THIS CERTIFICATE IS TRANSFERABLE IN CITIES DESIGNATED BY THE TRANSFER AGENT, AVAILABLE ONLINE AT www.computershare.com

FULLY-PAID AND NON-ASSESSABLE SHARES OF CLASS A COMMON STOCK OF

C3.ai, Inc. (hereinafter called the "Company"), transferable on the books of the Company in person or by duly authorized attorney, upon surrender of this Certificate properly endorsed. This Certificate and the shares represented hereby, are issued and shall be held subject to all of the provisions of the Amended and Restated Certificate of Incorporation, and the Amended and Restated Bylaws, of the Company (copies of which are on file with the Company and with the Transfer Agent), to all of which each holder, by acceptance hereof, assents. This Certificate is not valid unless countersigned and registered by the Transfer Agent and Registrar.

Witness the facsimile seal of the Company and the facsimile signatures of its duly authorized officers.

DATED DD-MMM-YYYY

FACSIMILE SIGNATURE TO COME
President

FACSIMILE SIGNATURE TO COME
Secretary

C3.AI, INC. CORPORATE SEAL June 29, 2012 DELAWARE

COUNTERSIGNED AND REGISTERED:
COMPUTERSHARE TRUST COMPANY, N.A.
TRANSFER AGENT AND REGISTRAR,

By _____
AUTHORIZED SIGNATURE

SECURITY INSTRUCTIONS ON REVERSE

1234567

C3.ai

PO BOX 505000, Louisville, KY 40233-5000

MR. A SAMPLE
DESIGNATION (IF ANY)
ADD 1
ADD 2
ADD 3
ADD 4

	CUSIP/IDENTIFIER	Certificate Numbers	DTC	Number of Shares	Insurance Value	Holder ID
1	12345678	12345678901234567890	12345	1,000,000.00	X	XXXXXXXXXX
2		12345678901234567890	12345	1,000,000.00	X	XXXXXXXXXX
3		12345678901234567890	12345	1,000,000.00	X	XXXXXXXXXX
4		12345678901234567890	12345	1,000,000.00	X	XXXXXXXXXX
5		12345678901234567890	12345	1,000,000.00	X	XXXXXXXXXX
6		12345678901234567890	12345	1,000,000.00	X	XXXXXXXXXX
Total Transaction 7						

C3.AI, INC.

THE COMPANY WILL FURNISH WITHOUT CHARGE TO EACH STOCKHOLDER WHO SO REQUESTS, A SUMMARY OF THE POWERS, DESIGNATIONS, PREFERENCES AND RELATIVE, PARTICIPATING, OPTIONAL OR OTHER SPECIAL RIGHTS OF EACH CLASS OF STOCK OF THE COMPANY AND THE QUALIFICATIONS, LIMITATIONS OR RESTRICTIONS OF SUCH PREFERENCES AND RIGHTS, AND THE VARIATIONS IN RIGHTS, PREFERENCES AND LIMITATIONS DETERMINED FOR EACH SERIES, WHICH ARE FIXED BY THE AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF THE COMPANY, AND THE RESOLUTIONS OF THE BOARD OF DIRECTORS OF THE COMPANY, AND THE AUTHORITY OF THE BOARD OF DIRECTORS TO DETERMINE VARIATIONS FOR FUTURE SERIES. SUCH REQUEST MAY BE MADE TO THE OFFICE OF THE SECRETARY OF THE COMPANY OR TO THE TRANSFER AGENT. THE BOARD OF DIRECTORS MAY REQUIRE THE OWNER OF A LOST OR DESTROYED STOCK CERTIFICATE, OR HIS LEGAL REPRESENTATIVES, TO GIVE THE COMPANY A BOND TO INDEMNIFY IT AND ITS TRANSFER AGENTS AND REGISTRARS AGAINST ANY CLAIM THAT MAY BE MADE AGAINST THEM ON ACCOUNT OF THE ALLEGED LOSS OR DESTRUCTION OF ANY SUCH CERTIFICATE.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	- as tenants in common	UNIF GIFT MIN ACT -	.....(Cust).....Custodian.....(Minor)..... under Uniform Gifts to Minors Act.....(State).....
TEN ENT	- as tenants by the		
JT TEN	- as joint tenants with right of survivorship and not as tenants in common	UNIF TRF MIN ACT -	.....(Cust).....Custodian (until age.....) .....(Minor).....under Uniform Transfers to Minors Act.....(State).....

Additional abbreviations may also be used though not in the above list.

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

For value received, _____ hereby sell, assign and transfer unto

_____

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING POSTAL ZIP CODE, OF ASSIGNEE)

_____

_____

_____ Shares

of the common stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

_____ Attorney

to transfer the said stock on the books of the within-named Company with full power of substitution in the premises.

Dated: _____ 20____

Signature: _____

Signature: _____

Notice: The signature to this assignment must correspond with the name as written upon the face of the certificate, in every particular, without alteration or enlargement, or any change whatever.

Signature(s) Guaranteed: Medallion Guarantee Stamp

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (Banks, Stockbrokers, Savings and Loan Associations and Credit Unions) WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM, PURSUANT TO S.E.C. RULE 17Ad-15.

SECURITY INSTRUCTIONS

THIS IS WATERMARKED PAPER. DO NOT ACCEPT WITHOUT NOTING WATERMARK. HOLD TO LIGHT TO VERIFY WATERMARK.

The IRS requires that the named transfer agent ("we") report the cost basis of certain shares or units acquired after January 1, 2011. If your shares or units are covered by the legislation, and you requested to sell or transfer the shares or units using a specific cost basis calculation method, then we have processed as you requested. If you did not specify a cost basis calculation method, then we have defaulted to the first in, first out (FIFO) method. Please consult your tax advisor if you need additional information about cost basis.

If you do not keep in contact with the issuer or do not have any activity in your account for the time period specified by state law, your property may become subject to state unclaimed property laws and transferred to the appropriate state.

153207

C3.AI, INC.

AMENDMENT TO REGISTRATION RIGHTS AGREEMENT AND WAIVER OF REGISTRATION RIGHTS AND NOTICE

This Amendment to Registration Rights Agreement and Waiver of Registration Rights and Notice (this "**Amendment and Waiver**") is made as of [•], 2020 (the "**Amendment Date**"), by and among C3.ai, Inc., a Delaware corporation (the "**Company**"), and the undersigned Investors (as defined below).

RECITALS

WHEREAS, the Company and certain of its stockholders (the "**Investors**") have previously entered into that certain Registration Rights Agreement, dated August 15, 2019, as amended, by and among the Company and the parties named therein (as the same may be amended and/or restated from time to time, the "**Rights Agreement**"). Capitalized terms used but not defined herein shall have the respective meanings set forth in the Rights Agreement.

WHEREAS, pursuant to the terms of the Rights Agreement, the undersigned and each other Holder has under certain circumstances the right to be notified prior to filing any registration statement for the purposes of effecting a public offering of the Company's common stock and to include in such registration statement certain Registrable Securities held by the undersigned and each such other Holder (the "**Registration Rights**").

WHEREAS, the undersigned understands that the Company is considering the sale of its common stock to the public through a firm commitment underwritten initial public offering (the "**Proposed IPO**"), pursuant to a Registration Statement on Form S-1 under the Securities Act and any related registration statement filed pursuant to Rule 462(b) of the Securities Act (collectively, the "**IPO Registration Statement**").

WHEREAS, in connection with the Proposed IPO and the preparation and filing of the IPO Registration Statement, the undersigned understands that the Company is requesting the waiver of (i) any and all Registration Rights in connection with the submission and filing of, and the Proposed IPO to be made pursuant to, the IPO Registration Statement, and (ii) any right to notice with respect to the foregoing under the Rights Agreement or otherwise, including without limitation any such notice rights granted under the Rights Agreement (the "**Notice Rights**").

WHEREAS, Section 3.5 of the Agreement provides that the Rights Agreement may be amended or modified, and the obligations of the Company and the rights of the Holders under this Agreement may be waived, only upon the written consent of (i) the Company, (ii) the Investors holding at least a majority of the voting power of all then outstanding shares of capital stock held by such Investors, (iii) with respect to amendments or waivers that materially adversely affects the powers, rights, preferences or privileges of the holders of the Series D Preferred Stock, the holders of a majority of the outstanding Series D Preferred Stock, (iv) with respect to amendments or waivers that materially adversely affects the powers, rights, preferences or privileges of the holders of the Series F Preferred Stock, the holders of a majority of the outstanding Series F Preferred Stock, (v) with respect to amendments or waivers that materially adversely affects the powers, rights, preferences or privileges of the holders of the Series G Preferred Stock, the holders of at least sixty-eight percent (68%) of the outstanding Series G Preferred Stock and (iv) with respect to amendments or waivers that materially adversely affects the powers, rights, preferences or privileges of the holders of the Series H Preferred Stock, the holders of a majority of the outstanding Series H Preferred Stock (collectively, the "**Requisite Parties**").

WHEREAS the Company has entered into that certain Common Stock Purchase Agreement, dated on or about the date hereof, with Microsoft Corporation, a Washington corporation ("**Microsoft**," and such agreement, the "**Microsoft Purchase Agreement**"), pursuant to which Microsoft will purchase shares of the Company's Class A Common Stock (the "**Microsoft Shares**"), immediately subsequent to the closing of the Proposed IPO.

WHEREAS, the Company has entered into that certain Common Stock Purchase Agreement, dated on or about the date hereof, with Spring Creek Capital, LLC, a Delaware limited liability company and an affiliate of Koch Industries, Inc., ("**Koch**," and such agreement, the "**Koch Purchase Agreement**"), pursuant to which Koch will purchase shares of the Company's Class A Common Stock (the "**Koch Shares**"), immediately subsequent to the closing of the Proposed IPO.

WHEREAS, in connection with the consummation of the Microsoft Purchase Agreement and the Koch Purchase Agreement, the undersigned understands that the Company is requesting the amendment of the Rights Agreement to provide Registration Rights and Notice Rights under the Rights Agreement to Microsoft and Koch with respect to the Microsoft Shares and the Koch Shares, respectively.

WHEREAS, the undersigned constitute the Requisite Parties and desire to waive the Registration Rights and the Notice Rights and amend the Rights Agreement to provide Registration Rights and Notice Rights to certain new investors.

AGREEMENT

NOW, THEREFORE, in exchange for good and valuable consideration, the receipt of which is hereby acknowledged, the Company and the undersigned Investors, on behalf of themselves and each of their affiliates, agree as follows:

1. Amendments.

(a) Section 1.1(i) of the Rights Agreement is amended and restated to read in its entirety as follows:

"(i) "**Registrable Securities**" means (i) Common Stock of the Company issuable or issued upon conversion of the Shares, (ii) any Common Stock of the Company issued as (or issuable upon the conversion or exercise of any warrant, right or other security which is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, such above-described securities, (iii) the shares of Common Stock issuable pursuant to that certain Common Stock Purchase Agreement, dated on or about November 25, 2020, with Microsoft Corporation, a Washington corporation ("**Microsoft**" and such shares of Common Stock, the "**Microsoft Registrable Securities**") and (iv) the shares of Common Stock issuable pursuant to that certain Common Stock Purchase Agreement, dated on or about November 25, 2020, with Spring Creek Capital, LLC, a Delaware limited liability company and an affiliate of Koch Industries, Inc. ("**Koch**" and such shares of Common Stock, the "**Koch Registrable Securities**"); *provided*, *however*, that such Microsoft Registrable Securities and Koch Registrable Securities shall not be deemed Registrable Securities and Microsoft and Koch shall not be deemed to be a Holder with respect to such Microsoft Registrable Securities or Koch Registrable Securities, as applicable, for the purposes of Sections 2.2 (and any other applicable sections of this Agreement with respect to registrations under Section 2.2), 2.4 (and any other applicable sections of this Agreement with respect to registrations

under Section 2.4) and 2.6 of this Agreement. Notwithstanding the foregoing, Registrable Securities shall not include any securities (A) sold by a person to the public either pursuant to a registration statement or Rule 144 or (B) sold in a private transaction in which the transferor's rights under Section 2 of this Agreement are not assigned."

2. Waiver.

(a) The undersigned has been requested to waive any and all Registration Rights and Notice Rights in connection with the submission and filing of, and the Proposed IPO to be made pursuant to, the IPO Registration Statement. The undersigned desires to facilitate a successful Proposed IPO and in connection therewith (i) hereby waives, on behalf of itself and each and every party to the Rights Agreement, any and all Registration Rights in connection with the submission and filing of, and the Proposed IPO to be made pursuant to, the IPO Registration Statement; and (ii) hereby waives, on behalf of itself and each and every party to the Rights Agreement, any Notice Rights with respect to the foregoing.

(b) The undersigned understands and acknowledges that, pursuant to the terms of the Rights Agreement, the rights of the Holders pursuant thereto, including the Registration Rights, and the related Notice Rights, may be waived with the written consent of the Requisite Parties. The undersigned further acknowledges that this waiver (the "**Waiver**") shall apply only with respect to the submission and filing of, and the Proposed IPO to be made pursuant to, the IPO Registration Statement and will not affect the undersigned's Registration Rights, Notice Rights or any other rights in connection with any registration statements other than the IPO Registration Statement. Except as expressly waived herein, all other terms and conditions of the Rights Agreement shall remain in full force and effect.

(c) This Waiver shall automatically terminate upon the earliest to occur, if any, of (i) the date that the Company advises the Representatives (as defined in the Underwriting Agreement), in writing, prior to the execution of the Underwriting Agreement related to the Proposed IPO (the "**Underwriting Agreement**"), that it has determined not to proceed with the Proposed IPO, (ii) the date of termination of the Underwriting Agreement if prior to the closing of the Proposed IPO, or (iii) June 30, 2021 if the Proposed IPO has not been completed by such date.

(d) The undersigned understands and acknowledges that the Company will proceed with the Proposed IPO and the preparation and filing of the IPO Registration Statement in reliance on this Waiver and in connection therewith, the undersigned hereby represents and warrants to the Company that (i) the undersigned has the full right, power and authority to execute and deliver this Waiver, (ii) this Waiver has been duly executed and delivered by the undersigned and constitutes the legal, valid and binding obligation of the undersigned, enforceable in accordance with its terms.

3. No Other Amendment or Waiver. Except as set forth in this Amendment, the Rights Agreement shall remain in full force and effect in all respects without any modification. This Amendment shall become effective when executed and delivered by the Requisite Parties.

4. Counterparts; Facsimile Signature. This Amendment may be executed in counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one agreement. A facsimile, telecopy or other reproduction of this Amendment may be executed by one or more parties hereto and delivered by such party (or parties) by facsimile or any similar electronic transmission device pursuant to which the signature of or on behalf of such party can be seen. Such execution and delivery shall be considered valid, binding and effective for all purposes. At the request of any party hereto, all parties hereto agree to execute and deliver an original of this Amendment as well as any facsimile, telecopy or other reproduction hereof.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned has executed this Amendment and Waiver effective as of _____.

COMPANY:

C3.AI, INC.

By: _____

Name: Thomas M. Siebel

Title: Chief Executive Officer

C3.AI, INC.
WAIVER OF REGISTRATION RIGHTS AND NOTICE

IN WITNESS WHEREOF, the undersigned has executed this Amendment and Waiver effective as of _____.

INVESTORS:

MICROSOFT CORPORATION

By: _____

Name: _____

Title: _____

C3.AI, INC.
WAIVER OF REGISTRATION RIGHTS AND NOTICE

IN WITNESS WHEREOF, the undersigned has executed this Amendment and Waiver effective as of _____.

INVESTORS:

SPRING CREEK CAPITAL, LLC

By: _____

Name: _____

Title: _____

IN WITNESS WHEREOF, the undersigned has executed this Amendment and Waiver effective as of _____.

INVESTORS:

TPG GROWTH III CADIA, L.P.

By: TPG Growth GenPar III, L.P.
its general partner
By: TPG Growth GenPar III Advisors, L.L.C.
its general partner

By: _____
Name: Michael LaGatta
Title: Vice President

THE RISE FUND CADIA, L.P.

By: The Rise Fund GenPar, L.P.
its general partner
By: The Rise Fund GenPar Advisors, LLC
its general partner

By: _____
Name: Michael LaGatta
Title: Vice President

IN WITNESS WHEREOF, the undersigned has executed this Amendment and Waiver effective as of _____.

INVESTORS:

BAKER HUGHES HOLDING LLC

By: _____

Name: _____

Title: _____

IN WITNESS WHEREOF, the undersigned has executed this Amendment and Waiver effective as of _____.

INVESTORS:

MASTER FOCUS GROWTH LLC

By: BlackRock Advisors, LLC, its Adviser

By: _____

Name: _____

Title: _____

MASTER LARGE CAP FOCUS GROWTH PORTFOLIO, A SERIES OF MASTER LARGE CAP SERIES LLC

By: BlackRock Advisors, LLC, its Adviser

By: _____

Name: _____

Title: _____

C3.AI, INC.
WAIVER OF REGISTRATION RIGHTS AND NOTICE

IN WITNESS WHEREOF, the undersigned has executed this Amendment and Waiver effective as of _____.

INVESTORS:

BLACKROCK SCIENCE & TECHNOLOGY OPPORTUNITIES PORTFOLIO A SERIES OF BLACKROCK FUNDS II

By: BlackRock Advisors, LLC, its Investment Adviser

By: _____

Name: _____

Title: _____

BLACKROCK SCIENCE AND TECHNOLOGY TRUST

By: BlackRock Advisors, LLC, its Investment Adviser

By: _____

Name: _____

Title: _____

C3.AI, INC.
WAIVER OF REGISTRATION RIGHTS AND NOTICE

IN WITNESS WHEREOF, the undersigned has executed this Amendment and Waiver effective as of _____.

INVESTORS:

BLACKROCK SCIENCE AND TECHNOLOGY TRUST II

By: BlackRock Advisors, LLC, its Investment Adviser

By: _____

Name: _____

Title: _____

BLACKROCK GLOBAL FUNDS – WORLD TECHNOLOGY FUND

By: BlackRock Investment Management LLC, its Investment Adviser

By: _____

Name: _____

Title: _____

BLACKROCK GLOBAL FUNDS – NEXT GENERATION TECHNOLOGY FUND

By: BlackRock Investment Management LLC, its Investment Adviser

By: _____

Name: _____

Title: _____

IN WITNESS WHEREOF, the undersigned has executed this Amendment and Waiver effective as of _____.

INVESTORS:

Thomas M. Siebel

_____

The Siebel Living Trust u/a/d 7/27/93, as amended

_____

By: Thomas M. Siebel, Trustee of The Siebel Living
Trust u/a/d 7/27/93, as amended

Siebel Asset Management, L.P.

_____

By: Thomas M. Siebel, Trustee of The Siebel Living Trust u/a/d
7/27/93, as amended
Its: General Partner

Siebel Asset Management III, L.P.

_____

By: Thomas M. Siebel, Trustee of The Siebel Living Trust u/a/d
7/27/93, as amended
Its: General Partner

The Siebel 2011 Irrevocable Children's Trust

_____

By: Thomas M. Siebel, Co-Trustee

First Virtual Holdings, LLC

_____

By: Thomas M. Siebel, Chairman

IN WITNESS WHEREOF, the undersigned has executed this Amendment and Waiver effective as of _____.

INVESTORS:

The Siebel 2012 Annuity Trust I u/a/d 9/18/2012

_____

By: Eric C. Jensen, Special Trustee of The Siebel 2012 Annuity Trust I u/a/d 9/18/2012

The Siebel 2012 Annuity Trust II u/a/d 9/18/2012

_____

By: Eric C. Jensen, Special Trustee of The Siebel 2012 Annuity Trust II u/a/d 9/18/2012

The Siebel 2013 Annuity Trust I u/a/d 10/08/2013

_____

By: Eric C. Jensen, Special Trustee of The Siebel 2013 Annuity Trust I u/a/d 10/08/2013

The Siebel 2013 Annuity Trust II u/a/d 10/08/2013

_____

By: Eric C. Jensen, Special Trustee of The Siebel 2013 Annuity Trust II u/a/d 10/08/2013

The Siebel 2014 Annuity Trust I u/a/d 10/22/2014

_____

By: Eric C. Jensen, Special Trustee of The Siebel 2014 Annuity Trust I u/a/d 10/22/2014

The Siebel 2014 Annuity Trust II u/a/d 10/22/2014

_____

By: Eric C. Jensen, Special Trustee of The Siebel 2014 Annuity Trust II u/a/d 10/22/2014

IN WITNESS WHEREOF, the undersigned has executed this Amendment and Waiver effective as of _____.

INVESTORS:

The Siebel 2017 Annuity Trust I u/a/d 11/28/2017

By: Eric C. Jensen, Special Trustee of The Siebel 2017 Annuity Trust I u/a/d 11/28/2017

The Siebel 2017 Annuity Trust II u/a/d 11/28/2017

By: Eric C. Jensen, Special Trustee of The Siebel 2017 Annuity Trust II u/a/d 11/28/2017

The Siebel 2018 Annuity Trust I u/a/d 12/13/2018

By: Eric C. Jensen, Special Trustee of The Siebel 2018 Annuity Trust I u/a/d 12/13/2018

The Siebel 2018 Annuity Trust II u/a/d 12/18/2018

By: Eric C. Jensen, Special Trustee of The Siebel 2018 Annuity Trust II u/a/d 12/18/2018

The Siebel 2020 Annuity Trust I u/a/d 3/4/2020

By: Eric C. Jensen, Special Trustee of The Siebel 2020 Annuity Trust I u/a/d 3/4/2020

The Siebel 2020 Annuity Trust II u/a/d 3/4/2020

By: Eric C. Jensen, Special Trustee of The Siebel 2020 Annuity Trust II u/a/d 3/4/2020

IN WITNESS WHEREOF, the undersigned has executed this Amendment and Waiver effective as of _____.

INVESTORS:

Taylor Michelle Siebel Irrevocable Trust, dated July 27, 1993, as amended

By: Audrey K. Scott, Trustee of the Taylor Michelle Siebel Irrevocable Trust, dated July 27, 1993, as amended

Arthur Riley Siebel Irrevocable Trust, dated July 27, 1993, as amended

By: Audrey K. Scott, Trustee of the Arthur Riley Siebel Irrevocable Trust, dated July 27, 1993, as amended

Casey Austin Siebel Irrevocable Trust, dated July 27, 1993, as amended

By: Audrey K. Scott, Trustee of the Casey Austin Siebel Irrevocable Trust, dated July 27, 1993, as amended

Hunter Rose Siebel Irrevocable Trust, dated December 22, 1998, as amended

By: Audrey K. Scott, Trustee of the Hunter Rose Siebel Irrevocable Trust, dated December 22, 1998, as amended

IN WITNESS WHEREOF, the undersigned has executed this Amendment and Waiver effective as of _____.

INVESTORS:

The Arthur Riley Siebel Irrevocable Trust U/T Siebel 2012 Annuity Trust I u/a/d 9/18/2012

By: Audrey K. Scott, Trustee of The Arthur Riley Siebel Irrevocable Trust U/T Siebel 2012 Annuity Trust I u/a/d 9/18/2012

The Casey Austin Siebel Irrevocable Trust U/T Siebel 2012 Annuity Trust I u/a/d 9/18/2012

By: Audrey K. Scott, Trustee of The Casey Austin Siebel Irrevocable Trust U/T Siebel 2012 Annuity Trust I u/a/d 9/18/2012

The Hunter Rose Siebel Irrevocable Trust U/T Siebel 2012 Annuity Trust I u/a/d 9/18/2012

By: Audrey K. Scott, Trustee of The Hunter Rose Siebel Irrevocable Trust U/T Siebel 2012 Annuity Trust I u/a/d 9/18/2012

The Taylor Michelle Siebel Irrevocable Trust U/T Siebel 2012 Annuity Trust I u/a/d 9/18/2012

By: Audrey K. Scott, Trustee of The Taylor Michelle Siebel Irrevocable Trust U/T Siebel 2012 Annuity Trust I u/a/d 9/18/2012

Cooley

Exhibit 5.1

Calise Y. Cheng
+1 650 843 5172
ccheng@cooley.com

November 30, 2020

C3.ai, Inc.
1300 Seaport Boulevard, Suite 500
Redwood City, California 94063

Ladies and Gentlemen:

We have acted as counsel to C3.ai, Inc., a Delaware corporation (the "***Company***"), in connection with the filing by the Company of a Registration Statement (No. 333-250082) on Form S-1 (the "***Registration Statement***") with the Securities and Exchange Commission, including a related prospectus included in the Registration Statement (the "***Prospectus***"), covering an underwritten public offering by the Company of up to 17,825,000 shares of the Company's Class A common stock, par value $0.001 per share (the "Shares") (including up to 2,325,000 Shares that may be sold upon exercise of an option to purchase additional shares to be granted to the underwriters).

In connection with this opinion, we have (i) examined and relied upon (a) the Registration Statement and the Prospectus, (b) the Company's Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws, each as currently in effect, (c) the forms of the Company's Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws, filed as Exhibits 3.3 and 3.4 to the Registration Statement, respectively, each of which is to be in effect immediately prior to the closing of the offering contemplated by the Registration Statement and (d) originals or copies certified to our satisfaction of such records, documents, certificates, memoranda and other instruments as in our judgment are necessary or appropriate to enable us to render the opinion expressed below and (ii) assumed that (a) the Shares will be sold at a price established by the Board of Directors of the Company or a duly authorized committee thereof and (b) the Amended and Restated Certificate of Incorporation referred to in clause (i)(c) is filed with the Secretary of State of the State of Delaware before issuance of the Shares.

We have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to originals of all documents submitted to us as copies, the accuracy, completeness and authenticity of certificates of public officials and the due authorization, execution and delivery of all documents by all persons other than the Company where authorization, execution and delivery are prerequisites to the effectiveness thereof. As to certain factual matters, we have relied upon a certificate of an officer of the Company and have not independently verified such matters.

Our opinion is expressed only with respect to the General Corporation Law of the State of Delaware. We express no opinion to the extent that any other laws are applicable to the subject matter hereof and express no opinion and provide no assurance as to compliance with any federal or state securities law, rule or regulation.

On the basis of the foregoing, and in reliance thereon, we are of the opinion that the Shares, when sold and issued against payment therefor as provided in the Registration Statement and the Prospectus, will be validly issued, fully paid and non-assessable.

* * *

We consent to the reference to our firm under the caption “Legal Matters” in the Prospectus included in the Registration Statement and to the filing of this opinion as an exhibit to the Registration Statement.
Sincerely,

Cooley LLP

By: /s/ Calise Y. Cheng
Calise Y. Cheng

C3.AI, INC.

2020 EQUITY INCENTIVE PLAN

ADOPTED BY THE BOARD OF DIRECTORS: NOVEMBER 24, 2020
APPROVED BY THE STOCKHOLDERS: NOVEMBER 24, 2020
AMENDED BY THE BOARD OF DIRECTORS: NOVEMBER 27, 2020
APPROVED BY THE STOCKHOLDERS: NOVEMBER 27, 2020

1. GENERAL.

(a) Successor to and Continuation of Prior Plan. The Plan is the successor to and continuation of the Prior Plan. As of the Effective Date, (i) no additional awards may be granted under the Prior Plan; (ii) the Prior Plan's Available Reserve (plus any Returning Shares) will become available for issuance pursuant to Awards granted under this Plan (provided, however, that any such shares that are shares of Class B Common Stock shall instead be added to the Share Reserve as shares of Class A Common Stock as described in Section 2(a)); and (iii) all outstanding awards granted under the Prior Plan will remain subject to the terms of the Prior Plan (except to the extent such outstanding awards result in Returning Shares that become available for issuance pursuant to Awards granted under this Plan). All Awards granted under this Plan will be subject to the terms of this Plan.

(b) Plan Purpose. The Company, by means of the Plan, seeks to secure and retain the services of Employees, Directors and Consultants, to provide incentives for such persons to exert maximum efforts for the success of the Company and any Affiliate and to provide a means by which such persons may be given an opportunity to benefit from increases in value of the Class A Common Stock through the granting of Awards.

(c) Available Awards. The Plan provides for the grant of the following Awards: (i) Incentive Stock Options; (ii) Nonstatutory Stock Options; (iii) SARs; (iv) Restricted Stock Awards; (v) RSU Awards; (vi) Performance Awards; and (vii) Other Awards.

