Table of Contents

As confidentially submitted to the Securities and Exchange Commission on August 10, 2020 as Amendment No. 1 to the initial confidential submission. This draft registration statement has not been publicly filed with the Securities and Exchange Commission and all information herein remains strictly confidential.

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-1
REGISTRATION STATEMENT

Under

The Securities Act of 1933

GoodRx Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**7389**	**47-5104396**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification No.)**

233 Wilshire Blvd., Suite 990
Santa Monica, CA 90401
(855) 268-2822
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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

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

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

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

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

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

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

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities To Be Registered	**Proposed Maximum Aggregate Offering Price (1)(2)**	**Amount of Registration Fee (3)**
Class A common stock, $0.0001 par value per share	$	$

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.
(2) Includes the aggregate offering price of additional shares of Class A common stock that the underwriters have the option to purchase.
(3) To be paid in connection with the initial filing of the registration statement.

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

Table of Contents

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

Subject to Completion. Dated , 2020.

Shares

Class A Common Stock

This is the initial public offering of shares of Class A common stock of GoodRx Holdings, Inc.

Prior to this offering, there has been no public market for our Class A common stock. The initial public offering price of our Class A common stock is expected to be between $ and $ per share. We intend to apply to list our Class A common stock on the under the symbol " ."

Following this offering, we will have two classes of authorized common stock: Class A common stock and Class B common stock. The rights of the holders of Class A common stock and Class B common stock are identical, except with respect to voting and conversion rights. Each share of Class A common stock is entitled to one vote. Each share of Class B common stock is entitled to 10 votes and is convertible into one share of Class A common stock. Outstanding shares of Class B common stock will represent approximately % of the voting power of our outstanding capital stock immediately following the completion of this offering, with , and their respective affiliates, holding approximately % of the voting power of our outstanding capital stock immediately following the completion of this offering, in each case assuming no exercise of the underwriters' over-allotment option.

Following this offering, we will be a "controlled company" within the meaning of the corporate governance rules of the .

We are an "emerging growth company" under the federal securities laws and, as such, may elect to comply with certain reduced public reporting requirements. See "Prospectus Summary—Implications of Being an Emerging Growth Company."

See the section titled "Risk Factors" beginning on page 17 to read about the factors you should consider before buying shares of our Class A common stock.

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

	Per Share	Total
Initial public offering price	$	$
Underwriting discounts and commissions (1)	$	$
Proceeds, before expenses, to us	$	$

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

To the extent that the underwriters sell more than shares of Class A common stock, we have granted the underwriters an option for a period of 30 days to purchase up to additional shares to cover over-allotments, if any.

Delivery of the shares of Class A common stock will be made on or about , 2020.

The date of this prospectus is , 2020.

TABLE OF CONTENTS

Neither we nor the underwriters have authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses prepared by or on behalf of us or to which we have referred you. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares of Class A common stock offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of shares of our Class A common stock.

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

GENERAL INFORMATION

Certain Definitions

"***consumers"*** refer to the general population in the United States that uses or otherwise purchases healthcare products and services. References to "***our consumers***" or "***GoodRx consumers***" refer to consumers that have used one or more of our offerings.

"***discounted price***" refers to a price for a prescription provided on our platform that represents a negotiated rate provided by one of our PBM partners at a retail pharmacy. Through our platform, our discounted prices are free to access for consumers by saving a GoodRx code to their mobile device for their selected prescription and presenting it at the chosen pharmacy. The term "discounted price" excludes prices we may otherwise source, such as prices from patient assistance programs for low-income individuals and Medicare prices, and any negotiated rates offered through our subscription offerings: GoodRx Gold, or Gold, and Kroger Rx Savings Club powered by GoodRx, or Kroger Savings.

"***GoodRx code***" refers to codes that can be accessed by our consumers through our apps or websites or that can be provided to our consumers directly by healthcare professionals, including physicians and pharmacists, that allow our consumers free access to our discounted prices or a lower list price for their prescriptions when such code is presented at their chosen pharmacy.

"***GMV***" represents gross merchandise value, which is the aggregate price paid by our consumers who used a GoodRx code available through our platform for their prescriptions during such period. GMV excludes any prices paid by consumers linked to our other offerings, including our subscription offerings.

"***Monthly Active Consumers***" refers to the number of unique consumers who have used a GoodRx code to purchase a prescription medication in a given calendar month and have saved money compared to the list price of the medication. A unique consumer who uses a GoodRx code more than once in a calendar month to purchase prescription medications is only counted as one Monthly Active Consumer in that month. Monthly Active Consumers do not include subscribers to our subscription offerings, consumers of our pharmaceutical manufacturers solutions offering, or consumers who used our telehealth offerings. When presented for a period longer than a month, Monthly Active Consumers is averaged over the number of calendar months in such period.

"***Monthly Visitors***" refers to the number of individuals who visited our apps and websites in a given calendar month. Visitors to our apps and websites are counted independently. As a result, a consumer that visits or engages with our platform through both apps and websites will be counted multiple times in calculating Monthly Visitors, while family members who use a single computer to visit our websites will be counted only once. Additionally, Monthly Active Consumers who use a GoodRx code without accessing our apps or websites (since their GoodRx codes were saved in their profile at the pharmacy), will not be counted as Monthly Visitors. When presented for a period longer than a calendar month, Monthly Visitors is averaged over each calendar month in such period.

"***net promoter score***," or "***NPS***," refers to our net promoter score, which is a rating metric, expressed as a numerical value up to a maximum value of 100, that we use to gauge customer satisfaction. Net promoter score reflects responses to the following question on a scale of zero to ten: "How likely are you to recommend GoodRx to a friend or colleague?" Responses of 9 or 10 are considered "promoters," responses of 7 or 8 are considered neutral or "passives," and responses of 6 or less are considered "detractors." We then subtract the number of respondents who are detractors from the number of respondents who are promoters and divide that number by the total number of respondents. Our methodology of calculating net promoter score for consumers reflects responses from consumers who utilize or otherwise engage with our platform via our websites, report that they

used a discounted price found on our platform and choose to respond to the survey question. Our methodology of calculating net promoter score for healthcare professionals reflects responses from individuals who use or otherwise engage with our platform via our websites, report that they are a healthcare professional and choose to respond to the survey question. Net promoter score gives no weight to responses declining to answer the survey question.

"***PBM***" refers to a pharmacy benefit manager. PBMs aggregate demand to negotiate prescription medication prices with pharmacies and pharmaceutical manufacturers. PBMs find most of their demand through relationships with insurance companies and employers. However, nearly all PBMs also have consumer direct or cash network pricing that they negotiate with pharmacies for consumers who choose to purchase prescriptions outside of insurance.

"***savings***", "***saved***" and similar references refer to the difference between the list price for a particular prescription at a particular pharmacy and the price paid by the GoodRx consumer for that prescription utilizing a GoodRx code available through our platform at that same pharmacy. In certain circumstances, we may show a list price on our platform when such list price is lower than the negotiated price available using a GoodRx code and, in certain circumstances, a consumer may use a GoodRx code and pay the list price at a pharmacy if such list price is lower than the negotiated price available using a GoodRx code. We do not earn revenue from such transactions, but our savings calculation includes an estimate of the savings achieved by the consumer because our platform has directed the consumer to the pharmacy with the low list price. This estimate of savings when the consumer pays the list price is based on internal data and is calculated as the difference between the average list price across all pharmacies where GoodRx consumers paid the list price and the average list price paid by consumers in the pharmacies to which we directed them. We do not calculate savings based on insurance prices as we do not have information about a consumer's specific coverage or price. We do not believe savings are representative or indicative of our revenue or results of operations.

Industry, Market and Other Data

This prospectus contains estimates, projections and information concerning our industry, our business and the market size and growth rates of the markets in which we participate. Some data and statistical and other information are based on independent reports from third parties, as well as industry and general publications and research, surveys and studies conducted by third parties which we have not independently verified. Some data and statistical and other information are based on internal estimates and calculations that are derived from publicly available information, research we conducted, internal surveys, our management's knowledge of our industry and their assumptions based on such information and knowledge, which we believe to be reasonable.

In each case, this information and data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such information, estimates or projections. Industry publications and other reports we have obtained from independent parties may state that the data contained in these publications or other reports have been obtained in good faith or from sources considered to be reliable, but they do not guarantee the accuracy or completeness of such data. In addition, projections, assumptions and estimates of the future performance of the industry in which we operate and our future performance are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in "Risk Factors" and "Special Note Regarding Forward-Looking Statements." These and other factors could cause our future performance to differ materially from the assumptions and estimates made by third parties and us.

Trademarks, Trade Names and Service Marks

GoodRx, our logo and other registered or common law trade names, trademarks or service marks of GoodRx appearing in this prospectus are the property of GoodRx. This prospectus contains additional trade names, trademarks and service marks of other companies that are the property of their respective owners. We do not intend our use or display of other companies' trade names, trademarks or service marks to imply a

relationship with, or endorsement or sponsorship of us by, these other companies. Solely for convenience, our trade names, trademarks and service marks referred to in this prospectus appear without the ®, ™ or SM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trade names, trademarks and service marks.

Basis of Presentation

Certain monetary amounts, percentages, and other figures included elsewhere in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables or charts may not be the arithmetic aggregation of the figures that precede them, and figures expressed as percentages in the text may not total 100% or, as applicable, when aggregated may not be the arithmetic aggregation of the percentages that precede them. References herein to the “first half of 2020” and the “first half of 2019” refer to the six month periods ended June 30, 2020 and 2019, respectively.

PROSPECTUS SUMMARY

This summary highlights selected information contained in more detail 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 carefully read this prospectus in its entirety before investing in our Class A common stock, including the sections titled "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Special Note Regarding Forward-Looking Statements," and our financial statements and the accompanying notes thereto included elsewhere in this prospectus. Unless the context otherwise requires, the terms "we," "us," "our," the "Company," "GoodRx" and similar references in this prospectus refer to GoodRx Holdings, Inc. and its consolidated subsidiaries.

Overview

Our mission is to provide all Americans with access to affordable and convenient healthcare. To achieve this, we are building the leading, consumer-focused digital healthcare platform in the United States.

Healthcare consumers in the United States face an increasing number of challenges. Consumers are bearing more of the cost of care and have more restrictions imposed on their care. The rising cost of insurance and higher deductibles have led to an increase in the percentage of underinsured Americans. Additionally, the number of uninsured consumers in the United States has increased in recent years. These developments have occurred at a time when the majority of Americans have less than $1,000 in savings.

Lack of affordability in healthcare is a contributing reason why 20% to 30% of prescriptions are left at the pharmacy counter. Non-adherence has a significant impact on American health: someone dies every four minutes in the United States from not taking their prescribed medication at all or as directed, according to a report in the American Journal of Health-System Pharmacy. Even for those who can afford care, access to physicians is limited. The average wait time for a new patient appointment in 15 large metropolitan markets in the United States was 24 days in 2017, and may extend up to 56 days in mid-sized markets, according to a Merritt Hawkins survey. This has placed additional strain on hospital emergency departments across the country – an estimated 30% of emergency department visits occur for health issues that could have been treated in primary or other care settings. Healthcare professionals, who are motivated by and whose success is increasingly judged on patient outcomes and satisfaction, are growing frustrated and need resources to help them. Part of the problem is that the healthcare market – one of the largest markets in the United States by spending and projected to reach $4.0 trillion in 2020 – has had no widely accepted, consumer-focused, tech-enabled solution through which consumers can easily shop for and access healthcare, unlike those found in other industries for things like airline tickets, rental homes and cars.

GoodRx was founded to solve the challenges that consumers face in understanding, accessing, and affording healthcare. We started with a price comparison tool for prescriptions, offering consumers free access to lower prices on their medication. We wanted to help ensure that no parent had to choose between their child's next meal and their life-saving medication. Today, we believe our expanded platform improves the health and financial well-being of American families by providing easy access to price transparency and affordability solutions for generic and brand medications, affordable and convenient medical provider consultations via telehealth and additional healthcare services and information. Based on our research, from inception through June 30, 2020, we estimate that approximately 18 million of our consumers could not have afforded to fill their prescriptions without the savings provided by GoodRx. In addition to reducing the costs of healthcare for consumers, we believe that our offerings can help drive greater medication adherence, faster treatment and better patient outcomes. These all contribute to a healthier, happier society.

We see exciting growth potential as we continue to attract new consumers through our existing offerings, launch new offerings to address more of the needs of healthcare consumers, and improve healthcare affordability

and access for all Americans. As we extend our platform, we believe that we can create multiple monetization opportunities at different stages of the consumer healthcare journey, enabling us to drive higher expected consumer lifetime value without significant additional consumer acquisition costs.

Our business model has facilitated the rapid growth and expansion of our platform. We have been focused on capital efficiency and delivering on a cash generative monetization model since inception, and we have been able to reinvest our cash flows in our business. As a result, our consumers can now access an increasingly broad platform with a variety of integrated offerings that provide healthcare affordability, access and convenience. Whether a consumer is insured or uninsured, young or old, or suffers from an acute or a chronic ailment, we strive to be at the consumer's side throughout their healthcare journey.

Our platform has been effective because we positively impact key stakeholders in the healthcare ecosystem. Benefits to participants in the healthcare ecosystem include: achieving better outcomes by increasing medication adherence; providing fast access to preventative care to reduce the strain on hospitals and emergency departments; increasing access to affordable prescriptions that otherwise may not have been filled; and enhancing consumer satisfaction and engagement. We believe that consumers, healthcare providers, pharmacy benefit managers, or PBMs, pharmacies, pharmaceutical manufacturers and telehealth providers all win with GoodRx. Our partnerships across the healthcare ecosystem, scale and strong consumer brand create a deep competitive moat that is reinforced by our proprietary technology platform, which processes over 150 billion pricing data points every day and integrates that data into an interface that is convenient and easy to use for consumers.

Our success is demonstrated by our 4.4 million Monthly Active Consumers for the second quarter of 2020, the million Monthly Visitors for the second quarter of 2020, the approximately $20 billion of cumulative consumer savings generated for GoodRx consumers through June 30, 2020 and our consumer and healthcare professional NPS scores of 90 and 86, respectively, as of February 2020. On average, we have been the most downloaded medical app on the Apple App Store and Google Play App Store for the last three years. Our GoodRx app had a rating of 4.8 out of 5.0 stars in the Apple App Store and 4.7 out of 5.0 stars in the Google Play App Store, with over 700,000 combined reviews as of June 30, 2020. In both app stores, our HeyDoctor app had a rating of 5.0 out of 5.0 stars, with over 8,000 combined reviews as of June 30, 2020.

We believe our financial results reflect the significant market demand for our offerings and the value that we provide to the broader healthcare ecosystem. The GMV generated by our prescription offering, which accounts for the vast majority of our revenue, was $2.5 billion in 2019. Our revenue has grown at a compound annual growth rate, or CAGR, of 57% since 2016, and reached $388 million in 2019, up from $250 million in 2018. Our net income was $66 million in 2019, up from $44 million in 2018, and our Adjusted EBITDA was $160 million in 2019, up from $128 million in 2018. Our revenue grew 48% in the first half of 2020 to $257 million, up from $173 million in the first half of 2019. Our net income was $55 million in the first half of 2020, up from $31 million in the first half of 2019, and our Adjusted EBITDA was $101 million in the first half of 2020, up from $75 million in the first half of 2019. Adjusted EBITDA is a non-GAAP financial measure. For a reconciliation of Adjusted EBITDA to the most directly comparable GAAP financial measure, information about why we consider Adjusted EBITDA useful and a discussion of the material risks and limitations of these measures, please see "Prospectus Summary—Summary Consolidated Financial and Operating Data—Key Financial and Operating Metrics—Non-GAAP Financial Measures."

Industry Challenges

Healthcare consumers in the United States face a number of challenges that have been increasing for decades, while the solutions to combat these issues have remained largely absent:

- ***Lack of Consumer-Focused Solutions:*** Health is the most essential aspect of peoples' lives. However, healthcare has remained largely unaffected by the market and technology-driven forces that have improved many other facets of life. Technology similar to that which has been deployed to help consumers buy airline tickets, rent homes or hail cars is lacking in healthcare.
- ***Lack of Affordability:*** Americans spent twice as much per capita on healthcare compared to citizens from other OECD countries in 2018; however, the United States has one of the lowest quality of care rankings among these countries. Insurance companies and employers in the United States have shifted an increasing amount of the financial burden of healthcare onto their members and employees through higher deductibles and increasing co-pays and co-insurance.
- ***Lack of Transparency:*** The healthcare system is highly complex and fragmented. Price variability for prescription medication and other healthcare services can be significant. This can lead to consumer frustration, unnecessary cost, and in many cases, failure to adhere to a medication, undergo a treatment or get a medical test.
- ***Lack of Access to Care:*** Consumers face challenges gaining access to affordable, timely and quality care. The lack of access to this care limits the ability of many consumers to quickly and effectively address relatively basic needs, such as obtaining medication for high blood pressure or diagnosing an infection. Failure to receive early diagnosis and treatment often leads to more severe illness and can require more costly medical treatment in the future.
- ***Lack of Resources for Healthcare Professionals:*** Physicians and other healthcare professionals know that their patients increasingly expect to have a conversation regarding the cost of their treatment or medications, but they tend to have limited access to current information regarding the out-of-pocket financial burden of prescriptions or treatment, and are typically unaware as to whether the patient will be able to afford the prescribed medication or treatment.

Our Market Opportunity

We believe our market opportunity is substantial and estimate the total addressable market, or TAM, for our current solutions to be approximately $800 billion. This includes a $524 billion prescription opportunity, inclusive of prescriptions that are written but not filled, a $30 billion pharmaceutical manufacturer solutions opportunity and a $250 billion telehealth opportunity.

Our Value Proposition

GoodRx was founded to provide consumers with solutions to the complexity, affordability and transparency challenges American healthcare presents. We believe that the benefits we provide to consumers also positively impact the broader healthcare ecosystem, meaning consumers, healthcare providers, PBMs, pharmacies, pharmaceutical manufacturers, and telehealth providers all win with GoodRx. This, in turn, can drive beneficial and self-reinforcing network effects.

Our value proposition by stakeholder is described below:

- ***Consumers:*** Our platform provides consumers with a variety of mobile-first offerings designed to make their access to healthcare simple and more affordable. We help people fill prescriptions that they may otherwise not have filled due to cost, and enable them to access treatments through telehealth that

they may otherwise have delayed due to long wait times for in-person visits. These solutions increase medication adherence, reduce strain on hospital emergency departments and physicians, and improve health outcomes. The value that consumers ascribe to our platform is demonstrated by our high NPS of 90 according to a survey that we conducted in February 2020, which exceeds that of many other well-regarded consumer-centric brands.

- ***Healthcare Professionals:*** Physicians and other healthcare professionals are motivated to help patients, and, increasingly, are judged by patient outcomes. We help these healthcare professionals improve patient outcomes by encouraging medication adherence and providing a consumer-friendly service. We are able to integrate our pricing information and GoodRx codes directly into Electronic Health Record, or EHR, systems, enabling healthcare professionals to provide prices from our platform directly to their patients at the point of prescribing.
- ***Healthcare Companies:*** PBMs, pharmacies, pharmaceutical manufacturers and telehealth providers use our platform to reach and provide affordability solutions to consumers. We play a valuable role within the healthcare ecosystem by aggregating, normalizing, and presenting information from all of these constituents on a single platform for the consumer. Through the deep relationships that we have developed with these stakeholders over many years, we are able to continually improve our offerings and achieve better pricing outcomes for consumers.

What Sets Us Apart

We are a market leader with a significant scale and brand advantage over our competitors. Our growth accelerates self-reinforcing network effects that further strengthen our competitive position. Our competitive strengths consist of:

- ***Leading Platform:*** We believe that we are the largest platform that aggregates pricing for prescriptions. Our proprietary platform enables us to collect and normalize over 150 billion prescription pricing data points every day from sources spanning the healthcare industry.
- ***Trusted Brand:*** We have built a trusted brand based on nearly a decade of consumer-focused product development. We strive to be with the consumer throughout their healthcare journey. We are guided by the principle of doing well for consumers and the healthcare industry as a whole, which we believe helps us build trust, engagement and brand loyalty.
- ***Scaled and Growing Network:*** Our leading consumer-focused digital healthcare platform and brand have facilitated rapid growth in our consumer base, which has helped us achieve significant scale. As we have scaled, we have been able to increase the savings that we provide our consumers, in part by leveraging our growing consumer base to attract more partners and source better prices.
- ***Consumer-focus:*** We empower consumers with the tools and resources to navigate the complexity of the healthcare system. Our platform delivers a consumer-first experience that is convenient and is easy to use and understand.
- ***Extensible Platform:*** The large number of highly engaged consumers who trust our brand and platform provide a strong foundation for the development of new products that extend across the healthcare market. We have demonstrated our ability to develop new products such as our subscription offerings and pharmaceutical manufacturer solutions offering, and integrate acquired companies such as HeyDoctor.
- ***Cash Generative Monetization Model:*** We believe our business model has facilitated the rapid growth and expansion of our platform. We have a track record of generating cash flows, allowing us to reinvest in platform expansion and growth.

Our Growth Strategy

The key elements of our growth strategy include:

- ***Continue to Attract New Consumers:*** We believe that we have a significant opportunity to serve all Americans by growing awareness of our existing offerings and through the extension of our platform into many of the other areas of healthcare that lack price transparency and consumer empowerment.
- ***Continue to Facilitate Existing GoodRx Consumers' Adoption of Multiple GoodRx Offerings:*** We aim to increase the number of our monetization channels used by our existing consumers, which we believe will be accretive to our consumer lifetime value and to our margins in the medium to long term, without significant additional consumer acquisition costs.
- ***Continue to Build the GoodRx Brand:*** We believe that there are significant opportunities to increase awareness and educate healthcare consumers regarding prescription pricing, as well as our platform and solutions.
- ***Invest in Product Offerings***: We plan to continue to invest in and scale our range of product offerings to better address the needs of consumers, provide them with better pricing, and improve their overall healthcare journey. Existing offerings include prescription, subscription, pharmaceutical manufacturer solutions, and telehealth offerings. We also see future expansion opportunities in other areas of healthcare that could benefit from the transparency and accessibility provided by our platform.
  - ***Subscription Offerings:*** The usage of Gold and Kroger Savings has increased significantly. We will continue to increase the value proposition for consumers by bundling various existing and new offerings in affordable and consumer-friendly subscription packages.
  - ***Pharmaceutical Manufacturer Solutions Offering:*** We plan to continue to expand the number of pharmaceutical manufacturers with which we work, as well as enhance our existing offerings and introduce new integrated technology solutions that will allow manufacturers to interact with our consumer base more effectively.
  - ***Telehealth Offerings:*** We believe our telehealth offerings will become more integrated with, and will be a growth driver for, our other offerings. We plan to significantly invest in our telehealth offerings, as we see this as an opportunity to add another key consumer entry point into our platform.
  - ***Future Expansion Opportunities:*** We believe there are many other areas of healthcare that could benefit from the transparency and accessibility provided by our platform, and we will invest in these areas strategically.
- ***Pursue Strategic Partnerships and Acquisitions***: We are a valuable partner to a variety of healthcare constituents. We expect to continue to pursue strategic opportunities.

GoodRxHelps

Philanthropy is not a separate initiative at GoodRx; helping others is woven throughout everything we do. Since inception, our aim has been to provide all Americans with access to affordable and convenient healthcare, and our team of medical health professionals, public health experts and passionate people ensures that we never lose sight of that goal. We are fortunate to be in a position where helping others also supports our business, which in turn allows us to help even more people in more profound ways. It is a virtuous cycle.

In 2020, we launched GoodRxHelps, a free medication program that expects to partner with healthcare professionals and clinics across America. We will be purchasing and providing more than 500 different medications to patients through our clinic partnerships. GoodRxHelps aims to help tens of thousands of

individuals every year, with a specific focus on communities that serve people of color. In the future, we intend to increase these efforts, expand funding and engage our employees and consumers to increase our charitable impact.

Risks Associated with Our Business

Our business is subject to a number of risks and uncertainties, including those highlighted in the section titled "Risk Factors" immediately following this Prospectus Summary. These risks include, but are not limited to, the following:

- Our limited operating history and our evolving business make it difficult to evaluate our future prospects and the risks and challenges we may encounter.
- Our recent growth rates may not be sustainable or indicative of future growth and we expect our growth rate to slow.
- We may be unable to manage our future growth effectively, which could make it difficult to execute our business strategy.
- We may be unsuccessful in achieving broad market education and changing consumer purchasing habits.
- We may be unable to continue to attract, acquire and retain consumers, or may fail to do so in a cost-effective manner.
- We rely significantly on our prescription offering and may not be successful in expanding our offerings within our markets, particularly the U.S. prescriptions market, or to other segments of the healthcare industry.
- Our business is subject to changes in medication pricing and is significantly impacted by pricing structures negotiated by industry participants.
- We generally do not control the categories and types of prescriptions for which we can offer savings or discounted prices.
- We rely on a limited number of industry participants.
- We have identified material weaknesses in our internal control over financial reporting and may identify material weaknesses in the future or otherwise fail to maintain an effective system of internal controls in the future, as a result of which, we may not be able to accurately report our financial condition or results of operations, which may adversely affect investor confidence in us and, as a result, the value of our Class A common stock.
- A pandemic, epidemic or outbreak of an infectious disease in the United States, including the outbreak of the novel strain of coronavirus disease, could impact our business.
- Actual or perceived failures to comply with applicable data protection, privacy and security, advertising and consumer protection laws, regulations, standards and other requirements could adversely affect our business, financial condition and results of operations.
- The impact of recent healthcare reform legislation and other changes in the healthcare industry and in healthcare spending on us is currently unknown, but may adversely affect our business, financial condition and results of operations.
- The dual class structure of our common stock may adversely affect the trading market for our Class A common stock.
- control the direction of our business and ownership of our common stock will prevent you and other stockholders from influencing significant decisions.

- We will be a "controlled company" under the corporate governance rules of the and, as a result, will qualify for, and intend to rely on, exemptions from certain corporate governance requirements. You will not have the same protections afforded to stockholders of companies that are subject to such requirements.

Corporate Information

GoodRx Holdings, Inc., a Delaware corporation, was incorporated in September 2015. GoodRx Holdings, Inc. is a holding company and its principal assets are the equity interests of GoodRx Intermediate Holdings, LLC, a Delaware limited liability company. We were initially formed in September 2011 as GoodRx, Inc., a Delaware corporation. In October 2015, we completed a corporate reorganization whereby GoodRx, Inc. became a subsidiary of GoodRx Holdings, Inc. In April 2017, we completed a second corporate reorganization whereby the equity interests of GoodRx, Inc. were transferred to GoodRx Intermediate Holdings, LLC. Our principal executive offices are located at 233 Wilshire Blvd., Suite 990, Santa Monica, CA 90401 and our telephone number is (855) 268-2822. Our website address is *www.goodrx.com*. The information contained on, or that can be accessed through, our website is not incorporated by reference into, and is not a part of, this prospectus or the registration statement of which this prospectus forms a part.

Implications of Being an Emerging Growth Company

We qualify as an "emerging growth company" as defined in Section 2(a) of the Securities Act of 1933, as amended, or the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. As an emerging growth company, we may take advantage of specified reduced disclosure and other requirements that are otherwise applicable, in general, to public companies that are not emerging growth companies. These provisions include:

- the option to present only two years of audited financial statements and only two years of related Management's Discussion and Analysis of Financial Condition and Results of Operations in this prospectus;
- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002;
- reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements and registration statements; and
- exemptions from the requirements of holding nonbinding, advisory stockholder votes on executive compensation or on any golden parachute payments not previously approved.

We will remain an emerging growth company until the earliest to occur of: (i) the last day of the first fiscal year in which our annual gross revenue exceeds $1.07 billion; (ii) the date that we become a "large accelerated filer," with at least $700 million of equity securities held by non-affiliates as of the end of the second quarter of that fiscal year; (iii) the date on which we have issued, in any three-year period, more than $1.0 billion in non-convertible debt securities; and (iv) the last day of the fiscal year ending after the fifth anniversary of the completion of this offering.

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 may be different than the information you receive from other public companies in which you hold stock.

Emerging growth companies can also take advantage of the extended transition period provided in Section 13(a) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, for complying with new

or revised accounting standards. In other words, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to take advantage of this extended transition period and, as a result, our operating results and financial statements may not be comparable to the operating results and financial statements of companies who have adopted the new or revised accounting standards.

As a result of these elections, some investors may find our Class A common stock less attractive than they would have otherwise. The result may be a less active trading market for our Class A common stock, and the price of our Class A common stock may become more volatile.

The Offering	
Class A common stock offered by us	shares
Class A common stock offered by us pursuant to the underwriters' over-allotment option	shares
Class A common stock to be outstanding after this offering	shares (shares if the over-allotment option is exercised in full)
Class B common stock to be outstanding after this offering	shares
Total Class A common stock and Class B common stock to be outstanding after this offering	shares
Use of proceeds	We estimate that the net proceeds to us from the sale of shares of our Class A common stock in this offering will be approximately $ million, or approximately $ million if the over-allotment option is exercised in full, assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. We intend to use the net proceeds from this offering for general corporate purposes to support the growth of our business. We may also use a portion of the proceeds for the acquisition of, or investment in, technologies, solutions, or businesses that complement our business. However, we do not have binding agreements or commitments for any acquisitions or investments outside the ordinary course of business at this time. See "Use of Proceeds."
Voting Rights	Shares of Class A common stock are entitled to one vote per share. Shares of Class B common stock are entitled to 10 votes per share. Holders of our Class A common stock and Class B common stock will generally vote together as a single class, unless otherwise required by law or our amended and restated certificate of incorporation. Following the completion of this offering, each share of our Class B common stock will be convertible into one share of our Class A common stock at any time and will convert automatically upon certain transfers and upon the earlier of (i) the date specified by a vote of the holders of 66 2/3% of the then outstanding shares of Class B common stock, (ii) years from the closing of this offering, and (iii) the date the shares of Class B common stock cease to represent at least % of all outstanding shares of our common stock. The holders of our outstanding Class B common stock will

	hold % of the voting power of our outstanding capital stock following this offering, with our directors, executive officers, and 5% stockholders and their respective affiliates holding % of the voting power in the aggregate. These stockholders 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 sections titled "Principal Stockholders" and "Description of Capital Stock" for additional information.
Controlled company	Following this offering we will be a "controlled company" within the meaning of the corporate governance rules of the .
Risk factors	See the section titled "Risk Factors" and the other information included in this prospectus for a discussion of factors you should consider carefully before deciding to invest in shares of our Class A common stock.
Proposed symbol	" "

The number of shares of our Class A common stock and Class B common stock to be outstanding after this offering is based on shares of our Class A common stock and shares of our Class B common stock outstanding, in each case, as of June 30, 2020, and reflects:

- the automatic conversion of all outstanding shares of our redeemable convertible preferred stock as of June 30, 2020 into an equal number of shares of our common stock, which will occur immediately prior to the closing of this offering, or the Preferred Stock Conversion;
- the redesignation of all outstanding shares of our common stock as of June 30, 2020 as shares of Class A common stock, which will occur immediately prior to the closing of this offering, or the Class A Redesignation; and
- the exchange of shares of Class A common stock held by as of June 30, 2020, after giving effect to the Preferred Stock Conversion and Class A Redesignation, for an equivalent number of shares of our Class B common stock, which will occur immediately prior to the closing of this offering, or the Class B Exchange.

The number of shares of our Class A common stock and Class B common stock to be outstanding after this offering does not include:

- shares of our Class A common stock issuable upon the exercise of outstanding options under our Fourth Amended and Restated 2015 Equity Incentive Plan as of June 30, 2020, at a weighted-average exercise price of $ per share; and
- shares of our common stock reserved for future issuance under our equity compensation plans, consisting of (1) shares of our Class A common stock reserved for future issuance under our Fourth Amended and Restated 2015 Equity Incentive Plan as of June 30, 2020, (2) shares of our Class A common stock reserved for future issuance under our 2020 Incentive Award Plan, which will become effective in connection with the completion of this offering, and (3) shares of our Class A common stock reserved for future issuance under our 2020 Employee Stock Purchase Plan, which will become effective in connection with the closing of this offering.

Our 2020 Incentive Award Plan and 2020 Employee Stock Purchase Plan each provide for annual automatic increases in the number of shares of Class A common stock reserved thereunder, as more fully described in the section titled "Executive and Director Compensation."

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

- the Preferred Stock Conversion, which will occur immediately prior to the closing of this offering;
- the Class A Redesignation, which will occur immediately prior to the closing of this offering;
- the Class B Exchange, which will occur immediately prior to the closing of this offering;
- the filing and effectiveness of our amended and restated certificate of incorporation and the adoption of our amended and restated bylaws, each of which will be in effect immediately prior to the closing of this offering; and
- no exercise of the underwriters' over-allotment option in this offering.

Summary Consolidated Financial and Operating Data

The following tables summarize our consolidated financial and operating data for the periods and as of the dates indicated. We derived our summary consolidated statement of operations data for the years ended December 31, 2018 and 2019 from our audited consolidated financial statements included elsewhere in this prospectus. We derived our summary consolidated statement of operations data for the years ended December 31, 2016 and 2017 from our unaudited consolidated financial statements that are not included in this prospectus. We derived the summary consolidated statement of operations data for the six months ended June 30, 2019 and 2020 and the summary consolidated balance sheet data as of June 30, 2020 from our unaudited interim condensed consolidated financial statements that are included elsewhere in this prospectus. In our opinion, the unaudited interim financial statements have been prepared on a basis consistent with our audited financial statements and contain all adjustments, consisting only of normal and recurring adjustments, necessary for a fair statement of such interim financial statements. Our historical results are not necessarily indicative of the results to be expected in the future and our operating results for the six months ended June 30, 2020 are not necessarily indicative of the results that may be expected for the year ending December 31, 2020 or any other interim periods or any future year or period. You should read the following information in conjunction with the sections titled "Selected Consolidated Financial and Operating Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements, the accompanying notes and other financial information included elsewhere in this prospectus.

Consolidated Statement of Operations Data

	Year Ended December 31,				Six Months Ended June 30,	
	2016	2017	2018	2019	2019	2020
	(in thousands, except per share data)					
Revenue	$99,377	$157,240	$249,522	$388,224	$173,223	$256,703
Costs and operating expenses:						
Cost of revenue, exclusive of depreciation and amortization presented separately below (1) (2)	1,230	3,075	6,035	14,016	6,024	12,843
Product development and technology (1) (2)	5,742	11,501	43,894	29,300	11,636	22,287
Sales and marketing (1) (2)	60,503	78,278	104,177	176,967	77,689	115,082
General and administrative (1) (2)	4,038	4,982	8,359	14,692	6,063	12,219
Depreciation and amortization	9,089	9,099	9,806	13,573	5,746	8,866
Total costs and operating expenses	80,602	106,935	172,271	248,548	107,158	171,297
Operating income	18,775	50,305	77,251	139,676	66,065	85,406
Other expense (income):						
Other expense (income), net	154	(5)	7	2,967	1	(21)
Loss on extinguishment of debt	—	3,661	2,857	4,877	—	—
Interest income	(21)	(24)	(154)	(715)	(309)	(116)
Interest expense	3,541	6,970	22,193	49,569	26,679	15,433
Total other expense, net	3,674	10,602	24,903	56,698	26,371	15,296
Income before income tax expense	15,101	39,703	52,348	82,978	39,694	70,110
Income tax expense	(6,188)	(10,931)	(8,555)	(16,930)	(8,492)	(15,427)
Net income	$ 8,913	$ 28,772	$ 43,793	$ 66,048	$ 31,202	$ 54,683

	Year Ended December 31,				Six Months Ended June 30,	
	2016	2017	2018	2019	2019	2020
	(in thousands, except per share data)					
Net (loss) income attributable to common stockholders (3)						
Basic	$ (7,774)	$ 8,843	$ 13,795	$ 42,441	$ 20,025	$ 35,325
Diluted	$ (7,774)	$ 8,980	$ 14,226	$ 42,745	$ 20,155	$ 35,674
(Loss) earnings per share (3)						
Basic	$ (0.11)	$ 0.11	$ 0.12	$ 0.19	$ 0.09	$ 0.15
Diluted	$ (0.11)	$ 0.11	$ 0.12	$ 0.18	$ 0.09	$ 0.15
Weighted-average shares used in computing (loss) earnings per share (3)						
Basic	73,151	77,109	111,842	226,607	225,841	230,020
Diluted	73,151	81,747	118,344	231,209	229,974	236,557
Pro forma earnings per share (3)						
Basic				$ 0.19		$ 0.15
Diluted				$ 0.18		$ 0.15
Weighted-average shares used in computing pro forma earnings per share (3)						
Basic				352,653		356,066
Diluted				357,255		362,603

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

	Year Ended December 31,				Six Months Ended June 30,	
	2016	2017	2018	2019	2019	2020
	(in thousands)					
Cost of revenue	$ —	$ —	$ —	$ 28	$ —	$ 41
Product development and technology	1,150	1,278	1,048	1,775	816	1,814
Sales and marketing	598	665	544	1,268	600	1,478
General and administrative	254	207	170	676	320	998
Total stock-based compensation expense	$2,002	$2,150	$1,762	$3,747	$1,736	$ 4,331

(2) Includes expense for cash bonuses to vested option holders as follows:

	Year Ended December 31,				Six Months Ended June 30,	
	2016	2017	2018	2019	2019	2020
	(in thousands)					
Cost of revenue	$—	$ 36	$ —	$—	$ —	$ —
Product development and technology	—	760	29,189	—	—	—
Sales and marketing	—	214	6,878	—	—	—
General and administrative	—	390	2,733	—	—	—
Total vested option holder bonuses	$—	$1,400	$38,800	$—	$ —	$ —

(3) See Notes 2 and 16 to our audited consolidated financial statements included elsewhere in this prospectus for an explanation of the calculations of earnings per share, basic and diluted, and pro forma earnings per share, basic and diluted, for the years ended December 31, 2018 and 2019. See Notes 2 and 9 to our unaudited interim condensed consolidated financial statements included elsewhere in this prospectus for an explanation of the calculations of earnings per share, basic and diluted, and pro forma earnings per share, basic and diluted, for the six months ended June 30, 2019 and 2020.

Consolidated Balance Sheet Data

	As of June 30, 2020		
	Actual	Pro Forma (1)	Pro Forma as Adjusted (2)
		(in thousands)	
Cash	$ 126,625	$	$
Working capital	140,407		
Total assets	502,433		
Total debt (including current portion of long-term debt)	696,921		
Total liabilities	792,159		
Redeemable convertible preferred stock	737,009		
Retained earnings (accumulated deficit)	(1,042,147)		
Total stockholders' (deficit) equity	(1,026,735)		

(1) The pro forma column reflects (i) the Preferred Stock Conversion, (ii) the Class A Redesignation, (iii) the Class B Exchange, and (iv) the filing and effectiveness of our amended and restated certificate of incorporation.