(d) Adoption Date; Effective Date. The Plan will come into existence on the Adoption Date, but no Award may be granted prior to the Effective Date.

2. SHARES SUBJECT TO THE PLAN.

(a) Share Reserve. Subject to adjustment in accordance with Section 2(c) and any adjustments as necessary to implement any Capitalization Adjustments, the aggregate number of shares of Class A Common Stock that may be issued pursuant to Awards will not exceed 67,535,205 shares, which number is the sum of: (i) 22,000,000 new shares, plus (ii) a number of shares of Class A Common Stock equal to the Prior Plan's Available Reserve, plus (iii) a number of shares of Class A Common Stock equal to the number of Returning Shares, if any, as such shares become available from time to time. In addition, subject to any adjustments as necessary to implement any Capitalization Adjustments, such aggregate number of shares of Class A Common Stock will automatically increase on May 1st of each year for a period of ten years commencing on May 1, 2021 and ending on (and including) May 1, 2030, in an amount equal to 5% of the total number of shares of Capital Stock outstanding on April 30 of the preceding fiscal year; provided, however, that the Board may act prior to April 30th of the immediately preceding fiscal year to provide that the increase for such year will be a lesser number of shares of Class A Common Stock.

(b) Aggregate Incentive Stock Option Limit. Notwithstanding anything to the contrary in Section 2(a) and subject to any adjustments as necessary to implement any Capitalization Adjustments,

the aggregate maximum number of shares of Class A Common Stock that may be issued pursuant to the exercise of Incentive Stock Options is 202,605,615 shares.

(c) Share Reserve Operation.

(i) Limit Applies to Class A Common Stock Issued Pursuant to Awards. For clarity, the Share Reserve is a limit on the number of shares of Class A Common Stock that may be issued pursuant to Awards and does not limit the granting of Awards, except that the Company will keep available at all times the number of shares of Class A Common Stock reasonably required to satisfy its obligations to issue shares pursuant to such Awards. Shares may be issued in connection with a merger or acquisition as permitted by, as applicable, Nasdaq Listing Rule 5635(c), NYSE Listed Company Manual Section 303A.08, NYSE American Company Guide Section 711 or other applicable rule, and such issuance will not reduce the number of shares available for issuance under the Plan.

(ii) Actions that Do Not Constitute Issuance of Class A Common Stock and Do Not Reduce Share Reserve. The following actions do not result in an issuance of shares under the Plan and accordingly do not reduce the number of shares subject to the Share Reserve and available for issuance under the Plan: (1) the expiration or termination of any portion of an Award without the shares covered by such portion of the Award having been issued, (2) the settlement of any portion of an Award in cash (i.e., the Participant receives cash rather than Class A Common Stock), (3) the withholding of shares that would otherwise be issued by the Company to satisfy the exercise, strike or purchase price of an Award; or (4) the withholding of shares that would otherwise be issued by the Company to satisfy a tax withholding obligation in connection with an Award.

(iii) Reversion of Previously Issued Shares of Class A Common Stock to Share Reserve. The following shares of Class A Common Stock previously issued pursuant to an Award and accordingly initially deducted from the Share Reserve will be added back to the Share Reserve and again become available for issuance under the Plan: (1) any shares that are forfeited back to or repurchased by the Company because of a failure to meet a contingency or condition required for the vesting of such shares; (2) any shares that are reacquired by the Company to satisfy the exercise, strike or purchase price of an Award; and (3) any shares that are reacquired by the Company to satisfy a tax withholding obligation in connection with an Award.

3. ELIGIBILITY AND LIMITATIONS.

(a) Eligible Award Recipients. Subject to the terms of the Plan, Employees, Directors and Consultants are eligible to receive Awards.

(b) Specific Award Limitations.

(i) Limitations on Incentive Stock Option Recipients. Incentive Stock Options may be granted only to Employees of the Company or a "parent corporation" or "subsidiary corporation" thereof (as such terms are defined in Sections 424(e) and (f) of the Code).

(ii) Incentive Stock Option $100,000 Limitation. To the extent that the aggregate Fair Market Value (determined at the time of grant) of Class A Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under all plans of the Company and any Affiliates) exceeds $100,000 (or such other limit established in the Code) or otherwise does not comply with the rules governing Incentive Stock Options, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise do not comply with such rules will be treated as Nonstatutory Stock Options, notwithstanding any contrary provision of the applicable Option Agreement(s).

(iii) Limitations on Incentive Stock Options Granted to Ten Percent Stockholders. A Ten Percent Stockholder may not be granted an Incentive Stock Option unless (i) the exercise price of such Option is at least 110% of the Fair Market Value on the date of grant of such Option and (ii) the Option is not exercisable after the expiration of five years from the date of grant of such Option.

(iv) Limitations on Nonstatutory Stock Options and SARs. Nonstatutory Stock Options and SARs may not be granted to Employees, Directors and Consultants who are providing Continuous Service only to any "parent" of the Company (as such term is defined in Rule 405) unless the stock underlying such Awards is treated as "service recipient stock" under Section 409A because the Awards are granted pursuant to a corporate transaction (such as a spin off transaction) or unless such Awards otherwise comply with the distribution requirements of Section 409A.

(c) Aggregate Incentive Stock Option Limit. The aggregate maximum number of shares of Class A Common Stock that may be issued pursuant to the exercise of Incentive Stock Options is the number of shares specified in Section 2(b).

(d) Non-Employee Director Compensation Limit. The aggregate value of all compensation granted or paid, as applicable, to any individual for service as a Non-Employee Director with respect to any calendar year, including Awards granted and cash fees paid by the Company to such Non-Employee Director, will not exceed (i) $700,000 in total value or (ii) in the event such Non-Employee Director is first appointed or elected to the Board during such calendar year, $900,000 in total value, in each case calculating the value of any equity awards based on the grant date fair value of such equity awards for financial reporting purposes.

4. OPTIONS AND STOCK APPRECIATION RIGHTS.

Each Option and SAR will have such terms and conditions as determined by the Board. Each Option will be designated in writing as an Incentive Stock Option or Nonstatutory Stock Option at the time of grant; provided, however, that if an Option is not so designated, then such Option will be a Nonstatutory Stock Option, and the shares purchased upon exercise of each type of Option will be separately accounted for. Each SAR will be denominated in shares of Class A Common Stock equivalents. The terms and conditions of separate Options and SARs need not be identical; provided, however, that each Option Agreement and SAR Agreement will conform (through incorporation of provisions hereof by reference in the Award Agreement or otherwise) to the substance of each of the following provisions:

(a) Term. Subject to Section 3(b) regarding Ten Percent Stockholders, no Option or SAR will be exercisable after the expiration of ten years from the date of grant of such Award or such shorter period specified in the Award Agreement.

(b) Exercise or Strike Price. Subject to Section 3(b) regarding Ten Percent Stockholders, the exercise or strike price of each Option or SAR will not be less than 100% of the Fair Market Value on the date of grant of such Award. Notwithstanding the foregoing, an Option or SAR may be granted with an exercise or strike price lower than 100% of the Fair Market Value on the date of grant of such Award if such Award is granted pursuant to an assumption of or substitution for another option or stock appreciation right pursuant to a Corporate Transaction and in a manner consistent with the provisions of Sections 409A and, if applicable, 424(a) of the Code.

(c) Exercise Procedure and Payment of Exercise Price for Options. In order to exercise an Option, the Participant must provide notice of exercise to the Plan Administrator in accordance with

the procedures specified in the Option Agreement or otherwise provided by the Company. The Board has the authority to grant Options that do not permit all of the following methods of payment (or otherwise restrict the ability to use certain methods) and to grant Options that require the consent of the Company to utilize a particular method of payment. The exercise price of an Option may be paid, to the extent permitted by Applicable Law and as determined by the Board, by one or more of the following methods of payment to the extent set forth in the Option Agreement:

(i) by cash or check, bank draft or money order payable to the Company;

(ii) pursuant to a "cashless exercise" program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance of the Class A Common Stock subject to the Option, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the exercise price to the Company from the sales proceeds;

(iii) by delivery to the Company (either by actual delivery or attestation) of shares of Class A Common Stock that are already owned by the Participant free and clear of any liens, claims, encumbrances or security interests, with a Fair Market Value on the date of exercise that does not exceed the exercise price, provided that (1) at the time of exercise the Class A Common Stock is publicly traded, (2) any remaining balance of the exercise price not satisfied by such delivery is paid by the Participant in cash or other permitted form of payment, (3) such delivery would not violate any Applicable Law or agreement restricting the redemption of the Class A Common Stock, (4) any certificated shares are endorsed or accompanied by an executed assignment separate from certificate, and (5) such shares have been held by the Participant for any minimum period necessary to avoid adverse accounting treatment as a result of such delivery;

(iv) if the Option is a Nonstatutory Stock Option, by a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Class A Common Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value on the date of exercise that does not exceed the exercise price, provided that (1) such shares used to pay the exercise price will not be exercisable thereafter and (2) any remaining balance of the exercise price not satisfied by such net exercise is paid by the Participant in cash or other permitted form of payment; or

(v) in any other form of consideration that may be acceptable to the Board and permissible under Applicable Law.

(d) Exercise Procedure and Payment of Appreciation Distribution for SARs. In order to exercise any SAR, the Participant must provide notice of exercise to the Plan Administrator in accordance with the SAR Agreement. The appreciation distribution payable to a Participant upon the exercise of a SAR will not be greater than an amount equal to the excess of (i) the aggregate Fair Market Value on the date of exercise of a number of shares of Class A Common Stock equal to the number of Class A Common Stock equivalents that are vested and being exercised under such SAR, over (ii) the strike price of such SAR. Such appreciation distribution may be paid to the Participant in the form of Class A Common Stock or cash (or any combination of Class A Common Stock and cash) or in any other form of payment, as determined by the Board and specified in the SAR Agreement.

(e) Transferability. Options and SARs may not be transferred to third party financial institutions for value. The Board may impose such additional limitations on the transferability of an Option or SAR as it determines. In the absence of any such determination by the Board, the following restrictions on the transferability of Options and SARs will apply, provided that except as explicitly provided herein, neither an Option nor a SAR may be transferred for consideration and provided, further,

that if an Option is an Incentive Stock Option, such Option may be deemed to be a Nonstatutory Stock Option as a result of such transfer:

(i) Restrictions on Transfer. An Option or SAR will not be transferable, except by will or by the laws of descent and distribution, and will be exercisable during the lifetime of the Participant only by the Participant; provided, however, that the Board may permit transfer of an Option or SAR in a manner that is not prohibited by applicable tax and securities laws upon the Participant's request, including to a trust if the Participant is considered to be the sole beneficial owner of such trust (as determined under Section 671 of the Code and applicable state law) while such Option or SAR is held in such trust, provided that the Participant and the trustee enter into a transfer and other agreements required by the Company.

(ii) Domestic Relations Orders. Notwithstanding the foregoing, subject to the execution of transfer documentation in a format acceptable to the Company and subject to the approval of the Board or a duly authorized Officer, an Option or SAR may be transferred pursuant to a domestic relations order.

(f) Vesting. The Board may impose such restrictions on or conditions to the vesting and/or exercisability of an Option or SAR as determined by the Board. Except as otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, vesting of Options and SARs will cease upon termination of the Participant's Continuous Service.

(g) Termination of Continuous Service for Cause. Except as explicitly otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if a Participant's Continuous Service is terminated for Cause, the Participant's Options and SARs will terminate and be forfeited immediately upon such termination of Continuous Service, and the Participant will be prohibited from exercising any portion (including any vested portion) of such Awards on and after the date of such termination of Continuous Service and the Participant will have no further right, title or interest in such forfeited Award, the shares of Class A Common Stock subject to the forfeited Award, or any consideration in respect of the forfeited Award.

(h) Post-Termination Exercise Period Following Termination of Continuous Service for Reasons Other than Cause. Subject to Section 4(i), if a Participant's Continuous Service terminates for any reason other than for Cause, the Participant may exercise his or her Option or SAR to the extent vested, but only within the following period of time or, if applicable, such other period of time provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate; provided, however, that in no event may such Award be exercised after the expiration of its maximum term (as set forth in Section 4(a)):

(i) three months following the date of such termination if such termination is a termination without Cause (other than any termination due to the Participant's Disability or death);

(ii) 12 months following the date of such termination if such termination is due to the Participant's Disability;

(iii) 18 months following the date of such termination if such termination is due to the Participant's death; or

(iv) 18 months following the date of the Participant's death if such death occurs following the date of such termination but during the period such Award is otherwise exercisable (as provided in (i) or (ii) above).

Following the date of such termination, to the extent the Participant does not exercise such Award within the applicable Post-Termination Exercise Period (or, if earlier, prior to the expiration of the maximum term of such Award), such unexercised portion of the Award will terminate, and the Participant will have no further right, title or interest in terminated Award, the shares of Class A Common Stock subject to the terminated Award, or any consideration in respect of the terminated Award.

(i) Restrictions on Exercise; Extension of Exercisability. A Participant may not exercise an Option or SAR at any time that the issuance of shares of Class A Common Stock upon such exercise would violate Applicable Law. Except as otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if a Participant's Continuous Service terminates for any reason other than for Cause and, at any time during the last thirty days of the applicable Post-Termination Exercise Period: (i) the exercise of the Participant's Option or SAR would be prohibited solely because the issuance of shares of Class A Common Stock upon such exercise would violate Applicable Law, or (ii) the immediate sale of any shares of Class A Common Stock issued upon such exercise would violate the Company's Trading Policy, then the applicable Post-Termination Exercise Period will be extended to the last day of the calendar month that commences following the date the Award would otherwise expire, with an additional extension of the exercise period to the last day of the next calendar month to apply if any of the foregoing restrictions apply at any time during such extended exercise period, generally without limitation as to the maximum permitted number of extensions); provided, however, that in no event may such Award be exercised after the expiration of its maximum term (as set forth in Section 4(a)).

(j) Non-Exempt Employees. No Option or SAR, whether or not vested, granted to an Employee who is a non-exempt employee for purposes of the Fair Labor Standards Act of 1938, as amended, will be first exercisable for any shares of Class A Common Stock until at least six months following the date of grant of such Award. Notwithstanding the foregoing, in accordance with the provisions of the Worker Economic Opportunity Act, any vested portion of such Award may be exercised earlier than six months following the date of grant of such Award in the event of (i) such Participant's death or Disability, (ii) a Corporate Transaction in which such Award is not assumed, continued or substituted, (iii) a Change in Control, or (iv) such Participant's retirement (as such term may be defined in the Award Agreement or another applicable agreement or, in the absence of any such definition, in accordance with the Company's then current employment policies and guidelines). This Section 4(j) is intended to operate so that any income derived by a non-exempt employee in connection with the exercise or vesting of an Option or SAR will be exempt from his or her regular rate of pay.

(k) Whole Shares. Options and SARs may be exercised only with respect to whole shares of Class A Common Stock or their equivalents.

5. AWARDS OTHER THAN OPTIONS AND STOCK APPRECIATION RIGHTS.

(a) Restricted Stock Awards and RSU Awards. Each Restricted Stock Award and RSU Award will have such terms and conditions as determined by the Board; provided, however, that each Restricted Stock Award Agreement and RSU Award Agreement will conform (through incorporation of the provisions hereof by reference in the Award Agreement or otherwise) to the substance of each of the following provisions:

(i) Form of Award.

(1) RSAs: To the extent consistent with the Company's Bylaws, at the Board's election, shares of Class A Common Stock subject to a Restricted Stock Award may be (i) held in book entry form subject to the Company's instructions until such shares become vested or any other

restrictions lapse, or (ii) evidenced by a certificate, which certificate will be held in such form and manner as determined by the Board. Unless otherwise determined by the Board, a Participant will have voting and other rights as a stockholder of the Company with respect to any shares subject to a Restricted Stock Award.

(2) RSUs: A RSU Award represents a Participant's right to be issued on a future date the number of shares of Class A Common Stock that is equal to the number of restricted stock units subject to the RSU Award. As a holder of a RSU Award, a Participant is an unsecured creditor of the Company with respect to the Company's unfunded obligation, if any, to issue shares of Class A Common Stock in settlement of such Award and nothing contained in the Plan or any RSU Agreement, and no action taken pursuant to its provisions, will create or be construed to create a trust of any kind or a fiduciary relationship between a Participant and the Company or an Affiliate or any other person. A Participant will not have voting or any other rights as a stockholder of the Company with respect to any RSU Award (unless and until shares are actually issued in settlement of a vested RSU Award).

(ii) Consideration.

(1) RSA: A Restricted Stock Award may be granted in consideration for (A) cash or check, bank draft or money order payable to the Company, (B) past services to the Company or an Affiliate, or (C) any other form of consideration as the Board may determine and permissible under Applicable Law.

(2) RSU: Unless otherwise determined by the Board at the time of grant, a RSU Award will be granted in consideration for the Participant's services to the Company or an Affiliate, such that the Participant will not be required to make any payment to the Company (other than such services) with respect to the grant or vesting of the RSU Award, or the issuance of any shares of Class A Common Stock pursuant to the RSU Award. If, at the time of grant, the Board determines that any consideration must be paid by the Participant (in a form other than the Participant's services to the Company or an Affiliate) upon the issuance of any shares of Class A Common Stock in settlement of the RSU Award, such consideration may be paid in any form of consideration as the Board may determine and permissible under Applicable Law.

(iii) Vesting. The Board may impose such restrictions on or conditions to the vesting of a Restricted Stock Award or RSU Award as determined by the Board. Except as otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, vesting of Restricted Stock Awards and RSU Awards will cease upon termination of the Participant's Continuous Service.

(iv) Termination of Continuous Service. Except as otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if a Participant's Continuous Service terminates for any reason, (i) the Company may receive through a forfeiture condition or a repurchase right any or all of the shares of Class A Common Stock held by the Participant under his or her Restricted Stock Award that have not vested as of the date of such termination as set forth in the Restricted Stock Award Agreement and (ii) any portion of his or her RSU Award that has not vested will be forfeited upon such termination and the Participant will have no further right, title or interest in the RSU Award, the shares of Class A Common Stock issuable pursuant to the RSU Award, or any consideration in respect of the RSU Award.

(v) Dividends and Dividend Equivalents. Dividends or dividend equivalents may be paid or credited, as applicable, with respect to any shares of Class A Common Stock subject to a

Restricted Stock Award or RSU Award, as determined by the Board and specified in the Award Agreement).

(vi) Settlement of RSU Awards. A RSU Award may be settled by the issuance of shares of Class A Common Stock or cash (or any combination thereof) or in any other form of payment, as determined by the Board and specified in the RSU Award Agreement. At the time of grant, the Board may determine to impose such restrictions or conditions that delay such delivery to a date following the vesting of the RSU Award.

(b) Performance Awards. With respect to any Performance Award, the length of any Performance Period, the Performance Goals to be achieved during the Performance Period, the other terms and conditions of such Award, and the measure of whether and to what degree such Performance Goals have been attained will be determined by the Board.

(c) Other Awards. Other Awards may be granted either alone or in addition to Awards provided for under Section 4 and the preceding provisions of this Section 5. Subject to the provisions of the Plan, the Board will have sole and complete discretion to determine the persons to whom and the time or times at which such Other Awards will be granted, the number of shares of Class A Common Stock (or the cash equivalent thereof) to be granted pursuant to such Other Awards and all other terms and conditions of such Other Awards.

6. ADJUSTMENTS UPON CHANGES IN CLASS A COMMON STOCK; OTHER CORPORATE EVENTS.

(a) Capitalization Adjustments. In the event of a Capitalization Adjustment, the Board shall appropriately and proportionately adjust: (i) the class(es) and maximum number of shares of Class A Common Stock subject to the Plan and the maximum number of shares by which the Share Reserve may annually increase pursuant to Section 2(a), (ii) the class(es) and maximum number of shares that may be issued pursuant to the exercise of Incentive Stock Options pursuant to Section 2(b), and (iii) the class(es) and number of securities and exercise price, strike price or purchase price of Class A Common Stock subject to outstanding Awards. The Board shall make such adjustments, and its determination shall be final, binding and conclusive. Notwithstanding the foregoing, no fractional shares or rights for fractional shares of Class A Common Stock shall be created in order to implement any Capitalization Adjustment. The Board shall determine an equivalent benefit for any fractional shares or fractional shares that might be created by the adjustments referred to in the preceding provisions of this Section.

(b) Dissolution or Liquidation. Except as otherwise provided in the Award Agreement, in the event of a dissolution or liquidation of the Company, all outstanding Awards (other than Awards consisting of vested and outstanding shares of Class A Common Stock not subject to a forfeiture condition or the Company's right of repurchase) will terminate immediately prior to the completion of such dissolution or liquidation, and the shares of Class A Common Stock subject to the Company's repurchase rights or subject to a forfeiture condition may be repurchased or reacquired by the Company notwithstanding the fact that the holder of such Award is providing Continuous Service, provided, however, that the Board may determine to cause some or all Awards to become fully vested, exercisable and/or no longer subject to repurchase or forfeiture (to the extent such Awards have not previously expired or terminated) before the dissolution or liquidation is completed but contingent on its completion.

(c) Corporate Transaction. The following provisions will apply to Awards in the event of a Corporate Transaction except as set forth in Section 11, and unless otherwise provided in the instrument evidencing the Award or any other written agreement between the Company or any Affiliate and the Participant or unless otherwise expressly provided by the Board at the time of grant of an Award.

(i) Awards May Be Assumed. In the event of a Corporate Transaction, any surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) may assume or continue any or all Awards outstanding under the Plan or may substitute similar awards for Awards outstanding under the Plan (including but not limited to, awards to acquire the same consideration paid to the stockholders of the Company pursuant to the Corporate Transaction), and any reacquisition or repurchase rights held by the Company in respect of Class A Common Stock issued pursuant to Awards may be assigned by the Company to the successor of the Company (or the successor's parent company, if any), in connection with such Corporate Transaction. A surviving corporation or acquiring corporation (or its parent) may choose to assume or continue only a portion of an Award or substitute a similar award for only a portion of an Award, or may choose to assume or continue the Awards held by some, but not all Participants. The terms of any assumption, continuation or substitution will be set by the Board.

(ii) Awards Held by Current Participants. In the event of a Corporate Transaction in which the surviving corporation or acquiring corporation (or its parent company) does not assume or continue such outstanding Awards or substitute similar awards for such outstanding Awards, then with respect to Awards that have not been assumed, continued or substituted and that are held by Participants whose Continuous Service has not terminated prior to the effective time of the Corporate Transaction (referred to as the "**Current Participants**"), the vesting of such Awards (and, with respect to Options and Stock Appreciation Rights, the time when such Awards may be exercised) will be accelerated in full to a date prior to the effective time of such Corporate Transaction (contingent upon the effectiveness of the Corporate Transaction) as the Board determines (or, if the Board does not determine such a date, to the date that is five days prior to the effective time of the Corporate Transaction), and such Awards will terminate if not exercised (if applicable) at or prior to the effective time of the Corporate Transaction, and any reacquisition or repurchase rights held by the Company with respect to such Awards will lapse (contingent upon the effectiveness of the Corporate Transaction). With respect to the vesting of Performance Awards that will accelerate upon the occurrence of a Corporate Transaction pursuant to this subsection (ii) and that have multiple vesting levels depending on the level of performance, unless otherwise provided in the Award Agreement, the vesting of such Performance Awards will accelerate at 100% of the target level upon the occurrence of the Corporate Transaction. With respect to the vesting of Awards that will accelerate upon the occurrence of a Corporate Transaction pursuant to this subsection (ii) and are settled in the form of a cash payment, such cash payment will be made no later than 30 days following the occurrence of the Corporate Transaction.

(iii) Awards Held by Persons other than Current Participants. In the event of a Corporate Transaction in which the surviving corporation or acquiring corporation (or its parent company) does not assume or continue such outstanding Awards or substitute similar awards for such outstanding Awards, then with respect to Awards that have not been assumed, continued or substituted and that are held by persons other than Current Participants, such Awards will terminate if not exercised (if applicable) prior to the occurrence of the Corporate Transaction; provided, however, that any reacquisition or repurchase rights held by the Company with respect to such Awards will not terminate and may continue to be exercised notwithstanding the Corporate Transaction.

(iv) Payment for Awards in Lieu of Exercise. Notwithstanding the foregoing, in the event an Award will terminate if not exercised prior to the effective time of a Corporate Transaction, the Board may provide, in its sole discretion, that the holder of such Award may not exercise such Award but will receive a payment, in such form as may be determined by the Board, equal in value, at the effective time, to the excess, if any, of (1) the value of the property the Participant would have received upon the exercise of the Award (including, at the discretion of the Board, any unvested portion of such Award), over (2) any exercise price payable by such holder in connection with such exercise.

(d) Appointment of Stockholder Representative. As a condition to the receipt of an Award under this Plan, a Participant will be deemed to have agreed that the Award will be subject to the terms of any agreement governing a Corporate Transaction involving the Company, including, without limitation, a provision for the appointment of a stockholder representative that is authorized to act on the Participant's behalf with respect to any escrow, indemnities and any contingent consideration.

(e) No Restriction on Right to Undertake Transactions. The grant of any Award under the Plan and the issuance of shares pursuant to any Award does not affect or restrict in any way the right or power of the Company or the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of stock or of options, rights or options to purchase stock or of bonds, debentures, preferred or prior preference stocks whose rights are superior to or affect the Class A Common Stock or the rights thereof or which are convertible into or exchangeable for Class A Common Stock, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

7. ADMINISTRATION.

(a) Administration by Board. The Board will administer the Plan unless and until the Board delegates administration of the Plan to a Committee or Committees, as provided in subsection (c) below.

(b) Powers of Board. The Board will have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine from time to time: (1) which of the persons eligible under the Plan will be granted Awards; (2) when and how each Award will be granted; (3) what type or combination of types of Award will be granted; (4) the provisions of each Award granted (which need not be identical), including the time or times when a person will be permitted to receive an issuance of Class A Common Stock or other payment pursuant to an Award; (5) the number of shares of Class A Common Stock or cash equivalent with respect to which an Award will be granted to each such person; (6) the Fair Market Value applicable to an Award; and (7) the terms of any Performance Award that is not valued in whole or in part by reference to, or otherwise based on, the Class A Common Stock, including the amount of cash payment or other property that may be earned and the timing of payment.

(ii) To construe and interpret the Plan and Awards granted under it, and to establish, amend and revoke rules and regulations for its administration. The Board, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan or in any Award Agreement, in a manner and to the extent it deems necessary or expedient to make the Plan or Award fully effective.

(iii) To settle all controversies regarding the Plan and Awards granted under it.

(iv) To accelerate the time at which an Award may first be exercised or the time during which an Award or any part thereof will vest, notwithstanding the provisions in the Award Agreement stating the time at which it may first be exercised or the time during which it will vest.

(v) To prohibit the exercise of any Option, SAR or other exercisable Award during a period of up to 30 days prior to the consummation of any pending stock dividend, stock split, combination or exchange of shares, merger, consolidation or other distribution (other than normal cash dividends) of Company assets to stockholders, or any other change affecting the shares of Class A Common Stock or

the share price of the Class A Common Stock including any Corporate Transaction, for reasons of administrative convenience.

(vi) To suspend or terminate the Plan at any time. Suspension or termination of the Plan will not Materially Impair rights and obligations under any Award granted while the Plan is in effect except with the written consent of the affected Participant.

(vii) To amend the Plan in any respect the Board deems necessary or advisable; provided, however, that stockholder approval will be required for any amendment to the extent required by Applicable Law. Except as provided above, rights under any Award granted before amendment of the Plan will not be Materially Impaired by any amendment of the Plan unless (1) the Company requests the consent of the affected Participant, and (2) such Participant consents in writing.

(viii) To submit any amendment to the Plan for stockholder approval.

(ix) To approve forms of Award Agreements for use under the Plan and to amend the terms of any one or more Awards, including, but not limited to, amendments to provide terms more favorable to the Participant than previously provided in the Award Agreement, subject to any specified limits in the Plan that are not subject to Board discretion; provided however, that, a Participant's rights under any Award will not be Materially Impaired by any such amendment unless (1) the Company requests the consent of the affected Participant, and (2) such Participant consents in writing.