(2) The pro forma as adjusted column reflects the items described in footnote (1), and the sale by us of shares of our Class A common stock in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. Each $1.00 increase or decrease in the assumed initial public offering price of $ per share, which is the midpoint of the assumed offering price range set forth on the cover of this prospectus, would increase or decrease, as applicable the amount of our pro forma cash, total assets, and total stockholders' (deficit) equity by $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase or decrease of 1.0 million shares in the number of shares offered by us would increase or decrease, as applicable, the amount of our pro forma cash, total assets, and total stockholders' (deficit) equity by $ million, assuming the assumed initial public offering price remains the same, and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us. The pro forma information discussed above is illustrative only and will be adjusted based on the actual initial public offering price, the number of shares we sell and other terms of this offering that will be determined at pricing.

Key Financial and Operating Metrics

In addition to GAAP measures of performance, we review the following key business and non-GAAP measures to assess our performance, make strategic and offering decisions and build our financial projections.

Monthly Active Consumers

We define Monthly Active Consumers as the number of unique consumers who have used a GoodRx code to purchase a prescription in a given calendar month and have saved money compared to the list price of the medication. A unique consumer who uses a GoodRx code more than once in a calendar month to purchase prescription medications is only counted as one Monthly Active Consumer in that month. Monthly Active Consumers do not include subscribers to our subscription offerings, consumers of our pharmaceutical

manufacturers solutions offering, or consumers who used our telehealth offerings. When presented for a period longer than a month, Monthly Active Consumers is averaged over the number of calendar months in such period.

	Three Months Ended																	
	Mar. 31, 2016	June 30, 2016	Sept. 30, 2016	Dec. 31, 2016	Mar. 31, 2017	June 30, 2017	Sept. 30, 2017	Dec. 31, 2017	Mar. 31, 2018	June 30, 2018	Sept. 30, 2018	Dec. 31, 2018	Mar. 31, 2019	June 30, 2019	Sept. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	June 30, 2020
	(in thousands)																	
Monthly Active Consumers	718	852	981	1,138	1,279	1,309	1,455	1,710	2,020	2,170	2,413	2,750	3,188	3,513	3,787	4,272	4,875	4,418

Non-GAAP Financial Measures

	Year Ended December 31,				Six Months Ended June 30,	
	2016	2017	2018	2019	2019	2020
	(dollars in thousands)					
Adjusted EBITDA	$30,008	$62,956	$127,634	$159,629	$74,521	$101,152
Adjusted EBITDA Margin	30.2%	40.0%	51.2%	41.1%	43.0%	39.4%

In addition to our results determined in accordance with GAAP, we believe that Adjusted EBITDA is useful in evaluating our financial performance and for internal planning and forecasting purposes. We calculate Adjusted EBITDA, for a particular period, as net income before interest, taxes, depreciation and amortization, and as further adjusted for acquisition related expenses, stock-based compensation expense, loss on extinguishment of debt, financing related expenses, cash bonuses to vested option holders and other expense (income), net. Adjusted EBITDA Margin represents Adjusted EBITDA as a percentage of revenue.

We believe Adjusted EBITDA is helpful to investors, analysts and other interested parties because it can assist in providing a more consistent and comparable overview of our operations across our historical financial periods. In addition, this measure is frequently used by analysts, investors and other interested parties to evaluate and assess performance. Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP measures and are presented for supplemental informational purposes only and should not be considered as alternatives or substitutes to financial information presented in accordance with GAAP. These measures have certain limitations in that they do not include the impact of certain expenses that are reflected in our consolidated statement of operations that are necessary to run our business. Other companies, including other companies in our industry, may not use such measures or may calculate the measures differently than as presented in this prospectus, limiting their usefulness as comparative measures.

The non-GAAP information in this prospectus should be read in conjunction with, and not as substitutes for, or in isolation from, our audited consolidated financial statements and accompanying notes included elsewhere in this prospectus.

A reconciliation of net income to Adjusted EBITDA is set forth below:

	Year Ended December 31,				Six Months Ended June 30,	
	2016	2017	2018	2019	2019	2020
	(dollars in thousands)					
Net income	$ 8,913	$28,772	$ 43,793	$ 66,048	$31,202	$ 54,683
Adjusted to exclude the following:						
Interest income	(21)	(24)	(154)	(715)	(309)	(116)
Interest expense	3,541	6,970	22,193	49,569	26,679	15,433
Income tax expense	6,188	10,931	8,555	16,930	8,492	15,427
Depreciation and amortization	9,089	9,099	9,806	13,573	5,746	8,866
Other expense (income), net	154	(5)	7	2,967	1	(21)
Loss on extinguishment of debt	—	3,661	2,857	4,877	—	—
Cash bonuses to vested option holders (1)	—	1,400	38,800	—	—	—
Financing related expenses (2)	—	—	—	463	—	1,306
Acquisition related expenses (3)	142	2	15	2,170	974	1,243
Stock based compensation (4)	2,002	2,150	1,762	3,747	1,736	4,331
Adjusted EBITDA	$30,008	$62,956	$127,634	$159,629	$74,521	$101,152
Adjusted EBITDA Margin	30.2%	40.0%	51.2%	41.1%	43.0%	39.4%

(1) Discretionary cash bonuses paid to vested option holders concurrent with our financings in 2017 and 2018.
(2) Financing related expenses include third party fees related to proposed financings.
(3) Acquisition related expenses include third party fees for actual or planned acquisitions, including related legal, consulting and other expenditures, and retention bonuses to employees related to acquisitions.
(4) Non-cash expenses related to equity-based compensation programs, which vary from period to period depending on various factors including the timing, number and the valuation of awards.

RISK FACTORS

Investing in our Class A common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this prospectus, including the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the accompanying notes thereto included elsewhere in this prospectus before investing in our Class A common stock. The risks and uncertainties described below are not the only ones we face. Additional risk and uncertainties that we are unaware of or that we deem immaterial may also become important factors that adversely affect our business. The realization of any of these risks and uncertainties could have a material adverse effect on our reputation, business, financial condition, results of operations, growth and future prospects, as well as our ability to accomplish our strategic objectives. In that event, the market price of our Class A common stock could decline and you could lose part or all of your investment.

Risks Related to Our Limited Operating History and Early Stage of Growth

Our limited operating history and our evolving business make it difficult to evaluate our future prospects and the risks and challenges we may encounter.

Our limited operating history and evolving business make it difficult to evaluate and assess the success of our business to date, our future prospects and the risks and challenges that we may encounter. These risks and challenges include our ability to:

- attract new consumers to our platform and position our platform as an important way to make purchasing decisions for prescription medications and other healthcare products and services;
- retain our consumers and encourage them to continue to utilize our platform when purchasing healthcare products and services;
- attract new and existing consumers to rapidly adopt new offerings on our platform;
- increase the number of consumers that use our subscription offerings or the number of subscription programs that we manage;
- increase and retain our consumers that subscribe to our subscription offerings, such as Gold and Kroger Savings;
- attract and retain industry players for inclusion in our platform, including pharmacies, pharmacy benefit managers, or PBMs, pharmaceutical manufacturers and telehealth providers;
- comply with existing and new laws and regulations applicable to our business and in our industry;
- anticipate and respond to macroeconomic changes, changes in medication pricing and industry pricing benchmarks and changes in the markets in which we operate;
- react to challenges from existing and new competitors;
- maintain and enhance the value of our reputation and brand;
- effectively manage our growth;
- hire, integrate and retain talented people at all levels of our organization;
- maintain and improve the infrastructure underlying our platform, including our apps and websites, including with respect to data protection and cybersecurity; and
- successfully update our platform, including expanding our platform and offerings into different healthcare products and services, develop and update our apps, features, offerings and services to benefit our consumers and enhance the consumer experience.

If we fail to address the risks and difficulties that we face, including those associated with the challenges listed above and those described elsewhere in this "Risk Factors" section, our business, financial condition and results of operations could be adversely affected. Further, because we have limited historical financial data and our business continues to evolve and expand within the U.S. healthcare industry, any predictions about our future revenue and expenses may not be as accurate as they would be if we had a longer operating history, operated a more predictable business or operated in a less regulated industry. We have encountered in the past, and will encounter in the future, risks and uncertainties frequently experienced by growing companies with limited operating histories and evolving business that operate in highly regulated and competitive industries. If our assumptions regarding these risks and uncertainties, which we use to plan and operate our business, are incorrect or change, or if we do not address these risks successfully, our results of operations could differ materially from our expectations and our business, financial condition and results of operations would be adversely affected.

Our recent growth rates may not be sustainable or indicative of future growth and we expect our growth rate to slow.

We have experienced significant growth since our founding in 2011. Revenue increased from $99.4 million for 2016 to $388.2 million for 2019 and from $173.2 million for the first half of 2019 to $256.7 million for the first half of 2020. Our historical rate of growth may not be sustainable or indicative of our future rate of growth. We believe that our continued growth in revenue, as well as our ability to improve or maintain margins and profitability, will depend upon, among other factors, our ability to address the challenges, risks and difficulties described elsewhere in this "Risk Factors" section and the extent to which our various offerings grow and contribute to our results of operations. We cannot provide assurance that we will be able to successfully manage any such challenges or risks to our future growth. In addition, our base of consumers may not continue to grow or may decline due to a variety of possible risks, including increased competition, changes in the regulatory landscape and the maturation of our business. Any of these factors could cause our revenue growth to decline and may adversely affect our margins and profitability. Failure to continue our revenue growth or improve margins would have a material adverse effect on our business, financial condition and results of operations. You should not rely on our historical rate of revenue growth as an indication of our future performance.

Our results of operations vary and may fluctuate significantly from period-to-period.

Our quarterly and annual results of operations have historically varied from period-to-period and we expect that our results of operations will continue to do so for a variety of reasons, many of which are outside of our control and are difficult to predict. We have presented many of the factors that may cause our results of operations to fluctuate in this "Risk Factors" section, including the extent to which our various offerings, such as our telehealth offerings, grow and contribute to our results of operations. In addition, we typically experience stronger consumer demand during the first and fourth quarters of each year, which coincide with generally higher consumer healthcare spending, doctor office visits, annual benefit enrollment season and seasonal cold and flu trends. The rapid growth of our business may have masked these trends to date, and we expect the impact of seasonality to be more pronounced in the future. The cumulative effects of such factors could result in large fluctuations and unpredictability in our quarterly and annual results of operations. As a result, comparing our results of operations on a period-to-period basis may not be meaningful and investors should not rely on our past results as an indication of our future performance.

This variability and unpredictability could also result in our failing to meet the expectations of industry or financial analysts or investors for any period. If our revenue or results of operations fall below the expectations of analysts or investors or below any guidance we may provide, or if the guidance we provide is below the expectations of analysts or investors, the price of our Class A common stock could decline substantially. Such a stock price decline could occur even when we have met any previously publicly stated guidance we may provide.

We may be unable to manage our future growth effectively, which could make it difficult to execute our business strategy.

Since 2011, we have experienced rapid growth in our business operations and the number of consumers that use our offerings, and we may continue to experience growth in the future. For example, the number of our full-time employees increased from 137 as of December 31, 2017 to 338 as of June 30, 2020, and the number of Monthly Active Consumers has increased from 1.3 million for the first quarter of 2017 to 4.4 million for the second quarter of 2020. This growth has placed, and may continue to place, significant demands on our management and our operational and financial infrastructure. Our ability to manage our growth effectively and to integrate new employees, technologies and acquisitions into our existing business will require us to continue to expand our operational and financial infrastructure and to continue to retain, attract, train, motivate and manage employees. Management of growth is particularly difficult as employees work from home as a result of the COVID-19 pandemic. Continued growth could strain our ability to develop and improve our operational, financial and management controls, enhance our reporting systems and procedures, recruit, train and retain highly skilled personnel and maintain consumer satisfaction. Additionally, if we do not effectively manage the growth of our business and operations, the quality of our platform and offerings could suffer, which could negatively affect our reputation and brand, business, financial condition and results of operations.

We may experience lower margins as HeyDoctor continues to grow as a portion of our overall business.

HeyDoctor, which we launched in 2019, has experienced significant growth and we expect it to continue to grow in the future. However, the telehealth market is rapidly developing and is subject to significant price competition, and we may be unable to achieve satisfactory prices for our HeyDoctor offering or maintain prices at competitive levels. Due in part to this price competition, HeyDoctor currently generates lower margins than our other offerings. If we are unable to maintain our prices, or if our costs increase and we are unable to offset such increase with an increase in our prices, our margins could decline. In addition, as HeyDoctor continues to grow as a portion of our overall business, we expect such growth to have an adverse impact on our margins. We will continue to be subject to significant pricing pressure, and expect that HeyDoctor will continue to grow as a source of revenue, which would likely have a material adverse effect on our margins.

Risks Related to Our Business

We may be unsuccessful in achieving broad market education and changing consumer purchasing habits.

Our success and future growth largely depend on our ability to increase consumer awareness of our platform and offerings, and on the willingness of consumers to utilize our platform to access information, discounted prices for prescription medications and other healthcare products and services, including telehealth services. We believe the vast majority of consumers make purchasing decisions for healthcare products and services on the basis of traditional factors, such as insurance coverage, availability at nearby pharmacies and availability of nearby medical testing. This traditional decision-making process does not always account for restrictive and complex insurance plans, high deductibles, expensive co-pays and other factors, such as discounts or savings available at alternative pharmacies or practices. To effectively market our platform, we must educate consumers about the various purchase options and the benefits of using GoodRx codes when purchasing prescription medications and other healthcare products and services without using their health insurance benefits. We focus our marketing and education efforts on consumers, but also aim to educate and inform healthcare providers, pharmacists and other participants that interact with consumers, including at the point of purchase. However, we cannot assure you that we will be successful in changing consumer purchasing habits or that we will achieve broad market education or awareness among consumers. Even if we are able to raise awareness among consumers, they may be slow in changing their habits and may be hesitant to use our platform for a variety of reasons, including:

- lack of experience with our company and platform, and concerns that we are relatively new to the industry;

- perceived health, safety or quality risks associated with the use of a new platform and applications to shop for discounted prices for prescription medications;
- lack of awareness that there is a disparity of pricing for prescription medicines and other medical products and services;
- perception that our platform does not provide adequate discounted prices or only offers savings for a limited selection of prescription medications;
- perception that discounted prices offered through our platform are less competitive than insurance coverage;
- perception regarding acceptance rates of pharmacies for our GoodRx codes available through our platform;
- traditional or existing relationships with pharmacies, pharmacists or other providers that sell healthcare products and services;
- concerns about the privacy and security of the data that consumers share with or through our platform;
- competition and negative selling efforts from competitors, including competing platforms and price matching programs; and
- perception regarding the time and complexity of using our platform or using and applying our GoodRx codes available through our platform at the point of purchase.

If we fail to achieve broad market education of our platform and/or the options for purchasing healthcare products and services, or if we are unsuccessful in changing consumer purchasing habits, our business, financial condition and results of operations would be adversely affected.

We may be unable to continue to attract, acquire and retain consumers, or may fail to do so in a cost-effective manner.

Our success depends in part on our ability to cost-effectively attract and acquire new consumers, retain our existing consumers and encourage our consumers to continue to utilize our platform when making purchasing decisions for prescription medications and other healthcare products and services. To expand our base of consumers, we must appeal to consumers who have historically used traditional outlets for their healthcare products and services, and who may be unaware of the possibility or benefits of using discounted prices to purchase healthcare products and services outside of insurance programs. We have made significant investments related to consumer acquisition and expect to continue to spend significant amounts to acquire additional consumers. For example, spending on advertising was $28 million, $57 million, $71 million, $89 million and $164 million in 2015, 2016, 2017, 2018 and 2019, respectively, representing a CAGR of 55% from 2015 to 2019. Advertising spending was $37 million, $35 million, $42 million, $50 million, $58 million and $46 million in the first, second, third and fourth quarters of 2019, and the first and second quarters of 2020, respectively. We increased our expenditures on advertising by $74.4 million in 2019, and we expect to continue to invest in sales and marketing in the near term. We cannot assure you that this spending will be effective or that revenue from new consumers that we acquire will ultimately exceed the cost of acquiring those consumers. If we fail to deliver reliable and significant discounted prices for prescription medications, we may be unable to acquire or retain consumers. If we are unable to acquire or retain consumers who use our platform in volumes and with recurrence sufficient to grow our business, we may be unable to maintain the scale necessary for operational efficiency and to drive beneficial and self-reinforcing network effects across the broader healthcare ecosystem, including pharmacies, PBMs, pharmaceutical manufacturers and telehealth providers. Consequently, we may not be able to present the same quality or range of solutions on our platform or otherwise, which may adversely impact consumer interest in our platform, in which case our business, financial condition and results of operations would be adversely affected.

We believe that our paid and non-paid marketing initiatives have been critical in promoting consumer awareness of our platform and offerings, which in turn has driven new consumer growth and increased the extent to which existing consumers have used our platform. Our paid marketing initiatives include television, search

engine marketing, mail to consumers and healthcare provider offices, email, display, radio and magazine advertising and social media marketing. For example, we actively market our platform and offerings through television and we rely on direct mail to distribute marketing materials to consumers. If we are unable to cost-effectively market to consumers and drive traffic to our apps and websites, our ability to acquire new consumers and our financial condition would be materially and adversely affected. We also buy search advertising primarily through search engines such as Google and Bing, and use internal analytics and external vendors for bid optimization and channel strategy. Our non-paid advertising efforts include search engine optimization, non-paid social media and e-mail marketing. Search engines frequently modify their search algorithms and these changes can cause our websites to receive less favorable placements, which could reduce the number of consumers who visit our websites. The costs associated with advertising through search engines can also vary significantly from period to period, and have generally increased over time. We may be unable to modify our strategies in response to any future search algorithm changes made by the search engines, which could require a change in the strategy we use to generate consumer traffic to our websites. In addition, our websites must comply with search engine guidelines and policies, which are complex and may change at any time. If we fail to follow such guidelines and policies properly, search engines may rank our content lower in search results or could remove our content altogether from their indices. Although consumer traffic to our apps is not reliant on search results, growth in mobile device usage may not decrease our overall reliance on search results if consumers use our mobile websites rather than our apps or use search to initially find our apps. In fact, growth in mobile device usage may exacerbate the risks associated with how and where our websites are displayed in search results because mobile device screens are smaller than desktop computer screens and therefore display fewer search results.

In addition, we actively encourage new and existing consumers to use our apps to access our platform. We believe that our apps help to facilitate increased consumer retention and that consumers that access our platform through our apps are more likely to utilize GoodRx codes at the final point of purchase. While we have invested and will continue to invest in the development of our apps to improve consumer utilization, there can be no assurance that our efforts to drive adoption and use of our apps will be effective.

Our consumer education, acquisition and retention initiatives can be expensive and may be ineffective in driving consumer education or interest in our platform. Further, if new or existing consumers do not perceive that the discounted prices presented through our platform are reliable or meaningful, or if we fail to offer new and relevant offerings and application features, we may not be able to attract or retain consumers or increase the extent to which they use our platform and applications for other or future purchases. If we fail to continue to grow our base of consumers, retain existing consumers or increase consumer engagement, our business, financial condition and results of operations would be adversely affected.

We rely significantly on our prescription offering and may not be successful in expanding our offerings within our markets, particularly the U.S. prescriptions market, or to other segments of the healthcare industry.

To date, the vast majority of our revenue has been, and we expect it to continue to substantially be, derived from our prescription offering. When a consumer uses a GoodRx code to fill a prescription and saves money compared to the list price at that pharmacy, we receive fees from our partners, primarily PBMs. Revenue from our prescription offering represented 97% and 94% of our revenue for 2018 and 2019, respectively, and 95% and 91% for the first half of 2019 and 2020, respectively. Substantially all of this revenue was generated from consumer transactions at brick and mortar pharmacies. In addition, we have experienced a significant increase in revenue generated by our telehealth offerings. The introduction of competing offerings with lower prices for consumers, fluctuations in prescription prices, changes in consumer purchasing habits, including an increase in the use of mail-order prescriptions, changes in the regulatory landscape, and other factors could result in changes to our contracts or a decline in our revenue, which may have an adverse effect on our business, financial condition and results of operations. Because we derive a vast majority of our revenue from our prescription offering, any material decline in the use of such offering or in the fees we receive from our partners in connection with such offering would have a pronounced impact on our future revenue and results of operations, particularly if we are unable to expand our offerings overall.

We seek to expand our offerings within the prescriptions market, the pharmaceutical manufacturer solutions market and the telehealth market in the United States. For example, within the prescriptions market, we developed our subscription offerings, Gold and Kroger Savings in 2017 and 2018, respectively. Additionally, we have expanded into the pharmaceutical manufacturer solutions markets with our pharmaceutical manufacturer solutions offering. We have also expanded into the telehealth market through our acquisition and integration of HeyDoctor in 2019 and the launch of the GoodRx Telehealth Marketplace, which is a marketplace designed to bring third party providers to our ecosystem so that we can provide consumers with a breadth of services in a single platform, in 2020. We are actively investing in each of these growth areas. However, expanding our offerings and entering into new markets requires substantial additional resources, and our ability to succeed is not certain. During and following periods of active investment, we may experience a decrease in profitability or margins, particularly if the area of investment generates lower margins than our other offerings. For example, HeyDoctor generates substantially lower margins than our other offerings and we expect that it will continue to do so for the foreseeable future. As we expand our offerings, we will need to take additional steps, such as hiring additional personnel, partnering with new third parties and incurring considerable research and development expenses, in order to pursue such an expansion successfully. Any such expansion would be subject to additional uncertainties and would likely be subject to additional laws and regulations. As a result, we may not be successful in future efforts to expand into or achieve profitability from new markets, new business models or strategies or new offering types, and our ability to generate revenue from our current offerings and continue our existing business may be negatively affected. If any such expansion does not enhance our ability to maintain or grow revenue or recover any associated development costs, our business, financial condition and results of operations could be adversely affected.

Our business is subject to changes in medication pricing and is significantly impacted by pricing structures negotiated by industry participants.

Our platform aggregates and analyzes pricing data from a number of different sources. The discounted prices that we present through our platform are based in large part upon pricing structures negotiated by industry participants. We do not control the pricing strategies of pharmaceutical manufacturers, wholesalers, PBMs and pharmacies, each of which is motivated by independent considerations and drivers that are outside our control and has the ability to set or significantly impact market prices for different prescription medications. While we have contractual and non-contractual relationships with certain industry participants, such as pharmacies, PBMs and pharmaceutical manufacturers, these and other industry participants often negotiate complex and multi-party pricing structures, and we have no control over these participants and the policies and strategies that they implement in negotiating these pricing structures.

Pharmaceutical manufacturers generally direct medication pricing by setting medication list prices and offering rebates and discounts for their medications. List prices are impacted by, among other things, market considerations such as the number of competitor medications and availability of alternative treatment options. Wholesalers can impact medication pricing by purchasing medications in bulk from pharmaceutical manufacturers and then reselling such medications to pharmacies. PBMs generally impact medication pricing through their bargaining power, negotiated rebates with pharmaceutical manufacturers and contracts with different pharmacy providers and health insurance companies. PBMs work with pharmacies to determine the negotiated rate that will be paid at the pharmacy by consumers. Medication pricing is also impacted by health insurance companies and the extent to which a health insurance plan provides for, among other things, covered medications, preferred tiers for different medications and high or low deductibles. Approximately 90% of the total prescription volume and 26% of prescription spending in the United States was for generic forms of medication in 2018, with the remainder being brand medications, according to a report by the IQVIA Institute. Similar to the total prescription volume in the United States, a vast majority of the utilization of our platform relates to generic medications.

Our ability to present discounted prices through our platform, the value of any such discounts and our ability to generate revenue are directly affected by the pricing structures in place amongst these industry participants, and changes in medication pricing and in the general pricing structures that are in place could have an adverse

effect on our business, financial condition and results of operations. For example, changes in the negotiated rates of the PBMs on our platform at pharmacies could negatively impact the prices that we present through our platform, and changes in insurance plan coverage for specific medications could reduce demand for and/or our ability to offer competitive discounts for certain medications, any of which could have an adverse effect on our ability to generate revenue and business. In addition, changes in the fee and pricing structures among industry participants, whether due to regulatory requirements, competitive pressures or otherwise, that reduce or adversely impact fees generated by PBMs would have an adverse effect on our ability to generate revenue and business. Due in part to existing pricing structures, we generate a small portion of our revenue through contracts with pharmaceutical manufacturers and other intermediaries. Changes in the roles of industry participants and in general pricing structures, as well as price competition among industry participants, could have an adverse impact on our business. For example, integration of PBMs and pharmacy providers could result in pricing structures whereby such entities would have greater pricing power and flexibility or industry players could implement direct to consumer initiatives that could significantly alter existing pricing structures, either of which would have an adverse impact on our ability to present competitive and low prices to consumers and, as a result, the value of our platform for consumers and our results of operations.

We generally do not control the categories and types of prescriptions for which we can offer savings or discounted prices.

The categories and brands of medications for which we can present discounted prices are largely determined by PBMs. PBMs work with insurance companies, employers and other organizations and enter into contracts with pharmacies to determine negotiated rates. They also negotiate rebates with pharmaceutical manufacturers. The terms that different PBMs negotiate with each pharmacy are generally different and result in different negotiated rates available via each PBM's network, all of which is outside our control. Different PBMs prioritize and allocate discounts across different medications, and continuously update these allocations in accordance with their internal strategies and expectations. As we have agreements with PBMs to market their negotiated rates through our platform, our ability to present discounted prices is dependent upon the arrangements that PBMs have negotiated with pharmacies and upon the resulting availability and allocation of discounts for medications subject to these arrangements. In general, industry participants are less likely to allocate or provide for discounts or rebates on brand medications that are covered by patents. As a result, the discounted prices that we are able to present for brand medications may not be as competitive as for generic medications. Similar to the total prescription volume in the United States, the vast majority of the utilization of our platform relates to generic medications.

Changes in the categories and types of medications for which we can present pricing through our platform could have an adverse effect on our business, financial condition and results of operations. In addition, demand for our offerings and the use and utility of our platform is impacted by the value of the discounts that we are able to present and the extent to which there is inconsistency in the price of a particular prescription across the market. If pharmacies, PBMs or others do not allocate or otherwise facilitate adequate discounts for these medications, or if there is significant price similarity or competition across PBMs and pharmacies, the perceived value of our platform and the demand for our offerings would decrease and there would be a significant impact on our business, financial condition and results of operations.

We rely on a limited number of industry participants.

There is currently significant concentration in the U.S. healthcare industry, and in particular there are a limited number of PBMs, including pharmacies' in-house PBMs, and a limited number of national pharmacy chains. If we are unable to retain favorable contractual arrangements with our PBMs, including any successor PBMs should there be further consolidation of PBMs, we may lose them as customers, or the negotiated rates provided by such PBMs may become less competitive, which could have an adverse impact on the discounted prices we present through our platform.

Our PBM contracts generally provide for monthly payments from PBMs. The majority of our contracts provide for fees that represent a percentage of the fees that the PBM charges to the pharmacy, and a minority of our

contracts provide for a fixed fee per transaction. Our percentage of fee contracts often also include a minimum fixed fee per transaction. Certain contracts also provide that the amount of fees we receive is based on the volume of prescriptions filled in a month. Many of our PBM contracts provide for continuing payments to us after such PBM contracts are terminated for so long as the negotiated rates related to such PBMs continue to be utilized by our consumers or, for certain partners, for a specified multi-year period. Our PBM contracts generally renew automatically. Certain of our contracts do not provide for termination for convenience. In addition, our PBM contracts typically include provisions that prohibit PBMs from circumventing our platform, redirecting volumes outside of our platform and other protective measures. While we have consistently renewed and extended the term of our contracts with PBMs over time, there can be no assurance that PBMs will enter into future contracts or renew existing contracts with us, or that any future contracts they enter into will be on equally favorable terms. Changes that limit or otherwise negatively impact our ability to receive fees from these partners would have an adverse effect on our business, financial condition and results of operations. Consolidation of PBMs or the loss of a PBM could negatively impact the discounts and prices that we present through our platform and may result in less competitive discounts and prices on our platform.

A limited number of PBMs generate a significant percentage of the discounted prices that we present through our platform and, as a result, we generate a significant portion of our revenue from contracts with a limited number of PBMs. We work with more than a dozen PBMs that maintain cash networks and prices, and the number of PBMs we work with has significantly increased over time, limiting the extent to which any one PBM contributes to our overall revenue; however, we may not expand beyond our existing PBM partners and the number of our PBM partners may even decline. Our three largest PBM partners accounted for 61% of our revenue in 2018, 55% of our revenue in 2019 and 48% of our revenue in the first half of 2020. Revenue from each PBM fluctuates from period to period as the discounts and prices available through our platform change, and different PBMs experience increases and decreases in the volume of transactions processed through their respective networks. In 2018, Optum, Navitus and MedImpact each accounted for more than 10% of revenue. In 2019, Navitus and MedImpact each accounted for more than 10% of revenue, and in the first half of 2020, Navitus, MedImpact and Express Scripts each accounted for more than 10% of revenue. The loss of any of these large PBMs may negatively impact the breadth of the pricing that we are able to offer consumers.

Our consumers use GoodRx codes at the point of purchase at nearby pharmacies. These codes can be used at over 70,000 pharmacies in the United States. The U.S. prescriptions market is dominated by a limited number of national and regional pharmacy chains, such as CVS, Kroger, Walmart and Walgreens. These pharmacy chains represent a significant portion of overall prescription medication transactions in the United States. Similarly, a significant portion of our discounted prices are used at a limited number of pharmacy chains and, as a result, a significant portion of our revenue is derived from transactions processed at a limited number of pharmacy chains. We do not generate a significant percentage of revenue from mail-order prescriptions or mail-order pharmacies. If one or more of these pharmacy chains terminates its cash network contracts with PBMs that we work with or enters into cash network contracts with PBMs that we work with at less competitive rates, our business may be negatively affected. This could be exacerbated by further consolidation of PBMs or pharmacy chains. If such changes, individually or in the aggregate, are material, they would have an adverse effect on our business, results of operations and financial condition. If there is a decline in revenue generated from any of the PBMs we contract with, as a result of consolidation of PBMs or pharmacy chains, pricing competition among industry participants or otherwise, if we are unable to maintain or grow our relationships with PBMs or if we lose one or more of the PBMs we contract with and cannot replace the PBM in a timely manner or at all, there would be an adverse effect on our business, financial condition and results of operations.

We operate in a very competitive industry and we may fail to effectively differentiate our offerings and services from those of our competitors, which could impair our ability to attract and acquire new consumers and retain existing consumers.

The U.S. prescriptions market, pharmaceutical manufacturer solutions market and telehealth market are highly competitive and subject to ongoing innovation and development. Our ability to remain competitive is

dependent upon our ability to appeal to consumers and attract and acquire new consumers to our platform, including through our apps. Our ability to remain competitive is also dependent upon our ability to retain existing consumers and encourage them to continue to use our platform as a tool for purchasing healthcare products and services. We operate in a highly competitive environment and in an industry that is subject to significant market pressures brought about by consumer demands, a limited number of major PBMs, fluctuations in medication pricing, legislative and regulatory activity, significant changes in demand and interest in telehealth and other market factors.

We compete with companies that provide savings on prescriptions, as well as companies that offer telehealth services and advertising and market access for pharmaceutical manufacturers. Within the prescriptions market, our competition is fragmented and consists of competitors that are smaller than us in scale. There can be no assurance that competitors will not develop and market similar offerings to ours, or that industry participants, such as integrated PBMs and pharmacy providers, will not seek to leverage our platform to drive consumer demand and traffic to their networks and eventually away from, or outside of, our platform. We may face increased competition from those that attempt to replicate our business model or marketing tactics, such as discount websites, apps, cash back and loyalty programs and new comparison shopping sites from various industry participants, any of which could impact our ability to attract and retain consumers. We also face competition in the telehealth market from a range of companies, including providers of telehealth services that are larger than us, and which usually provide telehealth services on behalf of employers and insurance plans, such as Teladoc, Amwell, MDLIVE, and Doctor on Demand. Our pharmaceutical manufacturer solutions offering competes for advertising and market access budget allocation against traditional direct to consumer and other platforms on which pharmaceuticals manufacturers can reach consumers, such as through physicians, health-related apps and websites, television advertisements and services supporting patient access. A competitor’s offerings, reputation and marketing strategies can have a substantial impact on its ability to attract and retain consumers, and we may face competition from existing or new market entrants with greater resources and better offerings, reputations and market strategies, which would have a negative impact on our business. Any such competitor may be better able to respond quickly to new technologies, develop deeper relationships with consumers and industry participants, including pharmacies, PBMs and telehealth providers, or offer more competitive discounts or pricing. While we negotiate protective terms related to our discounted prices, our intellectual property and our consumers with PBMs, our contacts with these parties are not exclusive and PBMs work with others in the industry to drive volume to their networks. For example, our contracts include provisions that, among others, restrict the ability of PBMs to compete with us and solicit our consumers. We aim to differentiate our business through scale and by innovating and delivering offerings and services, including medical care and advice through our telehealth offerings, that demonstrate value to consumers and to our existing consumers, particularly in response to frequent changes in medication pricing and the cost of medical care. Our failure to innovate and deliver offerings and services that demonstrate value, or to market such offerings and services effectively, may affect our ability to acquire or retain consumers, which could have a material adverse effect on our business, results of operations and financial condition.

We may also face competition from companies that we do not yet know about. If existing or new companies develop or market an offering similar to ours, develop an entirely new solution for access to affordable healthcare, acquire one of our existing competitors or form a strategic alliance with one of our competitors or other industry participants, our ability to compete effectively could be significantly impacted, which would have a material adverse effect on our business, results of operations and financial condition.

A pandemic, epidemic or outbreak of an infectious disease in the United States, including the outbreak of the novel strain of coronavirus disease, could impact our business.

In December 2019, a novel strain of coronavirus, SARS-CoV-2, was identified in Wuhan, China. Since then, SARS-CoV-2, and the resulting disease, COVID-19, has spread to almost every country in the world and all 50 states within the United States. Global health concerns relating to the outbreak of COVID-19 have been weighing on the macroeconomic environment, and the outbreak has significantly increased economic

uncertainty. The outbreak has resulted in authorities implementing numerous measures to try to contain the virus, such as travel bans and restrictions, quarantines, shelter-in-place orders, and business shutdowns. In particular for our business, governmental authorities have also recommended, and in certain cases, required, that elective or other medical appointments be suspended or cancelled to avoid non-essential patient exposure to medical environments and potential infection. These and other measures have not only negatively impacted consumer spending and business spending habits, they have adversely impacted and may further impact our workforce and operations and the operations of healthcare professionals, pharmacies, consumers, PBMs and others in the broader healthcare ecosystem. Although certain of these measures are beginning to ease in some geographic regions, overall measures to contain the COVID-19 outbreak may remain in place for a significant period of time, and certain geographic regions are experiencing a resurgence of COVID-19 infections. The duration and severity of this pandemic is unknown and the extent of the business disruption and financial impact depend on factors beyond our knowledge and control.

Given the uncertainty around the duration and extent of the COVID-19 pandemic, we expect the evolving COVID-19 pandemic to continue to impact our business, financial condition, results of operations and liquidity, but cannot accurately predict at this time the future potential impact on our business, financial condition, results of operations or liquidity. Various government measures, community self-isolation practices and shelter-in-place requirements, as well as the perceived need by individuals to continue such practices to avoid infection, have generally reduced the extent to which consumers visit healthcare professionals in-person, seek treatment for certain conditions or ailments, and receive and fill new prescriptions. Consumers may also increasingly elect to receive prescriptions by mail order instead of at the pharmacy, which could have an adverse impact on our prescription offering. In addition, many pharmacies and healthcare providers have reduced staffing, closed locations or otherwise limited operations, and many prescribing healthcare professionals have reduced or postponed treatment of certain patients. The number of Monthly Active Consumers decreased and our prescription offering experienced a decline in activity in the second quarter of 2020 as compared to the first quarter of 2020, as many consumers avoided visiting healthcare professionals and pharmacies in-person, which we believe has had a similar effect across the industry. Any decrease in the number of consumers seeking to fill prescriptions could negatively impact demand for and use of certain of our offerings, particularly our prescription offering, which would have an adverse effect on our business, financial condition and results of operations.

Conversely, pandemics, epidemics and outbreaks may significantly and temporarily increase demand for our telehealth offerings. COVID-19 has significantly accelerated the awareness and use of our telehealth offerings, including demand for our HeyDoctor offering and the utilization of our GoodRx Telehealth Marketplace. While we have experienced a significant increase in demand for the telehealth offerings, there can be no assurance that the levels of interest, demand and use of our telehealth offerings will continue at current levels or will not decrease during or after the pandemic. Any such decrease could have an adverse effect on our growth and the success of our telehealth offerings.

The spread of COVID-19 has also caused us to modify our business practices (including employee travel, employee work locations, and the cancellation of physical participation in meetings, events and conferences), and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, consumers and partners. For example, we have implemented work-from-home measures, which have required us to provide technical support to our employees to enable them to connect to our systems from their homes. In addition, COVID-19 and the determination of appropriate measures and business practices has diverted management’s time and attention. If our employees are not able to effectively work from home, or if our employees contract COVID-19 or another contagious disease, we may experience a decrease in productivity and operational efficiency, which would negatively impact our business, financial condition and results of operations. There is also no certainty that the measures we have taken to mitigate the impact of COVID-19 on our business will be sufficient or otherwise be satisfactory to government authorities. Further, because most of our employees are working remotely in connection with the COVID-19 pandemic, we may experience an increased risk of security breaches, loss of data, and other disruptions as a result of accessing sensitive information from remote locations.

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

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

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.

Our estimated addressable market is subject to inherent challenges and uncertainties. If we have overestimated the size of our addressable market or the various markets in which we operate, our future growth opportunities may be limited.

Our total addressable market, or TAM, is based on internal estimates and third-party estimates regarding the size of each of the U.S. prescriptions market, pharmaceutical manufacturer solutions market and telehealth market, and is subject to significant uncertainty and is based on assumptions that may not prove to be accurate. In particular, we calculated the TAM for our prescription opportunity based on data from CMS regarding the expected size of the U.S. prescription market in 2020, plus our estimated value of prescriptions that are written but not filled. This estimate is based on third-party reports and is subject to significant assumptions and estimates. Additionally, we calculated the TAM for our pharmaceutical manufacturer solutions opportunity based on data published in an article in the Journal of the American Medical Association regarding the amount of advertising and marketing spending by U.S. pharmaceutical manufacturers in 2016. We calculated the TAM for our telehealth opportunity based on a report by McKinsey & Company regarding the extent to which amounts spent on outpatient office and home health visits in 2020 can be addressed via telehealth offerings. These estimates, as well as the estimates and forecasts in this prospectus relating to the size and expected growth of the markets in which we operate, may change or prove to be inaccurate. While we believe the information on which we base our TAM is generally reliable, such information is inherently imprecise. In addition, our expectations, assumptions and estimates of future opportunities are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described herein. If third-party or internally generated data prove to be inaccurate or we make errors in our assumptions based on that data, our future growth opportunities may be affected. Additionally, our TAM for our prescription offering includes medications for which we are currently not able to offer savings on the prices paid by non-insured and insured consumers and for which we may not be able to provide savings on in the future. If our TAM, or the size of any of the various markets in which we operate, proves to be inaccurate, our future growth opportunities may be limited and there could be a material adverse effect on our prospects, business, financial condition and results of operations.

We calculate certain operational metrics using internal systems and tools and do not independently verify such metrics. Certain metrics are subject to inherent challenges in measurement, and real or perceived inaccuracies in such metrics may harm our reputation and negatively affect our business.