(x) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company and that are not in conflict with the provisions of the Plan or Awards.

(xi) To adopt such procedures and sub-plans as are necessary or appropriate to permit and facilitate participation in the Plan by, or take advantage of specific tax treatment for Awards granted to, Employees, Directors or Consultants who are foreign nationals or employed outside the United States (provided that Board approval will not be necessary for immaterial modifications to the Plan or any Award Agreement to ensure or facilitate compliance with the laws of the relevant foreign jurisdiction).

(xii) To effect, at any time and from time to time, subject to the consent of any Participant whose Award is Materially Impaired by such action, (1) the reduction of the exercise price (or strike price) of any outstanding Option or SAR; (2) the cancellation of any outstanding Option or SAR and the grant in substitution therefor of (A) a new Option, SAR, Restricted Stock Award, RSU Award or Other Award, under the Plan or another equity plan of the Company, covering the same or a different number of shares of Class A Common Stock, (B) cash and/or (C) other valuable consideration (as determined by the Board); or (3) any other action that is treated as a repricing under generally accepted accounting principles.

(c) Delegation to Committee.

(i) General. The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration of the Plan is delegated to a Committee, the Committee will have, in connection with the administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to another Committee or a subcommittee of the Committee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board will thereafter be to the Committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. Each Committee may retain the authority to concurrently administer the Plan with Committee or subcommittee to which it has delegated its authority hereunder and may, at any

time, revest in such Committee some or all of the powers previously delegated. The Board may retain the authority to concurrently administer the Plan with any Committee and may, at any time, revest in the Board some or all of the powers previously delegated.

(ii) Rule 16b-3 Compliance. To the extent an Award is intended to qualify for the exemption from Section 16(b) of the Exchange Act that is available under Rule 16b-3 of the Exchange Act, the Award will be granted by the Board or a Committee that consists solely of two or more Non-Employee Directors, as determined under Rule 16b-3(b)(3) of the Exchange Act and thereafter any action establishing or modifying the terms of the Award will be approved by the Board or a Committee meeting such requirements to the extent necessary for such exemption to remain available.

(d) Effect of Board's Decision. All determinations, interpretations and constructions made by the Board or any Committee in good faith will not be subject to review by any person and will be final, binding and conclusive on all persons.

(e) Delegation to an Officer. The Board or any Committee may delegate to one or more Officers the authority to do one or both of the following (i) designate Employees who are not Officers to be recipients of Options and SARs (and, to the extent permitted by Applicable Law, other types of Awards) and, to the extent permitted by Applicable Law, the terms thereof, and (ii) determine the number of shares of Class A Common Stock to be subject to such Awards granted to such Employees; provided, however, that the resolutions or charter adopted by the Board or any Committee evidencing such delegation will specify the total number of shares of Class A Common Stock that may be subject to the Awards granted by such Officer and that such Officer may not grant an Award to himself or herself. Any such Awards will be granted on the applicable form of Award Agreement most recently approved for use by the Board or the Committee, unless otherwise provided in the resolutions approving the delegation authority. Notwithstanding anything to the contrary herein, neither the Board nor any Committee may delegate to an Officer who is acting solely in the capacity of an Officer (and not also as a Director) the authority to determine the Fair Market Value.

8. TAX WITHHOLDING

(a) Withholding Authorization. As a condition to acceptance of any Award under the Plan, a Participant authorizes withholding from payroll and any other amounts payable to such Participant, and otherwise agree to make adequate provision for (including), any sums required to satisfy any U.S. federal, state, local and/or foreign tax or social insurance contribution withholding obligations of the Company or an Affiliate, if any, which arise in connection with the exercise, vesting or settlement of such Award, as applicable. Accordingly, a Participant may not be able to exercise an Award even though the Award is vested, and the Company shall have no obligation to issue shares of Class A Common Stock subject to an Award, unless and until such obligations are satisfied.

(b) Satisfaction of Withholding Obligation. To the extent permitted by the terms of an Award Agreement, the Company may, in its sole discretion, satisfy any U.S. federal, state, local and/or foreign tax or social insurance withholding obligation relating to an Award by any of the following means or by a combination of such means: (i) causing the Participant to tender a cash payment; (ii) withholding shares of Class A Common Stock from the shares of Class A Common Stock issued or otherwise issuable to the Participant in connection with the Award; (iii) withholding cash from an Award settled in cash; (iv) withholding payment from any amounts otherwise payable to the Participant; (v) by allowing a Participant to effectuate a "cashless exercise" pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board, or (vi) by such other method as may be set forth in the Award Agreement.

(c) No Obligation to Notify or Minimize Taxes; No Liability to Claims. Except as required by Applicable Law the Company has no duty or obligation to any Participant to advise such holder as to the time or manner of exercising such Award. Furthermore, the Company has no duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised. The Company has no duty or obligation to minimize the tax consequences of an Award to the holder of such Award and will not be liable to any holder of an Award for any adverse tax consequences to such holder in connection with an Award. As a condition to accepting an Award under the Plan, each Participant (i) agrees to not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates related to tax liabilities arising from such Award or other Company compensation and (ii) acknowledges that such Participant was advised to consult with his or her own personal tax, financial and other legal advisors regarding the tax consequences of the Award and has either done so or knowingly and voluntarily declined to do so. Additionally, each Participant acknowledges any Option or SAR granted under the Plan is exempt from Section 409A only if the exercise or strike price is at least equal to the "fair market value" of the Class A Common Stock on the date of grant as determined by the Internal Revenue Service and there is no other impermissible deferral of compensation associated with the Award. Additionally, as a condition to accepting an Option or SAR granted under the Plan, each Participant agrees not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates in the event that the Internal Revenue Service asserts that such exercise price or strike price is less than the "fair market value" of the Class A Common Stock on the date of grant as subsequently determined by the Internal Revenue Service.

(d) Withholding Indemnification. As a condition to accepting an Award under the Plan, in the event that the amount of the Company's and/or its Affiliate's withholding obligation in connection with such Award was greater than the amount actually withheld by the Company and/or its Affiliates, each Participant agrees to indemnify and hold the Company and/or its Affiliates harmless from any failure by the Company and/or its Affiliates to withhold the proper amount.

9. MISCELLANEOUS.

(a) Source of Shares. The stock issuable under the Plan will be shares of authorized but unissued or reacquired Class A Common Stock, including shares repurchased by the Company on the open market or otherwise.

(b) Use of Proceeds from Sales of Class A Common Stock. Proceeds from the sale of shares of Class A Common Stock pursuant to Awards will constitute general funds of the Company.

(c) Corporate Action Constituting Grant of Awards. Corporate action constituting a grant by the Company of an Award to any Participant will be deemed completed as of the date of such corporate action, unless otherwise determined by the Board, regardless of when the instrument, certificate, or letter evidencing the Award is communicated to, or actually received or accepted by, the Participant. In the event that the corporate records (e.g., Board consents, resolutions or minutes) documenting the corporate action approving the grant contain terms (e.g., exercise price, vesting schedule or number of shares) that are inconsistent with those in the Award Agreement or related grant documents as a result of a clerical error in the Award Agreement or related grant documents, the corporate records will control and the Participant will have no legally binding right to the incorrect term in the Award Agreement or related grant documents.

(d) Stockholder Rights. No Participant will be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Class A Common Stock subject to such Award unless and until (i) such Participant has satisfied all requirements for exercise of the Award pursuant to its terms,

if applicable, and (ii) the issuance of the Class A Common Stock subject to such Award is reflected in the records of the Company.

(e) No Employment or Other Service Rights. Nothing in the Plan, any Award Agreement or any other instrument executed thereunder or in connection with any Award granted pursuant thereto will confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or affect the right of the Company or an Affiliate to terminate at will and without regard to any future vesting opportunity that a Participant may have with respect to any Award (i) the employment of an Employee with or without notice and with or without cause, (ii) the service of a Consultant pursuant to the terms of such Consultant's agreement with the Company or an Affiliate, or (iii) the service of a Director pursuant to the Bylaws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state or foreign jurisdiction in which the Company or the Affiliate is incorporated, as the case may be. Further, nothing in the Plan, any Award Agreement or any other instrument executed thereunder or in connection with any Award will constitute any promise or commitment by the Company or an Affiliate regarding the fact or nature of future positions, future work assignments, future compensation or any other term or condition of employment or service or confer any right or benefit under the Award or the Plan unless such right or benefit has specifically accrued under the terms of the Award Agreement and/or Plan.

(f) Change in Time Commitment. In the event a Participant's regular level of time commitment in the performance of his or her services for the Company and any Affiliates is reduced (for example, and without limitation, if the Participant is an Employee of the Company and the Employee has a change in status from a full-time Employee to a part-time Employee or takes an extended leave of absence) after the date of grant of any Award to the Participant, the Board may determine, to the extent permitted by Applicable Law, to (i) make a corresponding reduction in the number of shares or cash amount subject to any portion of such Award that is scheduled to vest or become payable after the date of such change in time commitment, and (ii) in lieu of or in combination with such a reduction, extend the vesting or payment schedule applicable to such Award. In the event of any such reduction, the Participant will have no right with respect to any portion of the Award that is so reduced or extended.

(g) Execution of Additional Documents. As a condition to accepting an Award under the Plan, the Participant agrees to execute any additional documents or instruments necessary or desirable, as determined in the Plan Administrator's sole discretion, to carry out the purposes or intent of the Award, or facilitate compliance with securities and/or other regulatory requirements, in each case at the Plan Administrator's request.

(h) Electronic Delivery and Participation. Any reference herein or in an Award Agreement to a "written" agreement or document will include any agreement or document delivered electronically, filed publicly at www.sec.gov (or any successor website thereto) or posted on the Company's intranet (or other shared electronic medium controlled by the Company to which the Participant has access). By accepting any Award the Participant consents to receive documents by electronic delivery and to participate in the Plan through any on-line electronic system established and maintained by the Plan Administrator or another third party selected by the Plan Administrator. The form of delivery of any Class A Common Stock (e.g., a stock certificate or electronic entry evidencing such shares) shall be determined by the Company.

(i) Clawback/Recovery. All Awards granted under the Plan will be subject to recoupment in accordance with any clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other

Applicable Law and any clawback policy that the Company otherwise adopts, to the extent applicable and permissible under Applicable Law. In addition, the Board may impose such other clawback, recovery or recoupment provisions in an Award Agreement as the Board determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired shares of Class A Common Stock or other cash or property upon the occurrence of Cause. No recovery of compensation under such a clawback policy will be an event giving rise to a Participant's right to voluntary terminate employment upon a "resignation for good reason," or for a "constructive termination" or any similar term under any plan of or agreement with the Company.

(j) Securities Law Compliance. A Participant will not be issued any shares in respect of an Award unless either (i) the shares are registered under the Securities Act; or (ii) the Company has determined that such issuance would be exempt from the registration requirements of the Securities Act. Each Award also must comply with other Applicable Law governing the Award, and a Participant will not receive such shares if the Company determines that such receipt would not be in material compliance with Applicable Law.

(k) Transfer or Assignment of Awards; Issued Shares. Except as expressly provided in the Plan or the form of Award Agreement, Awards granted under the Plan may not be transferred or assigned by the Participant. After the vested shares subject to an Award have been issued, or in the case of Restricted Stock and similar awards, after the issued shares have vested, the holder of such shares is free to assign, hypothecate, donate, encumber or otherwise dispose of any interest in such shares provided that any such actions are in compliance with the provisions herein, the terms of the Trading Policy and Applicable Law.

(l) Effect on Other Employee Benefit Plans. The value of any Award granted under the Plan, as determined upon grant, vesting or settlement, shall not be included as compensation, earnings, salaries, or other similar terms used when calculating any Participant's benefits under any employee benefit plan sponsored by the Company or any Affiliate, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any of the Company's or any Affiliate's employee benefit plans.

(m) Deferrals. To the extent permitted by Applicable Law, the Board, in its sole discretion, may determine that the delivery of Class A Common Stock or the payment of cash, upon the exercise, vesting or settlement of all or a portion of any Award may be deferred and may also establish programs and procedures for deferral elections to be made by Participants. Deferrals by will be made in accordance with the requirements of Section 409A.

(n) Section 409A. Unless otherwise expressly provided for in an Award Agreement, the Plan and Award Agreements will be interpreted to the greatest extent possible in a manner that makes the Plan and the Awards granted hereunder exempt from Section 409A, and, to the extent not so exempt, in compliance with the requirements of Section 409A. If the Board determines that any Award granted hereunder is not exempt from and is therefore subject to Section 409A, the Award Agreement evidencing such Award will incorporate the terms and conditions necessary to avoid the consequences specified in Section 409A(a)(1) of the Code, and to the extent an Award Agreement is silent on terms necessary for compliance, such terms are hereby incorporated by reference into the Award Agreement. Notwithstanding anything to the contrary in this Plan (and unless the Award Agreement specifically provides otherwise), if the shares of Class A Common Stock are publicly traded, and if a Participant holding an Award that constitutes "deferred compensation" under Section 409A is a "specified employee" for purposes of Section 409A, no distribution or payment of any amount that is due because of a "separation from service" (as defined in Section 409A without regard to alternative definitions thereunder) will be issued or

paid before the date that is six months and one day following the date of such Participant's "separation from service" or, if earlier, the date of the Participant's death, unless such distribution or payment can be made in a manner that complies with Section 409A, and any amounts so deferred will be paid in a lump sum on the day after such six month period elapses, with the balance paid thereafter on the original schedule.

(o) Choice of Law. This Plan and any controversy arising out of or relating to this Plan shall be governed by, and construed in accordance with, the internal laws of the State of Delaware, without regard to conflict of law principles that would result in any application of any law other than the law of the State of Delaware.

10. COVENANTS OF THE COMPANY.

(a) Compliance with Law. The Company will seek to obtain from each regulatory commission or agency, as may be deemed to be necessary, having jurisdiction over the Plan such authority as may be required to grant Awards and to issue and sell shares of Class A Common Stock upon exercise or vesting of the Awards; provided, however, that this undertaking will not require the Company to register under the Securities Act the Plan, any Award or any Class A Common Stock issued or issuable pursuant to any such Award. If, after reasonable efforts and at a reasonable cost, the Company is unable to obtain from any such regulatory commission or agency the authority that counsel for the Company deems necessary or advisable for the lawful issuance and sale of Class A Common Stock under the Plan, the Company will be relieved from any liability for failure to issue and sell Class A Common Stock upon exercise or vesting of such Awards unless and until such authority is obtained. A Participant is not eligible for the grant of an Award or the subsequent issuance of Class A Common Stock pursuant to the Award if such grant or issuance would be in violation of any Applicable Law.

11. ADDITIONAL RULES FOR AWARDS SUBJECT TO SECTION 409A.

(a) Application. Unless the provisions of this Section of the Plan are expressly superseded by the provisions in the form of Award Agreement, the provisions of this Section shall apply and shall supersede anything to the contrary set forth in the Award Agreement for a Non-Exempt Award.

(b) Non-Exempt Awards Subject to Non-Exempt Severance Arrangements. To the extent a Non-Exempt Award is subject to Section 409A due to application of a Non-Exempt Severance Arrangement, the following provisions of this subsection (b) apply.

(i) If the Non-Exempt Award vests in the ordinary course during the Participant's Continuous Service in accordance with the vesting schedule set forth in the Award Agreement, and does not accelerate vesting under the terms of a Non-Exempt Severance Arrangement, in no event will the shares be issued in respect of such Non-Exempt Award any later than the later of: (i) December 31st of the calendar year that includes the applicable vesting date, or (ii) the 60th day that follows the applicable vesting date.

(ii) If vesting of the Non-Exempt Award accelerates under the terms of a Non-Exempt Severance Arrangement in connection with the Participant's Separation from Service, and such vesting acceleration provisions were in effect as of the date of grant of the Non-Exempt Award and, therefore, are part of the terms of such Non-Exempt Award as of the date of grant, then the shares will be earlier issued in settlement of such Non-Exempt Award upon the Participant's Separation from Service in accordance with the terms of the Non-Exempt Severance Arrangement, but in no event later than the 60th day that follows the date of the Participant's Separation from Service. However, if at the time the shares would otherwise be issued the Participant is subject to the distribution limitations contained in Section

409A applicable to "specified employees," as defined in Section 409A(a)(2)(B)(i) of the Code, such shares shall not be issued before the date that is six months following the date of such Participant's Separation from Service, or, if earlier, the date of the Participant's death that occurs within such six month period.

(iii) If vesting of a Non-Exempt Award accelerates under the terms of a Non-Exempt Severance Arrangement in connection with a Participant's Separation from Service, and such vesting acceleration provisions were not in effect as of the date of grant of the Non-Exempt Award and, therefore, are not a part of the terms of such Non-Exempt Award on the date of grant, then such acceleration of vesting of the Non-Exempt Award shall not accelerate the issuance date of the shares, but the shares shall instead be issued on the same schedule as set forth in the Grant Notice as if they had vested in the ordinary course during the Participant's Continuous Service, notwithstanding the vesting acceleration of the Non-Exempt Award. Such issuance schedule is intended to satisfy the requirements of payment on a specified date or pursuant to a fixed schedule, as provided under Treasury Regulations Section 1.409A-3(a)(4).

(c) Treatment of Non-Exempt Awards Upon a Corporate Transaction for Employees and Consultants. The provisions of this subsection (c) shall apply and shall supersede anything to the contrary set forth in the Plan with respect to the permitted treatment of any Non-Exempt Award in connection with a Corporate Transaction if the Participant was either an Employee or Consultant upon the applicable date of grant of the Non-Exempt Award.

(i) Vested Non-Exempt Awards. The following provisions shall apply to any Vested Non-Exempt Award in connection with a Corporate Transaction:

(1) If the Corporate Transaction is also a Section 409A Change in Control then the Acquiring Entity may not assume, continue or substitute the Vested Non-Exempt Award. Upon the Section 409A Change in Control the settlement of the Vested Non-Exempt Award will automatically be accelerated and the shares will be immediately issued in respect of the Vested Non-Exempt Award. Alternatively, the Company may instead provide that the Participant will receive a cash settlement equal to the Fair Market Value of the shares that would otherwise be issued to the Participant upon the Section 409A Change in Control.

(2) If the Corporate Transaction is not also a Section 409A Change in Control, then the Acquiring Entity must either assume, continue or substitute each Vested Non-Exempt Award. The shares to be issued in respect of the Vested Non-Exempt Award shall be issued to the Participant by the Acquiring Entity on the same schedule that the shares would have been issued to the Participant if the Corporate Transaction had not occurred. In the Acquiring Entity's discretion, in lieu of an issuance of shares, the Acquiring Entity may instead substitute a cash payment on each applicable issuance date, equal to the Fair Market Value of the shares that would otherwise be issued to the Participant on such issuance dates, with the determination of the Fair Market Value of the shares made on the date of the Corporate Transaction.

(ii) Unvested Non-Exempt Awards. The following provisions shall apply to any Unvested Non-Exempt Award unless otherwise determined by the Board pursuant to subsection (e) of this Section.

(1) In the event of a Corporate Transaction, the Acquiring Entity shall assume, continue or substitute any Unvested Non-Exempt Award. Unless otherwise determined by the Board, any Unvested Non-Exempt Award will remain subject to the same vesting and forfeiture restrictions that were applicable to the Award prior to the Corporate Transaction. The shares to be issued

in respect of any Unvested Non-Exempt Award shall be issued to the Participant by the Acquiring Entity on the same schedule that the shares would have been issued to the Participant if the Corporate Transaction had not occurred. In the Acquiring Entity's discretion, in lieu of an issuance of shares, the Acquiring Entity may instead substitute a cash payment on each applicable issuance date, equal to the Fair Market Value of the shares that would otherwise be issued to the Participant on such issuance dates, with the determination of Fair Market Value of the shares made on the date of the Corporate Transaction.

(2) If the Acquiring Entity will not assume, substitute or continue any Unvested Non-Exempt Award in connection with a Corporate Transaction, then such Award shall automatically terminate and be forfeited upon the Corporate Transaction with no consideration payable to any Participant in respect of such forfeited Unvested Non-Exempt Award. Notwithstanding the foregoing, to the extent permitted and in compliance with the requirements of Section 409A, the Board may in its discretion determine to elect to accelerate the vesting and settlement of the Unvested Non-Exempt Award upon the Corporate Transaction, or instead substitute a cash payment equal to the Fair Market Value of such shares that would otherwise be issued to the Participant, as further provided in subsection (e)(ii) below. In the absence of such discretionary election by the Board, any Unvested Non-Exempt Award shall be forfeited without payment of any consideration to the affected Participants if the Acquiring Entity will not assume, substitute or continue the Unvested Non-Exempt Awards in connection with the Corporate Transaction.

(3) The foregoing treatment shall apply with respect to all Unvested Non-Exempt Awards upon any Corporate Transaction, and regardless of whether or not such Corporate Transaction is also a Section 409A Change in Control.

(d) Treatment of Non-Exempt Awards Upon a Corporate Transaction for Non-Employee Directors. The following provisions of this subsection (d) shall apply and shall supersede anything to the contrary that may be set forth in the Plan with respect to the permitted treatment of a Non-Exempt Director Award in connection with a Corporate Transaction.

(i) If the Corporate Transaction is also a Section 409A Change in Control then the Acquiring Entity may not assume, continue or substitute the Non-Exempt Director Award. Upon the Section 409A Change in Control the vesting and settlement of any Non-Exempt Director Award will automatically be accelerated and the shares will be immediately issued to the Participant in respect of the Non-Exempt Director Award. Alternatively, the Company may provide that the Participant will instead receive a cash settlement equal to the Fair Market Value of the shares that would otherwise be issued to the Participant upon the Section 409A Change in Control pursuant to the preceding provision.

(ii) If the Corporate Transaction is not also a Section 409A Change in Control, then the Acquiring Entity must either assume, continue or substitute the Non-Exempt Director Award. Unless otherwise determined by the Board, the Non-Exempt Director Award will remain subject to the same vesting and forfeiture restrictions that were applicable to the Award prior to the Corporate Transaction. The shares to be issued in respect of the Non-Exempt Director Award shall be issued to the Participant by the Acquiring Entity on the same schedule that the shares would have been issued to the Participant if the Corporate Transaction had not occurred. In the Acquiring Entity's discretion, in lieu of an issuance of shares, the Acquiring Entity may instead substitute a cash payment on each applicable issuance date, equal to the Fair Market Value of the shares that would otherwise be issued to the Participant on such issuance dates, with the determination of Fair Market Value made on the date of the Corporate Transaction.

(e) If the RSU Award is a Non-Exempt Award, then the provisions in this Section 11(e) shall apply and supersede anything to the contrary that may be set forth in the Plan or the Award Agreement with respect to the permitted treatment of such Non-Exempt Award:

(i) Any exercise by the Board of discretion to accelerate the vesting of a Non-Exempt Award shall not result in any acceleration of the scheduled issuance dates for the shares in respect of the Non-Exempt Award unless earlier issuance of the shares upon the applicable vesting dates would be in compliance with the requirements of Section 409A.

(ii) The Company explicitly reserves the right to earlier settle any Non-Exempt Award to the extent permitted and in compliance with the requirements of Section 409A, including pursuant to any of the exemptions available in Treasury Regulations Section 1.409A-3(j)(4)(ix).

(iii) To the extent the terms of any Non-Exempt Award provide that it will be settled upon a Change in Control or Corporate Transaction, to the extent it is required for compliance with the requirements of Section 409A, the Change in Control or Corporate Transaction event triggering settlement must also constitute a Section 409A Change in Control. To the extent the terms of a Non-Exempt Award provides that it will be settled upon a termination of employment or termination of Continuous Service, to the extent it is required for compliance with the requirements of Section 409A, the termination event triggering settlement must also constitute a Separation From Service. However, if at the time the shares would otherwise be issued to a Participant in connection with a "separation from service" such Participant is subject to the distribution limitations contained in Section 409A applicable to "specified employees," as defined in Section 409A(a)(2)(B)(i) of the Code, such shares shall not be issued before the date that is six months following the date of the Participant's Separation From Service, or, if earlier, the date of the Participant's death that occurs within such six month period.

(iv) The provisions in this subsection (e) for delivery of the shares in respect of the settlement of a RSU Award that is a Non-Exempt Award are intended to comply with the requirements of Section 409A so that the delivery of the shares to the Participant in respect of such Non-Exempt Award will not trigger the additional tax imposed under Section 409A, and any ambiguities herein will be so interpreted.

12. SEVERABILITY.

If all or any part of the Plan or any Award Agreement is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of the Plan or such Award Agreement not declared to be unlawful or invalid. Any Section of the Plan or any Award Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

13. TERMINATION OF THE PLAN.

The Board may suspend or terminate the Plan at any time. No Incentive Stock Options may be granted after the tenth anniversary of the earlier of: (i) the Adoption Date, or (ii) the date the Plan is approved by the Company's stockholders. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

14. DEFINITIONS.

As used in the Plan, the following definitions apply to the capitalized terms indicated below:

(a) "***Acquiring Entity***" means the surviving or acquiring corporation (or its parent company) in connection with a Corporate Transaction.

(b) "***Adoption Date***" means the date the Plan is first approved by the Board or Compensation Committee.

(c) "***Affiliate***" means, at the time of determination, any "parent" or "subsidiary" of the Company as such terms are defined in Rule 405 promulgated under the Securities Act. The Board may determine the time or times at which "parent" or "subsidiary" status is determined within the foregoing definition.

(d) "***Applicable Law***" means shall mean any applicable securities, federal, state, foreign, material local or municipal or other law, statute, constitution, principle of common law, resolution, ordinance, code, edict, decree, rule, listing rule, regulation, judicial decision, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Body (including under the authority of any applicable self-regulating organization such as the Nasdaq Stock Market, New York Stock Exchange, or the Financial Industry Regulatory Authority).

(e) "***Award***" means any right to receive Class A Common Stock, cash or other property granted under the Plan (including an Incentive Stock Option, a Nonstatutory Stock Option, a Restricted Stock Award, a RSU Award, a SAR, a Performance Award or any Other Award).

(f) "***Award Agreement***" means a written agreement between the Company and a Participant evidencing the terms and conditions of an Award. The Award Agreement generally consists of the Grant Notice and the agreement containing the written summary of the general terms and conditions applicable to the Award and which is provided to a Participant along with the Grant Notice.

(g) "***Board***" means the Board of Directors of the Company (or its designee). Any decision or determination made by the Board shall be a decision or determination that is made in the sole discretion of the Board (or its designee), and such decision or determination shall be final and binding on all Participants.

(h) "***Capitalization Adjustment***" means any change that is made in, or other events that occur with respect to, the Class A Common Stock subject to the Plan or subject to any Award after the Effective Date without the receipt of consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, reverse stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or any similar equity restructuring transaction, as that term is used in Statement of Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). Notwithstanding the foregoing, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment.

(i) "***Capital Stock***" means the Class A Common Stock and the Class B Common Stock.

(j) "***Cause***" has the meaning ascribed to such term in any written agreement between the Participant and the Company defining such term and, in the absence of such agreement, such term means, with respect to a Participant, the occurrence of any of the following events: (i) such Participant's attempted commission of, or participation in, a fraud or act of dishonesty against the Company; (ii) such

Participant's intentional, material violation of any contract or agreement between the Participant and the Company or of any statutory duty owed to the Company; (iii) such Participant's unauthorized use or disclosure of the Company's confidential information or trade secrets; or (iv) such Participant's gross misconduct. The determination that a termination of the Participant's Continuous Service is either for Cause or without Cause will be made by the Board with respect to Participants who are executive officers of the Company and by the Company's Chief Executive Officer with respect to Participants who are not executive officers of the Company. Any determination by the Company that the Continuous Service of a Participant was terminated with or without Cause for the purposes of outstanding Awards held by such Participant will have no effect upon any determination of the rights or obligations of the Company or such Participant for any other purpose.