We present certain operational metrics herein, including Monthly Active Consumers, Monthly Visitors, GMV, savings and other metrics. We calculate these metrics using internal systems and tools that are not independently verified by any third party. These metrics may differ from estimates or similar metrics published by third parties or other companies due to differences in sources, methodologies or the assumptions on which we rely. Our internal systems and tools have a number of limitations, and our methodologies for tracking these

metrics may change over time, which could result in unexpected changes to our metrics, including the metrics we publicly disclose on an ongoing basis. If the internal systems and tools we use to track these metrics undercount or overcount performance or contain algorithmic or other technical errors, the data we present may not be accurate. While these numbers are based on what we believe to be reasonable estimates of our metrics for the applicable period of measurement, there are inherent challenges in measuring savings, the use of our platform and offerings and other metrics. For example, we believe that there are consumers who access our offerings through multiple accounts or channels, and that there are groups of consumers, such as families, who access our offerings through single accounts or channels, both of which impact our number of Monthly Visitors, as each channel is counted independently. In addition, limitations or errors with respect to how we measure data or with respect to the data that we measure may affect our understanding of certain details of our business, which would affect our long-term strategies. If our operating metrics or our estimates are not accurate representations of our business, or if investors do not perceive our operating metrics to be accurate, or if we discover material inaccuracies with respect to these figures, our reputation may be significantly harmed, and our operating and financial results could be adversely affected.

The telehealth market is immature and volatile, and if it does not develop, or if it develops more slowly than we expect, the growth of our business will be harmed.

The telehealth market is relatively new and unproven, and it is uncertain whether it will achieve and sustain high levels of demand, consumer acceptance and market adoption. The success of our telehealth offerings will depend to a substantial extent on the willingness of our consumers to use, and to increase the frequency and extent of their utilization of, our platform, as well as on our ability to demonstrate the value of telehealth to employers, health plans, government agencies and other purchasers of healthcare for beneficiaries. Furthermore, the GoodRx Telehealth Marketplace will require marketplace participants to offer their services and for consumers to purchase such services if it is to be successful. If any of these events do not occur or do not occur quickly, it could have a material adverse effect on our business, financial condition and results of operations.

Our telehealth offerings depend in part on our ability to maintain and expand a network of skilled telehealth providers.

The success of our telehealth offerings, including HeyDoctor and the GoodRx Telehealth Marketplace, depends in part on our continued ability to maintain a network of skilled and qualified telehealth providers. With respect to the GoodRx Telehealth Marketplace in particular, we are dependent on third-party entities, which we do not own or control, to provide healthcare services to consumers. There is significant competition in the telehealth market for qualified telehealth providers, and if we are unable to recruit or retain physicians and other healthcare professionals and service providers, it would negatively impact the growth of our telehealth offerings and would have a material adverse effect on our business, financial condition and results of operations.

Negative media coverage could adversely affect our business.

We receive a high degree of media coverage in the United States. Unfavorable publicity regarding, for example, the healthcare industry, litigation or regulatory activity, the actions of the entities included or otherwise involved in our platform, negative perceptions of prescriptions included on our platform, medication pricing, pricing structures in place amongst the industry participants, our data privacy or data security practices, our platform or our revenue could materially adversely affect our reputation. Such negative publicity also could have an adverse effect on our ability to attract and retain consumers, partners, or employees, and result in decreased revenue, which would materially adversely affect our business, financial condition and results of operations.

We may be unable to successfully respond to changes in the market for prescription pricing, and may fail to maintain and expand the use of GoodRx codes through our apps and websites.

In recent years, we believe that consumer preferences and access to prescription medication discounts has increasingly shifted from traditional offline or analog channels, such newspapers and by direct mail, to digital or

electronic channels, such as apps, websites and by email. It is difficult to predict whether the pace of the transition from traditional to digital channels will continue at the same rate and whether the growth of the digital channel will continue. While we actively promote the use of our apps and websites, if the demand for digital channels does not continue to grow as we expect, or if we fail to successfully address this demand through our platforms, our business could be harmed. Consumer access and preferences for purchasing medications may evolve in ways which may be difficult to predict. Further, if PBMs or pharmacy chains elect to directly distribute pricing information through their own digital channels, or if new or existing competitors are faster or better at addressing consumer demand and preferences for digital channels, or are able to offer more accessible discounted prices to consumers, our ability and success in presenting discounted prices on our platform may be impeded and our business, financial condition and results of operations would be adversely affected. If we cannot maintain a sufficient offering of discounted prices on our platform, consumers and existing consumers may perceive our platform as less relevant, consumer traffic to our platform could decline and, as a result, consumers and existing consumers may decrease their use of our platform or subscription offerings, which would affect our contracts with certain partners included or otherwise involved in our platform and have a material adverse effect on our business, financial condition and results of operations.

We may be unable to maintain a positive perception regarding our platform or maintain and enhance our brand.

A decrease in the quality or perceived quality of the discounted prices available through our platform, or of our telehealth offerings, including HeyDoctor and the GoodRx Telehealth Marketplace, could harm our reputation and damage our ability to attract and retain consumers and partners included or otherwise involved in our platform, which could adversely affect our business. Many factors that impact the perception of our offerings are beyond our control. For example, the success and perception of the GoodRx Telehealth Marketplace depends in part on the number, availability, and quality of service delivered by the telehealth providers included on the marketplace. While we can control which providers we include on the GoodRx Telehealth Marketplace, there can be no assurance that all such providers will consistently deliver the quality of service necessary to fulfill consumer expectations, and any negative experiences could have an adverse impact on our brand and reputation, which could impact consumer demand for our telehealth offerings and the extent to which providers seek to be included on or associated with the marketplace.

Maintaining and enhancing our GoodRx brand and the branding and image of our various offerings, such as HeyDoctor, is critical to our business and our ability to attract new and existing consumers to our platform. We expect that the promotion of our brand will require us to make substantial investments and as our market becomes more competitive, these branding initiatives may become increasingly difficult and expensive. The successful promotion of our brand will depend largely on our marketing and public relations efforts. If we do not successfully maintain and enhance our brand, we could lose consumer traffic, which could, in turn, cause PBMs and others to terminate or reduce the extent of their relationship with us. Our brand promotion activities may not be successful or may not yield net revenues sufficient to offset this cost, which could adversely affect our reputation and business.

We have identified material weaknesses in our internal control over financial reporting and may identify material weaknesses in the future or otherwise fail to maintain an effective system of internal controls in the future, as a result of which, we may not be able to accurately report our financial condition or results of operations, which may adversely affect investor confidence in us and, as a result, the value of our Class A common stock.

We have been a private company since our inception and, as such, we have not had the internal control and financial reporting requirements that are required of a publicly-traded company. We are required to comply with the requirements of The Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, following the date we are deemed to be an “accelerated filer” or a “large accelerated filer,” each as defined in the Exchange Act, which could be as early as our first fiscal year beginning after the effective date of this offering. As a result of becoming a public company, we will be required, under Section 404 of the Sarbanes-Oxley Act to furnish a report by

management on, among other things, the effectiveness of our internal control over financial reporting beginning with our Annual Report on Form 10-K for the year ended December 31, 2021. This assessment will need to include disclosure of any material weaknesses identified in our internal control over financial reporting. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of a company's annual and interim financial statements will not be detected or prevented on a timely basis.

In connection with the preparation of our financial statements for 2019, we identified certain control deficiencies in the design and operation of our internal control over financial reporting that constituted material weaknesses. The material weaknesses were:

- We did not design or maintain an effective control environment commensurate with our financial reporting requirements. We lacked a sufficient number of professionals with an appropriate level of accounting knowledge, training and experience to appropriately analyze, record and disclose accounting matters timely and accurately. Additionally, the limited personnel resulted in an inability to consistently establish appropriate authorities and responsibilities in pursuit of our financial reporting objectives, as demonstrated by, amongst other things, insufficient segregation of duties in our finance and accounting functions.
- We did not effectively design and maintain controls in response to the risks of material misstatement. Specifically, changes to existing controls or the implementation of new controls have not been sufficient to respond to changes to the risks of material misstatement to financial reporting, due in part to acquisitions and other changes to our business.

These material weaknesses contributed to the following additional material weaknesses:

- We did not design and maintain formal accounting policies, processes and controls to analyze, account for and disclose complex transactions.
- We did not design and maintain formal accounting policies, procedures and controls to achieve complete, accurate and timely financial accounting, reporting and disclosures, including controls over the preparation and review of business performance reviews, account reconciliations and journal entries. Additionally, we did not design and maintain controls over the classification and presentation of accounts and disclosures in the financial statements.
- We did not design and maintain effective controls over certain information technology (IT) general controls for information systems that are relevant to the preparation of our financial statements. Specifically, we did not design and maintain: (i) program change management controls to ensure that IT program and data changes affecting financial IT applications and underlying accounting records are identified, tested, authorized, and implemented appropriately; (ii) user access controls to ensure appropriate segregation of duties and that adequately restrict user and privileged access to certain financial applications, programs and data to appropriate company personnel; (iii) computer operations controls to ensure that critical batch jobs are monitored and data backups are authorized and monitored, and (iv) testing and approval controls for program development to ensure that new software development is aligned with business and IT requirements.

These material weaknesses resulted in adjustments identified by our independent registered public accounting firm and recorded by us primarily related to goodwill, capitalized software, leases, debt extinguishment, revenue recognition and sales allowances. These material weaknesses could result in a misstatement of our accounts or disclosures that would result in a material misstatement to the annual or interim consolidated financial statements that would not be prevented or detected.

Our management and independent registered public accounting firm did not perform an evaluation of our internal control over financial reporting during any period in accordance with the provisions of Sarbanes-Oxley

Act. Had we performed an evaluation and had our independent registered public accounting firm performed an audit of our internal control over financial reporting in accordance with the provisions of Sarbanes-Oxley Act, additional material weaknesses may have been identified. We are in the very early stages of the costly and challenging process of compiling the system and processing documentation necessary to perform the evaluation needed to comply with Section 404(a) of Sarbanes-Oxley Act and we are taking steps to remediate the material weaknesses. Those remediation measures are ongoing and include the following:

- We have recently hired, and plan to continue to hire, additional accounting and IT personnel during 2020 to bolster our technical reporting, transactional accounting and IT capabilities. We are implementing controls to formalize roles and review responsibilities to align with our team's skills and experience and implement formal controls over segregation of duties.
- Implementing procedures to identify and evaluate changes in our business and the impact on our controls.
- Formally assessing complex accounting transactions and other technical accounting and financial reporting matters including controls over the preparation and review of accounting memoranda addressing these matters.
- In the first quarter of 2020, we implemented a new enterprise resource planning, or ERP, system. We are in the process of designing and implementing controls over this ERP system to, among other things, automate certain controls, enforce segregation of duties and facilitate the review of journal entries.
- Implementing formal processes, policies, and procedures supporting our financial close process, including creating standard balance sheet reconciliation templates, establishing and reviewing thresholds for business performance reviews, and formalizing procedures over the review of financial statements.
- Enhancing IT governance processes, including automating components of our change management and logical access processes, enhancing role-based access and logging capabilities, implementing automated controls and implementing more robust IT policies and procedures over change management and computer operations.

While we believe these efforts will remediate the material weaknesses, we may not be able to complete our evaluation, testing or any required remediation in a timely fashion. We cannot assure you that the measures we have taken to date and actions we may take in the future, will be sufficient to remediate the control deficiencies that led to our material weaknesses in our internal control over financial reporting or that they will prevent or avoid potential future material weaknesses. Any failure to maintain effective internal control over financial reporting could severely inhibit our ability to accurately report our financial condition or results of operations.

If we fail to remediate these material weaknesses or identify new material weaknesses by the time we have to issue our first Section 404(a) assessment on the effectiveness of our internal control over financial reporting, we will not be able to conclude that our internal control over financial reporting is effective, which may cause investors to lose confidence in our financial statements, and the trading price of our Class A common stock may decline. If we fail to remedy any material weakness, our financial statements may be inaccurate, our access to the capital markets may be restricted and the trading price of our Class A common stock may suffer.

Use of social media, emails and text messages may adversely impact our reputation, subject us to fines or other penalties or be an ineffective source to market our offerings.

We use social media, emails and text messages as part of our omnichannel approach to marketing and consumer outreach. Changes to these social networking services' terms of use or terms of service that limit promotional communications, restrictions that would limit our ability or our consumers' ability to send communications through their services, disruptions or downtime experienced by these social networking services or reductions in the use of or engagement with social networking services by consumers and potential consumers

could also harm our business. As laws and regulations rapidly evolve to govern the use of these channels, the failure by us, our employees or third parties acting at our direction to abide by applicable laws and regulations in the use of these channels could adversely affect our reputation or subject us to fines or other penalties. In addition, our employees or third parties acting at our direction may knowingly or inadvertently make use of social media in ways that could lead to the loss or infringement of intellectual property, as well as the public disclosure of proprietary, confidential or sensitive personal information of our business, employees, consumers or others. Any such inappropriate use of social media, emails and text messages could also cause reputational damage and adversely affect our business.

Our consumers may engage with us online through our social media pages, including, for example, our presence on Facebook, Instagram and Twitter, by providing feedback and public commentary about all aspects of our business. Information concerning us or our offerings and brands, whether accurate or not, may be posted on social media pages at any time and may have a disproportionately adverse impact on our brand, reputation or business. The harm may be immediate without affording us an opportunity for redress or correction and could have a material adverse effect on our business, financial condition, results of operations and prospects.

Additionally, we use emails and text messages to communicate with consumers and we collect consumer data, including email addresses and phone numbers, to further our marketing efforts with such consenting consumers. If we fail to adequately or accurately collect such data or if our data collection systems are breached, our business, financial condition and results of operations could be harmed. Further, any failure, or perceived failure, by us, or any third parties processing such data, to comply with privacy policies or with any federal or state privacy or consumer protection-related laws, regulations, industry self-regulatory principles, industry standards or codes of conduct, regulatory guidance, orders to which we may be subject or other legal obligations relating to privacy or consumer protection would adversely affect our reputation, brand and business, and may result in claims, proceedings or actions against us by governmental entities, consumers, suppliers or others or other liabilities or may require us to change our operations and/or cease using certain data sets.

We may be unable to accurately forecast revenue and appropriately plan our expenses in the future.

We base our current and future expense levels on our operating forecasts and estimates of future income. Income and results of operations are difficult to forecast because they generally depend on the number and timing of our consumers using our platform, signing up for a subscription or using the services provided by our telehealth platform, which are uncertain. Additionally, our business is affected by general economic and business conditions around the world, including the impact of COVID-19. A softening in income, whether caused by changes in consumer preferences or a weakening in global economies, may result in decreased revenue levels, and we may be unable to adjust our spending in a timely manner to compensate for any unexpected shortfall in income. This inability could result in lower net income or greater net loss in a given quarter than expected.

We rely on information technology to operate our business and maintain competitiveness, and must adapt to technological developments or industry trends.

Our ability to attract new consumers and increase revenue from our existing consumers depends in large part on our ability to enhance and improve our existing offerings, increase adoption and usage of our offerings, and introduce new features and capabilities. The markets in which we compete are relatively new and subject to rapid technological change, evolving industry standards, and changing regulations, as well as changing consumer needs, requirements and preferences. The success of our business will depend, in part, on our ability to adapt and respond effectively to these changes on a timely basis.

We depend on the use of information technologies and systems. As our operations grow, we must continuously improve and upgrade our systems and infrastructure while maintaining or improving the reliability and integrity of our infrastructure. Our future success also depends on our ability to adapt our systems and infrastructure to meet rapidly evolving consumer trends and demands while continuing to improve the

performance, features and reliability of our solutions in response to competitive services and offerings. The emergence of alternative platforms such as smartphones and tablets and the emergence of niche competitors who may be able to optimize offerings, services or strategies for such platforms will require new investment in technology. New developments in other areas, such as cloud computing, have made it easier for competition to enter our markets due to lower up-front technology costs. In addition, we may not be able to maintain our existing systems or replace or introduce new technologies and systems as quickly as we would like or in a cost-effective manner. There is also no guarantee that we will possess the financial resources or personnel, for the research, design and development of new applications or services, or that we will be able to utilize these resources successfully and avoid technological or market obsolescence. Further, there can be no assurance that technological advances by one or more of our competitors or future competitors will not result in our present or future applications and services becoming uncompetitive or obsolete. If we were unable to enhance our offerings and platform capabilities to keep pace with rapid technological and regulatory change, or if new technologies emerge that are able to deliver competitive offerings at lower prices, more efficiently, more conveniently or more securely than our offerings, our business, financial condition and results of operations could be adversely affected.

We depend on our information technology systems, and those of our third-party vendors, contractors and consultants, and any failure or significant disruptions of these systems, security breaches or loss of data could materially adversely affect our business, financial condition and results of operations.

We collect and maintain information in digital form that is necessary to conduct our business, and we are increasingly dependent on information technology systems and infrastructure, or IT Systems, to operate our business. In the ordinary course of our business, we collect, store and transmit large amounts of confidential information, including intellectual property, proprietary business information and personal information. It is critical that we do so in a secure manner to maintain the confidentiality and integrity of such confidential information. We have established physical, electronic and organizational measures to safeguard and secure our systems to prevent a data compromise, and rely on commercially available systems, software, tools, and monitoring to provide security for our IT Systems and the processing, transmission and storage of digital information. We have also outsourced elements of our IT Systems and data storage systems, and as a result a number of third-party vendors may or could have access to our confidential information.

Despite the implementation of preventative and detective security controls, such IT Systems are vulnerable to damage or interruption from a variety of sources, including telecommunications or network failures or interruptions, system malfunction, natural disasters, malicious human acts, terrorism and war. Such IT Systems, including our servers, are additionally vulnerable to physical or electronic break-ins, security breaches from inadvertent or intentional actions by our employees, third-party service providers, contractors, consultants, business partners, and/or other third parties, or from cyber-attacks by malicious third parties (including the deployment of harmful malware, ransomware, denial-of-service attacks, social engineering, and other means to affect service reliability and threaten the confidentiality, integrity, and availability of information). As a result of the COVID-19 pandemic, we may face increased cybersecurity risks due to our reliance on internet technology and the number of our employees who are working remotely, which may create additional opportunities for cybercriminals to exploit vulnerabilities. We may not be able to anticipate all types of security threats, and we may not be able to implement preventive measures effective against all such security threats. The techniques used by cyber criminals change frequently, may not be recognized until launched, and can originate from a wide variety of sources, including outside groups such as external service providers, organized crime affiliates, terrorist organizations, or hostile foreign governments or agencies.

In addition, the prevalent use of mobile devices that access confidential information increases the risk of data security breaches, which could lead to the loss of confidential information or other intellectual property. We can provide no assurance that our current IT Systems, or those of the third parties upon which we rely, are fully protected against cybersecurity threats. It is possible that we or our third-party vendors may experience cybersecurity and other breach incidents that remain undetected for an extended period. Even when a security

breach is detected, the full extent of the breach may not be determined immediately. The costs to us to mitigate network security problems, bugs, viruses, worms, malicious software programs and security vulnerabilities could be significant, and while we have implemented security measures to protect our data security and IT Systems, our efforts to address these problems may not be successful, and these problems could result in unexpected interruptions, delays, cessation of service and other harm to our business and our competitive position. If such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our offerings to consumers. Moreover, we and our third-party vendors collect, store and transmit sensitive data, including health-related information, personally identifiable information, intellectual property and proprietary business information in the ordinary course of our business. If a computer security breach affects our systems or results in the unauthorized release of personally identifiable information, our reputation could be materially damaged. In addition, such a breach may require notification to governmental agencies, the media or individuals pursuant to various federal and state privacy and security laws, if applicable, including the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, as well as regulations promulgated by the Federal Trade Commission, or FTC, and state breach notification laws. We would also be exposed to a risk of loss or litigation and potential liability, which could materially adversely affect our business, results of operations and financial condition.