(k) "***Change in Control***" means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events; provided, however, to the extent necessary to avoid adverse personal income tax consequences to the Participant in connection with an Award, also constitutes a Section 409A Change in Control:

(i) any Exchange Act Person becomes the Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities other than by virtue of a merger, consolidation or similar transaction. Notwithstanding the foregoing, a Change in Control shall not be deemed to occur (A) on account of the acquisition of securities of the Company directly from the Company, (B) on account of the acquisition of securities of the Company by an investor, any affiliate thereof or any other Exchange Act Person that acquires the Company's securities in a transaction or series of related transactions the primary purpose of which is to obtain financing for the Company through the issuance of equity securities, or (C) solely because the level of Ownership held by any Exchange Act Person (the "***Subject Person***") exceeds the designated percentage threshold of the outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and after such share acquisition, the Subject Person becomes the Owner of any additional voting securities that, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities Owned by the Subject Person over the designated percentage threshold, then a Change in Control shall be deemed to occur;

(ii) there is consummated a merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such merger, consolidation or similar transaction, the stockholders of the Company immediately prior thereto do not Own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving Entity in such merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving Entity in such merger, consolidation or similar transaction, in each case in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such transaction;

(iii) the stockholders of the Company approve or the Board approves a plan of complete dissolution or liquidation of the Company, or a complete dissolution or liquidation of the Company shall otherwise occur, except for a liquidation into a parent corporation;

(iv) there is consummated a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its

Subsidiaries to an Entity, more than 50% of the combined voting power of the voting securities of which are Owned by stockholders of the Company in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, license or other disposition; or

(v) individuals who, on the date the Plan is adopted by the Board, are members of the Board (the "***Incumbent Board***") cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member shall, for purposes of this Plan, be considered as a member of the Incumbent Board.

Notwithstanding the foregoing or any other provision of this Plan, (A) the term Change in Control shall not include a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company, and (B) the definition of Change in Control (or any analogous term) in an individual written agreement between the Company or any Affiliate and the Participant shall supersede the foregoing definition with respect to Awards subject to such agreement; provided, however, that if no definition of Change in Control or any analogous term is set forth in such an individual written agreement, the foregoing definition shall apply.

(l) "***Class A Common Stock***" means Class A common stock of the Company.

(m) "***Class B Common Stock***" means Class B common stock of the Company.

(n) "***Code***" means the Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

(o) "***Committee***" means the Compensation Committee and any other committee of one or more Directors to whom authority has been delegated by the Board or Compensation Committee in accordance with the Plan.

(p) "***Company***" means C3.ai, Inc., a Delaware corporation.

(q) "***Compensation Committee***" means the Compensation Committee of the Board.

(r) "***Consultant***" means any person, including an advisor, who is (i) engaged by the Company or an Affiliate to render consulting or advisory services and is compensated for such services, or (ii) serving as a member of the board of directors of an Affiliate and is compensated for such services. However, service solely as a Director, or payment of a fee for such service, will not cause a Director to be considered a "Consultant" for purposes of the Plan. Notwithstanding the foregoing, a person is treated as a Consultant under this Plan only if a Form S-8 Registration Statement under the Securities Act is available to register either the offer or the sale of the Company's securities to such person.

(s) "***Continuous Service***" means that the Participant's service with the Company or an Affiliate, whether as an Employee, Director or Consultant, is not interrupted or terminated. A change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Director or Consultant or a change in the Entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's service with the Company or an Affiliate, will not terminate a Participant's Continuous Service; provided, however, that if the Entity for which a Participant is rendering services ceases to qualify as an Affiliate, as determined by the Board, such Participant's Continuous Service will be considered to have terminated on the date such Entity ceases to qualify as an Affiliate. For example, a change in status from an Employee of the Company to a

Consultant of an Affiliate or to a Director will not constitute an interruption of Continuous Service. To the extent permitted by law, the Board or the chief executive officer of the Company, in that party's sole discretion, may determine whether Continuous Service will be considered interrupted in the case of (i) any leave of absence approved by the Board or chief executive officer, including sick leave, military leave or any other personal leave, or (ii) transfers between the Company, an Affiliate, or their successors. Notwithstanding the foregoing, a leave of absence will be treated as Continuous Service for purposes of vesting in an Award only to such extent as may be provided in the Company's leave of absence policy, in the written terms of any leave of absence agreement or policy applicable to the Participant, or as otherwise required by law. In addition, to the extent required for exemption from or compliance with Section 409A, the determination of whether there has been a termination of Continuous Service will be made, and such term will be construed, in a manner that is consistent with the definition of "separation from service" as defined under Treasury Regulation Section 1.409A-1(h) (without regard to any alternative definition thereunder).

(t) "***Corporate Transaction***" means the consummation, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) a sale or other disposition of all or substantially all, as determined by the Board, of the consolidated assets of the Company and its Subsidiaries;

(ii) a sale or other disposition of at least 50% of the outstanding securities of the Company;

(iii) a merger, consolidation or similar transaction following which the Company is not the surviving corporation; or

(iv) a merger, consolidation or similar transaction following which the Company is the surviving corporation but the shares of Capital Stock outstanding immediately preceding the merger, consolidation or similar transaction are converted or exchanged by virtue of the merger, consolidation or similar transaction into other property, whether in the form of securities, cash or otherwise.

(u) "***Director***" means a member of the Board.

(v) "***determine***" ***or*** "***determined***" means as determined by the Board or the Committee (or its designee) in its sole discretion.

(w) "***Disability***" means, with respect to a Participant, such Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months, as provided in Section 22(e)(3) of the Code, and will be determined by the Board on the basis of such medical evidence as the Board deems warranted under the circumstances.

(x) "***Effective Date***" means the IPO Date, provided this Plan is approved by the Company's stockholders prior to the IPO Date.

(y) "***Employee***" means any person employed by the Company or an Affiliate. However, service solely as a Director, or payment of a fee for such services, will not cause a Director to be considered an "Employee" for purposes of the Plan.

(z) "***Employer***" means the Company or the Affiliate of the Company that employs the Participant.

(aa) "***Entity***" means a corporation, partnership, limited liability company or other entity.

(bb) "***Exchange Act***" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(cc) "***Exchange Act Person***" means any natural person, Entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act), except that "Exchange Act Person" will not include (i) the Company or any Subsidiary of the Company, (ii) any employee benefit plan of the Company or any Subsidiary of the Company or any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary of the Company, (iii) an underwriter temporarily holding securities pursuant to a registered public offering of such securities, (iv) an Entity Owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their Ownership of stock of the Company; or (v) any natural person, Entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act) that, as of the Effective Date, is the Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities.

(dd) "***Fair Market Value***" means, as of any date, unless otherwise determined by the Board, the value of the Class A Common Stock (as determined on a per share or aggregate basis, as applicable) determined as follows:

(i) If the Class A Common Stock is listed on any established stock exchange or traded on any established market, the Fair Market Value will be the closing sales price for such stock as quoted on such exchange or market (or the exchange or market with the greatest volume of trading in the Class A Common Stock) on the date of determination, as reported in a source the Board deems reliable.

(ii) If there is no closing sales price for the Class A Common Stock on the date of determination, then the Fair Market Value will be the closing selling price on the last preceding date for which such quotation exists.

(iii) In the absence of such markets for the Class A Common Stock, or if otherwise determined by the Board, the Fair Market Value will be determined by the Board in good faith and in a manner that complies with Sections 409A and 422 of the Code.

(ee) "***Governmental Body***" means any: (a) nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government; (c) governmental or regulatory body, or quasi-governmental body of any nature (including any governmental division, department, administrative agency or bureau, commission, authority, instrumentality, official, ministry, fund, foundation, center, organization, unit, body or Entity and any court or other tribunal, and for the avoidance of doubt, any Tax authority) or other body exercising similar powers or authority; or (d) self-regulatory organization (including the Nasdaq Stock Market, New York Stock Exchange, and the Financial Industry Regulatory Authority).

(ff) "***Grant Notice***" means the notice provided to a Participant that he or she has been granted an Award under the Plan and which includes the name of the Participant, the type of Award, the date of grant of the Award, number of shares of Class A Common Stock subject to the Award or potential cash payment right, (if any), the vesting schedule for the Award (if any) and other key terms applicable to the Award.

(gg) "***Incentive Stock Option***" means an option granted pursuant to Section 4 of the Plan that is intended to be, and qualifies as, an "incentive stock option" within the meaning of Section 422 of the Code.

(hh) "***IPO Date***" means the date of the underwriting agreement between the Company and the underwriter(s) managing the initial public offering of the Class A Common Stock, pursuant to which the Class A Common Stock is priced for the initial public offering.

(ii) "***Materially Impair***" means any amendment to the terms of the Award that materially adversely affects the Participant's rights under the Award. A Participant's rights under an Award will not be deemed to have been Materially Impaired by any such amendment if the Board, in its sole discretion, determines that the amendment, taken as a whole, does not materially impair the Participant's rights. For example, the following types of amendments to the terms of an Award do not Materially Impair the Participant's rights under the Award: (i) imposition of reasonable restrictions on the minimum number of shares subject to an Option that may be exercised, (ii) to maintain the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code; (iii) to change the terms of an Incentive Stock Option in a manner that disqualifies, impairs or otherwise affects the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code; (iv) to clarify the manner of exemption from, or to bring the Award into compliance with or qualify it for an exemption from, Section 409A; or (v) to comply with other Applicable Laws.

(jj) "***Non-Employee Director***" means a Director who either (i) is not a current employee or officer of the Company or an Affiliate, does not receive compensation, either directly or indirectly, from the Company or an Affiliate for services rendered as a consultant or in any capacity other than as a Director (except for an amount as to which disclosure would not be required under Item 404(a) of Regulation S-K promulgated pursuant to the Securities Act ("***Regulation S-K***")), does not possess an interest in any other transaction for which disclosure would be required under Item 404(a) of Regulation S-K, and is not engaged in a business relationship for which disclosure would be required pursuant to Item 404(b) of Regulation S-K; or (ii) is otherwise considered a "non-employee director" for purposes of Rule 16b-3.

(kk) "***Non-Exempt Award***" means any Award that is subject to, and not exempt from, Section 409A, including as the result of (i) a deferral of the issuance of the shares subject to the Award which is elected by the Participant or imposed by the Company or (ii) the terms of any Non-Exempt Severance Agreement.

(ll) "***Non-Exempt Director Award***" means a Non-Exempt Award granted to a Participant who was a Director but not an Employee on the applicable grant date.

(mm) ***Non-Exempt Severance Arrangement*** means a severance arrangement or other agreement between the Participant and the Company that provides for acceleration of vesting of an Award and issuance of the shares in respect of such Award upon the Participant's termination of employment or separation from service (as such term is defined in Section 409A(a)(2)(A)(i) of the Code (and without regard to any alternative definition thereunder) ("***Separation from Service***") and such severance benefit does not satisfy the requirements for an exemption from application of Section 409A provided under Treasury Regulations Section 1.409A-1(b)(4), 1.409A-1(b)(9) or otherwise.

(nn) "***Nonstatutory Stock Option***" means any option granted pursuant to Section 4 of the Plan that does not qualify as an Incentive Stock Option.

(oo) "***Officer***" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act.

(pp) "***Option***" means an Incentive Stock Option or a Nonstatutory Stock Option to purchase shares of Class A Common Stock granted pursuant to the Plan.

(qq) "***Option Agreement***" means a written agreement between the Company and the Optionholder evidencing the terms and conditions of the Option grant. The Option Agreement includes the Grant Notice for the Option and the agreement containing the written summary of the general terms and conditions applicable to the Option and which is provided to a Participant along with the Grant Notice. Each Option Agreement will be subject to the terms and conditions of the Plan.

(rr) "***Optionholder***" means a person to whom an Option is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Option.

(ss) "***Other Award***" means an award valued in whole or in part by reference to, or otherwise based on, Class A Common Stock, including the appreciation in value thereof (e.g., options or stock rights with an exercise price or strike price less than 100% of the Fair Market Value at the time of grant) that is not an Incentive Stock Options, Nonstatutory Stock Option, SAR, Restricted Stock Award, RSU Award or Performance Award.

(tt) "***Other Award Agreement***" means a written agreement between the Company and a holder of an Other Award evidencing the terms and conditions of an Other Award grant. Each Other Award Agreement will be subject to the terms and conditions of the Plan.

(uu) "***Own,***" "***Owned,***" "***Owner,***" "***Ownership***" means that a person or Entity will be deemed to "Own," to have "Owned," to be the "Owner" of, or to have acquired "Ownership" of securities if such person or Entity, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting, with respect to such securities.

(vv) "***Participant***" means an Employee, Director or Consultant to whom an Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Award.

(ww) "***Performance Award***" means an Award that may vest or may be exercised or a cash award that may vest or become earned and paid contingent upon the attainment during a Performance Period of certain Performance Goals and which is granted under the terms and conditions of Section 5(b) pursuant to such terms as are approved by the Board. In addition, to the extent permitted by Applicable Law and set forth in the applicable Award Agreement, the Board may determine that cash or other property may be used in payment of Performance Awards. Performance Awards that are settled in cash or other property are not required to be valued in whole or in part by reference to, or otherwise based on, the Class A Common Stock.

(xx) "***Performance Criteria***" means the one or more criteria that the Board will select for purposes of establishing the Performance Goals for a Performance Period. The Performance Criteria that will be used to establish such Performance Goals may be based on any one of, or combination of, the following as determined by the Board: earnings (including earnings per share and net earnings); earnings before interest, taxes and depreciation; earnings before interest, taxes, depreciation and amortization; total stockholder return; return on equity or average stockholder's equity; return on assets, investment, or capital employed; stock price; margin (including gross margin); income (before or after taxes); operating income; operating income after taxes; pre-tax profit; operating cash flow; sales or revenue targets; increases in revenue or product revenue; expenses and cost reduction goals; improvement in or attainment of working capital levels; economic value added (or an equivalent metric); market share; cash flow; cash flow per share; share price performance; debt reduction; customer satisfaction; stockholders' equity; capital expenditures; debt levels; operating profit or net operating profit; workforce diversity; growth of net income or operating income; billings; financing; regulatory milestones; stockholder liquidity; corporate governance and compliance; intellectual property; personnel matters; progress of internal

research; progress of partnered programs; partner satisfaction; budget management; partner or collaborator achievements; internal controls, including those related to the Sarbanes-Oxley Act of 2002; investor relations, analysts and communication; implementation or completion of projects or processes; employee retention; number of users, including unique users; strategic partnerships or transactions (including in-licensing and out-licensing of intellectual property); establishing relationships with respect to the marketing, distribution and sale of the Company's products; supply chain achievements; co-development, co-marketing, profit sharing, joint venture or other similar arrangements; individual performance goals; corporate development and planning goals; and other measures of performance selected by the Board or Committee.

(yy) "***Performance Goals***" means, for a Performance Period, the one or more goals established by the Board for the Performance Period based upon the Performance Criteria. Performance Goals may be based on a Company-wide basis, with respect to one or more business units, divisions, Affiliates, or business segments, and in either absolute terms or relative to the performance of one or more comparable companies or the performance of one or more relevant indices. Unless specified otherwise by the Board (i) in the Award Agreement at the time the Award is granted or (ii) in such other document setting forth the Performance Goals at the time the Performance Goals are established, the Board will appropriately make adjustments in the method of calculating the attainment of Performance Goals for a Performance Period as follows: (1) to exclude restructuring and/or other nonrecurring charges; (2) to exclude exchange rate effects; (3) to exclude the effects of changes to generally accepted accounting principles; (4) to exclude the effects of any statutory adjustments to corporate tax rates; (5) to exclude the effects of items that are "unusual" in nature or occur "infrequently" as determined under generally accepted accounting principles; (6) to exclude the dilutive effects of acquisitions or joint ventures; (7) to assume that any business divested by the Company achieved performance objectives at targeted levels during the balance of a Performance Period following such divestiture; (8) to exclude the effect of any change in the outstanding shares of Capital Stock of the Company by reason of any stock dividend or split, stock repurchase, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other similar corporate change, or any distributions to common stockholders other than regular cash dividends; (9) to exclude the effects of stock based compensation and the award of bonuses under the Company's bonus plans; (10) to exclude costs incurred in connection with potential acquisitions or divestitures that are required to expensed under generally accepted accounting principles; and (11) to exclude the goodwill and intangible asset impairment charges that are required to be recorded under generally accepted accounting principles. In addition, the Board retains the discretion to reduce or eliminate the compensation or economic benefit due upon attainment of Performance Goals and to define the manner of calculating the Performance Criteria it selects to use for such Performance Period. Partial achievement of the specified criteria may result in the payment or vesting corresponding to the degree of achievement as specified in the Award Agreement or the written terms of a Performance Cash Award.

(zz) "***Performance Period***" means the period of time selected by the Board over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to vesting or exercise of an Award. Performance Periods may be of varying and overlapping duration, at the sole discretion of the Board.

(aaa) "***Plan***" means this C3.ai, Inc. 2020 Equity Incentive Plan.

(bbb) "***Plan Administrator***" means the person, persons, and/or third-party administrator designated by the Company to administer the day to day operations of the Plan and the Company's other equity incentive programs.

(ccc) "***Post-Termination Exercise Period***" means the period following termination of a Participant's Continuous Service within which an Option or SAR is exercisable, as specified in Section 4(h).

(ddd) "***Prior Plan's Available Reserve***" means the number of shares available for the grant of new awards under the Prior Plan as of immediately prior to the Effective Date.

(eee) "***Prior Plan***" means the Amended and Restated 2012 Equity Incentive Plan.

(fff) "***Prospectus***" means the document containing the Plan information specified in Section 10(a) of the Securities Act.

(ggg) "***Restricted Stock Award***" or "***RSA***" means an Award of shares of Class A Common Stock which is granted pursuant to the terms and conditions of Section 5(a).

(hhh) "***Restricted Stock Award Agreement***" means a written agreement between the Company and a holder of a Restricted Stock Award evidencing the terms and conditions of a Restricted Stock Award grant. The Restricted Stock Award Agreement includes the Grant Notice for the Restricted Stock Award and the agreement containing the written summary of the general terms and conditions applicable to the Restricted Stock Award and which is provided to a Participant along with the Grant Notice. Each Restricted Stock Award Agreement will be subject to the terms and conditions of the Plan.

(iii) "***Returning Shares***" means shares subject to outstanding stock awards granted under the Prior Plan and that following the Effective Date: (A) are not issued because such stock award or any portion thereof expires or otherwise terminates without all of the shares covered by such stock award having been issued; (B) are not issued because such stock award or any portion thereof is settled in cash; (C) are forfeited back to or repurchased by the Company because of the failure to meet a contingency or condition required for the vesting of such shares; (D) are withheld or reacquired to satisfy the exercise, strike or purchase price; or (E) are withheld or reacquired to satisfy a tax withholding obligation; provided, however, that any such shares that are shares of Class B Common Stock shall instead be added to the Share Reserve as shares of Class A Common Stock as described in Section 2(a).

(jjj) "***RSU Award***" or "***RSU***" means an Award of restricted stock units representing the right to receive an issuance of shares of Class A Common Stock which is granted pursuant to the terms and conditions of Section 5(a).

(kkk) "***RSU Award Agreement***" means a written agreement between the Company and a holder of a RSU Award evidencing the terms and conditions of a RSU Award. The RSU Award Agreement includes the Grant Notice for the RSU Award and the agreement containing the written summary of the general terms and conditions applicable to the RSU Award and which is provided to a Participant along with the Grant Notice. Each RSU Award Agreement will be subject to the terms and conditions of the Plan.

(lll) "***Rule 16b-3***" means Rule 16b-3 promulgated under the Exchange Act or any successor to Rule 16b-3, as in effect from time to time.

(mmm) "***Rule 405***" means Rule 405 promulgated under the Securities Act.

(nnn) "***Section 409A***" means Section 409A of the Code and the regulations and other guidance thereunder.

(ooo) "***Section 409A Change in Control***" means a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the Company's assets, as provided in

Section 409A(a)(2)(A)(v) of the Code and Treasury Regulations Section 1.409A-3(i)(5) (without regard to any alternative definition thereunder).

(ppp) "***Securities Act***" means the Securities Act of 1933, as amended.

(qqq) "***Share Reserve***" means the number of shares available for issuance under the Plan as set forth in Section 2(a).

(rrr) "***Stock Appreciation Right***" or "***SAR***" means a right to receive the appreciation on Class A Common Stock that is granted pursuant to the terms and conditions of Section 4.

(sss) "***SAR Agreement***" means a written agreement between the Company and a holder of a SAR evidencing the terms and conditions of a SAR grant. The SAR Agreement includes the Grant Notice for the SAR and the agreement containing the written summary of the general terms and conditions applicable to the SAR and which is provided to a Participant along with the Grant Notice. Each SAR Agreement will be subject to the terms and conditions of the Plan.

(ttt) "***Subsidiary***" means, with respect to the Company, (i) any corporation of which more than 50% of the outstanding Capital Stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, stock of any other class or classes of such corporation will have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, Owned by the Company, and (ii) any partnership, limited liability company or other entity in which the Company has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) of more than 50%.

(uuu) "***Ten Percent Stockholder***" means a person who Owns (or is deemed to Own pursuant to Section 424(d) of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any Affiliate.

(vvv) "***Trading Policy***" means the Company's policy permitting certain individuals to sell Company shares only during certain "window" periods and/or otherwise restricts the ability of certain individuals to transfer or encumber Company shares, as in effect from time to time.

(www) "***Unvested Non-Exempt Award***" means the portion of any Non-Exempt Award that had not vested in accordance with its terms upon or prior to the date of any Corporate Transaction.

(xxx) "***Vested Non-Exempt Award***" means the portion of any Non-Exempt Award that had vested in accordance with its terms upon or prior to the date of a Corporate Transaction.

C3.AI, INC.
STOCK OPTION GRANT NOTICE
(2020 EQUITY INCENTIVE PLAN)

C3.ai, Inc. (the "***Company***"), pursuant to its 2020 Equity Incentive Plan (the "***Plan***"), has granted to you ("***Optionholder")*** an option to purchase the number of shares of the Class A Common Stock set forth below (the "***Option***"). Your Option is subject to all of the terms and conditions as set forth herein and in the Plan, and the Global Stock Option Agreement, including any additional terms and conditions for your country included in the appendix attached thereto, and the Notice of Exercise, all of which are attached hereto and incorporated herein in their entirety. Capitalized terms not explicitly defined herein but defined in the Plan or the Global Stock Option Agreement shall have the meanings set forth in the Plan or the Global Stock Option Agreement, as applicable.

Optionholder:	
Date of Grant:	
Vesting Commencement Date:	
Number of Shares of Class A Common Stock Subject to Option:	
Exercise Price (Per Share):	
Total Exercise Price:	
Expiration Date:	

Type of Grant: **[**Incentive Stock Option] OR [Nonstatutory Stock Option]

Exercise and Vesting Schedule: Subject to the Optionholder's Continuous Service through each applicable vesting date, the Option will vest as follows:

[_____]

Optionholder Acknowledgements: By your signature below or by electronic acceptance or authentication in a form authorized by the Company, you understand and agree that:

- The Option is governed by this Stock Option Grant Notice, and the provisions of the Plan and the Global Stock Option Agreement and the Notice of Exercise, all of which are made a part of this document. Unless otherwise provided in the Plan, this Grant Notice and the Global Stock Option Agreement (together, the "***Option Agreement***") may not be modified, amended or revised except in a writing signed by you and a duly authorized officer of the Company.

- If the Option is an Incentive Stock Option, it (plus other outstanding Incentive Stock Options granted to you) cannot be first *exercisable* for more than $100,000 in value (measured by exercise price) in any calendar year. Any excess over $100,000 is a Nonstatutory Stock Option.

- You consent to receive this Grant Notice, the Global Stock Option Agreement, the Plan, the Prospectus and any other Plan-related documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

- You have read and are familiar with the provisions of the Plan, the Global Stock Option Agreement, the Notice of Exercise and the Prospectus. In the event of any conflict between the provisions in this Grant

Notice, the Option Agreement, the Notice of Exercise, or the Prospectus and the terms of the Plan, the terms of the Plan shall control.

- The Option Agreement sets forth the entire understanding between you and the Company regarding the acquisition of Class A Common Stock and supersedes all prior oral and written agreements, promises and/or representations on that subject with the exception of other equity awards previously granted to you and any written employment agreement, offer letter, severance agreement, written severance plan or policy, or other written agreement between the Company and you in each case that specifies the terms that should govern this Option.

- Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act or other applicable law) or other transmission method and any counterpart so delivered will be deemed to have been duly and validly delivered and be valid and effective for all purposes.

C3.AI, INC.

By: _____
Signature

Title: _____

Date: _____

OPTIONHOLDER:

_____
Signature

Date: _____

C3.AI, INC.
2020 EQUITY INCENTIVE PLAN

GLOBAL STOCK OPTION AGREEMENT

As reflected by your Stock Option Grant Notice ("***Grant Notice***") C3.ai, Inc. (the "***Company***") has granted you an option under its 2020 Equity Incentive Plan (the "***Plan***") to purchase a number of shares of Class A Common Stock at the exercise price indicated in your Grant Notice (the "***Option***"). Capitalized terms not explicitly defined in this Agreement but defined in the Grant Notice or the Plan shall have the meanings set forth in the Grant Notice or Plan, as applicable. The terms of your Option as specified in the Grant Notice and this Global Stock Option Agreement, including any additional terms and conditions for your country included in the appendix attached hereto, constitute your Option Agreement.

The general terms and conditions applicable to your Option are as follows:

1. GOVERNING PLAN DOCUMENT. Your Option is subject to all the provisions of the Plan. Your Option is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the Option Agreement and the provisions of the Plan, the provisions of the Plan shall control.

2. EXERCISE.

(a) You may generally exercise the vested portion of your Option for whole shares of Class A Common Stock at any time during its term by delivery of payment of the exercise price and applicable withholding taxes and other required documentation to the Plan Administrator in accordance with the exercise procedures established by the Plan Administrator, which may include an electronic submission. Please review the Plan, which may restrict or prohibit your ability to exercise your Option during certain periods.

(b) To the extent permitted by Applicable Law, you may pay your Option exercise price as follows:

(i) cash, check, bank draft or money order;

(ii) subject to Company and/or Committee consent at the time of exercise, pursuant to a "cashless exercise" program as further described in the Plan if at the time of exercise the Class A Common Stock is publicly traded;

(iii) subject to Company and/or Committee consent at the time of exercise, by delivery of previously owned shares of Class A Common Stock as further described in the Plan; or

(iv) subject to Company and/or Committee consent at the time of exercise, if the Option is a Nonstatutory Stock Option, by a "net exercise" arrangement as further described in the Plan.

3. **TERM.** You may not exercise your Option before the commencement of its term or after its term expires. The term of your option commences on the Date of Grant and expires upon the earliest of the following:

(a) immediately upon the termination of your Continuous Service for Cause;

(b) three months after the termination of your Continuous Service for any reason other than Cause, Disability or death;

(c) 12 months after the termination of your Continuous Service due to your Disability;

(d) 18 months after your death if you die during your Continuous Service;

(e) immediately upon a Corporate Transaction if the Board has determined that the Option will terminate in connection with a Corporate Transaction,

(f) the Expiration Date indicated in your Grant Notice; or

(g) the day before the 10th anniversary of the Date of Grant.

Notwithstanding the foregoing, if you die during the period provided in Section 3(b) or 3(c) above, the term of your Option shall not expire until the earlier of (i) eighteen months after your death, (ii) upon any termination of the Option in connection with a Corporate Transaction, (iii) the Expiration Date indicated in your Grant Notice, or (iv) the day before the tenth anniversary of the Date of Grant. Additionally, the Post-Termination Exercise Period of your Option may be extended as provided in the Plan.

To obtain the federal income tax advantages associated with an Incentive Stock Option, the Code requires that at all times beginning on the date of grant of your Option and ending on the day three months before the date of your Option's exercise, you must be an employee of the Company or an Affiliate, except in the event of your death or Disability. If the Company provides for the extended exercisability of your Option under certain circumstances for your benefit, your Option will not necessarily be treated as an Incentive Stock Option if you exercise your Option more than three months after the date your employment terminates.

4. **WITHHOLDING OBLIGATIONS.**

(a) You acknowledge that, regardless of any action taken by the Company, or if different, the Affiliate employing you (the "***Employer***"), the ultimate liability for all income tax (including U.S. federal, state, and local taxes and/or non-U.S. taxes), social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you ("***Tax-Related Items***") is and remains your responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. You further acknowledge that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option, including the grant of the Option, the vesting of the Option, the exercise of the Option, the subsequent sale of any shares of Class A Common Stock acquired pursuant to the Option and the receipt of any dividends; and (ii) do not commit to and are under no obligation to reduce or eliminate your liability for Tax-Related Items. Further, if you become subject to taxation in more than one country, you acknowledge that the Company and/or the Employer (or

former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one country.