If our or our third-party vendors' security measures fail or are breached, it could result in unauthorized access to confidential and proprietary business information, intellectual property, sensitive consumer data (including health-related information) or other personally identifiable information of our consumers, employees, partners or contractors, a loss of or damage to our data, or an inability to access data sources, process data or provide our services. Such failures or breaches of our or our third-party vendors' security measures, or our or our third-party vendors' inability to effectively resolve such failures or breaches in a timely manner, could severely damage our reputation, adversely impact consumer, partner, or investor confidence in us, and reduce the demand for our solutions and services. In addition, we could face litigation, significant damages for contract breach or other breaches of law, significant monetary penalties, or regulatory actions for violation of applicable laws or regulations, and incur significant costs for remedial measures to prevent future occurrences and mitigate past violations. The costs related to significant security breaches or disruptions could be material and exceed the limits of the cybersecurity insurance we maintain against such risks. If the IT Systems of our third-party vendors become subject to disruptions or security breaches, we may have insufficient recourse against such third parties and we may have to expend significant resources to mitigate the impact of such an event, and to develop and implement protections to prevent future events of this nature from occurring. Any disruption or loss to IT Systems on which critical aspects of our operations depend could have an adverse effect on our business.

Government regulation of the internet and e-commerce is evolving, and unfavorable changes or failure by us to comply with these laws and regulations could substantially harm our business and results of operations.

We are subject to general business regulations and laws specifically governing the internet and e-commerce. Furthermore, the regulatory landscape impacting these areas is constantly evolving. Existing and future regulations and laws could impede the growth of the internet, e-commerce or other online services. These regulations and laws may involve taxation, tariffs, privacy and data security, anti-spam, data protection, content, copyrights, distribution, electronic contracts, electronic communications, money laundering, electronic payments and consumer protection. It is not clear how existing laws and regulations governing issues such as property ownership, sales and other taxes, libel and personal privacy apply to the internet as the vast majority of these laws and regulations were adopted prior to the advent of the internet and do not contemplate or address the unique issues raised by the internet or e-commerce. It is possible that general business regulations and laws, or those specifically governing the internet or e-commerce 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 cannot assure you that our practices have complied, comply or will in the future comply with all such laws and regulations. Any failure, or perceived failure, by us to comply with any of these laws or regulations

could result in damage to our reputation, a loss in business, and proceedings or actions against us by governmental entities or others. For example, recent automatic renewal laws, which require companies to adhere to enhanced disclosure requirements when entering into automatically renewing contracts with consumers, resulted in class action lawsuits against companies that offer online products and services on a subscription or recurring basis. These and similar proceedings or actions could hurt our reputation, force us to spend significant resources in defense of these proceedings, distract our management, increase our costs of doing business, and cause consumers and paid merchants to decrease their use of our platform, and may result in the imposition of monetary liability. We may also be contractually liable to indemnify and hold harmless third parties from the costs or consequences of non-compliance with any such laws or regulations. In addition, it is possible that governments of one or more countries may seek to censor content available on our apps and websites or may even attempt to completely block access to our platform. Adverse legal or regulatory developments could substantially harm our business.

Our business relies on email, mail and other messaging channels and any technical, legal or other restrictions on the sending of such correspondence or a decrease in consumer willingness to receive such correspondence could adversely affect our business.

Our business depends in part upon the emailing and mailing of promotional materials, cards with GoodRx codes and other information to consumers and healthcare providers, and is also significantly dependent on email and other messaging channels, such as text messages. We distribute pricing information and other promotional materials in the mail, and also provide emails, mobile alerts and other messages to consumers informing them of the discounted prices available on our apps and websites. These communications help generate a significant portion of our revenues. Because email, mail and other messaging channels are important to our business, if we are unable to successfully deliver messages to consumers through these channels, if there are legal restrictions on delivering such messages to consumers, if consumers do not or cannot open or otherwise utilize our messages or if consumers reject the receipt of communications referencing particular prescriptions or conditions, our revenues and profitability would be adversely affected.

Actions taken by third parties that block, impose restrictions on or charge for the delivery of these communications could also harm our business. For example, from time to time, internet service providers or other third parties may block bulk communications or otherwise experience difficulties that result in our inability to successfully deliver communications to consumers. In addition, our use of mail, email and other messaging channels to send communications about our platform or other matters, including health related topics referencing particular prescriptions or conditions, may result in legal claims against us, which if successful might limit or prohibit our ability to send such communications.

We rely on a single third-party service provider for the delivery of substantially all of our mailing communications and rely on third-party service providers for delivery of emails, text messages and other forms of electronic communication. If we were unable to use any one of our current service providers, alternate providers are available; however, we believe our revenue could be impacted for some period as we transition to a new provider, and the new provider may be unable to provide equivalent or satisfactory services. Any disruption or restriction on the distribution of our communications, termination or disruption of our relationships with our third-party service providers, particularly our single third-party service provider for the delivery of mail communications, or any increase in the associated costs, may be beyond our control and would adversely affect our business.

We face the risk of litigation resulting from unauthorized text messages sent in violation of the Telephone Consumer Protection Act.

We send short message service, or SMS, text messages to individuals who are eligible to use our service. The actual or perceived improper sending of text messages may subject us to potential risks, including liabilities or claims relating to consumer protection laws. Numerous class action suits under federal and state

laws have been filed in recent years against companies who conduct SMS texting programs, with many resulting in multi-million-dollar settlements to the plaintiffs. We have been, and in the future may be subject to such litigation, which could be costly and time-consuming to defend. The Telephone Consumer Protection Act (TCPA) of 1991, a federal statute that protects consumers from unwanted telephone calls, faxes and text messages, restricts telemarketing and the use of automated SMS text messages without proper consent. Federal or state regulatory authorities or private litigants may claim that the notices and disclosures we provide, form of consents we obtain or our SMS texting practices are not adequate or violate applicable law. This has resulted and may in the future result in civil claims against us. The scope and interpretation of the laws that are or may be applicable to the delivery of text messages are continuously evolving and developing. If we do not comply with these laws or regulations or if we become liable under these laws or regulations, we could face direct liability, could be required to change some portions of our business model, could face negative publicity and our business, financial condition and results of operations could be adversely affected. Even an unsuccessful challenge of our SMS texting practices by our consumers, regulatory authorities or other third parties could result in negative publicity and could require a costly response from and defense by us.

Actual or perceived failures to comply with applicable data protection, privacy and security, advertising and consumer protection laws, regulations, standards and other requirements could adversely affect our business, financial condition and results of operations.

We rely on a variety of marketing techniques, including email and social media marketing and postal mailings, and we are subject to various laws and regulations that govern such marketing and advertising practices. A variety of federal and state laws and regulations govern the collection, use, retention, sharing and security of consumer data, particularly in the context of online advertising, which we rely upon to attract new consumers.

Laws and regulations relating to privacy, data protection, marketing and advertising, and consumer protection are evolving and subject to potentially differing interpretations. These requirements may be interpreted and applied in a manner that varies from one jurisdiction to another and/or may conflict with other law or regulations. As a result, our practices may not have complied or may not comply in the future with all such laws, regulations, requirements and obligations. Any failure, or perceived failure, by us or any of our third-party partners, data centers, or service providers to comply with privacy policies or federal or state privacy or consumer protection-related laws, regulations, industry self-regulatory principles, industry standards or codes of conduct, regulatory guidance, orders to which we may be subject, or other legal obligations relating to privacy or consumer protection, could adversely affect our reputation, brand and business, and may result in claims, proceedings or actions against us by governmental entities, consumers, suppliers or others. These proceedings may result in financial liabilities or may require us to change our operations, including ceasing the use or sharing of certain data sets. Any such claims, proceedings or actions could hurt our reputation, brand and business, force us to incur significant expenses in defense of such proceedings or actions, distract our management, increase our costs of doing business, result in a loss of consumers, suppliers, and contracts with PBMs and others and result in the imposition of monetary penalties. We are also contractually required to indemnify and hold harmless certain third parties from the costs or consequences of non-compliance with any laws, regulations or other legal obligations relating to privacy or consumer protection or any inadvertent or unauthorized use or disclosure of data that we store or handle as part of operating our business. Federal and state governmental authorities continue to evaluate the privacy implications inherent in the use of third-party “cookies” and other methods of online tracking for behavioral advertising and other purposes. The U.S. federal and state governments have enacted, and may in the future enact legislation or regulations impacting the ability of companies and individuals to engage in these activities, such as by regulating the level of consumer notice and consent required before a company can employ cookies or other electronic tracking tools or the use of data gathered with such tools. Additionally, some providers of consumer devices and web browsers have implemented, or announced plans to implement, limits on behavioral or targeted advertising and/or means to make it easier for internet users to prevent the placement of cookies or to block other tracking technologies, which could, if widely adopted, result in the decreased effectiveness or use of third-party cookies and other methods of online tracking, targeting or re-targeting. The

regulation of the use of these cookies and other current online tracking and advertising practices or a loss in our ability to make effective use of services that employ such technologies could increase our costs of operations and limit our ability to acquire new consumers on cost-effective terms and consequently, materially and adversely affect our business, financial condition and results of operations.

In addition, various federal and state legislative and regulatory bodies, or self-regulatory organizations, may expand current laws or regulations, enact new laws or regulations or issue revised rules or guidance regarding privacy, data protection, consumer protection, and advertising. In June 2018, California enacted the California Consumer Privacy Act of 2018, or the CCPA, which became effective on January 1, 2020. The CCPA creates individual privacy rights for California consumers and increases the privacy and security obligations of entities handling certain personal data. 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. Failure to comply with the CCPA may result in attorney general enforcement action and damage to our reputation. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches that is expected to increase data breach litigation. The CCPA may increase our compliance costs and potential liability. Additionally, a new California ballot initiative, the California Privacy Rights Act, appears to have garnered enough signatures to be included on the November 2020 ballot in California, and if voted into law by California residents, would impose additional data protection obligations on companies doing business in California, including additional consumer rights processes and opt outs for certain uses of sensitive data. It would also create a new California data protection agency specifically tasked to enforce the law, which would likely result in increased regulatory scrutiny of California businesses in the areas of data protection and security. Further, many similar laws have been proposed at the federal level and in other states. For instance, the state of Nevada recently enacted a law that went into force on October 1, 2019 and requires companies to honor consumers' requests to no longer sell their data. Violators may be subject to injunctions and civil penalties of up to $5,000 per violation.

Additionally, the FTC and many state attorneys general are interpreting existing federal and state consumer protection laws to impose evolving standards for the online collection, use, dissemination and security of health-related and other personal information. Courts may also adopt the standards for fair information practices promulgated by the FTC, which concern consumer notice, choice, security and access. Consumer protection laws require us to publish statements that describe how we handle personal information and choices individuals may have about the way we handle their personal information. If such information that we publish is considered untrue, we may be subject to government claims of unfair or deceptive trade practices, which could lead to significant liabilities and consequences. Furthermore, according to the FTC, violating consumers' privacy rights or failing to take appropriate steps to keep consumers' personal information secure may constitute unfair acts or practices in or affecting commerce and thus violate Section 5(a) of the FTC Act. The FTC expects a company's data security measures to be reasonable and appropriate in light of the sensitivity and volume of consumer information it holds, the size and complexity of its business, and the cost of available tools to improve security and reduce vulnerabilities. Individually identifiable health information is considered sensitive data that merits stronger safeguards.

In addition, HIPAA, which we believe does not currently apply to most of our business as currently operated, imposes on entities within its jurisdiction, among other things, certain standards relating to the privacy, security, transmission and breach reporting of individually identifiable health information. For example, HIPAA imposes privacy, security and breach reporting obligations with respect to individually identifiable health information upon "covered entities" (health plans, health care clearinghouses and certain health care providers), and their respective business associates, individuals or entities that create, receive, maintain or transmit protected health information in connection with providing a service for or on behalf of a covered entity. HIPAA mandates the reporting of certain breaches of health information to the U.S. Department of Health and Human Services, or HHS, affected individuals and if the breach is large enough, the media.

Certain states have adopted or are considering adopting comparable privacy and security laws and regulations, some of which may be more stringent or expansive than HIPAA. In addition, legislative proposals on the federal level include comparable privacy and security laws and regulations, which may be more stringent or

expansive than HIPAA. Such laws and regulations will be subject to interpretation by various courts and other governmental authorities, thus creating potentially complex compliance issues for us and our consumers and strategic partners.

We may experience fluctuations in our tax obligations and effective tax rate, which could materially and adversely affect our results of operations.

We are subject to U.S. federal and state income taxes. Tax laws, regulations and administrative practices in various jurisdictions may be subject to significant change, with or without advance notice, due to economic, political and other conditions, and significant judgment is required in evaluating and estimating our provision and accruals for these taxes. There are many transactions that occur during the ordinary course of business for which the ultimate tax determination is uncertain. Our effective tax rates could be affected by numerous factors, such as changes in tax, accounting and other laws, regulations, administrative practices, principles and interpretations, the mix and level of earnings in a given taxing jurisdiction or our ownership or capital structures.

Our ability to utilize our net operating loss carryforwards and certain other tax attributes may be limited.

Under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, or the Code, if a corporation undergoes an "ownership change" (generally defined as a change (by value) in its equity ownership by more than 50 percentage points over a rolling three-year period), the corporation's ability to use its pre-change net operating loss, or NOL, carryforwards and other pre-change tax attributes to offset its post-change income may be limited. At this time, we have not completed a study to assess whether an ownership change under Section 382 of the Code has occurred, or whether there have been multiple ownership changes since our formation. We may also experience ownership changes in the future as a result of subsequent shifts in our stock ownership. If finalized, Treasury Regulations currently proposed under Section 382 of the Code may further limit our ability to utilize our pre-change NOLs or credits if we undergo a future ownership change. Further, U.S. tax laws limit the time during which NOL carryforwards generated before January 1, 2018 may be applied against future taxes. While NOL carryforwards generated on or after January 1, 2018 are not subject to expiration, the deductibility of such NOL carryforwards is limited to 80% of our taxable income for taxable years beginning on or after January 1, 2021. For these reasons, our ability to utilize NOL carryforwards and other tax attributes to reduce future tax liabilities may be limited.

Our management team has limited experience managing a public company, and regulatory compliance may divert its attention from the day-to-day management of our business.

Our management team has limited experience managing a publicly-traded company and limited experience complying with the increasingly complex laws and regulations pertaining to public companies. Our management team may not successfully or efficiently manage our transition to being a public company that will be subject to significant regulatory oversight and reporting obligations under the federal securities laws. In particular, these new obligations will require substantial attention from our senior management and could divert their attention away from the day-to-day management of our business, which would adversely impact our business operations.

We rely on the performance of members of management and highly skilled personnel, and if we are unable to attract, develop, motivate and retain well-qualified employees, our business could be harmed.

Our ability to maintain our competitive position is largely dependent on the services of our senior management and other key personnel. In addition, our future success depends on our continuing ability to attract, develop, motivate and retain highly qualified and skilled employees. The market for such positions is competitive. Qualified individuals are in high demand and we may incur significant costs to attract them. In addition, the loss of any of our senior management or other key employees or our inability to recruit and develop mid-level managers could materially and adversely affect our ability to execute our business plan and we may be unable to find adequate replacements. All of our employees are at-will employees, meaning that they may terminate their employment relationship with us at any time, and their knowledge of our business and industry

would be extremely difficult to replace. If we fail to retain talented senior management and other key personnel, or if we do not succeed in attracting well-qualified employees or retaining and motivating existing employees, our business, financial condition and results of operations may be materially adversely affected.

Future litigation could have a material adverse effect on our business and results of operations.

Lawsuits and other administrative or legal proceedings that may arise in the course of our operations can involve substantial costs, including the costs associated with investigation, litigation and possible settlement, judgment, penalty or fine. In addition, lawsuits and other legal proceedings may be time consuming to defend or prosecute and may require a commitment of management and personnel resources that will be diverted from our normal business operations. Although we generally maintain insurance to mitigate certain costs, there can be no assurance that costs associated with lawsuits or other legal proceedings will not exceed the limits of insurance policies. Moreover, we may be unable to continue to maintain our existing insurance at a reasonable cost, if at all, or to secure additional coverage, which may result in costs associated with lawsuits and other legal proceedings being uninsured. Our business, financial condition and results of operations could be adversely affected if a judgment, settlement penalty or fine is not fully covered by insurance.

General economic factors, natural disasters or other unexpected events may adversely affect our business, financial performance and results of operations.

Although we only operate in the United States, our business, financial performance and results of operations depend in part on worldwide macroeconomic economic conditions and their impact on consumer spending. Recessionary economic cycles, higher interest rates, volatile fuel and energy costs, inflation, levels of unemployment, conditions in the residential real estate and mortgage markets, access to credit, consumer debt levels, unsettled financial markets and other economic factors that may affect costs of manufacturing prescription medications, consumer spending or buying habits could materially and adversely affect demand for our offerings. Volatility in the financial markets has also had and may continue to have a negative impact on consumer spending patterns. In addition, negative national or global economic conditions may materially and adversely affect the PBMs we contract with and their associated pharmacy networks, financial performance, liquidity and access to capital. This may affect their ability to renew contracts with us on the same or better terms, which could impact the competitiveness of the discounted prices we are able to offer our consumers, which could harm our business, financial condition and results of operations.

Economic factors such as increased insurance and healthcare costs, commodity prices, shipping costs, inflation, higher costs of labor, and changes in or interpretations of other laws, regulations and taxes may also increase our costs and our make our offerings less competitive, increase general and administrative expenses, and otherwise adversely affect our financial condition and results of operations. Additionally, public health crises, natural disasters, such as earthquakes and wildfires, and other adverse weather and climate conditions, political crises, such as terrorist attacks, war and other political instability or other unexpected events, could disrupt our operations, internet or mobile networks or the operations of PBMs and their pharmacy networks. Our corporate headquarters and other facilities are located in California, which in the past has experienced both severe earthquakes and wildfires. If any of these events occurs, our business could be adversely affected.

We may need additional capital in the future, which may not be available to us on favorable terms, or at all, and may dilute your ownership of our Class A common stock.

We intend to continue to make investments to support our business growth and may require additional capital to fund and support our business, to respond to competitive challenges or take advantage of strategic opportunities. Accordingly, we may require additional capital from equity or debt financing in the future and may not be able to secure timely additional financing on favorable terms, or at all. The terms of any additional financing may place limits on our financial and operating flexibility, including our ability to issue or repurchase equity, develop new or enhanced existing offerings, complete acquisitions or otherwise take advantage of business opportunities. If we raise additional funds or finance acquisitions through further issuances of equity,

convertible debt securities or other securities convertible into equity, you and our other stockholders could suffer significant dilution in your percentage ownership of our company, and any new securities we issue could have rights, preferences and privileges senior to those of holders of our Class A common stock. If we raise additional funds through debt financing, such financing could impose 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 or to pursue business opportunities, including potential acquisitions. If we are unable to obtain adequate financing or financing on terms satisfactory to us, if and when we require it, including as a result of the disruption to the capital and debt markets caused by the COVID-19 pandemic or a similar pandemic, our ability to grow or support our business and to respond to business challenges could be significantly limited.

We may seek to grow our business through acquisitions of, or investments in, new or complementary businesses, technologies or products, or through strategic alliances, and the failure to manage these acquisitions, investments or alliances, or to integrate them with our existing business, could have a material adverse effect on us.