(b) Prior to any relevant taxable or tax withholding event, as applicable, you agree to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, you authorize the Company and/or the Employer, or their respective agents, at their discretion, to satisfy any applicable withholding obligations with regard to all Tax-Related Items by one or a combination of the following: (i) withholding from your wages or other cash compensation paid to you by the Company and/or the Employer; (ii) allowing or requiring you to make a cash payment to cover the Tax-Related Items; (iii) withholding from proceeds of the sale of shares of Class A Common Stock acquired upon exercise of this Option either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization without further consent); (iv) withholding from the shares of Class A Common Stock to be issued to you upon exercise of this Option; or (v) any other method of withholding determined by the Company and permitted by applicable law; provided, however, that that if you are a Section 16 officer of the Company under the Exchange Act, then the Administrator shall establish the method of withholding from alternatives (i)-(iv) herein and, if the Administrator does not exercise its discretion prior to the applicable withholding event, then you shall be entitled to elect the method of withholding from the alternatives above.

(c) The Company and/or the Employer may withhold or account for Tax-Related Items by considering applicable statutory withholding amounts or other applicable withholding rates, including maximum rates applicable in your jurisdiction, in which case you may receive a refund of any over-withheld amount in cash and will have no entitlement to the equivalent amount in shares of Class A Common Stock. If the obligation for Tax-Related Items is satisfied by withholding in shares of Class A Common Stock, for tax purposes, you are deemed to have been issued the full number of shares of Class A Common Stock subject to the exercised Option, notwithstanding that a number of the shares of Class A Common Stock is held back solely for the purpose of paying the Tax-Related Items.

(d) You agree to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares of Class A Common Stock, or the proceeds of the sale of shares of Class A Common Stock, if you fail to comply with your obligations in connection with the Tax-Related Items.

5. **INCENTIVE STOCK OPTION DISPOSITION REQUIREMENT.** If your Option is an Incentive Stock Option, you must notify the Company in writing within 15 days after the date of any disposition of any of the shares of the Class A Common Stock issued upon exercise of your Option that occurs within two years after the date of your Option grant or within one year after such shares of Class A Common Stock are transferred upon exercise of your Option.

6. **NATURE OF GRANT.** In accepting the Option, you acknowledge, understand and agree that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature, and may be amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the grant of the Option is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of options or benefits in lieu of options, even if options have been granted in the past;

(c) all decisions with respect to future Options or other grants, if any, will be at the sole discretion of the Company;

(d) the Option grant and your participation in the Plan shall not create a right to employment or be interpreted as forming or amending an employment or service contract with the Company, the Employer or any Affiliate;

(e) you are voluntarily participating in the Plan;

(f) the Option and any shares of Class A Common Stock acquired under the Plan, and the income from and value of same, are not intended to replace any pension rights or compensation;

(g) the Option and any shares of Class A Common Stock acquired under the Plan, and the income from and value of same, are not part of normal or expected compensation for any purpose, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, holiday pay, bonuses, long-service awards, pension or retirement or welfare benefits or similar mandatory payments;

(h) the future value of the shares of Class A Common Stock underlying the Option is unknown, indeterminable, and cannot be predicted with certainty;

(i) if the underlying shares of Class A Common Stock do not increase in value, the Option will have no value;

(j) if you exercise the Option and acquire shares of Class A Common Stock, the value of such shares of Class A Common Stock may increase or decrease in value, even below the exercise price;

(k) for purposes of the Option, your Continuous Service will be considered terminated as of the date you are no longer actively providing services to the Company or one of its Affiliates (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), and unless otherwise expressly provided in the Option Agreement or determined by the Company, (i) your right to vest in the Option under the Plan, if any, and (ii) the period (if any) during which you may exercise the Option after such termination of Continuous Service will terminate as of such date and in each instance will not be extended by any notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any); and the Board shall have the exclusive discretion to determine when you are no longer actively providing services for purposes of the Option (including whether you may still be considered to be providing services while on a leave of absence);

(l) no claim or entitlement to compensation or damages shall arise from forfeiture of the Option resulting from your termination of Continuous Service (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed, or the terms of your employment agreement, if any);

(m) unless otherwise agreed with the Company in writing, the Option and any shares of Class A Common Stock acquired under the Plan, and the income from and value of same, are not granted as consideration for, or in connection with, any service you may provide as a director of the Company or any Affiliate; and

(n) neither the Company, the Employer or any Affiliate shall be liable for any foreign exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of the Option or of any amounts due to you pursuant to the exercise of the Option or the subsequent sale of any shares of Class A Common Stock acquired upon exercise.

7. TRANSFERABILITY. Except as otherwise provided in the Plan, your Option is not transferable, except by will or by the applicable laws of descent and distribution, and is exercisable during your life only by you.

8. CORPORATE TRANSACTION. Your Option is subject to the terms of any agreement governing a Corporate Transaction involving the Company, including, without limitation, a provision for the appointment of a stockholder representative that is authorized to act on your behalf with respect to any escrow, indemnities and any contingent consideration.

9. NO LIABILITY FOR TAXES. As a condition to accepting the Option, you hereby (a) agree to not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates related to tax liabilities arising from the Option or other Company compensation and (b) acknowledge that you were advised to consult with your own personal tax, financial and other legal advisors regarding the tax consequences of the Option and have either done so or knowingly and voluntarily declined to do so. Additionally, you acknowledge that the Option is exempt from Section 409A for U.S. tax purposes, only if the exercise price is at least equal to the "fair market value" of the Class A Common Stock on the date of grant as determined by the U.S. Internal Revenue Service and there is no other impermissible deferral of compensation associated with the Option. Additionally, as a condition to accepting the Option, you agree not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates in the event that the U.S. Internal Revenue Service asserts that such exercise is less than the "fair market value" of the Class A Common Stock on the date of grant as subsequently determined by the Internal Revenue Service.

10. SEVERABILITY. If any part of this Option Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity will not invalidate any portion of this Option Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Option Agreement (or part of such a Section) so declared to be unlawful or invalid will, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

11. WAIVER. You acknowledge that a waiver by the Company of a breach of any provision of this Option Agreement shall not operate or be construed as a waiver of any other provision of this Option Agreement, or of any subsequent breach of this Option Agreement.

12. NO ADVICE REGARDING GRANT. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying shares of Class A Common Stock. You should consult with your own personal tax, legal and financial advisors regarding your participation in the Plan before taking any action related to the Plan.

13. **DATA PRIVACY.** By signing the Grant Notice or otherwise accepting this Option Agreement in accordance with the Company's acceptance procedures, you acknowledge that, in order for the Company to administer the grant of the Option and any future participation in the Plan, the Company and the Employer must collect, process and transfer certain of your personal data, subject to the GDPR privacy policy for employees, workers and contractors (Europe).

14. **LANGUAGE.** You acknowledge that you are sufficiently proficient in the English language, or have consulted with an advisor who is sufficiently proficient in English, so as to allow you to understand the terms and conditions of this Option Agreement. If you have received this Option Agreement or any other documents related to the Plan translated into a language other than English, and if the meaning of the translated version is different than the English version, the English version will control.

15. **GOVERNING LAW/VENUE.** The Option Agreement and any controversy arising out of or relating to the Option Agreement shall be governed by, and construed in accordance with, the internal laws of the State of Delaware, without regard to conflict of law principles that would result in any application of any law other than the law of the State of Delaware. For purposes of any action, lawsuit or other proceeding brought to enforce the Option Agreement, relating to it, or arising from it, the parties hereby submit to and consent to the sole and exclusive jurisdiction of the courts of New York County, New York, or the federal courts for the United States for the Southern District of New York, and no other courts where this grant is made and/or to be performed.

16. **INSIDER TRADING RESTRICTIONS / MARKET ABUSE LAW.** You may be subject to insider trading restrictions and/or market abuse laws based on the exchange on which the shares of Class A Common Stock are listed and in applicable jurisdictions, including the United States, your country and the designated broker's country, which may affect your ability to accept, acquire, sell or otherwise dispose of shares of Class A Common Stock, rights to shares of Class A Common Stock (*i.e.*, Options) or rights linked to the value of the shares of Class A Common Stock under the Plan during such times as you are considered to have "inside information" regarding the Company (as defined by the laws in the applicable jurisdiction(s)). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders you placed before you possessed inside information. Furthermore, you could be prohibited from (i) disclosing the inside information to any third party, which may include fellow employees and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under the Company's insider trading policy, or any other applicable insider trading policy then in effect. You acknowledge that you are responsible for complying with any applicable restrictions and are encouraged to speak with your personal legal advisor for further details regarding any applicable insider-trading and/or market-abuse laws in your country.

17. **FOREIGN ASSET/ACCOUNT, EXCHANGE CONTROL AND TAX REPORTING.** You may be subject to foreign asset/account, exchange control and/or tax reporting requirements as a result of the acquisition, holding and/or transfer of shares of Class A Common Stock or cash (including dividends and the proceeds arising from the sale of shares of Class A Common Stock) derived from your participation in the Plan in, to and/or from a brokerage/bank account or legal entity located outside your country. The Applicable Laws in your country may require that you report such accounts, assets and balances therein, the value thereof and/or the transactions related thereto to the applicable authorities in such country. You may also be required to repatriate sale proceeds or other funds received as a result of your participation in the Plan to your country through a designated bank or broker within a certain time after receipt. You

acknowledge that it is your responsibility to be compliant with such regulations and you are encouraged to consult with your personal legal advisor for any details.

18. COUNTRY-SPECIFIC PROVISIONS. Notwithstanding any provisions of the Option Agreement to the contrary, the Option shall be subject to any terms and conditions for your country of residence (and country of employment, if different) set forth in the appendix attached hereto (the "***Appendix***"). Further, if you transfer residence and/or employment to another country reflected in the Appendix, the terms and conditions for such country will apply to you to the extent the Company determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of the Option Agreement.

19. IMPOSITION OF OTHER REQUIREMENTS. The Company reserves the right to impose other requirements on your participation in the Plan, on the Option and on any shares of Class A Common Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

20. OTHER DOCUMENTS. You hereby acknowledge receipt of or the right to receive a document providing the information required by Rule 428(b)(1) promulgated under the Securities Act, which includes the Prospectus. In addition, you acknowledge receipt of the Company's Trading Policy.

21. QUESTIONS. If you have questions regarding these or any other terms and conditions applicable to your Option, including a summary of the applicable federal income tax consequences please see the Prospectus.

*** * * ***

APPENDIX
TO THE

C3.AI, INC.
2020 EQUITY INCENTIVE PLAN
GLOBAL STOCK OPTION AGREEMENT

Capitalized terms used but not defined in this Appendix have the meanings set forth in the Plan, the Grant Notice and/or the Global Stock Option Agreement.

Terms and Conditions

This Appendix includes additional terms and conditions that govern the Option granted to you under the Plan if you are an employee that works or resides outside the U.S. and/or in one of the countries listed below. If you are a citizen or resident of a country other than the one in which you are currently working and/or residing, transfer employment and/or residency to another country after the date of grant, are a consultant, change employment status to a consultant position, or are considered a resident of another country for local law purposes, the Company shall, in its discretion, determine the extent to which the special terms and conditions contained herein shall be applicable to you. References to your Employer shall include any entity that engages your services.

Notifications

This Appendix also includes information regarding exchange controls and certain other issues of which you should be aware with respect to your participation in the Plan. The information is provided solely for your convenience and is based on the securities, exchange control and other laws in effect in the respective countries as of _____ 2020. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the information noted herein as the only source of information relating to the consequences of your participation in the Plan because the information may be out of date by the time you vest in or exercise the Option or sell any shares of Class A Common Stock acquired upon exercise.

In addition, the information contained in this Appendix is general in nature and may not apply to your particular situation, and the Company is not in a position to assure you of any particular result. Accordingly, you should seek appropriate professional advice as to how the applicable laws in your country may apply to your situation.

Finally, if you are a citizen or resident of a country other than the one in which you are currently residing and/or working, transfer to another country after the date of grant, or are considered a resident of another country for local law purposes, the notifications contained herein may not be applicable to you in the same manner.

C3.AI, INC.

RSU AWARD GRANT NOTICE
(2020 EQUITY INCENTIVE PLAN)

C3.ai, Inc. (the ***"Company"***) has awarded to you (the "***Participant***") the number of restricted stock units specified and on the terms set forth below in consideration of your services (the ***"RSU Award"***). Your RSU Award is subject to all of the terms and conditions as set forth herein and in the Company's 2020 Equity Incentive Plan (the ***"Plan"***) and the Global RSU Award Agreement, including any additional terms and conditions for your country included in the appendix attached thereto (the "***Agreement***"), which are incorporated herein in their entirety. Capitalized terms not explicitly defined herein but defined in the Plan or the Agreement shall have the meanings set forth in the Plan or the Agreement.

Participant: _____

Date of Grant: _____

Vesting Commencement Date: _____

Number of Restricted Stock Units: _____

Vesting Schedule: [_____]. Notwithstanding the foregoing, vesting shall terminate upon the Participant's termination of Continuous Service.

Issuance Schedule: One share of Class A Common Stock will be issued for each restricted stock unit which vests at the time set forth in Section 5 of the Agreement.

Participant Acknowledgements: By your signature below or by electronic acceptance or authentication in a form authorized by the Company, you understand and agree that:

- The RSU Award is governed by this RSU Award Grant Notice (the "***Grant Notice***"), and the provisions of the Plan and the Agreement, all of which are made a part of this document. Unless otherwise provided in the Plan, this Grant Notice and the Agreement (together, the "***RSU Award Agreement***") may not be modified, amended or revised except in a writing signed by you and a duly authorized officer of the Company.

- You have read and are familiar with the provisions of the Plan, the RSU Award Agreement and the Prospectus. In the event of any conflict between the provisions in the RSU Award Agreement, or the Prospectus and the terms of the Plan, the terms of the Plan shall control.

- The RSU Award Agreement sets forth the entire understanding between you and the Company regarding the acquisition of Class A Common Stock and supersedes all prior oral and written agreements, promises and/or representations on that subject with the exception of: (i) other equity awards previously granted to you, and (ii) any written employment agreement, offer letter, severance agreement, written severance plan or policy, or other written agreement between the Company and you in each case that specifies the terms that should govern this RSU Award.

C3.AI, INC.

By: _____
Signature

Title: _____

Date: _____

PARTICIPANT:

_____
Signature

Date: _____

C3.AI, INC.
2020 EQUITY INCENTIVE PLAN

GLOBAL RSU AWARD AGREEMENT

As reflected by your RSU Award Grant Notice ("***Grant Notice***") C3.ai, Inc. (the "***Company***") has granted you a RSU Award under its 2020 Equity Incentive Plan (the "***Plan***") for the number of restricted stock units as indicated in your Grant Notice (the "***RSU Award***"). The terms of your RSU Award as specified in this Global RSU Award Agreement for your RSU Award, including any additional terms and conditions for your country included in the appendix attached thereto (the "***Agreement***") and the Grant Notice constitute your "***RSU Award Agreement***". Capitalized terms not explicitly defined in this Agreement but defined in the Grant Notice or the Plan shall have the same definitions as in the Grant Notice or Plan, as applicable.

The general terms applicable to your RSU Award are as follows:

1. GOVERNING PLAN DOCUMENT. Your RSU Award is subject to all the provisions of the Plan. Your RSU Award is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the RSU Award Agreement and the provisions of the Plan, the provisions of the Plan shall control.

2. GRANT OF THE RSU AWARD. This RSU Award represents your right to be issued on a future date the number of shares of the Company's Class A Common Stock that is equal to the number of restricted stock units indicated in the Grant Notice subject to your satisfaction of the vesting conditions set forth therein (the "***Restricted Stock Units***"). Any additional Restricted Stock Units that become subject to the RSU Award pursuant to Capitalization Adjustments as set forth in the Plan and the provisions of Section 3 below, if any, shall be subject, in a manner determined by the Board, to the same forfeiture restrictions, restrictions on transferability, and time and manner of delivery as applicable to the other Restricted Stock Units covered by your RSU Award.

3. DIVIDENDS. You shall receive no benefit or adjustment to your RSU Award with respect to any cash dividend, stock dividend, or other distribution that does not result from a Capitalization Adjustment as provided in the Plan; provided, however, that this sentence shall not apply with respect to any shares of Class A Common Stock that are delivered to you in connection with your RSU Award after such shares have been delivered to you.

4. WITHHOLDING OBLIGATIONS.

(a) You acknowledge that, regardless of any action taken by the Company or, if different, the Affiliate employing you (the "***Employer***"), the ultimate liability for all income tax (including U.S. federal, state, and local taxes and/or foreign taxes), social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you ("***Tax-Related Items***") is and remains your responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. You further acknowledge that the Company and/or your Employer (i) make no representations or undertakings regarding the treatment of

any Tax-Related Items in connection with any aspect of the RSU Award, including, but not limited to, the grant of the RSU Award, the vesting of the RSU Award, the issuance of shares in settlement of vesting of the RSU Award, the subsequent sale of any shares of Class A Common Stock acquired pursuant to the RSU Award and the receipt of any dividends or dividend equivalents; and (ii) do not commit to and are under no obligation to reduce or eliminate your liability for Tax-Related Items. Further, if you become subject to taxation in more than one country, you acknowledge that the Company and/or your Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one country.

(b) Prior to any relevant taxable or tax withholding event, as applicable, you agree to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, you authorize the Company and/or the Employer, or their respective agents, at their discretion, to satisfy any applicable withholding obligations with regard to all Tax-Related Items by one or a combination of the following: (i) withholding from your wages or other cash compensation paid to you by the Company and/or the Employer; (ii) withholding from proceeds of the sale of shares of Class A Common Stock acquired upon settlement of the Restricted Stock Units either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization without further consent); (iii) withholding from shares of Class A Common Stock to be issued to you upon settlement of the Restricted Stock Units; or (iv) any other method of withholding determined by the Company and permitted by Applicable Law; provided, however, that that if you are a Section 16 officer of the Company under the Exchange Act, then the Administrator shall establish the method of withholding from alternatives (i)-(iv) herein and, if the Administrator does not exercise its discretion prior to the applicable withholding event, then you shall be entitled to elect the method of withholding from the alternatives above.

(c) The Company and/or the Employer may withhold or account for Tax-Related Items by considering applicable statutory withholding amounts or other applicable withholding rates, including maximum rates applicable in your jurisdiction, in which case you may receive a refund of any over-withheld amount in cash and will have no entitlement to the equivalent amount in shares of Class A Common Stock. If the obligation for Tax-Related Items is satisfied by withholding in shares of Class A Common Stock, for tax purposes, you are deemed to have been issued the full number of shares of Class A Common Stock subject to the vested Restricted Stock Units, notwithstanding that a number of the shares of Class A Common Stock is held back solely for the purpose of paying the Tax-Related Items.

(d) You agree to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of your participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares of Class A Common Stock, or the proceeds of the sale of shares of Class A Common Stock, if you fail to comply with your obligations in connection with the Tax-Related Items.

5. DATE OF ISSUANCE.

(a) To the extent your RSU Award is exempt from application of Section 409A of the Code and any state law of similar effect (collectively ***"Section 409A"***), the Company will deliver to you a number of shares of the Company's Class A Common Stock equal to the number of vested

Restricted Stock Units subject to your RSU Award, including any additional Restricted Stock Units received pursuant to Section 3 above that relate to those vested Restricted Stock Units on the applicable vesting date(s), or if such date is not a business day, such delivery date shall instead fall on the next following business day (the "***Original Distribution Date***").

(b) Notwithstanding the foregoing, in the event that you are prohibited from selling shares of the Company's Class A Common Stock in the public market on the scheduled delivery date by the Trading Policy or otherwise, and the Company elects not to satisfy its tax withholding obligations by withholding shares from your distribution, then such shares shall not be delivered on such Original Distribution Date and shall instead be delivered on the first business day when you are not prohibited from selling shares of the Company's Class A Common Stock in the open market, but in no event later than the fifteenth (15th) day of the third calendar month of the calendar year following the calendar year in which the shares covered by the RSU Award vest. Delivery of the shares pursuant to the provisions of Section 5 is intended to comply with the requirements for the short-term deferral exemption available under Treasury Regulations Section 1.409A-1(b)(4) and shall be construed and administered in such manner. However, if and to the extent the RSU Award is a Non-Exempt Award, the provisions of the Plan with respect to Non-Exempt Awards shall apply in lieu of the provisions in this Section 5.

6. **NATURE OF GRANT.** In accepting the RSU Award, you acknowledge, understand and agree that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature, and may be amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the grant of the RSU Award is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Stock Units, other equity awards or benefits in lieu of equity awards, even if equity awards have been granted in the past;

(c) all decisions with respect to future RSU Awards or other grants, if any, will be at the sole discretion of the Company;

(d) the RSU Award grant and your participation in the Plan shall not create a right to employment or be interpreted as forming or amending an employment or service contract with the Company, the Employer or any Affiliate;

(e) you are voluntarily participating in the Plan;

(f) the RSU Award and any shares of Class A Common Stock acquired under the Plan, and the income from and value of same, are not intended to replace any pension rights or compensation;

(g) the RSU Award and any shares of Class A Common Stock acquired under the Plan, and the income from and value of same, are not part of normal or expected compensation for any purpose, including, without limitation, calculating any severance, resignation, termination, redundancy,

dismissal, end-of-service payments, holiday pay, bonuses, long-service awards, pension or retirement or welfare benefits or similar mandatory payments;

(h) the future value of the shares of Class A Common Stock underlying the RSU Award is unknown, indeterminable, and cannot be predicted with certainty;

(i) if the RSU Award vests and you are issued shares of Class A Common Stock, the value of such shares of Class A Common Stock may increase or decrease in value following the date the shares are issued; even below the Fair Market Value on the date the RSU Award is granted to you;

(j) for purposes of the RSU Award, your Continuous Service will be considered terminated as of the date you are no longer actively providing services to the Company or one of its Affiliates (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any), and unless otherwise expressly provided in this Agreement or determined by the Company, your right to vest in the RSU Award under the Plan, if any, will terminate as of such date and will not be extended by any notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where you are employed or the terms of your employment agreement, if any); and the Board shall have the exclusive discretion to determine when you are no longer actively providing services for purposes of the RSU Award (including whether you may still be considered to be providing services while on a leave of absence);

(k) no claim or entitlement to compensation or damages shall arise from forfeiture of the RSU Award resulting from your termination of Continuous Service (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed, or the terms of your employment agreement, if any);

(l) unless otherwise agreed with the Company in writing, the RSU Award and any shares of Class A Common Stock acquired under the Plan, and the income from and value of same, are not granted as consideration for, or in connection with, any service you may provide as a director of the Company or any Affiliate; and

(m) neither the Company, the Employer or any Affiliate shall be liable for any foreign exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of the RSU Award or the subsequent sale of any shares of Class A Common Stock acquired upon settlement of the RSU Award.

7. **TRANSFERABILITY**. Except as otherwise provided in the Plan, your RSU Award is not transferable, except by will or by the applicable laws of descent and distribution

8. **CORPORATE TRANSACTION**. Your RSU Award is subject to the terms of any agreement governing a Corporate Transaction involving the Company, including, without limitation, a provision for the appointment of a stockholder representative that is authorized to act on your behalf with respect to any escrow, indemnities and any contingent consideration.

9. **NO LIABILITY FOR TAXES.** As a condition to accepting the RSU Award, you hereby (a) agree to not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates related to tax liabilities arising from the RSU Award or other Company compensation and (b) acknowledge that you were advised to consult with your own personal tax, financial and other legal advisors regarding the tax consequences of the RSU Award and have either done so or knowingly and voluntarily declined to do so.

10. **SEVERABILITY.** If any part of this Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity will not invalidate any portion of this Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Agreement (or part of such a Section) so declared to be unlawful or invalid will, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

11. **WAIVER.** You acknowledge that a waiver by the Company of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach of this Agreement.

12. **NO ADVICE REGARDING GRANT.** The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding your participation in the Plan, or your acquisition or sale of the underlying shares of Class A Common Stock.

13. **DATA PRIVACY.** By signing the Grant Notice or otherwise accepting this Agreement in accordance with the Company's acceptance procedures, you acknowledge that, in order for the Company to administer the grant of the RSU and any future participation in the Plan, the Company and the Employer must collect, process and transfer certain of your personal data, subject to the GDPR privacy policy for employees, workers and contractors (Europe).

14. **LANGUAGE.** You acknowledge that you are sufficiently proficient in the English language, or have consulted with an advisor who is sufficiently proficient in English, so as to allow you to understand the terms and conditions of this Agreement. If you have received this Agreement or any other documents related to the Plan translated into a language other than English, and if the meaning of the translated version is different than the English version, the English version will control.

15. **GOVERNING LAW/VENUE.** This Agreement and any controversy arising out of or relating to this Agreement shall be governed by, and construed in accordance with, the internal laws of the State of Delaware, without regard to conflict of law principles that would result in any application of any law other than the law of the State of Delaware. For purposes of any action, lawsuit or other proceeding brought to enforce this Agreement, relating to it, or arising from it, the parties hereby submit to and consent to the sole and exclusive jurisdiction of the courts of New York County, New York, or the federal courts for the United States for the Southern District of New York, and no other courts where this grant is made and/or to be performed.

16. **INSIDER TRADING RESTRICTIONS / MARKET ABUSE LAW.** You may be subject to insider trading restrictions and/or market abuse laws based on the exchange on which the shares of Class A Common Stock are listed and in applicable jurisdictions, including the United States, your country and

the designated broker's country, which may affect your ability to accept, acquire, sell or otherwise dispose of shares of Class A Common Stock, rights to shares of Class A Common Stock (*i.e.*, RSU Awards) or rights linked to the value of the shares of Class A Common Stock under the Plan during such times as you are considered to have "inside information" regarding the Company (as defined by the laws in the applicable jurisdiction(s)). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders you placed before you possessed inside information. Furthermore, you could be prohibited from (i) disclosing the inside information to any third party, which may include fellow employees and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under the Company's Insider Trading Policy, or any other applicable insider trading policy then in effect. You acknowledge that you are responsible for complying with any applicable restrictions and are encouraged to speak with your personal legal advisor for further details regarding any applicable insider-trading and/or market-abuse laws in your country.

17. **FOREIGN ASSET/ACCOUNT, EXCHANGE CONTROL AND TAX REPORTING.** You may be subject to foreign asset/account, exchange control and/or tax reporting requirements as a result of the acquisition, holding and/or transfer of shares of Class A Common Stock or cash (including dividends and the proceeds arising from the sale of shares of Class A Common Stock) derived from your participation in the Plan in, to and/or from a brokerage/bank account or legal entity located outside your country. The Applicable Laws in your country may require that you report such accounts, assets and balances therein, the value thereof and/or the transactions related thereto to the applicable authorities in such country. You may also be required to repatriate sale proceeds or other funds received as a result of your participation in the Plan to your country through a designated bank or broker within a certain time after receipt. You acknowledge that it is your responsibility to be compliant with such regulations and you are encouraged to consult with your personal legal advisor for any details.

18. **COUNTRY-SPECIFIC PROVISIONS.** Notwithstanding any provisions of this Agreement to the contrary, if you reside or are employed outside of the United States, the RSU Award shall be subject to any terms and conditions for your country of residence (and country of employment, if different) set forth in the appendix attached hereto (the "***Appendix***"). Further, if you transfer residence and/or employment to another country reflected in the Appendix, the terms and conditions for such country will apply to you to the extent the Company determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of this Agreement.

19. **IMPOSITION OF OTHER REQUIREMENTS.** The Company reserves the right to impose other requirements on your participation in the Plan, on the RSU Award and on any shares of Class A Common Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

20. **OTHER DOCUMENTS.** You hereby acknowledge receipt of or the right to receive a document providing the information required by Rule 428(b)(1) promulgated under the Securities Act, which includes the Prospectus. In addition, you acknowledge receipt of the Company's Trading Policy.

21. **QUESTIONS.** If you have questions regarding these or any other terms and conditions applicable to your RSU Award, including a summary of the applicable federal income tax consequences please see the Prospectus.

APPENDIX
TO THE

C3.AI, INC.
2020 EQUITY INCENTIVE PLAN
GLOBAL RSU AWARD AGREEMENT

Capitalized terms used but not defined in this Appendix have the meanings set forth in the Plan, the Grant Notice and/or the Global RSU Award Agreement.

Terms and Conditions

This Appendix includes additional terms and conditions that govern the RSU Award granted to you under the Plan if you are an employee that works or resides outside the U.S. and/or in one of the countries listed below. If you are a citizen or resident of a country other than the one in which you are currently working and/or residing, transfer employment and/or residency to another country after the date of grant, are a consultant, change employment status to a consultant position, or are considered a resident of another country for local law purposes, the Company shall, in its discretion, determine the extent to which the special terms and conditions contained herein shall be applicable to you. References to your Employer shall include any entity that engages your services.

Notifications

This Appendix also includes information regarding exchange controls and certain other issues of which you should be aware with respect to your participation in the Plan. The information is provided solely for your convenience and is based on the securities, exchange control and other laws in effect in the respective countries as of _____ 2020. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you not rely on the information noted herein as the only source of information relating to the consequences of your participation in the Plan because the information may be out of date by the time you vest in the RSU or sell any shares of Class A Common Stock acquired upon settlement of the vested RSU.

In addition, the information contained in this Appendix is general in nature and may not apply to your particular situation, and the Company is not in a position to assure you of any particular result. Accordingly, you should seek appropriate professional advice as to how the applicable laws in your country may apply to your situation.

Finally, if you are a citizen or resident of a country other than the one in which you are currently residing and/or working, transfer to another country after the date of grant, or are considered a resident of another country for local law purposes, the notifications contained herein may not be applicable to you in the same manner.

C3.AI, INC.

2020 EMPLOYEE STOCK PURCHASE PLAN

ADOPTED BY THE BOARD OF DIRECTORS: NOVEMBER 24, 2020
APPROVED BY THE STOCKHOLDERS: NOVEMBER 24, 2020
IPO DATE: _____, 2020

1. GENERAL; PURPOSE.

(a) The Plan provides a means by which Eligible Employees of the Company and certain designated Related Corporations may be given an opportunity to purchase shares of Class A Common Stock. The Plan permits the Company to grant a series of Purchase Rights to Eligible Employees under an Employee Stock Purchase Plan. In addition, the Plan permits the Company to grant a series of Purchase Rights to Eligible Employees that do not meet the requirements of an Employee Stock Purchase Plan.

(b) The Plan includes two components: a 423 Component and a Non-423 Component. The Company intends (but makes no undertaking or representation to maintain) the 423 Component to qualify as an Employee Stock Purchase Plan. The provisions of the 423 Component, accordingly, will be construed in a manner that is consistent with the requirements of Section 423 of the Code. Except as otherwise provided in the Plan or determined by the Board, the Non-423 Component will operate and be administered in the same manner as the 423 Component.

(c) The Company, by means of the Plan, seeks to retain the services of such Employees, to secure and retain the services of new Employees and to provide incentives for such persons to exert maximum efforts for the success of the Company and its Related Corporations.

2. ADMINISTRATION.

(a) The Board or the Committee will administer the Plan. References herein to the Board shall be deemed to refer to the Committee except where context dictates otherwise.

(b) The Board will have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine how and when Purchase Rights will be granted and the provisions of each Offering (which need not be identical).

(ii) To designate from time to time (A) which Related Corporations of the Company will be eligible to participate in the Plan, (B) whether such Related Corporations will participate in the 423 Component or the Non-423 Component, and (C) to the extent that the Company makes separate Offerings under the 423 Component, in which Offering the Related Corporations in the 423 Component will participate.

(iii) To construe and interpret the Plan and Purchase Rights, and to establish, amend and revoke rules and regulations for its administration. The Board, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan, in a manner and to the extent it deems necessary or expedient to make the Plan fully effective.

(iv) To settle all controversies regarding the Plan and Purchase Rights granted under the Plan.

(v) To suspend or terminate the Plan at any time as provided in Section 12.

(vi) To amend the Plan at any time as provided in Section 12.

(vii) Generally, to exercise such powers and to perform such acts as it deems necessary or expedient to promote the best interests of the Company and its Related Corporations and to carry out the intent that the Plan be treated as an Employee Stock Purchase Plan with respect to the 423 Component.

(viii) To adopt such rules, procedures and sub-plans as are necessary or appropriate to permit or facilitate participation in the Plan by Employees who are foreign nationals or employed or located outside the United States. Without limiting the generality of, and consistent with, the foregoing, the Board specifically is authorized to adopt rules, procedures, and sub-plans regarding, without limitation, eligibility to participate in the Plan, the definition of eligible "earnings," handling and making of Contributions, establishment of bank or trust accounts to hold Contributions, payment of interest, conversion of local currency, obligations to pay payroll tax, determination of beneficiary designation requirements, withholding procedures and handling of share issuances, any of which may vary according to applicable requirements, and which, if applicable to a Related Corporation designated for participation in the Non-423 Component, do not have to comply with the requirements of Section 423 of the Code.

(c) The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration is delegated to a Committee, the Committee will have, in connection with the administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to a subcommittee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board will thereafter be to the Committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. The Board may retain the authority to concurrently administer the Plan with the Committee and may, at any time, revest in the Board some or all of the powers previously delegated. Whether or not the Board has delegated administration of the Plan to a Committee, the Board will have the final power to determine all questions of policy and expediency that may arise in the administration of the Plan.

(d) All determinations, interpretations and constructions made by the Board in good faith will not be subject to review by any person and will be final, binding and conclusive on all persons.

3. SHARES OF CLASS A COMMON STOCK SUBJECT TO THE PLAN.

(a) Subject to the provisions of Section 11(a) relating to Capitalization Adjustments, the maximum number of shares of Class A Common Stock that may be issued under the Plan will not exceed 3,000,000 shares of Class A Common Stock, plus the number of shares of Class A Common Stock that are automatically added on May 1st of each fiscal year for a period of up to ten years, commencing on the first May 1 following the fiscal year in which the IPO Date occurs and ending on (and including) May 1, 2030, in an amount equal to the lesser of (i) 1% of the total number of shares of Capital Stock outstanding on April 30 of the preceding fiscal year, and (ii) 4,500,000 shares of Class A Common Stock. Notwithstanding the foregoing, the Board may act prior to the first day of any fiscal year to provide that there will be no May 1st increase in the share reserve for such fiscal year or that the increase in the share reserve for such fiscal year will be a lesser number of shares of Class A Common Stock than would otherwise occur pursuant to the preceding sentence. For the avoidance of doubt, up to the maximum number of shares of Class A Common Stock reserved under this Section 3(a) may be used to satisfy purchases of Class A Common Stock under the 423 Component and any remaining portion of such

maximum number of shares may be used to satisfy purchases of Class A Common Stock under the Non-423 Component.

(b) If any Purchase Right granted under the Plan terminates without having been exercised in full, the shares of Class A Common Stock not purchased under such Purchase Right will again become available for issuance under the Plan.

(c) The stock purchasable under the Plan will be shares of authorized but unissued or reacquired Class A Common Stock, including shares repurchased by the Company on the open market.

4. GRANT OF PURCHASE RIGHTS; OFFERING.

(a) The Board may from time to time grant or provide for the grant of Purchase Rights to Eligible Employees under an Offering (consisting of one or more Purchase Periods) on an Offering Date or Offering Dates selected by the Board. Each Offering will be in such form and will contain such terms and conditions as the Board will deem appropriate, and, with respect to the 423 Component, will comply with the requirement of Section 423(b)(5) of the Code that all Employees granted Purchase Rights will have the same rights and privileges. The terms and conditions of an Offering shall be incorporated by reference into the Plan and treated as part of the Plan. The provisions of separate Offerings need not be identical, but each Offering will include (through incorporation of the provisions of this Plan by reference in the document comprising the Offering or otherwise) the period during which the Offering will be effective, which period will not exceed 27 months beginning with the Offering Date, and the substance of the provisions contained in Sections 5 through 8, inclusive.

(b) If a Participant has more than one Purchase Right outstanding under the Plan, unless he or she otherwise indicates in forms delivered to the Company: (i) each form will apply to all of his or her Purchase Rights under the Plan, and (ii) a Purchase Right with a lower exercise price (or an earlier-granted Purchase Right, if different Purchase Rights have identical exercise prices) will be exercised to the fullest possible extent before a Purchase Right with a higher exercise price (or a later-granted Purchase Right if different Purchase Rights have identical exercise prices) will be exercised.

(c) The Board will have the discretion to structure an Offering so that if the Fair Market Value of a share of Class A Common Stock on the first Trading Day of a new Purchase Period within that Offering is less than or equal to the Fair Market Value of a share of Class A Common Stock on the Offering Date for that Offering, then (i) that Offering will terminate immediately as of that first Trading Day, and (ii) the Participants in such terminated Offering will be automatically enrolled in a new Offering beginning on the first Trading Day of such new Purchase Period.

5. ELIGIBILITY.

(a) Purchase Rights may be granted only to Employees of the Company or, as the Board may designate in accordance with Section 2(b), to Employees of a Related Corporation. Except as provided in Section 5(b) or as required by Applicable Law, an Employee will not be eligible to be granted Purchase Rights unless, on the Offering Date, the Employee has been in the employ of the Company or the Related Corporation, as the case may be, for such continuous period preceding such Offering Date as the Board may require, but in no event will the required period of continuous employment be equal to or greater than two years. In addition, the Board may (unless prohibited by law) provide that no Employee will be eligible to be granted Purchase Rights under the Plan unless, on the Offering Date, such Employee's customary employment with the Company or the Related Corporation is more than 20 hours per week and more than five months per calendar year or such other criteria as the Board may determine consistent with Section 423 of the Code with respect to the 423 Component. The Board may also exclude from

participation in the Plan or any Offering Employees who are "highly compensated employees" (within the meaning of Section 423(b)(4)(D) of the Code) of the Company or a Related Corporation or a subset of such highly compensated employees.

(b) The Board may provide that each person who, during the course of an Offering, first becomes an Eligible Employee will, on a date or dates specified in the Offering which coincides with the day on which such person becomes an Eligible Employee or which occurs thereafter, receive a Purchase Right under that Offering, which Purchase Right will thereafter be deemed to be a part of that Offering. Such Purchase Right will have the same characteristics as any Purchase Rights originally granted under that Offering, as described herein, except that:

(i) the date on which such Purchase Right is granted will be the “Offering Date” of such Purchase Right for all purposes, including determination of the exercise price of such Purchase Right;

(ii) the period of the Offering with respect to such Purchase Right will begin on its Offering Date and end coincident with the end of such Offering; and

(iii) the Board may provide that if such person first becomes an Eligible Employee within a specified period of time before the end of the Offering, he or she will not receive any Purchase Right under that Offering.

(c) No Employee will be eligible for the grant of any Purchase Rights if, immediately after any such Purchase Rights are granted, such Employee owns stock possessing five percent or more of the total combined voting power or value of all classes of stock of the Company or of any Related Corporation. For purposes of this Section 5(c), the rules of Section 424(d) of the Code will apply in determining the stock ownership of any Employee, and stock which such Employee may purchase under all outstanding Purchase Rights and options will be treated as stock owned by such Employee.

(d) As specified by Section 423(b)(8) of the Code, an Eligible Employee may be granted Purchase Rights only if such Purchase Rights, together with any other rights granted under all Employee Stock Purchase Plans of the Company and any Related Corporations, do not permit such Eligible Employee’s rights to purchase stock of the Company or any Related Corporation to accrue at a rate which, when aggregated, exceeds US $25,000 of Fair Market Value of such stock (determined at the time such rights are granted, and which, with respect to the Plan, will be determined as of their respective Offering Dates) for each calendar year in which such rights are outstanding at any time.

(e) Officers of the Company and any designated Related Corporation, if they are otherwise Eligible Employees, will be eligible to participate in Offerings under the Plan. Notwithstanding the foregoing, the Board may (unless prohibited by law) provide in an Offering that Employees who are highly compensated Employees within the meaning of Section 423(b)(4)(D) of the Code will not be eligible to participate.

(f) Notwithstanding anything in this Section 5 to the contrary, in the case of an Offering under the Non-423 Component, an Eligible Employee (or group of Eligible Employees) may be excluded from participation in the Plan or an Offering if the Board has determined, in its sole discretion, that participation of such Eligible Employee(s) is not advisable or practical for any reason.

6. PURCHASE RIGHTS; PURCHASE PRICE.

(a) On each Offering Date, each Eligible Employee, pursuant to an Offering made under the Plan, will be granted a Purchase Right to purchase up to that number of shares of Class A Common Stock

purchasable either with a percentage or with a maximum dollar amount, as designated by the Board, but in either case not exceeding 15% of such Employee's earnings (as defined by the Board in each Offering) during the period that begins on the Offering Date (or such later date as the Board determines for a particular Offering) and ends on the date stated in the Offering, which date will be no later than the end of the Offering.

(b) The Board will establish one or more Purchase Dates during an Offering on which Purchase Rights granted for that Offering will be exercised and shares of Class A Common Stock will be purchased in accordance with such Offering.

(c) In connection with each Offering made under the Plan, the Board may specify (i) a maximum number of shares of Class A Common Stock that may be purchased by any Participant on any Purchase Date during such Offering, (ii) a maximum aggregate number of shares of Class A Common Stock that may be purchased by all Participants pursuant to such Offering and/or (iii) a maximum aggregate number of shares of Class A Common Stock that may be purchased by all Participants on any Purchase Date under the Offering. If the aggregate purchase of shares of Class A Common Stock issuable upon exercise of Purchase Rights granted under the Offering would exceed any such maximum aggregate number, then, in the absence of any Board action otherwise, a pro rata (based on each Participant's accumulated Contributions) allocation of the shares of Class A Common Stock (rounded down to the nearest whole share) available will be made in as nearly a uniform manner as will be practicable and equitable.

(d) The purchase price of shares of Class A Common Stock acquired pursuant to Purchase Rights will be not less than the lesser of:

(i) an amount equal to 85% of the Fair Market Value of the shares of Class A Common Stock on the Offering Date; or

(ii) an amount equal to 85% of the Fair Market Value of the shares of Class A Common Stock on the applicable Purchase Date.

7. PARTICIPATION; WITHDRAWAL; TERMINATION.

(a) An Eligible Employee may elect to participate in an Offering and authorize payroll deductions as the means of making Contributions by completing and delivering to the Company, within the time specified in the Offering, an enrollment form provided by the Company. The enrollment form will specify the amount of Contributions not to exceed the maximum amount specified by the Board. Each Participant's Contributions will be credited to a bookkeeping account for such Participant under the Plan and will be deposited with the general funds of the Company except where Applicable Law requires that Contributions be deposited with a third party. If permitted in the Offering, a Participant may begin such Contributions with the first payroll occurring on or after the Offering Date (or, in the case of a payroll date that occurs after the end of the prior Offering but before the Offering Date of the next new Offering, Contributions from such payroll will be included in the new Offering). If permitted in the Offering, a Participant may thereafter reduce (including to zero) or increase his or her Contributions. If required under Applicable Law or if specifically provided in the Offering, in addition to or instead of making Contributions by payroll deductions, a Participant may make Contributions through the payment by cash, check or wire transfer prior to a Purchase Date.

(b) During an Offering, a Participant may cease making Contributions and withdraw from the Offering by delivering to the Company a withdrawal form provided by the Company. The Company may impose a deadline before a Purchase Date for withdrawing. Upon such withdrawal, such

Participant's Purchase Right in that Offering will immediately terminate and the Company will distribute as soon as practicable to such Participant all of his or her accumulated but unused Contributions and such Participant's Purchase Right in that Offering shall thereupon terminate. A Participant's withdrawal from that Offering will have no effect upon his or her eligibility to participate in any other Offerings under the Plan, but such Participant will be required to deliver a new enrollment form to participate in subsequent Offerings.

(c) Unless otherwise required by Applicable Law, Purchase Rights granted pursuant to any Offering under the Plan will terminate immediately if the Participant either (i) is no longer an Employee for any reason or for no reason (subject to any post-employment participation period required by law) or (ii) is otherwise no longer eligible to participate. The Company will distribute as soon as practicable to such individual all of his or her accumulated but unused Contributions.

(d) Unless otherwise determined by the Board, a Participant whose employment transfers or whose employment terminates with an immediate rehire (with no break in service) by or between the Company and a Related Corporation that has been designated for participation in the Plan will not be treated as having terminated employment for purposes of participating in the Plan or an Offering; however, if a Participant transfers from an Offering under the 423 Component to an Offering under the Non-423 Component, the exercise of the Participant's Purchase Right will be qualified under the 423 Component only to the extent such exercise complies with Section 423 of the Code. If a Participant transfers from an Offering under the Non-423 Component to an Offering under the 423 Component, the exercise of the Purchase Right will remain non-qualified under the Non-423 Component. The Board may establish different and additional rules governing transfers between separate Offerings within the 423 Component and between Offerings under the 423 Component and Offerings under the Non-423 Component.

(e) During a Participant's lifetime, Purchase Rights will be exercisable only by such Participant. Purchase Rights are not transferable by a Participant, except by will, by the laws of descent and distribution, or, if permitted by the Company, by a beneficiary designation as described in Section 10.

(f) Unless otherwise specified in the Offering or as required by Applicable Law, the Company will have no obligation to pay interest on Contributions.

8. EXERCISE OF PURCHASE RIGHTS.

(a) On each Purchase Date, each Participant's accumulated Contributions will be applied to the purchase of shares of Class A Common Stock, up to the maximum number of shares of Class A Common Stock permitted by the Plan and the applicable Offering, at the purchase price specified in the Offering. No fractional shares will be issued unless specifically provided for in the Offering.

(b) Unless otherwise provided in the Offering, if any amount of accumulated Contributions remains in a Participant's account after the purchase of shares of Class A Common Stock on the final Purchase Date of an Offering, then such remaining amount will not roll over to the next Offering and will instead be distributed in full to such Participant after the final Purchase Date of such Offering without interest (unless otherwise required by Applicable Law).

(c) No Purchase Rights may be exercised to any extent unless the shares of Class A Common Stock to be issued upon such exercise under the Plan are covered by an effective registration statement pursuant to the Securities Act and the Plan is in material compliance with all applicable U.S. federal and state, foreign and other securities, exchange control and other laws applicable to the Plan. If on a Purchase Date the shares of Class A Common Stock are not so registered or the Plan is not in such

compliance, no Purchase Rights will be exercised on such Purchase Date, and the Purchase Date will be delayed until the shares of Class A Common Stock are subject to such an effective registration statement and the Plan is in material compliance, except that the Purchase Date will in no event be more than 27 months from the Offering Date. If, on the Purchase Date, as delayed to the maximum extent permissible, the shares of Class A Common Stock are not registered and the Plan is not in material compliance with all Applicable Laws, as determined by the Company in its sole discretion, no Purchase Rights will be exercised and all accumulated but unused Contributions will be distributed to the Participants without interest (unless the payment of interest is otherwise required by Applicable Law).

9. COVENANTS OF THE COMPANY.

The Company will seek to obtain from each U.S. federal or state, foreign or other regulatory commission or agency having jurisdiction over the Plan such authority as may be required to grant Purchase Rights and issue and sell shares of Class A Common Stock thereunder unless the Company determines, in its sole discretion, that doing so would cause the Company to incur costs that are unreasonable. If, after commercially reasonable efforts, the Company is unable to obtain the authority that counsel for the Company deems necessary for the grant of Purchase Rights or the lawful issuance and sale of Class A Common Stock under the Plan, and at a commercially reasonable cost, the Company will be relieved from any liability for failure to grant Purchase Rights and/or to issue and sell Class A Common Stock upon exercise of such Purchase Rights.

10. DESIGNATION OF BENEFICIARY.

(a) The Company may, but is not obligated to, permit a Participant to submit a form designating a beneficiary who will receive any shares of Class A Common Stock and/or Contributions from the Participant's account under the Plan if the Participant dies before such shares and/or Contributions are delivered to the Participant. The Company may, but is not obligated to, permit the Participant to change such designation of beneficiary. Any such designation and/or change must be on a form approved by the Company.

(b) If a Participant dies, and in the absence of a valid beneficiary designation, the Company will deliver any shares of Class A Common Stock and/or Contributions to the executor or administrator of the estate of the Participant. If no executor or administrator has been appointed (to the knowledge of the Company), the Company, in its sole discretion, may deliver such shares of Class A Common Stock and/or Contributions, without interest (unless the payment of interest is otherwise required by Applicable Law), to the Participant's spouse, dependents or relatives, or if no spouse, dependent or relative is known to the Company, then to such other person as the Company may designate.

11. ADJUSTMENTS UPON CHANGES IN CLASS A COMMON STOCK; CORPORATE TRANSACTIONS.

(a) In the event of a Capitalization Adjustment, the Board will appropriately and proportionately adjust: (i) the class(es) and maximum number of securities subject to the Plan pursuant to Section 3(a), (ii) the class(es) and maximum number of securities by which the share reserve is to increase automatically each year pursuant to Section 3(a), (iii) the class(es) and number of securities subject to, and the purchase price applicable to outstanding Offerings and Purchase Rights, and (iv) the class(es) and number of securities that are the subject of the purchase limits under each ongoing Offering. The Board will make these adjustments, and its determination will be final, binding and conclusive.

(b) In the event of a Corporate Transaction, then: (i) any surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) may assume or continue outstanding Purchase Rights or may substitute similar rights (including a right to acquire the same

consideration paid to the stockholders in the Corporate Transaction) for outstanding Purchase Rights, or (ii) if any surviving or acquiring corporation (or its parent company) does not assume or continue such Purchase Rights or does not substitute similar rights for such Purchase Rights, then the Participants' accumulated Contributions will be used to purchase shares of Class A Common Stock (rounded down to the nearest whole share) within ten business days prior to the Corporate Transaction under the outstanding Purchase Rights, and the Purchase Rights will terminate immediately after such purchase.

12. AMENDMENT, TERMINATION OR SUSPENSION OF THE PLAN.

(a) The Board may amend the Plan at any time in any respect the Board deems necessary or advisable. However, except as provided in Section 11(a) relating to Capitalization Adjustments, stockholder approval will be required for any amendment of the Plan for which stockholder approval is required by Applicable Law.

(b) The Board may suspend or terminate the Plan at any time. No Purchase Rights may be granted under the Plan while the Plan is suspended or after it is terminated.

Any benefits, privileges, entitlements and obligations under any outstanding Purchase Rights granted before an amendment, suspension or termination of the Plan will not be materially impaired by any such amendment, suspension or termination except (i) with the consent of the person to whom such Purchase Rights were granted, (ii) as necessary to comply with any laws, listing requirements, or governmental regulations (including, without limitation, the provisions of Section 423 of the Code and the regulations and other interpretive guidance issued thereunder relating to Employee Stock Purchase Plans) including without limitation any such regulations or other guidance that may be issued or amended after the date the Plan is adopted by the Board, or (iii) as necessary to obtain or maintain favorable tax, listing, or regulatory treatment. To be clear, the Board may amend outstanding Purchase Rights without a Participant's consent if such amendment is necessary to ensure that the Purchase Right and/or the Plan complies with the requirements of Section 423 of the Code with respect to the 423 Component or with respect to other Applicable Laws. Notwithstanding anything in the Plan or any Offering Document to the contrary, the Board will be entitled to: (i) establish the exchange ratio applicable to amounts withheld in a currency other than U.S. dollars; (ii) permit Contributions in excess of the amount designated by a Participant in order to adjust for mistakes in the Company's processing of properly completed Contribution elections; (iii) establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Class A Common Stock for each Participant properly correspond with amounts withheld from the Participant's Contributions; (iv) amend any outstanding Purchase Rights or clarify any ambiguities regarding the terms of any Offering to enable the Purchase Rights to qualify under and/or comply with Section 423 of the Code with respect to the 423 Component; and (v) establish other limitations or procedures as the Board determines in its sole discretion advisable that are consistent with the Plan. The actions of the Board pursuant to this paragraph will not be considered to alter or impair any Purchase Rights granted under an Offering as they are part of the initial terms of each Offering and the Purchase Rights granted under each Offering.

13. TAX QUALIFICATION; TAX WITHHOLDING.

(a) Although the Company may endeavor to (i) qualify a Purchase Right for special tax treatment under the laws of the United States or jurisdictions outside of the United States or (ii) avoid adverse tax treatment, the Company makes no representation to that effect and expressly disavows any covenant to maintain special or to avoid unfavorable tax treatment, notwithstanding anything to the contrary in this Plan. The Company will be unconstrained in its corporate activities without regard to the potential negative tax impact on Participants.

(b) Each Participant will make arrangements, satisfactory to the Company and any applicable Related Corporation, to enable the Company or the Related Corporation to fulfill any withholding obligation for Tax-Related Items. Without limitation to the foregoing, in the Company's sole discretion and subject to Applicable Law, such withholding obligation may be satsified in whole or in part by (i) withholding from the Participant's salary or any other cash payment due to the Participant from the Company or a Related Corporation; (ii) withholding from the proceeds of the sale of shares of Class A Common Stock acquired under the Plan, either through a voluntary sale or a mandatory sale arranged by the Company; or (iii) any other method deemed acceptable by the Board.

14. EFFECTIVE DATE OF PLAN.

The Plan will become effective immediately prior to and contingent upon the IPO Date. No Purchase Rights will be exercised unless and until the Plan has been approved by the stockholders of the Company, which approval must be within 12 months before or after the date the Plan is adopted (or if required under Section 12(a) above, materially amended) by the Board.

15. MISCELLANEOUS PROVISIONS.

(a) Proceeds from the sale of shares of Class A Common Stock pursuant to Purchase Rights will constitute general funds of the Company.

(b) A Participant will not be deemed to be the holder of, or to have any of the rights of a holder with respect to, shares of Class A Common Stock subject to Purchase Rights unless and until the Participant's shares of Class A Common Stock acquired upon exercise of Purchase Rights are recorded in the books of the Company (or its transfer agent).

(c) The Plan and Offering do not constitute an employment contract. Nothing in the Plan or in the Offering will in any way alter the at will nature of a Participant's employment, if applicable, or be deemed to create in any way whatsoever any obligation on the part of any Participant to continue in the employ of the Company or a Related Corporation, or on the part of the Company or a Related Corporation to continue the employment of a Participant.

(d) The provisions of the Plan will be governed by the laws of the State of Delaware without resort to that state's conflicts of laws rules.

(e) If any particular provision of the Plan is found to be invalid or otherwise unenforceable, such provision will not affect the other provisions of the Plan, but the Plan will be construed in all respects as if such invalid provision were omitted.

(f) If any provision of the Plan does not comply with Applicable Law, such provision shall be construed in such a manner as to comply with Applicable Law.

16. DEFINITIONS.

As used in the Plan, the following definitions will apply to the capitalized terms indicated below:

(a) "***423 Component***" means the part of the Plan, which excludes the Non-423 Component, pursuant to which Purchase Rights that satisfy the requirements for an Employee Stock Purchase Plan may be granted to Eligible Employees.

(b) "***Applicable Law***" means shall mean any applicable securities, federal, state, foreign, material local or municipal or other law, statute, constitution, principle of common law, resolution, ordinance, code, edict, decree, rule, listing rule, regulation, judicial decision, ruling or requirement issued,

enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Body (or under the authority of the NASDAQ Stock Market or the Financial Industry Regulatory Authority).

(c) "***Board***" means the Board of Directors of the Company.

(d) "***Capital Stock***" means the Class A Common Stock and the Class B Common Stock.

(e) "***Capitalization Adjustment***" means any change that is made in, or other events that occur with respect to, the Class A Common Stock subject to the Plan or subject to any Purchase Right after the date the Plan is adopted by the Board without the receipt of consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or other similar equity restructuring transaction, as that term is used in Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). Notwithstanding the foregoing, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment.

(f) "***Class A Common Stock***" means the Class A common stock of the Company.

(g) "***Class B Common Stock***" means the Class B common stock of the Company.