We have previously acquired and may in the future consider opportunities to acquire or make investments in new or complementary businesses, technologies, offerings, or products, or enter into strategic alliances, that may enhance our capabilities, expand our pharmacy or PBM networks and healthcare platform in general, complement our current offerings or expand the breadth of our markets. Our ability to successfully grow through these types of strategic transactions depends upon our ability to identify, negotiate, complete and integrate suitable target businesses, technologies and products and to obtain any necessary financing, and is subject to numerous risks, including:

- failure to identify acquisition, investment or other strategic alliance opportunities that we deem suitable or available on favorable terms;
- problems integrating the acquired business, technologies or products, including issues maintaining uniform standards, procedures, controls and policies;
- unanticipated costs associated with acquisitions, investments or strategic alliances;
- adverse impacts on our overall margins;
- diversion of management’s attention from our existing business;
- adverse effects on existing business relationships with consumers, pharmacies and PBMs;
- risks associated with entering new markets in which we may have limited or no experience;
- potential loss of key employees of acquired businesses; and
- increased legal and accounting compliance costs.

In addition, a significant portion of the purchase price of companies we acquire may be allocated to acquired goodwill and other intangible assets. In the future, if our acquisitions do not yield expected returns, we may be required to take impairment charges to our results of operations based on our impairment assessment process, which could harm our results of operations.

If we are unable to identify suitable acquisitions or strategic relationships, or if we are unable to integrate any acquired businesses, technologies and products effectively, our business, financial condition and results of operations could be materially and adversely affected. Also, while we employ several different methodologies to assess potential business opportunities, the new businesses may not meet or exceed our expectations.

Restrictions in our debt arrangements could adversely affect our operating flexibility, and failure to comply with any of these restrictions could result in acceleration of our debt.

In October 2018, GoodRx, Inc., our wholly owned subsidiary, as borrower, and GoodRx Intermediate Holdings, LLC, entered into a first lien credit agreement with various lenders, or the First Lien Credit

Agreement. The First Lien Credit Agreement provided for a $40.0 million secured asset-based revolving credit facility, or the Revolving Credit Facility, and a $545.0 million senior secured term loan facility, or the First Lien Term Loan Facility (together with the Revolving Credit Facility, the Credit Facilities). In November 2019, the First Lien Term Loan Facility was amended to increase the amount of the facility to $700.0 million. In addition, in May 2020, the Revolving Credit Facility was amended to increase the amount of the facility to $100.0 million. As of June 30, 2020, we had $696.9 million of debt outstanding under our Credit Facilities, net of unamortized debt discount of $15.7 million, and the capacity to incur $62.9 million in additional indebtedness, subject to certain covenant requirements. Our expected debt service interest payment for 2020 is approximately $25.8 million. These debt arrangements and additional debt arrangements that we expect to enter into in the future will limit our ability to, among other things:

- incur or guarantee additional debt;
- pay dividends and make other restricted payments;
- make certain investments and acquisitions;
- incur certain liens or permit them to exist;
- consolidate, merge or otherwise transfer, sell or dispose of all or substantially all of our assets;
- enter into certain types of restrictive agreements; and
- enter into certain types of transactions with affiliates.

We are also required to comply with certain financial ratios set forth in our First Lien Credit Agreement. Certain provisions in our current and future debt arrangements, including the First Lien Credit Agreement, may affect our ability to obtain future financing and to pursue attractive business opportunities and our flexibility in planning for, and reacting to, changes in business conditions. As a result, restrictions in our current and future debt arrangements could adversely affect our business, financial condition and results of operations. In addition, a failure to comply with the provisions of our current and future debt arrangements, including our First Lien Credit Agreement, could result in a default or an event of default that could enable our lenders to declare the outstanding principal of that debt, together with accrued and unpaid interest, to be immediately due and payable. If we were unable to repay those amounts, the lenders under our First Lien Credit Agreement and any other future secured debt agreement could proceed against the collateral granted to them to secure that indebtedness. We have pledged substantially all of our subsidiaries' assets, including, among other things, equity interests of GoodRx, Inc. and its subsidiaries, as collateral under the First Lien Credit Agreement. If the payment of outstanding amounts under our First Lien Credit Agreement is accelerated, our assets may be insufficient to repay such amounts in full, and our common stockholders could experience a partial or total loss of their investment.

Our business depends on network and mobile infrastructure and our ability to maintain and scale our technology. Any significant interruptions or delays in service on our apps or websites or any undetected errors or design faults could result in limited capacity, reduced demand, processing delays and loss of consumers.

A key element of our strategy is to generate a significant number of visitors to, and their use of, our apps and websites. Our reputation and ability to acquire, retain and serve our consumers are dependent upon the reliable performance of our apps and websites and the underlying network infrastructure. As our base of consumers and the amount of information shared on our apps and websites continue to grow, we will need an increasing amount of network capacity and computing power. We have spent and expect to continue to spend substantial amounts on computing, including cloud computing and the related infrastructure, to handle the traffic on our apps and websites. The operation of these systems is complex and could result in operational failures. In the event that the traffic of our consumers exceeds the capacity of our current network infrastructure or in the event that our base of consumers or the amount of traffic on our apps and websites grows more quickly than anticipated, we may be required to incur significant additional costs to enhance the underlying network infrastructure. Interruptions or delays in these systems, whether due to system failures, computer viruses,

physical or electronic break-ins, undetected errors, design faults or other unexpected events or causes, could affect the security or availability of our apps and websites and prevent our consumers from accessing our apps and websites. If sustained or repeated, these performance issues could reduce the attractiveness of our offerings. In addition, the costs and complexities involved in expanding and upgrading our systems may prevent us from doing so in a timely manner and may prevent us from adequately meeting the demand placed on our systems. Any internet or mobile platform interruption or inadequacy that causes performance issues or interruptions in the availability of our apps or websites could reduce consumer satisfaction and result in a reduction in the number of consumers using our offerings.

We depend on the development and maintenance of the internet and mobile infrastructure. This includes maintenance of reliable internet and mobile infrastructure with the necessary speed, data capacity and security, as well as timely development of complementary offerings, for providing reliable internet and mobile access. Our business, financial condition and results of operations could be materially and adversely affected if for any reason the reliability of our internet and mobile infrastructure is compromised.

We currently rely upon third-party data storage providers, including cloud storage solution providers, such as Amazon Web Services and some specific uses of Google Cloud Platform. Nearly all of our data storage and analytics are conducted on, and the data and content we create associated with sales on our apps and websites are processed through, servers hosted by these providers, particularly Amazon Web Services. We also rely on email service providers, bandwidth providers, internet service providers and mobile networks to deliver email and “push” communications to consumers and to allow consumers to access our websites. If our third-party vendors are unable or unwilling to provide the services necessary to support our business, or if our agreements with such vendors are terminated, our operations could be significantly disrupted. Some of our vendor agreements may be unilaterally terminated by the licensor for convenience, including with respect to Amazon Web Services, and if such agreements are terminated, we may not be able to enter into similar relationships in the future on reasonable terms or at all.

Any damage to, or failure of, our systems or the systems of our third-party data centers or our other third-party providers could result in interruptions to the availability or functionality of our apps and websites. As a result, we could lose consumer data and miss opportunities to acquire and retain consumers, which could result in decreased revenue. If for any reason our arrangements with our data centers or third-party providers are terminated or interrupted, such termination or interruption could adversely affect our business, financial condition and results of operations. We exercise little control over these providers, which increases our vulnerability to problems with the services they provide. We could experience additional expense in arranging for new facilities, technology, services and support. In addition, the failure of our third-party data centers or any other third-party providers to meet our capacity requirements could result in interruption in the availability or functionality of our apps and websites.

The satisfactory performance, reliability and availability of our apps, websites, transaction processing systems and technology infrastructure are critical to our reputation and our ability to acquire and retain consumers, as well as to maintain adequate consumer service levels. Our revenue depends in part on the number of consumers that visit and use our apps and websites in fulfilling their healthcare needs. Unavailability of our apps or websites could materially and adversely affect consumer perception of our brand. Any slowdown or failure of our apps, websites or the underlying technology infrastructure could harm our business, reputation and our ability to acquire, retain and serve our consumers.

The occurrence of a natural disaster, power loss, telecommunications failure, data loss, computer virus, an act of terrorism, cyberattack, vandalism or sabotage, act of war or any similar event, or a decision to close our third-party data centers on which we normally operate or the facilities of any other third-party provider without adequate notice or other unanticipated problems at these facilities could result in lengthy interruptions in the availability of our apps and websites. Cloud computing, in particular, is dependent upon having access to an internet connection in order to retrieve data. If a natural disaster, blackout or other unforeseen event were to

occur that disrupted the ability to obtain an internet connection, we may experience a slowdown or delay in our operations. While we have some limited disaster recovery arrangements in place, our preparations may not be adequate to account for disasters or similar events that may occur in the future and may not effectively permit us to continue operating in the event of any problems with respect to our systems or those of our third-party data centers or any other third-party facilities. Our disaster recovery and data redundancy plans may be inadequate, and our business interruption insurance may not be sufficient to compensate us for the losses that could occur. If any such event were to occur to our business, our operations could be impaired and our business, financial condition and results of operations may be materially and adversely affected.

We rely on third-party platforms such as the Apple App Store and Google Play App Store, to distribute our platform and offerings.

Our apps are accessed and operate through third-party platforms or marketplaces, including the Apple App Store and Google Play App Store, which also serve as significant online distribution platforms for our apps. As a result, the expansion and prospects of our business and our apps depend on our continued relationships with these providers and any other emerging platform providers that are widely adopted by consumers. We are subject to the standard terms and conditions that these providers have for application developers, which govern the content, promotion, distribution and operation of apps on their platforms or marketplaces, and which the providers can change unilaterally on short or no notice. Our business would be harmed if the providers discontinue or limit our access to their platforms or marketplaces; the platforms or marketplaces decline in popularity; the platforms modify their algorithms, communication channels available to developers, respective terms of service or other policies, including fees; the providers adopt changes or updates to their technology that impede integration with other software systems or otherwise require us to modify our technology or update our apps in order to ensure that consumers can continue to access and use our GoodRx codes and pricing information.

If alternative providers increase in popularity, we could be adversely impacted if we fail to create compatible versions of our apps in a timely manner, or if we fail to establish a relationship with such alternative providers. Likewise, if our current providers alter their operating platforms, we could be adversely impacted as our offerings may not be compatible with the altered platforms or may require significant and costly modifications in order to become compatible. If our providers do not perform their obligations in accordance with our platform agreements, we could be adversely impacted.

In the past, some of these platforms or marketplaces have been unavailable for short periods of time. If this or a similar event were to occur on a short- or long-term basis, or if these platforms or marketplaces otherwise experience issues that impact the ability of consumers to download or access our apps and other information, it could have a material adverse effect on our brand and reputation, as well as our business, financial condition and operating results.

We rely on software-as-a-service, or SaaS, technologies from third parties.

We rely on SaaS technologies from third parties in order to operate critical functions of our business, including financial management services, relationship management services, marketing services and data storage services. For example, we rely on Amazon Web Services for a substantial portion of our computing and storage capacity, and rely on Google for storage capacity and advertising services. Amazon Web Services provides us with computing and storage capacity pursuant to an agreement that continues until terminated by either party. Amazon Web Services may terminate its agreement with us by providing 30 days prior written notice. Similarly, Google provides us with storage capacity and advertising services, and may update the terms of its services unilaterally by providing advance notice and posting changed terms on its website. Google may also terminate its agreements with us immediately upon notice. Our other vendor agreements may be unilaterally terminated by the counterparty for convenience. If these services become unavailable due to contract cancellations, extended outages or interruptions or because they are no longer available on commercially reasonable terms or prices, or for any other reason, our expenses could increase, our ability to manage our finances could be interrupted, our

processes for managing our offerings and supporting our consumers and partners could be impaired and our ability to access or save data stored to the cloud may be impaired until equivalent services, if available, are identified, obtained and implemented, all of which could harm our business, financial condition, and results of operations.

We depend on our relationships with third parties and would be adversely impacted by system failures or other disruptions in the operations of these parties.

We use and rely on services from third parties, such as our telecommunications services, and those services may be subject to outages and interruptions that are not within our control. Failures by our telecommunications providers may interrupt our ability to provide phone support to our consumers and DDoS attacks directed at our telecommunication service providers could prevent consumers from accessing our websites. In addition, we have in the past and may in the future experience down periods where our third-party credit card processors are unable to process the payments of our consumers, disrupting our ability to process or receive revenue from our subscription offerings. Disruptions to our consumer support, website and credit card processing services could lead to consumer dissatisfaction, which would adversely affect our business, financial condition and results of operations.

Changes in consumer sentiment or laws, rules or regulations regarding the use of cookies and other tracking technologies and other privacy matters could have a material adverse effect on our ability to generate net revenues and could adversely affect our ability to collect proprietary data on consumer behavior.

Consumers may become increasingly resistant to the collection, use and sharing of information online, including information used to deliver and optimize advertising, and take steps to prevent such collection, use and sharing of information. For example, consumer complaints and/or lawsuits regarding online advertising or the use of cookies or other tracking technologies in general and our practices specifically could adversely impact our business.

Consumers can currently opt out of the placement or use of most cookies for online advertising purposes by either deleting or disabling cookies on their browsers, visiting websites that allow consumers to place an opt-out cookie on their browsers, which instructs participating entities not to use certain data about consumers' online activity for the delivery of targeted advertising, or by downloading browser plug-ins and other tools that can be set to: identify cookies and other tracking technologies used on websites; prevent websites from placing third-party cookies and other tracking technologies on the consumer's browser; or block the delivery of online advertisements on apps and websites.

Various software tools and applications have been developed that can block advertisements from a consumer's screen or allow consumers to shift the location in which advertising appears on webpages or opt out of display, search and internet-based advertising entirely. In particular, Apple's mobile operating system permits these technologies to work in its mobile Safari browser. In addition, changes in device and software features could make it easier for internet users to prevent the placement of cookies or to block other tracking technologies. In particular, the default settings of consumer devices and software may be set to prevent the placement of cookies unless the user actively elects to allow them. For example, Apple's Safari browser currently has a default setting under which third-party cookies are not accepted and users must activate a browser setting to enable cookies to be set, and Apple has announced that its new mobile operating system will require consumers to opt in to the use of Apple's resettable device identifier for advertising purposes. Various industry participants have worked to develop and finalize standards relating to a mechanism in which consumers choose whether to allow the tracking of their online search and browsing activities, and such standards may be implemented and adopted by industry participants at any time.

We currently use cookies, pixel tags and similar technologies from third-party advertising technology providers to provide and optimize our advertising. If consumer sentiment regarding privacy issues or the development and deployment of new browser solutions or other Do Not Track mechanisms result in a material

increase in the number of consumers who choose to opt out or block cookies and other tracking technologies or who are otherwise using browsers where they need to, and fail to, allow the browser to accept cookies, or otherwise result in cookies or other tracking technologies not functioning properly, our ability to advertise effectively and conduct our business, and our results of operations and financial condition would be adversely affected.

Risks Related to Intellectual Property

We may be unable to establish, maintain, protect and enforce our intellectual property and proprietary rights or prevent third parties from making unauthorized use of our technology.

Our business depends on proprietary technology and content, including software, processes, databases, confidential information and know-how, the protection of which is crucial to the success of our business. We rely on a combination of trademark, patent, copyright, domain name and trade secret-protection laws, in addition to confidentiality agreements and other practices to protect our brands, proprietary information, technologies and processes.

Our most material trademark asset is the registered trademark "GoodRx." Our trademarks are valuable assets that support our brand and consumers' perception of our offerings. We also hold the rights to the "goodrx.com" internet domain name, which are subject to internet regulatory bodies and trademark and other related laws of each applicable jurisdiction. If we are unable to protect our trademarks or domain names in the United States or in other jurisdictions in which we may ultimately operate, our brand recognition and reputation would suffer, we would incur significant re-branding expenses and our operating results could be adversely impacted. As of June 30, 2020, we owned three issued patents and four pending patent applications in the United States. Our issued patents are currently scheduled to expire beginning in 2034, excluding any patent term adjustments. Our issued patents and those that may be issued in the future may not provide us with competitive advantages, may be of limited territorial reach and may be held invalid or unenforceable if successfully challenged by third parties, and our patent applications may never be issued. Even if issued, there can be no assurance that these patents will adequately protect our intellectual property or survive a legal challenge, as the legal standards relating to the validity, enforceability and scope of protection of patent and other intellectual property rights are uncertain. Our limited patent protection may restrict our ability to protect our technologies and processes from competition. It is also possible that third parties, including our competitors, may obtain patents relating to technologies that overlap or compete with our technology. If third parties obtain patent protection with respect to such technologies, they may assert that our technology infringes their patents and seek to charge us a licensing fee or otherwise preclude the use of our technology.

In order to protect our intellectual property rights, we may be required to spend significant resources to monitor and protect these rights. Litigation may be necessary in the future to enforce our intellectual property rights and to protect our trade secrets. Litigation brought to protect and enforce our intellectual property rights could be costly, time-consuming and distracting to management and could result in the impairment or loss of portions of our intellectual property. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation or diversion of our management's attention and resources, could delay the introduction and implementation of new technologies, result in our substituting inferior or more costly technologies into our software or injure our reputation. We will not be able to protect our intellectual property if we are unable to enforce our rights or if we do not detect unauthorized use of our intellectual property. Moreover, policing unauthorized use of our technologies, trade secrets and intellectual property may be difficult, expensive and time-consuming, particularly in foreign countries where the laws may not be as protective of intellectual property rights as those in the United States and where mechanisms for enforcement of intellectual property rights may be weak. If we fail to meaningfully establish, maintain, protect and enforce our intellectual property and proprietary rights, our business, financial condition and results of operations could be adversely affected.

We may be sued by third parties for infringement, misappropriation, dilution or other violation of their intellectual property or proprietary rights.

Internet, advertising and e-commerce companies frequently are subject to litigation based on allegations of infringement, misappropriation, dilution or other violations of intellectual property rights. Some internet, advertising and e-commerce companies, including some of our competitors, as well as non-practicing entities, own large numbers of patents, copyrights, trademarks and trade secrets, which they may use to assert claims against us.

Third parties have asserted, and may in the future assert, that we have infringed, misappropriated or otherwise violated their intellectual property rights.

For instance, the use of our technology to provide our offerings could be challenged by claims that such use infringes, dilutes, misappropriates or otherwise violates the intellectual property rights of a third party. In addition, we may in the future be exposed to claims that content published or made available through our apps or websites violates third-party intellectual property rights.

As we face increasing competition and as a public company, the possibility of intellectual property rights claims against us grows. Such claims and litigation may involve patent holding companies or other adverse intellectual property rights holders who have no relevant product revenue, and therefore our own pending patents and other intellectual property rights may provide little or no deterrence to these rights holders in bringing intellectual property rights claims against us. There may be intellectual property rights held by others, including issued or pending patents and trademarks, that cover significant aspects of our technologies, content, branding or business methods, and we cannot assure that we are not infringing or violating, and have not violated or infringed, any third-party intellectual property rights or that we will not be held to have done so or be accused of doing so in the future. We expect that we may receive in the future notices that claim we or our partners, or clients using our solutions and services, have misappropriated or misused other parties' intellectual property rights, particularly as the number of competitors in our market grows and the functionality of applications amongst competitors overlaps.

Any claim that we have violated intellectual property or other proprietary rights of third parties, with or without merit, and whether or not it results in litigation, is settled out of court or is determined in our favor, could be time-consuming and costly to address and resolve, and could divert the time and attention of management and technical personnel from our business. Furthermore, an adverse outcome of a dispute may result in an injunction and could require us to pay substantial monetary damages, including treble damages and attorneys' fees, if we are found to have willfully infringed a party's intellectual property rights. Any settlement or adverse judgment resulting from such a claim could require us to enter into a licensing agreement to continue using the technology, content or other intellectual property that is the subject of the claim; restrict or prohibit our use of such technology, content or other intellectual property; require us to expend significant resources to redesign our technology or solutions; and require us to indemnify third parties. Royalty or licensing agreements, if required or desirable, may be unavailable on terms acceptable to us, or at all, and may require significant royalty payments and other expenditures. We may also be required to develop alternative non-infringing technology, which could require significant time and expense. There also can be no assurance that we would be able to develop or license suitable alternative technology, content or other intellectual property to permit us to continue offering the affected technology, content or services to our partners. If we cannot develop or license technology for any allegedly infringing aspect of our business, we would be forced to limit our service and may be unable to compete effectively. Any of these events could materially harm our business, financial condition and results of operations.