(h) "***Code***" means the U.S. Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

(i) "***Committee***" means a committee of one or more members of the Board to whom authority has been delegated by the Board in accordance with Section 2(c).

(j) "***Company***" means C3.ai, Inc., a Delaware corporation.

(k) ***"Contributions***" means the payroll deductions and other additional payments specifically provided for in the Offering that a Participant contributes to fund the exercise of a Purchase Right. A Participant may make additional payments into his or her account if specifically provided for in the Offering, and then only if the Participant has not already had the maximum permitted amount withheld during the Offering through payroll deductions.

(l) "***Corporate Transaction***" means the consummation, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) a sale or other disposition of all or substantially all, as determined by the Board in its sole discretion, of the consolidated assets of the Company and its subsidiaries;

(ii) a sale or other disposition of more than 50% of the outstanding securities of the Company;

(iii) a merger, consolidation or similar transaction following which the Company is not the surviving corporation; or

(iv) a merger, consolidation or similar transaction following which the Company is the surviving corporation but the shares of Capital Stock outstanding immediately preceding the merger, consolidation or similar transaction are converted or exchanged by virtue of the merger, consolidation or similar transaction into other property, whether in the form of securities, cash or otherwise.

(m) "***Director***" means a member of the Board.

(n) "***Eligible Employee***" means an Employee who meets the requirements set forth in the document(s) governing the Offering for eligibility to participate in the Offering, provided that such Employee also meets the requirements for eligibility to participate set forth in the Plan.

(o) "***Employee***" means any person, including an Officer or Director, who is "employed" for purposes of Section 423(b)(4) of the Code by the Company or a Related Corporation. However, service solely as a Director, or payment of a fee for such services, will not cause a Director to be considered an "Employee" for purposes of the Plan.

(p) "***Employee Stock Purchase Plan***" means a plan that grants Purchase Rights intended to be options issued under an "employee stock purchase plan," as that term is defined in Section 423(b) of the Code.

(q) "***Exchange Act***" means the U.S. Securities Exchange Act of 1934, as amended and the rules and regulations promulgated thereunder.

(r) "***Fair Market Value***" means, as of any date, the value of the Class A Common Stock determined as follows:

(i) If the Class A Common Stock is listed on any established stock exchange or traded on any established market, the Fair Market Value of a share of Class A Common Stock will be the closing sales price for such stock as quoted on such exchange or market (or the exchange or market with the greatest volume of trading in the Class A Common Stock) on the date of determination, as reported in such source as the Board deems reliable. Unless otherwise provided by the Board, if there is no closing sales price for the Class A Common Stock on the date of determination, then the Fair Market Value will be the closing sales price on the last preceding date for which such quotation exists.

(ii) In the absence of such markets for the Class A Common Stock, the Fair Market Value will be determined by the Board in good faith in compliance with Applicable Laws and regulations and in a manner that complies with Sections 409A of the Code

(iii) Notwithstanding the foregoing, for any Offering that commences on the IPO Date, the Fair Market Value of the shares of Class A Common Stock on the Offering Date will be the price per share at which shares are first sold to the public in the Company's initial public offering as specified in the final prospectus for that initial public offering.

(s) "***Governmental Body***" means any: (a) nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government; (c) governmental or regulatory body, or quasi-governmental body of any nature (including any governmental division, department, administrative agency or bureau, commission, authority, instrumentality, official, ministry, fund, foundation, center, organization, unit, body or entity and any court or other tribunal, and for the avoidance of doubt, any tax authority) or other body exercising similar powers or authority; or (d) self-regulatory organization (including the NASDAQ Stock Market and the Financial Industry Regulatory Authority).

(t) "***IPO Date***" means the date of the underwriting agreement between the Company and the underwriters managing the initial public offering of the Class A Common Stock, pursuant to which the Class A Common Stock is priced for the initial public offering.

(u) "***Non-423 Component***" means the part of the Plan, which excludes the 423 Component, pursuant to which Purchase Rights that are not intended to satisfy the requirements for an Employee Stock Purchase Plan may be granted to Eligible Employees.

(v) "***Offering***" means the grant to Eligible Employees of Purchase Rights, with the exercise of those Purchase Rights automatically occurring at the end of one or more Purchase Periods. The terms and conditions of an Offering will generally be set forth in the "***Offering Document***" approved by the Board for that Offering.

(w) "***Offering Date***" means a date selected by the Board for an Offering to commence.

(x) "***Officer***" means a person who is an officer of the Company or a Related Corporation within the meaning of Section 16 of the Exchange Act.

(y) "***Participant***" means an Eligible Employee who holds an outstanding Purchase Right.

(z) "***Plan***" means this C3.ai, Inc. 2020 Employee Stock Purchase Plan, as amended from time to time, including both the 423 Component and the Non-423 Component.

(aa) "***Purchase Date***" means one or more dates during an Offering selected by the Board on which Purchase Rights will be exercised and on which purchases of shares of Class A Common Stock will be carried out in accordance with such Offering.

(bb) "***Purchase Period***" means a period of time specified within an Offering, generally beginning on the Offering Date or on the first Trading Day following a Purchase Date, and ending on a Purchase Date. An Offering may consist of one or more Purchase Periods.

(cc) "***Purchase Right***" means an option to purchase shares of Class A Common Stock granted pursuant to the Plan.

(dd) "***Related Corporation***" means any "parent corporation" or "subsidiary corporation" of the Company whether now or subsequently established, as those terms are defined in Sections 424(e) and (f), respectively, of the Code.

(ee) "***Securities Act***" means the U.S. Securities Act of 1933, as amended.

(ff) "***Tax-Related Items***" means any income tax, social insurance, payroll tax, fringe benefit tax, payment on account or other tax-related items arising out of or in relation to a Participant's participation in the Plan, including, but not limited to, the exercise of a Purchase Right and the receipt of shares of Class A Common Stock or the sale or other disposition of shares of Class A Common Stock acquired under the Plan.

(gg) "***Trading Day***" means any day on which the exchange(s) or market(s) on which shares of Class A Common Stock are listed, including but not limited to the NYSE, Nasdaq Global Select Market, the Nasdaq Global Market, the Nasdaq Capital Market or any successors thereto, is open for trading.

C3.AI, INC.

COMMON STOCK PURCHASE AGREEMENT

November 25, 2020

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C3.AI, INC.
COMMON STOCK PURCHASE AGREEMENT

THIS COMMON STOCK PURCHASE AGREEMENT (this "Agreement") is made as of November 25, 2020, by and among C3.ai, Inc., a Delaware corporation (the "Company"), and Spring Creek Capital, LLC, a Delaware limited liability company (the "Investor").

THE PARTIES HEREBY AGREE AS FOLLOWS:

1. Purchase and Sale of Stock.

1.1 Sale and Issuance of Common Stock. Subject to the terms and conditions of this Agreement, the Investor agrees to purchase from the Company, and the Company agrees to sell and issue to the Investor, the Shares (as defined below) at a price per share equal to the per share initial public offering price (before underwriting discounts and expenses) in the Qualified IPO (as defined below) (the "IPO Price"). "Shares" shall mean the number of shares of Class A Common Stock of the Company (the "Common Stock"), equal to $100,000,000.00 divided by the IPO Price, rounded down to the nearest whole share (with the total purchase price correspondingly reduced for such fractional share amount). "Qualified IPO" shall mean the issuance and sale of shares of the Common Stock by the Company, pursuant to an Underwriting Agreement to be entered into by and among the Company and certain underwriters (the "Underwriters"), in connection with the Company's initial public offering pursuant to the Company's Registration Statement on Form S-1 (File No. 333-250082) (the "Registration Statement") and/or any related registration statements (the "Underwriting Agreement").

1.2 Closing. The purchase and sale of the Shares shall take place at the location and at the time immediately subsequent to the closing of the Qualified IPO (which time and place are designated as the "Closing"). At the Closing, the Investor shall make payment of the purchase price of the Shares by wire transfer in immediately available funds to the account specified by the Company against delivery to the Investor of the Shares registered in the name of the Investor, which Shares shall be uncertificated shares.

1.3 Registration Rights. At the Closing, in connection with the purchase of the Shares, the Company's Amended and Restated Registration Rights Agreement dated August 15, 2019 by and among the Company and the stockholders of the Company listed thereto (the "Existing Rights Agreement"), shall, pursuant to Section 3.5 of the Existing Rights Agreement, be amended, in substantially the form attached hereto as Exhibit A (the "Rights Agreement Amendment" and, together with the Existing Rights Agreement, the "Rights Agreement").

3. Representations and Warranties of the Company. The Company hereby represents and warrants to the Investor that as of the date hereof and as of the date of the Closing:

3.1 Organization, Good Standing and Qualification.

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to carry on its business as now conducted.

(b) The Company is duly qualified to transact business and is in good standing in each jurisdiction in which it is required to be so qualified or in good standing, except where the failure to so qualify or be in good standing would not be material and adverse to the Company.

3.2 Authorization. All corporate action on the part of the Company, its officers, directors and stockholders necessary for the authorization, execution and delivery of this Agreement, and, subject to obtaining the requisite stockholder approval for the Rights Agreement Amendment, the Rights Agreement Amendment, the performance of all obligations of the Company under this Agreement and the Rights Agreement Amendment, and the authorization, issuance, sale and delivery of the Shares being sold hereunder has been taken, and this Agreement constitutes and as of the Closing, the Rights Agreement Amendment and the Rights Agreement, constitute valid and legally binding obligations of the Company, enforceable in accordance with their respective terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies, and (iii) to the extent the indemnification provisions contained in the Rights Agreement may be limited by applicable federal or state securities laws.

3.3 Valid Issuance of Common Stock. The Shares being purchased by the Investor hereunder, when issued, sold and delivered in accordance with the terms of this Agreement for the consideration expressed herein, will be duly and validly issued, fully paid and nonassessable and will be free of restrictions on transfer other than restrictions on transfer under applicable state and federal securities laws or as contemplated hereby or by the Rights Agreement.

3.4 Compliance with Other Instruments.

(a) The Company is not in violation or default of any provision of its Amended and Restated Certificate of Incorporation, or Amended and Restated Bylaws.

(b) Except as would not be material to the Company, the Company is not in violation or default in any material respect of any instrument, judgment, order, writ, decree or contract to which it is a party or by which it is bound, or, to its knowledge, of any provision of any federal or state statute, rule or regulation applicable to the Company. The execution, delivery and performance of this Agreement and the Rights Agreement Amendment, and the consummation of the transactions contemplated by this Agreement and the Rights Agreement Amendment will not result in any material violation or default or be in conflict with or constitute, with or without the passage of time and giving of notice, either a material default under any such provision, instrument, judgment, order, writ, decree or contract or an event that results in the creation of any material lien, charge or encumbrance upon any assets of the Company or the suspension, revocation, impairment, forfeiture, or nonrenewal of any material permit, license, authorization, or approval applicable to the Company, its business or operations or any of its assets or properties.

3.5 Description of Capital Stock. As of the date of the Closing, the statements set forth in the Time of Sale Prospectus (as defined in the Underwriting Agreement) and Prospectus (as defined in the Underwriting Agreement) under the caption "Description of Capital Stock," insofar as they purport to constitute a summary of the terms of the Company's capital stock, are accurate, complete and fair in all material respects.

3.6 Registration Statement. To the Company's knowledge, the Registration Statement as presently filed with United States Securities and Exchange Commission (the "SEC"), and any amendment thereto, including any information deemed to be included therein pursuant to the rules and regulations of the SEC promulgated under the Securities Act of 1933, as amended (the "Securities Act"), complied (or, in the case of amendments filed after the date of this Agreement, will comply) as of its filing date in all material respects with the requirements of the Securities Act and the rules and regulations of the SEC promulgated thereunder, and did not (or, in the case of amendments filed after the date hereof, will not) contain any untrue statement of a material fact or omit to state a material fact

required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. As of the date it is declared effective by the SEC, the Registration Statement, as so amended, and any related registration statements, will comply in all material respects with the requirements of the Securities Act and the rules and regulations of the SEC promulgated thereunder, and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Any preliminary prospectus included in the Registration Statement or any amendment thereto, any free writing prospectus related to the Registration Statement and any final prospectus related to the Registration Statement filed pursuant to Rule 424 promulgated under the Securities Act, in each case as of its date, will comply in all material respects with the requirements of the Securities Act and the rules and regulations promulgated thereunder, and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

3.7 Brokers or Finders**.** The Company has not engaged any brokers, finders or agents such that the Investor will incur, directly or indirectly, as a result of any action taken by the Company, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with the sale of the Shares contemplated by this Agreement.

3.8 Private Placement. Assuming the accuracy of the representations, warranties and covenants of the Investor set forth in Section 4 of this Agreement, no registration under the Securities Act is required for the offer and sale of the Shares by the Company to the Investor under this Agreement.

3.9 Other Agreements. All Common Stock Purchase Agreements (or similar agreement(s)) entered into by the Company with other purchaser(s) of Common Stock of the Company in private placements made in connection with the Qualified IPO (the "Major Purchasers"): (i) contain market stand-off and lock-up provisions on terms no more favorable to such purchaser(s) in connection with the Qualified IPO than those provided in Section 4.10 hereunder, and (ii) contain standstill provisions on terms no more favorable to such purchaser(s) in connection with the Qualified IPO than those provided in Section 4.11 hereunder.

4. Representations, Warranties and Covenants of the Investor. The Investor hereby represents and warrants that as of the date hereof and as of the date of the Closing:

4.1 Organization, Good Standing and Qualification. The Investor is a limited liability company duly organized, validly existing and in good standing under the laws of the state of Delaware.

4.2 Authorization. The Investor has full power and authority to enter into this Agreement and the Rights Agreement, and each such agreement constitutes a valid and legally binding obligation of the Investor, enforceable in accordance with its terms except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies, and (iii) to the extent the indemnification provisions contained in the Rights Agreement may be limited by applicable federal or state securities laws.

4.3 Purchase Entirely for Own Account. By the Investor's execution of this Agreement, the Investor hereby confirms, that the Shares to be received by the Investor will be acquired for investment for the Investor's own account, not as a nominee or agent, and not with a view to the

distribution of any part thereof, and that the Investor has no present intention of selling, granting any participation in, or otherwise distributing the same, except as permitted by applicable federal or state securities laws. By executing this Agreement, the Investor further represents that the Investor does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participations to such person or to any third person, with respect to any of the Shares.

4.4 Disclosure of Information. The Investor believes it has received all the information it considers necessary or appropriate for deciding whether to purchase the Shares. The Investor further represents that it has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of the Shares and the business, properties, prospects and financial condition of the Company. The foregoing, however, does not limit or modify the representations and warranties of the Company in Section 3 of this Agreement or the right of the Investor to rely thereon.

4.5 Investment Experience. The Investor is an investor in securities of companies in the development stage and acknowledges that it is able to fend for itself, can bear the economic risk of its investment, and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Shares. Investor also represents it has not been organized for the purpose of acquiring the Shares.

4.6 Accredited Investor. The Investor is an "accredited investor" within the meaning of Regulation D, Rule 501(a), promulgated by the SEC under the Securities Act, as presently in effect.

4.7 Brokers or Finders**.** The Investor has not engaged any brokers, finders or agents such that the Company will incur, directly or indirectly, as a result of any action taken by the Investor, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with the sale of the Shares contemplated by this Agreement.

4.8 Restricted Securities. The Investor understands that the Shares will be characterized as "restricted securities" under the federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Securities Act, only in certain limited circumstances. In this connection, the Investor represents that it is familiar with Rule 144 promulgated under the Securities Act, as presently in effect, and understands the resale limitations imposed thereby and by the Securities Act.

4.9 Legends. The Investor understands that the Shares may bear one or all of the following legends:

(a) "THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF ANY OTHER JURISDICTIONS. THESE SECURITIES MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT, APPLICABLE STATE SECURITIES LAWS (PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM). INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS."

(b) "THE SECURITIES REPRESENTED HEREBY ARE SUBJECT TO A 365 DAY MARKET STANDOFF RESTRICTION AS SET FORTH IN AN AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SECURITIES, A COPY OF WHICH MAY BE OBTAINED AT THE ISSUER'S PRINCIPAL OFFICE. AS A RESULT OF SUCH AGREEMENT, THESE SECURITIES MAY NOT BE TRADED PRIOR TO 365 DAYS AFTER THE EFFECTIVE DATE OF ANY PUBLIC OFFERING OF THE COMMON STOCK OF THE ISSUER HEREOF. SUCH RESTRICTION IS BINDING ON TRANSFEREES OF THESE SHARES."

(c) Any legend required by applicable state "blue sky" securities laws, rules and regulations.

Following the expiration of the Market Stand-Off Period (as defined below), in the event that the Market Stand-Off Shares become registered under the Securities Act or are eligible to be transferred without restriction in accordance with Rule 144 under the Securities Act, the Company shall (x) instruct the Company's transfer agent to issue new uncertificated (book-entry) instruments representing such Market Stand-Off Shares, which shall not contain such portion of the above legend that is no longer applicable, (y) take all actions with the Company's transfer agent reasonably requested by the Investor to permit such un-legended Market Stand-Off Shares to be deposited into the account specified by the Investor to the Company in writing, and (z) instruct the Company's transfer agent to cause such Market Stand-Off Shares to be assigned the same CUSIP as the shares of Class A Common Stock that are then traded on the principal stock exchange on which the shares of Class A Common Stock are then listed; provided that, (1) the Investor (or the Designee, as applicable) surrenders to the Company the previously issued uncertificated (book-entry) instruments representing the Market Stand-Off Shares and (2) the Investor (or the Designee, as applicable) delivers a customary representation letter requested by the Company's transfer agent.

4.10 Market Stand-Off Agreement; Lock-Up Agreement. The Investor hereby agrees that it shall not sell or otherwise transfer or dispose of the Shares, other than to donees, partners or Affiliates (as defined below) of the Investor who agree to be similarly bound, for 365 days following the effective date of the Qualified IPO (the "Market Stand-Off Period"). In order to enforce this covenant, the Company shall have the right to place restrictive legends on the book-entry accounts representing the Shares and to impose stop transfer instructions with respect to the Shares until the end of such period. The provisions of this Section 4.10 shall not apply to shares acquired in market purchases (subject to Section 4.11) following the Qualified IPO. In addition, the Investor hereby confirms that it has executed and delivered to the Underwriters the lock-up agreement provided by the Company (the "Lock-Up Agreement"). The Lock-Up Agreement is in full force and effect, and following the consummation of the transactions contemplated by this Agreement will remain in full force and effect, including with respect to the Shares. For purposes of this Agreement, the term "Affiliates" means any individual or entity that directly or indirectly controls, is controlled by, or is under common control with the individual or entity in question.

4.11 Standstill. Unless approved in advance in writing by the board of directors of the Company, the Investor agrees that, neither it nor any of its Representatives (as defined below) acting on behalf of or in concert with the Investor will, until 365 days following the effective date of the Qualified IPO ("Standstill Expiration"), directly or indirectly:

(a) Make any statement or proposal to any of the Company's directors, officers, attorneys, or financial advisors or any persons known to the Investor to be one of the Company's stockholders (other than a private communication with one or more members of the board of directors or executive officers of the Company) regarding, or make any public announcement, proposal, or offer

(including any "solicitation" of "proxies" as such terms are defined or used in Regulation 14A of the Securities Exchange Act of 1934, as amended) with respect to, or otherwise solicit, seek, or offer to effect (including, for the avoidance of doubt, indirectly by means of communication with the press or media) (i) any business combination, merger, tender offer, exchange offer, or similar transaction involving the Company or any of its subsidiaries, including any restructuring, recapitalization, liquidation, or similar transaction undertaken in connection with any of the foregoing, (ii) any acquisition of any of the Company's loans, debt securities, equity securities or assets, or rights or options to acquire interests in any of the Company's loans, debt securities, equity securities, or assets, *other than* (A) equity securities acquired from the Company in exchange for equity securities of the Company currently held by the Investor (subject to any agreement restricting such exchange entered into by the Investor) and (B) the acquisition of the Shares as contemplated by this Agreement, (iii) any proposal to seek representation on the board of directors of the Company or otherwise seek to control or influence the management, board of directors, or policies of the Company, or (iv) any proposal, arrangement, or other statement that is inconsistent with the terms of this Agreement, including this Section 4.11;

(b) acquire (or propose or agree to acquire), of record or beneficially, by purchase or otherwise, any loans, debt securities, equity securities, or assets of the Company or any of its subsidiaries, or rights or options to acquire interest in any of the Company's loans, debt securities, equity securities, or assets, other than (i) equity securities acquired from the Company in exchange for equity securities of the Company currently held by the Investor (subject to any agreement restricting such exchange entered into by the Investor), any of the direct and indirect subsidiaries of the Investor or any of the officers or directors of the Investor, (ii) the acquisition of the Shares as contemplated by this Agreement; (iii) the acquisition of equity securities of the Company in the open market such that the aggregate holdings of the Investor and its Affiliates is less than 10% of the outstanding Class A common stock of the Company; and (iv) interests in loans, debt securities, equity securities, or assets of the Company that the Investor may hold indirectly by reason of its holdings in third-party investment funds not Affiliated with the Investor or its Affiliates.

(c) instigate, encourage, or assist any third party (including forming a "group" with any such third party) to do, or enter into any discussions or agreements with any third party with respect to, any of the actions set forth in Section 4.11(a) or Section 4.11(b); or

(d) take any action that would reasonably be expected to require the Company or any of its Affiliates to make a public announcement regarding any of the actions set forth in Section 4.11(a) or Section 4.11(b).

For purposes of this Section 4.11, the term "Representatives" means the direct and indirect subsidiaries of the Investor, the officers or directors of the Investor, and all agents acting at the direction of an officer or director of the Investor, including, without limitation, attorneys, financial advisors, and accountants.

4.12 Regulatory Matters. The Investor has no intention of participating in the formulation, determination, or direction of the basic business decisions of the Company and so qualifies for the "solely for the purpose of investment exemption" in 16 C.F.R. § 802.9.

4.13 Waiver, Amendment or Termination of Market Stand-Off Agreement; Lock-Up Agreement or Standstill. If the Company waives or terminates any of the restrictions set forth in (i) Section 4.10 or (ii) Section 4.11, in each case, with respect to any other Major Purchaser, whether in whole or in part (a "***Triggering Release***"), the applicable provisions of this Agreement shall be automatically waived or terminated, as applicable, to the same extent and on the same terms with respect

to the same pro rata percentage of the Shares of the Investor as the percentage of securities being released in the Triggering Release represent with respect to the securities held by the applicable Major Purchaser.

5. Conditions of the Investor's Obligations at Closing. The obligations of the Investor under subsection 1.1 of this Agreement are subject to the fulfillment on or before the Closing of each of the following conditions.

5.1 Representations and Warranties. The representations and warranties of the Company contained in Section 3 shall be true on and as of the Closing.

5.2 Public Offering Shares. The Underwriters shall have purchased, immediately prior to the purchase of the Shares by the Investor hereunder, the Firm Shares (as defined in the Underwriting Agreement) pursuant to the Registration Statement and Underwriting Agreement.

5.3 Rights Agreement Amendment. The Rights Agreement Amendment shall have been executed and delivered by the Company and the other parties to the Existing Rights Agreement sufficient to amend the Existing Rights Agreement pursuant to Section 3.5 thereof.

5.4 Absence of Injunctions, Decrees, Etc. During this period from the date of this Agreement to immediately prior to the Closing, no governmental authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any decision, injunction, decree, ruling, law or order permanently enjoining or otherwise prohibiting or making illegal the consummation of the transactions contemplated at the Closing.

6. Conditions of the Company's Obligations at Closing. The obligations of the Company under subsection 1.1 of this Agreement are subject to the fulfillment on or before the Closing of each of the following conditions.

6.1 Representations, Warranties and Covenants. The representations, warranties and covenants of the Investor contained in Section 4 shall be true on and as of the Closing.

6.2 Absence of Injunctions, Decrees, Etc. During this period from the date of this Agreement to immediately prior to the Closing, no governmental authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any decision, injunction, decree, ruling, law or order permanently enjoining or otherwise prohibiting or making illegal the consummation of the transactions contemplated at the Closing.

6.3 Governmental Approvals. The Company and the Investor shall have timely obtained from each Governmental Entity all approvals, waivers and consents, if any, necessary for consummation of, or in connection with, the transactions contemplated by this Agreement. All applicable waiting periods under the HSR Act or applicable foreign antitrust laws shall have expired or early termination of such waiting periods shall have been granted.

7. Termination. This Agreement shall terminate (a) at any time upon the written consent of the Company and the Investor, (b) upon the withdrawal by the Company of the Registration Statement, or (c) on March 31, 2021 if the Closing has not occurred.

8. Miscellaneous.

8.1 Publicity. No party shall issue any press release or make any other public announcement, including any website posting or social media post, that includes the name or any logo or brand name of any party, or discloses the terms of this Agreement or the fact that the Investor has made or proposes to make an investment in the Company, except as may be required by law or with the prior

written consent of the other parties. Each party will provide reasonable advance notice to the other parties prior to making any disclosure of this Agreement or the terms hereof in any filings made with the SEC, and will provide the other parties with reasonable opportunity to review and comment on such proposed disclosures. Notwithstanding the foregoing, the parties may use the other parties' current logo or logos in connection with describing their portfolio or this investment on their webpages and in their promotional materials.

8.2 Survival of Warranties. The warranties, representations and covenants of the Company and the Investor contained in or made pursuant to this Agreement shall survive the execution and delivery of this Agreement and the Closing and shall in no way be affected by any investigation of the subject matter thereof made by or on behalf of the Investor or the Company.

8.3 Successors and Assigns. This Agreement, and any and all rights, duties and obligations hereunder, shall not be assigned, transferred, delegated or sublicensed by the Investor without the prior written consent of the Company; provided, however, that after the Closing, the Shares and the rights, duties and obligations of the Investor hereunder may be assigned to an Affiliate of the Investor without the prior written consent of the Company. Any attempt by the Investor without such permission to assign, transfer, delegate or sublicense any rights, duties or obligations that arise under this Agreement in a manner that is not permitted by the foregoing sentence to be made without such permission shall be void. Subject to the foregoing and except as otherwise provided herein, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto. Notwithstanding the foregoing, the Investor and its Representatives shall remain subject to Section 4.11 of this Agreement until the Standstill Expiration.

8.4 Governing Law. This Agreement shall be governed in all respects by the internal laws of the State of Delaware as applied to agreements entered into among Delaware residents to be performed entirely within Delaware, without regard to principles of conflicts of law.

8.5 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be enforceable against the parties actually executing such counterparts, and all of which together shall constitute one instrument.

8.6 Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail, postage prepaid, sent by facsimile or electronic mail (if to the Investor or any other holder of Company securities) or otherwise delivered by hand, messenger or courier service addressed:

(a) if to the Investor, to the Investor's address or electronic mail address as shown on the Investor's signature page to this Agreement.

(b) if to the Company, to the attention of the General Counsel of the Company at 1300 Seaport Blvd #500, Redwood City, CA 94063, or at such other current address or electronic mail address as the Company shall have furnished to the Investor, with a copy (which shall not constitute notice) to Eric Jensen, Cooley LLP, 3175 Hanover Street, Palo Alto, California 94304.

Each such notice or other communication shall for all purposes of this Agreement be treated as effective or having been given (i) if delivered by hand, messenger or courier service, when delivered (or if sent via a nationally-recognized overnight courier service, freight prepaid, specifying next-business-day delivery, one business day after deposit with the courier), or (ii) if sent via mail, at the earlier of its receipt or five days after the same has been deposited in a regularly-maintained receptacle for the deposit of the United States mail, addressed and mailed as aforesaid, or (iii) if sent via electronic mail, when directed to

the relevant electronic mail address, if sent during normal business hours of the recipient, or if not sent during normal business hours of the recipient, then on the recipient's next business day.

8.7 Brokers or Finders. The Company shall indemnify and hold harmless the Investor from any liability for any commission or compensation in the nature of a brokerage or finder's fee or agent's commission (and the costs and expenses of defending against such liability or asserted liability) for which the Investor or any of its constituent partners, members, officers, directors, employees or representatives is responsible to the extent such liability is attributable to any inaccuracy or breach of the representations and warranties contained in Section 3.7, and the Investor agrees to indemnify and hold harmless the Company from any liability for any commission or compensation in the nature of a brokerage or finder's fee or agent's commission (and the costs and expenses of defending against such liability or asserted liability) for which the Company or any of its constituent partners, members, officers, directors, employees or representatives is responsible to the extent such liability is attributable to any inaccuracy or breach of the representations and warranties contained in Section 4.7.

8.8 Amendments and Waivers. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and the Investor; *provided, however*, that any provision hereof may be waived by any waiving party on such party's own behalf, without the consent of any other party.

8.9 Severability. If any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Agreement, and such court will replace such illegal, void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the same economic, business and other purposes of the illegal, void or unenforceable provision. The balance of this Agreement shall be enforceable in accordance with its terms.

8.10 Corporate Securities Law. THE SALE OF THE SECURITIES THAT ARE THE SUBJECT OF THIS AGREEMENT HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF SUCH SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO SUCH QUALIFICATION IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPT FROM QUALIFICATION BY SECTION 25100, 25102, OR 25105 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS AGREEMENT ARE EXPRESSLY CONDITIONED UPON THE QUALIFICATION BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

8.11 Entire Agreement. This Agreement and the documents referred to herein constitute the entire agreement among the parties. No party shall be liable or bound to any other party in any manner with regard to the subjects hereof or thereof by any warranties, representations or covenants except as specifically set forth herein or therein.

8.12 Specific Performance. The parties to this Agreement hereby acknowledge and agree that the Company would be irreparably injured by a breach of this Agreement by the Investor, and the Investor would be irreparably injured by a breach of this Agreement by the Company, and that money damages are an inadequate remedy for an actual or threatened breach of this Agreement because of the difficulty of ascertaining the amount of damage that will be suffered by the aggrieved party in the event that this agreement is breached. Therefore, each of the parties to this Agreement agree to the granting of specific performance of this Agreement and injunctive or other equitable relief in favor of the aggrieved

party as a remedy for any such breach, without proof of actual damages, and the parties to this Agreement further waive any requirement for the securing or posting of any bond in connection with any such remedy. Such remedy shall not be deemed to be the exclusive remedy for breach of this Agreement, but shall be in addition to all other remedies available at law or in equity to the aggrieved party. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the parties have executed this Common Stock Purchase Agreement as of the date first above written.

COMPANY:

C3.AI, INC.

By:	/s/ Thomas M. Siebel
Name:	Thomas M. Siebel
Title:	Chief Executive Officer
Address:	1300 Seaport Blvd #500 Redwood City, CA 94063

IN WITNESS WHEREOF, the parties have executed this Common Stock Purchase Agreement as of the date first above written.

INVESTOR:

SPRING CREEK CAPITAL, LLC

By:	/s/ Eric Butcher
Name:	Eric Butcher
Title:	President
Address:	4111 E 37th St N, Wichita, KS 67220

C3.AI, INC.

COMMON STOCK PURCHASE AGREEMENT

November 27, 2020

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C3.AI, INC.
COMMON STOCK PURCHASE AGREEMENT

THIS COMMON STOCK PURCHASE AGREEMENT (this "Agreement") is made as of November 27, 2020, by and among C3.ai, Inc., a Delaware corporation (the "Company") and Microsoft Corporation, a Washington corporation (the "Investor").

THE PARTIES HEREBY AGREE AS FOLLOWS:

1. Purchase and Sale of Stock.

1.1 Sale and Issuance of Common Stock. Subject to the terms and conditions of this Agreement, the Investor agrees to purchase from the Company, and the Company agrees to sell and issue to the Investor, the Shares (as defined below) at a price per share equal to the per share initial public offering price (before underwriting discounts and expenses) in the Qualified IPO (as defined below) (the "IPO Price"). "Shares" shall mean the number of shares of Class A Common Stock of the Company (the "Common Stock"), equal to $50,000,000.00 divided by the IPO Price, rounded down to the nearest whole share (with the total purchase price correspondingly reduced for such fractional share amount). "Qualified IPO" shall mean the issuance and sale of shares of the Common Stock by the Company, pursuant to an Underwriting Agreement to be entered into by and among the Company and certain underwriters (the "Underwriters"), in connection with the Company's initial public offering pursuant to the Company's Registration Statement on Form S-1 (File No. 333-250082) (the "Registration Statement") and/or any related registration statements (the "Underwriting Agreement").

1.2 Closing. The purchase and sale of the Shares shall take place at the location and at the time immediately subsequent to the closing of the Qualified IPO (which time and place are designated as the "Closing"). At the Closing, the Investor shall make payment of the purchase price of the Shares by wire transfer in immediately available funds to the account specified by the Company against delivery to the Investor of the Shares registered in the name of the Investor, which Shares shall be uncertificated shares.

1.3 Registration Rights. At the Closing, in connection with the purchase of the Shares, the Company's Amended and Restated Registration Rights Agreement dated August 15, 2019 by and among the Company and the stockholders of the Company listed thereto (the "Existing Rights Agreement"), shall, pursuant to Section 3.5 of the Existing Rights Agreement, be amended, in substantially the form attached hereto as Exhibit A (the "Rights Agreement Amendment" and, together with the Existing Rights Agreement, the "Rights Agreement").

3. Representations and Warranties of the Company. The Company hereby represents and warrants to the Investor that as of the date hereof and as of the date of the Closing:

3.1 Organization, Good Standing and Qualification.

(a) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to carry on its business as now conducted.

(b) The Company is duly qualified to transact business and is in good standing in each jurisdiction in which it is required to be so qualified or in good standing, except where the failure to so qualify or be in good standing would not be material and adverse to the Company.

3.2 Authorization. All corporate action on the part of the Company, its officers, directors and stockholders necessary for the authorization, execution and delivery of this Agreement, and, subject to obtaining the requisite stockholder approval for the Rights Agreement Amendment, the Rights Agreement Amendment, the performance of all obligations of the Company under this Agreement and the Rights Agreement Amendment, and the authorization, issuance, sale and delivery of the Shares being sold hereunder has been taken, and this Agreement constitutes and as of the Closing, the Rights Agreement Amendment and the Rights Agreement, constitute valid and legally binding obligations of the Company, enforceable in accordance with their respective terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies, and (iii) to the extent the indemnification provisions contained in the Rights Agreement may be limited by applicable federal or state securities laws.

3.3 Valid Issuance of Common Stock. The Shares being purchased by the Investor hereunder, when issued, sold and delivered in accordance with the terms of this Agreement for the consideration expressed herein, will be duly and validly issued, fully paid and nonassessable and will be free of restrictions on transfer other than restrictions on transfer under applicable state and federal securities laws or as contemplated hereby or by the Rights Agreement.

3.4 Compliance with Other Instruments.

(a) The Company is not in violation or default of any provision of its Amended and Restated Certificate of Incorporation, or Amended and Restated Bylaws.

(b) Except as would not be material to the Company, the Company is not in violation or default in any material respect of any instrument, judgment, order, writ, decree or contract to which it is a party or by which it is bound, or, to its knowledge, of any provision of any federal or state statute, rule or regulation applicable to the Company. The execution, delivery and performance of this Agreement and the Rights Agreement Amendment, and the consummation of the transactions contemplated by this Agreement and the Rights Agreement Amendment will not result in any material violation or default or be in conflict with or constitute, with or without the passage of time and giving of notice, either a material default under any such provision, instrument, judgment, order, writ, decree or contract or an event that results in the creation of any material lien, charge or encumbrance upon any assets of the Company or the suspension, revocation, impairment, forfeiture, or nonrenewal of any material permit, license, authorization, or approval applicable to the Company, its business or operations or any of its assets or properties.

3.5 Description of Capital Stock. As of the date of the Closing, the statements set forth in the Time of Sale Prospectus (as defined in the Underwriting Agreement) and Prospectus (as defined in the Underwriting Agreement) under the caption "Description of Capital Stock," insofar as they purport to constitute a summary of the terms of the Company's capital stock, are accurate, complete and fair in all material respects.

3.6. Registration Statement. To the Company's knowledge, the Registration Statement as presently filed with United States Securities and Exchange Commission (the "SEC"), and any amendment thereto, including any information deemed to be included therein pursuant to the rules and regulations of the SEC promulgated under the Securities Act of 1933, as amended (the "Securities Act"), complied (or, in the case of amendments filed after the date of this Agreement, will comply) as of its filing date in all material respects with the requirements of the Securities Act and the rules and regulations of the SEC promulgated thereunder, and did not (or, in the case of amendments filed after the date hereof, will not) contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they

were made, not misleading. As of the date it is declared effective by the SEC, the Registration Statement, as so amended, and any related registration statements, will comply in all material respects with the requirements of the Securities Act and the rules and regulations of the SEC promulgated thereunder, and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Any preliminary prospectus included in the Registration Statement or any amendment thereto, any free writing prospectus related to the Registration Statement and any final prospectus related to the Registration Statement filed pursuant to Rule 424 promulgated under the Securities Act, in each case as of its date, will comply in all material respects with the requirements of the Securities Act and the rules and regulations promulgated thereunder, and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

3.7 Brokers or Finders. The Company has not engaged any brokers, finders or agents such that the Investor will incur, directly or indirectly, as a result of any action taken by the Company, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with the sale of the Shares contemplated by this Agreement.

3.8 Private Placement. Assuming the accuracy of the representations, warranties and covenants of the Investor set forth in Section 4 of this Agreement, no registration under the Securities Act is required for the offer and sale of the Shares by the Company to the Investor under this Agreement.

3.9 Other Agreements. All Common Stock Purchase Agreements (or similar agreement(s)) entered into by the Company with other purchaser(s) of Common Stock of the Company in private placements made in connection with the Qualified IPO (the "Major Purchasers"): (i) contain market stand-off and lock-up provisions on terms no more favorable to such purchaser(s) in connection with the Qualified IPO than those provided in Section 4.10 hereunder, and (ii) contain standstill provisions on terms no more favorable to such purchaser(s) in connection with the Qualified IPO than those provided in Section 4.11 hereunder.

4. Representations, Warranties and Covenants of the Investor. The Investor hereby represents and warrants that as of the date hereof and as of the date of the Closing:

4.1 Organization, Good Standing and Qualification. The Investor is a corporation duly organized, validly existing and in good standing under the laws of Washington.

4.2 Authorization. The Investor has full power and authority to enter into this Agreement and the Rights Agreement, and each such agreement constitutes a valid and legally binding obligation of the Investor, enforceable in accordance with its terms except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies, and (iii) to the extent the indemnification provisions contained in the Rights Agreement may be limited by applicable federal or state securities laws.

4.3 Purchase Entirely for Own Account. By the Investor's execution of this Agreement, the Investor hereby confirms, that the Shares to be received by the Investor will be acquired for investment for the Investor's own account, not as a nominee or agent, and not with a view to the distribution of any part thereof, and that the Investor has no present intention of selling, granting any participation in, or otherwise distributing the same, except as permitted by applicable federal or state securities laws. By executing this Agreement, the Investor further represents that the Investor does not

have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participations to such person or to any third person, with respect to any of the Shares.

4.4 Disclosure of Information. The Investor believes it has received all the information it considers necessary or appropriate for deciding whether to purchase the Shares. The Investor further represents that it has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of the Shares and the business, properties, prospects and financial condition of the Company. The foregoing, however, does not limit or modify the representations and warranties of the Company in Section 3 of this Agreement or the right of the Investor to rely thereon.

4.5 Investment Experience. The Investor is an investor in securities of companies in the development stage and acknowledges that it is able to fend for itself, can bear the economic risk of its investment, and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Shares. Investor also represents it has not been organized for the purpose of acquiring the Shares.

4.6 Accredited Investor. The Investor is an "accredited investor" within the meaning of Regulation D, Rule 501(a), promulgated by the SEC under the Securities Act, as presently in effect.

4.7 Brokers or Finders. The Investor has not engaged any brokers, finders or agents such that the Company will incur, directly or indirectly, as a result of any action taken by the Investor, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with the sale of the Shares contemplated by this Agreement.

4.8 Restricted Securities The Investor understands that the Shares will be characterized as "restricted securities" under the federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Securities Act, only in certain limited circumstances. In this connection, the Investor represents that it is familiar with Rule 144 promulgated under the Securities Act, as presently in effect, and understands the resale limitations imposed thereby and by the Securities Act.

4.9 Legends. The Investor understands that the Shares may bear one or all of the following legends:

(a) "THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF ANY OTHER JURISDICTIONS. THESE SECURITIES MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT, APPLICABLE STATE SECURITIES LAWS (PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM). INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS."

(b) "THE SECURITIES REPRESENTED HEREBY ARE SUBJECT TO A 365-DAY MARKET STANDOFF RESTRICTION AS SET FORTH IN AN AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SECURITIES, A COPY OF WHICH MAY BE OBTAINED AT THE ISSUER'S PRINCIPAL OFFICE. AS A RESULT OF SUCH AGREEMENT,

THESE SECURITIES MAY NOT BE TRADED PRIOR TO 365 DAYS AFTER THE EFFECTIVE DATE OF ANY PUBLIC OFFERING OF THE COMMON STOCK OF THE ISSUER HEREOF. SUCH RESTRICTION IS BINDING ON TRANSFEREES OF THESE SHARES."

(c) Any legend required by applicable state "blue sky" securities laws, rules and regulations.

Following the expiration of the Market Stand-Off Period (as defined below), in the event that the Market Stand-Off Shares become registered under the Securities Act or are eligible to be transferred without restriction in accordance with Rule 144 under the Securities Act, the Company shall (x) instruct the Company's transfer agent to issue new uncertificated (book-entry) instruments representing such Market Stand-Off Shares, which shall not contain such portion of the above legend that is no longer applicable, (y) take all actions with the Company's transfer agent reasonably requested by the Investor to permit such un-legended Market Stand-Off Shares to be deposited into the account specified by the Investor to the Company in writing, and (z) instruct the Company's transfer agent to cause such Market Stand-Off Shares to be assigned the same CUSIP as the shares of Class A Common Stock that are then traded on the principal stock exchange on which the shares of Class A Common Stock are then listed; provided that, (1) the Investor (or the Designee, as applicable) surrenders to the Company the previously issued uncertificated (book-entry) instruments representing the Market Stand-Off Shares and (2) the Investor (or the Designee, as applicable) delivers a customary representation letter requested by the Company's transfer agent.

4.10 Market Stand-Off Agreement; Lock-Up Agreement. The Investor hereby agrees that it shall not sell or otherwise transfer or dispose of the Shares, other than to donees, partners or Affiliates (as defined below) of the Investor who agree to be similarly bound, for 365 days following the effective date of the Qualified IPO (the "Market Stand-Off Period"). In order to enforce this covenant, the Company shall have the right to place restrictive legends on the book-entry accounts representing the Shares and to impose stop transfer instructions with respect to the Shares until the end of such period. The provisions of this Section 4.10 shall not apply to shares acquired in market purchases (subject to Section 4.11) following the Qualified IPO. In addition, the Investor hereby confirms that it has executed and delivered to the Underwriters the lock-up agreement provided by the Company (the "Lock-Up Agreement"). The Lock-Up Agreement is in full force and effect, and following the consummation of the transactions contemplated by this Agreement will remain in full force and effect, including with respect to the Shares. For purposes of this Agreement, the term "Affiliates" means any individual or entity that directly or indirectly controls, is controlled by, or is under common control with the individual or entity in question.

4.11 Standstill. Unless approved in advance in writing by the board of directors of the Company, the Investor agrees that, neither they nor any of their Representatives (as defined below) acting on behalf of or in concert with the Investor will, until 365 days following the effective date of the Qualified IPO ("Standstill Expiration"), directly or indirectly:

(a) Make any statement or proposal to any of the Company's directors, officers, attorneys, or financial advisors or any persons known to the Investor to be one of the Company's stockholders (other than a private communication with one or more members of the board of directors or executive officers of the Company) regarding, or make any public announcement, proposal, or offer (including any "solicitation" of "proxies" as such terms are defined or used in Regulation 14A of the Securities Exchange Act of 1934, as amended) with respect to, or otherwise solicit, seek, or offer to effect (including, for the avoidance of doubt, indirectly by means of communication with the press or media) (i) any business combination, merger, tender offer, exchange offer, or similar transaction involving the Company or any of its subsidiaries, including any restructuring, recapitalization, liquidation, or similar transaction undertaken in connection with any of the foregoing, (ii) any acquisition of any of the Company's loans, debt securities, equity securities or assets, or rights or options to acquire interests in any of the

Company's loans, debt securities, equity securities, or assets, *other than* (A) equity securities acquired from the Company in exchange for equity securities of the Company currently held by the Investor (subject to any agreement restricting such exchange entered into by the Investor) and (B) the acquisition of the Shares as contemplated by this Agreement, (iii) any proposal to seek representation on the board of directors of the Company or otherwise seek to control or influence the management, board of directors, or policies of the Company, or (iv) any proposal, arrangement, or other statement that is inconsistent with the terms of this Agreement, including this Section 4.11;

(b) acquire (or propose or agree to acquire), of record or beneficially, by purchase or otherwise, any loans, debt securities, equity securities, or assets of the Company or any of its subsidiaries, or rights or options to acquire interest in any of the Company's loans, debt securities, equity securities, or assets, other than (i) equity securities acquired from the Company in exchange for equity securities of the Company currently held by the Investor (subject to any agreement restricting such exchange entered into by the Investor), any of the direct and indirect subsidiaries of the Investor or any of the officers or directors of the Investor; (ii) the acquisition of the Shares as contemplated by this Agreement; (iii) the acquisition of equity securities of the Company in the open market such that the aggregate holdings of the Investor and its Affiliates is less than 10% of the outstanding Class A common stock of the Company; and (iv) interests in loans, debt securities, equity securities, or assets of the Company that the Investor may hold indirectly by reason of its holdings in third-party investment funds not Affiliated with the Investor or its Affiliates.

(c) instigate, encourage, or assist any third party (including forming a "group" with any such third party) to do, or enter into any discussions or agreements with any third party with respect to, any of the actions set forth in Section 4.11(a) or Section 4.11(b); or

(d) take any action that would reasonably be expected to require the Company or any of its Affiliates to make a public announcement regarding any of the actions set forth in Section 4.11(a) or Section 4.11(b).

For purposes of this Section 4.11, the term "Representatives" means the direct and indirect subsidiaries of the Investor, the officers or directors of the Investor, and all agents acting at the direction of an officer or director of the Investor, including, without limitation, attorneys, financial advisors, and accountants.

4.12 Regulatory Matters. The Investor has no intention of participating in the formulation, determination, or direction of the basic business decisions of the Company and so qualifies for the "solely for the purpose of investment exemption" in 16 C.F.R. § 802.9.

4.13 Waiver, Amendment or Termination of Market Stand-Off Agreement; Lock-Up Agreement or Standstill. If the Company waives or terminates any of the restrictions set forth in (i) Section 4.10 or (ii) Section 4.11, in each case, with respect to any other Major Purchaser, whether in whole or in part (a "***Triggering Release***"), the applicable provisions of this Agreement shall be automatically waived or terminated, as applicable, to the same extent and on the same terms with respect to the same pro rata percentage of the Shares of the Investor as the percentage of securities being released in the Triggering Release represent with respect to the securities held by the applicable Major Purchaser.

5. Conditions of the Investor's Obligations at Closing. The obligations of the Investor under subsection 1.1 of this Agreement are subject to the fulfillment on or before the Closing of each of the following conditions.

5.1 Representations and Warranties. The representations and warranties of the Company contained in Section 3 shall be true on and as of the Closing.

5.2 Public Offering Shares. The Underwriters shall have purchased, immediately prior to the purchase of the Shares by the Investor hereunder, the Firm Shares (as defined in the Underwriting Agreement) pursuant to the Registration Statement and Underwriting Agreement.

5.3 Rights Agreement Amendment. The Rights Agreement Amendment shall have been executed and delivered by the Company and the other parties to the Existing Rights Agreement sufficient to amend the Existing Rights Agreement pursuant to Section 3.5 thereof.

5.4 Absence of Injunctions, Decrees, Etc. During this period from the date of this Agreement to immediately prior to the Closing, no governmental authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any decision, injunction, decree, ruling, law or order permanently enjoining or otherwise prohibiting or making illegal the consummation of the transactions contemplated at the Closing.

6. Conditions of the Company's Obligations at Closing. The obligations of the Company under subsection 1.1 of this Agreement are subject to the fulfillment on or before the Closing of each of the following conditions.

6.1 Representations, Warranties and Covenants. The representations, warranties and covenants of the Investor contained in Section 4 shall be true on and as of the Closing.

6.2 Absence of Injunctions, Decrees, Etc. During this period from the date of this Agreement to immediately prior to the Closing, no governmental authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any decision, injunction, decree, ruling, law or order permanently enjoining or otherwise prohibiting or making illegal the consummation of the transactions contemplated at the Closing.

6.3 Governmental Approvals. The Company and the Investor shall have timely obtained from each Governmental Entity all approvals, waivers and consents, if any, necessary for consummation of, or in connection with, the transactions contemplated by this Agreement. All applicable waiting periods under the HSR Act or applicable foreign antitrust laws shall have expired or early termination of such waiting periods shall have been granted.

7. Termination. This Agreement shall terminate (a) at any time upon the written consent of the Company and the Investor, (b) upon the withdrawal by the Company of the Registration Statement, or (c) on March 31, 2021 if the Closing has not occurred.

8. Miscellaneous.

8.1 Publicity. No party shall issue any press release or make any other public announcement, including any website posting or social media post, that includes the name or any logo or brand name of any party, or discloses the terms of this Agreement or the fact that the Investor has made or proposes to make an investment in the Company, except as may be required by law or with the prior written consent of the other parties. Each party will provide reasonable advance notice to the other parties prior to making any disclosure of this Agreement or the terms hereof in any filings made with the SEC, and will provide the other parties with reasonable opportunity to review and comment on such proposed disclosures. Notwithstanding the foregoing, the parties may use the other parties' current logo or logos in connection with describing their portfolio or this investment on their webpages and in their promotional materials.

8.2 Survival of Warranties. The warranties, representations and covenants of the Company and the Investor contained in or made pursuant to this Agreement shall survive the execution and delivery of this Agreement and the Closing and shall in no way be affected by any investigation of the subject matter thereof made by or on behalf of the Investor or the Company.

8.3 Successors and Assigns. This Agreement, and any and all rights, duties and obligations hereunder, shall not be assigned, transferred, delegated or sublicensed by the Investor without the prior written consent of the Company; provided, however, that after the Closing, the Shares and the rights, duties and obligations of the Investor hereunder may be assigned to an Affiliate of the Investor without the prior written consent of the Company. Any attempt by the Investor without such permission to assign, transfer, delegate or sublicense any rights, duties or obligations that arise under this Agreement in a manner that is not permitted by the foregoing sentence to be made without such permission shall be void. Subject to the foregoing and except as otherwise provided herein, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto. Notwithstanding the foregoing, the Investor and its Representatives shall remain subject to Section 4.11 of this Agreement until the Standstill Expiration.

8.4 Governing Law. This Agreement shall be governed in all respects by the internal laws of the State of Delaware as applied to agreements entered into among Delaware residents to be performed entirely within Delaware, without regard to principles of conflicts of law.

8.5 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be enforceable against the parties actually executing such counterparts, and all of which together shall constitute one instrument.

8.6 Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail, postage prepaid, sent by facsimile or electronic mail (if to the Investor or any other holder of Company securities) or otherwise delivered by hand, messenger or courier service addressed:

(a) if to the Investor, to the Investor's address or electronic mail address as shown on the Investor's signature page to this Agreement, with a copy (which shall not constitute notice) to Gregory Heibel, Orrick, Herrington & Sutcliffe LLP, 1000 Marsh Road, Menlo Park, CA 94025.

(b) if to the Company, to the attention of the General Counsel of the Company at 1300 Seaport Blvd #500, Redwood City, CA 94063, or at such other current address or electronic mail address as the Company shall have furnished to the Investor, with a copy (which shall not constitute notice) to Eric Jensen, Cooley LLP, 3175 Hanover Street, Palo Alto, California 94304.

Each such notice or other communication shall for all purposes of this Agreement be treated as effective or having been given (i) if delivered by hand, messenger or courier service, when delivered (or if sent via a nationally-recognized overnight courier service, freight prepaid, specifying next-business-day delivery, one business day after deposit with the courier), or (ii) if sent via mail, at the earlier of its receipt or five days after the same has been deposited in a regularly-maintained receptacle for the deposit of the United States mail, addressed and mailed as aforesaid, or (iii) if sent via electronic mail, when directed to the relevant electronic mail address, if sent during normal business hours of the recipient, or if not sent during normal business hours of the recipient, then on the recipient's next business day.

8.7 Brokers or Finders. The Company shall indemnify and hold harmless the Investor from any liability for any commission or compensation in the nature of a brokerage or finder's fee or agent's

commission (and the costs and expenses of defending against such liability or asserted liability) for which the Investor or any of its constituent partners, members, officers, directors, employees or representatives is responsible to the extent such liability is attributable to any inaccuracy or breach of the representations and warranties contained in Section 3.7, and the Investor agrees to indemnify and hold harmless the Company from any liability for any commission or compensation in the nature of a brokerage or finder's fee or agent's commission (and the costs and expenses of defending against such liability or asserted liability) for which the Company or any of its constituent partners, members, officers, directors, employees or representatives is responsible to the extent such liability is attributable to any inaccuracy or breach of the representations and warranties contained in Section 4.7.

8.8 Amendments and Waivers. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and the Investor; *provided*, *however*, that any provision hereof may be waived by any waiving party on such party's own behalf, without the consent of any other party.

8.9 Severability. If any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Agreement, and such court will replace such illegal, void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the same economic, business and other purposes of the illegal, void or unenforceable provision. The balance of this Agreement shall be enforceable in accordance with its terms.

8.10 Corporate Securities Law. THE SALE OF THE SECURITIES THAT ARE THE SUBJECT OF THIS AGREEMENT HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF SUCH SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO SUCH QUALIFICATION IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPT FROM QUALIFICATION BY SECTION 25100, 25102, OR 25105 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF ALL PARTIES TO THIS AGREEMENT ARE EXPRESSLY CONDITIONED UPON THE QUALIFICATION BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

8.11 Entire Agreement. This Agreement and the documents referred to herein constitute the entire agreement among the parties. No party shall be liable or bound to any other party in any manner with regard to the subjects hereof or thereof by any warranties, representations or covenants except as specifically set forth herein or therein.

8.12 Specific Performance. The parties to this Agreement hereby acknowledge and agree that the Company would be irreparably injured by a breach of this Agreement by the Investor, and the Investor would be irreparably injured by a breach of this Agreement by the Company, and that money damages are an inadequate remedy for an actual or threatened breach of this Agreement because of the difficulty of ascertaining the amount of damage that will be suffered by the aggrieved party in the event that this agreement is breached. Therefore, each of the parties to this Agreement agree to the granting of specific performance of this Agreement and injunctive or other equitable relief in favor of the aggrieved party as a remedy for any such breach, without proof of actual damages, and the parties to this Agreement further waive any requirement for the securing or posting of any bond in connection with any such remedy. Such remedy shall not be deemed to be the exclusive remedy for breach of this Agreement, but shall be in addition to all other remedies available at law or in equity to the aggrieved party. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, void or

unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the parties have executed this Common Stock Purchase Agreement as of the date first above written.

COMPANY:

C3.AI, INC.

By:	/s/ Thomas M. Siebel
Name:	Thomas M. Siebel
Title:	Chief Executive Officer
Address:	1300 Seaport Blvd #500 Redwood City, CA 94063

IN WITNESS WHEREOF, the parties have executed this Common Stock Purchase Agreement as of the date first above written.

INVESTOR:

Microsoft Corporation

By:	/s/ Amy E. Hood
Name:	Amy E. Hood
Title:	Executive Vice President and Chief Financial Officer
Address:	One Microsoft Way
	Redmond, Washington 98052-6399

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Amendment No. 2 to Registration Statement No. 333-250082 on Form S-1 of our report dated September 18, 2020 (November 30, 2020 as to the effects of the reverse stock split described in Note 1), relating to the financial statements of C3.ai, Inc. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ DELOITTE & TOUCHE LLP

San Jose, California
November 30, 2020