Failure to maintain, protect or enforce our intellectual property rights could harm our business and results of operations.

We pursue the registration of our patentable technology, domain names, trademarks and service marks in the United States. We also strive to protect our intellectual property rights by relying on federal, state and

common law rights, as well as contractual restrictions. We typically enter into confidentiality and invention assignment agreements with our employees and contractors, and confidentiality agreements with parties with whom we conduct business in order to limit access to, and disclosure and use of, our proprietary information. However, we may not be successful in executing these agreements with every party who has access to our confidential information or contributes to the development of our technology or intellectual property rights. Those agreements that we do execute may be breached, and we may not have adequate remedies for any such breach. These contractual arrangements and the other steps we have taken to protect our intellectual property rights may not prevent the misappropriation or disclosure of our proprietary information nor deter independent development of similar technology or intellectual property by others.

Effective trade secret, patent, copyright, trademark and domain name protection is expensive to obtain, develop and maintain, both in terms of initial and ongoing registration or prosecution requirements and expenses and the costs of defending our rights. We may, over time, increase our investment in protecting our intellectual property through additional patent filings that could be expensive and time-consuming. We do not know whether any of our pending patent applications will result in the issuance of additional patents or whether the examination process will require us to narrow our claims or we may otherwise be unable to obtain patent protection for the technology covered in our pending patent applications. Our patents, trademarks and other intellectual property rights may be challenged by others or invalidated through administrative process or litigation. Moreover, any issued patents may not provide us with a competitive advantage and, as with any technology, competitors may be able to develop similar or superior technologies to our own, now or in the future. In addition, due to a recent U.S. Supreme Court case, it has become increasingly difficult to obtain and assert patents relating to software or business methods, as many such patents have been invalidated for being too abstract to constitute patent-eligible subject matter. We do not know whether this will affect our ability to obtain new patents on our innovations, or successfully assert our patents in litigation or pre-litigation campaigns.

Monitoring unauthorized use of the content on our apps and websites, and our other intellectual property and technology, is difficult and costly. Our efforts to protect our proprietary rights and intellectual property may not have been and may not be adequate to prevent their misappropriation or misuse. Third parties, including our competitors, could be infringing, misappropriating or otherwise violating our intellectual property rights. Third parties from time to time copy content or other intellectual property or technology from our solutions without authorization and seek to use it for their own benefit. We generally seek to address such unauthorized copying or use, but we have not always been successful in stopping all unauthorized use of our content or other intellectual property or technology, and may not be successful in doing so in the future. Further, we may not have been and may not be able to detect unauthorized use of our technology or intellectual property, or to take appropriate steps to enforce our intellectual property rights. Any inability to meaningfully enforce our intellectual property rights could harm our ability to compete and reduce demand for our solutions and services. Our competitors may also independently develop similar technology. Effective patent, trademark, copyright and trade secret protection may not be available to us in every jurisdiction in which our solutions or technology are hosted or available. Further, legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain. The laws in the United States and elsewhere change rapidly, and any future changes could adversely affect us and our intellectual property. Our failure to meaningfully protect our intellectual property rights could result in competitors offering solutions that incorporate our most technologically advanced features, which could reduce demand for our solutions.

We may find it necessary or appropriate to initiate claims or litigation to enforce our intellectual property rights, protect our trade secrets or determine the validity and scope of intellectual property rights claimed by others. In any lawsuit we bring to enforce our intellectual property rights, a court may refuse to stop the other party from using the technology at issue on grounds that our intellectual property rights do not cover the use or technology in question. Further, in such proceedings, the defendant could counterclaim that our intellectual property is invalid or unenforceable and the court may agree, in which case we could lose valuable intellectual property rights. Litigation is inherently uncertain and any litigation of this nature, regardless of outcome or merit, could result in substantial costs and diversion of management and technical resources, any of which could adversely affect our business and results of operations. If we fail to maintain, protect and enforce our intellectual property, our business and results of operations may be harmed.

We may be unable to continue the use of our trademarks, trade names or domain names, or prevent third parties from acquiring and using trademarks, trade names and domain names that infringe on, are similar to, or otherwise decrease the value of our brands, trademarks or service marks.

The registered or unregistered trademarks or trade names that we own may be challenged, infringed, circumvented, declared generic, lapsed or determined to be infringing on or dilutive of other marks. We may not be able to protect our rights in these trademarks and trade names, which we need in order to build name recognition with potential consumers and partners. In addition, third parties have filed, and may in the future file, for registration of trademarks similar or identical to our trademarks, which, if obtained, may impede our ability to build brand identity and possibly lead to market confusion. If they succeed in registering or developing common law rights in such trademarks, and if we are not successful in challenging such third-party rights, we may not be able to use these trademarks to develop brand recognition of our technologies, solutions or services. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. If we are unable to establish or protect our trademarks and trade names, or if we are unable to build name recognition based on our trademarks and trade names, we may not be able to compete effectively, which could harm our competitive position, business, financial condition, results of operations and prospects.

We have registered domain names for our websites that we use in our business. If we lose the ability to use a domain name, whether due to trademark claims, failure to renew the applicable registration, or any other cause, we may be forced to market our solutions under a new domain name, which could cause us substantial harm, or to incur significant expense in order to purchase rights to the domain name in question. In addition, our competitors and others could attempt to capitalize on our brand recognition by using domain names similar to ours. Domain names similar to ours have been registered in the United States and elsewhere. We may be unable to prevent third parties from acquiring and using domain names that infringe on, are similar to, or otherwise decrease the value of our brands, trademarks or service marks. Protecting and enforcing our rights in our domain names may require litigation, which could result in substantial costs and diversion of management's attention.

ICANN (the Internet Corporation for Assigned Names and Numbers), the international authority over top-level domain names, has been increasing the number of generic top-level domains, or "TLDs." This may allow companies or individuals to create new web addresses that appear to the right of the "dot" in a web address, beyond such long-standing TLDs as ".com," ".org" and ".gov." ICANN may also add additional TLDs in the future. As a result, we may be unable to maintain exclusive rights to all potentially relevant or desirable domain names in the United States, which may harm our business. Furthermore, attempts may be made by third parties to register our trademarks as new TLDs or as domain names within new TLDs, and we may be required to enforce our rights against such registration attempts, which could result in significant expense and the diversion of management's attention.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed.

We rely heavily on trade secrets and confidentiality agreements to protect our unpatented know-how, technology, and other proprietary information, including our technology platform, and to maintain our competitive position. With respect to our technology platform, we consider trade secrets and know-how to be one of our primary sources of intellectual property. However, trade secrets and know-how can be difficult to protect. We seek to protect these trade secrets and other proprietary technology, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as our employees, corporate collaborators, outside contractors, consultants, advisors, and other third parties. We also enter into confidentiality and invention or patent assignment agreements with our employees and consultants. The confidentiality agreements are designed to protect our proprietary information and, in the case of agreements or clauses containing invention assignment, to grant us ownership of technologies that are developed through a relationship with employees or third parties. We cannot guarantee that we have entered into such agreements with each party that may have or have had access to our trade secrets or proprietary information, including our technology and

processes. Despite these efforts, no assurance can be given that the confidentiality agreements we enter into will be effective in controlling access to such proprietary information and trade secrets. The confidentiality agreements on which we rely to protect certain technologies may be breached, may not be adequate to protect our confidential information, trade secrets and proprietary technologies and may not provide an adequate remedy in the event of unauthorized use or disclosure of our confidential information, trade secrets or proprietary technology. Further, these agreements do not prevent our competitors or others from independently developing the same or similar technologies and processes, which may allow them to provide a service similar or superior to ours, which could harm our competitive position.

Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive, and time-consuming, and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or unwilling to protect trade secrets. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other third party, we would have no right to prevent them from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor or other third party, it could harm our competitive position, business, financial condition, results of operations and prospects.

Issued patents covering our offerings could be found invalid or unenforceable if challenged.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability. Some of our patents or patent applications (including licensed patents) have been, are being or may be challenged at a future point in time in opposition, derivation, reexamination, inter partes review, post-grant review or interference. Any successful third-party challenge to our patents in this or any other proceeding could result in the unenforceability or invalidity of such patents, which may lead to increased competition to our business, which could harm our business. In addition, if the breadth or strength of protection provided by our patents and patent applications is threatened, regardless of the outcome, it could dissuade companies from collaborating with us to license, develop or commercialize current or future offering candidates.

Changes in U.S. patent law could diminish the value of patents in general, thereby impairing our ability to protect our platform or features of our platform and offerings.

There are a number of changes to the patent laws that may have a significant impact on our ability to protect our technology and enforce our intellectual property rights. For example, the Leahy-Smith America Invents Act, or the AIA, enacted in September 2011, resulted in significant changes in patent legislation. An important change introduced by the AIA is that, as of March 16, 2013, the United States transitioned from a “first-to-invent” to a “first-to-file” system for deciding which party should be granted a patent when two or more patent applications are filed by different parties claiming the same invention. Under a “first-to-file” system, assuming the other requirements for patentability are met, the first inventor to file a patent application generally will be entitled to a patent on the invention regardless of whether another inventor had made the invention earlier. A third party that files a patent application in the USPTO after that date but before us could therefore be awarded a patent covering an invention of ours even if we made the invention before it was made by the third party. Circumstances could prevent us from promptly filing patent applications on our inventions. The AIA also includes a number of significant changes that affect the way patent applications will be prosecuted and also may affect patent litigation. These include allowing third party submission of prior art to the USPTO during patent prosecution and additional procedures to attack the validity of a patent by USPTO administered post-grant proceedings, including post-grant review, inter partes review, or IPR, and derivation proceedings.

There are also a number of changes to the patent laws being considered that, if enacted, may have a significant impact on our ability to protect our technology and enforce our intellectual property rights. For example, the Senate Judiciary Committee’s Subcommittee on Intellectual Property in 2019 held hearings on expanding the test for patent definiteness under Section 112(f) of the Patent Act to combat the assertion of overbroad claims. Such changes could result in a diminished value for issued patents which properly captured the

scope entitled to them as of the time of examination, but might fail the new test if it is enacted. Alternatively, the USPTO could decide to strengthen its examination under Section 112(f), leading to fewer issuing patents or patents issuing with more limited scope.

There are also legislative discussions regarding the changing of rules relating to post-grant review of patents through inter partes review, or IPR, or covered business method, or CBM, review. For example, current case law holds that the Patent Trial and Appeal Board, or PTAB, has the sole authority to determine whether to institute an IPR or CBM, and such decision is unreviewable on appeal. Efforts to amend the law to allow appellate review of PTAB institution decisions could result in an increase of institution as a result of such appellate review, and a corresponding increase in invalidation through these processes. Because of a lower evidentiary standard in PTAB proceedings compared to the evidentiary standard in U.S. federal courts necessary to invalidate a patent claim, a third party could potentially provide evidence in a PTAB proceeding sufficient for the PTAB to hold a claim invalid even though the same evidence would be insufficient to invalidate the claim if first presented in a district court action. Accordingly, a third party may attempt to use the PTAB procedures to invalidate our patent claims that would not have been invalidated if first challenged by the third party as a defendant in a district court action, and legislative attempts to make it easier to appeal successful patent-holder results could diminish the value of patents.

In addition, the patent position of companies engaged in the development and commercialization of software and internet e-commerce is particularly uncertain. Various courts, including the Supreme Court have rendered decisions that affect the scope of patentability of certain inventions or discoveries relating to certain software and business method patents. These decisions state, among other things, that a patent claim that recites an abstract idea, natural phenomenon or law of nature are not themselves patentable. Precisely what constitutes a law of nature or abstract idea is uncertain, and it is possible that certain aspects of our software or business methods would be considered abstract ideas. Accordingly, the evolving case law in the United States may adversely affect our ability to obtain patents and may facilitate third-party challenges to any owned or licensed patents. The laws of some foreign countries do not protect intellectual property rights to the same extent as the laws of the United States, and we may encounter difficulties in protecting and defending such rights in foreign jurisdictions. The legal systems of many other countries do not favor the enforcement of patents and other intellectual property protection, particularly those relating to software, which could make it difficult for us to stop the infringement of our patents in such countries. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial cost and divert our efforts and attention from other aspects of our business.

We may not be able to enforce our intellectual property rights throughout the world.

We may also be required to protect our proprietary technology and content in an increasing number of jurisdictions, a process that is expensive and may not be successful, or which we may not pursue in every location. Filing, prosecuting, maintaining, defending, and enforcing intellectual property rights on our solutions, services, and technologies in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States can be less extensive than those in the United States. We do not own and have not registered or applied for intellectual property outside the United States. Competitors may use our technologies in jurisdictions where we have not obtained protection to develop their own solutions and services and, further, may export otherwise violating solutions and services to territories where we have protection but enforcement is not as strong as that in the United States. These solutions and services may compete with our solutions and services, and our intellectual property rights may not be effective or sufficient to prevent them from competing. In addition, the laws of some foreign countries do not protect proprietary rights to the same extent as the laws of the United States, and many companies have encountered significant challenges in establishing and enforcing their proprietary rights outside of the United States. These challenges can be caused by the absence or inconsistency of the application of rules and methods for the establishment and enforcement of intellectual property rights outside of the United States. For instance, there is no uniform worldwide policy regarding patentable subject matter or the scope of claims allowable for business methods. As such, we do not know the degree of future protection that we will have on our technologies, products and services.

In addition, the legal systems of some countries, particularly developing countries, do not favor the enforcement of intellectual property protection, especially those relating to healthcare. This could make it difficult for us to stop the misappropriation or other violation of our other intellectual property rights. Accordingly, we may choose not to seek protection in certain countries, and we will not have the benefit of protection in such countries. Proceedings to enforce our intellectual property rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business. Accordingly, our efforts to protect our intellectual property rights in such countries may be inadequate. In addition, changes in the law and legal decisions by courts in the United States and foreign countries may affect our ability to obtain adequate protection for our solutions, services and other technologies and the enforcement of intellectual property. Any of the foregoing could harm our competitive position, business, financial condition, results of operations and prospects.

We may be subject to claims that our employees, consultants, or advisors have wrongfully used or disclosed alleged trade secrets of their current or former employers or claims asserting ownership of what we regard as our own intellectual property.

Many of our employees, consultants, and advisors are currently or were previously employed at other companies in our field, including our competitors or potential competitors. Although we try to ensure that our employees, consultants, and advisors do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or these individuals have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual's current or former employer. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management.

In addition, while it is our policy to require our employees and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who, in fact, conceives or develops intellectual property that we regard as our own. The assignment of intellectual property rights may not be self-executing, or the assignment agreements may be breached, and we may be forced to bring claims against third parties, or defend claims that they may bring against us, to determine the ownership of what we regard as our intellectual property. Any of the foregoing could harm our competitive position, business, financial condition, results of operations and prospects.

We utilize open source software, which may pose particular risks to our proprietary software and solutions.

We use open source software in our solutions and will use open source software in the future. Companies that incorporate open source software into their solutions have, from time to time, faced claims challenging the use of open source software and compliance with open source license terms. Some licenses governing the use of open source software contain requirements that we make available source code for modifications or derivative works we create based upon the open source software, and that we license such modifications or derivative works under the terms of a particular open source license or other license granting third parties certain rights of further use. By the terms of certain open source licenses, we could be required to release the source code of our proprietary software, and to make our proprietary software available under open source licenses to third parties at no cost, if we combine our proprietary software with open source software in certain manners. Although we monitor our use of open source software, we cannot assure you that all open source software is reviewed prior to use in our solutions, that our developers have not incorporated open source software into our solutions, or that they will not do so in the future. Additionally, the terms of many open source licenses to which we are subject have not been interpreted by U.S. or foreign courts. There is a risk that open source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to market or provide our solutions. Companies that incorporate open source software into their products have, in the past, faced claims

seeking enforcement of open source license provisions and claims asserting ownership of open source software incorporated into their product. If an author or other third party that distributes such open source software were to allege that we had not complied with the conditions of an open source license, we could incur significant legal costs defending ourselves against such allegations. In the event such claims were successful, we could be subject to significant damages or be enjoined from the distribution of our software. In addition, the terms of open source software licenses may require us to provide software that we develop using such open source software to others on unfavorable license terms. As a result of our current or future use of open source software, we may face claims or litigation, be required to release our proprietary source code, pay damages for breach of contract, re-engineer our solutions, discontinue making our solutions available in the event re-engineering cannot be accomplished on a timely basis or take other remedial action. Any such re-engineering or other remedial efforts could require significant additional research and development resources, and we may not be able to successfully complete any such re-engineering or other remedial efforts. Further, in addition to risks related to license requirements, use of certain open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or controls on the origin of software. Any of these risks could be difficult to eliminate or manage, and, if not addressed, could have a negative effect on our business, financial condition and results of operations.

If we fail to comply with our obligations under license or technology agreements with third parties, we may be required to pay damages and we could lose license rights that are critical to our business.

We license certain intellectual property, including technologies and software from third parties, that is important to our business, and in the future we may enter into additional agreements that provide us with licenses to valuable intellectual property or technology. If we fail to comply with any of the obligations under our license agreements, we may be required to pay damages and the licensor may have the right to terminate the license. Termination by the licensor would cause us to lose valuable rights, and could prevent us from selling our solutions and services, or adversely impact our ability to commercialize future solutions and services. Our business would suffer if any current or future licenses terminate, if the licensors fail to abide by the terms of the license, if the licensors fail to enforce licensed patents against infringing third parties, if the licensed intellectual property are found to be invalid or unenforceable, or if we are unable to enter into necessary licenses on acceptable terms. In addition, our rights to certain technologies, are licensed to us on a non-exclusive basis. The owners of these non-exclusively licensed technologies are therefore free to license them to third parties, including our competitors, on terms that may be superior to those offered to us, which could place us at a competitive disadvantage. Moreover, our licensors may own or control intellectual property that has not been licensed to us and, as a result, we may be subject to claims, regardless of their merit, that we are infringing or otherwise violating the licensor's rights. In addition, the agreements under which we license intellectual property or technology from third parties are generally complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology, or increase what we believe to be our financial or other obligations under the relevant agreement. Any of the foregoing could harm our competitive position, business, financial condition, results of operations and prospects.

If we cannot license rights to use technologies on reasonable terms, we may not be able to commercialize new solutions or services in the future.

In the future, we may identify additional third-party intellectual property we may need to license in order to engage in our business, including to develop or commercialize new solutions or services. However, such licenses may not be available on acceptable terms or at all. The licensing or acquisition of third-party intellectual property rights is a competitive area, and several more established companies may pursue strategies to license or acquire third-party intellectual property rights that we may consider attractive or necessary. These established companies may have a competitive advantage over us due to their size, capital resources and greater development or commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. Even if such licenses are available, we may be required to pay the licensor

substantial royalties based on sales of our solutions and services. Such royalties are a component of the cost of our solutions or services and may affect the margins on our solutions and services. In addition, such licenses may be non-exclusive, which could give our competitors access to the same intellectual property licensed to us. If we are unable to enter into the necessary licenses on acceptable terms or at all, if any necessary licenses are subsequently terminated, if our licensors fail to abide by the terms of the licenses, if our licensors fail to prevent infringement by third parties, or if the licensed intellectual property rights are found to be invalid or unenforceable, our business, financial condition, results of operations and prospects could be affected. If licenses to third-party intellectual property rights are or become required for us to engage in our business, the rights may be non-exclusive, which could give our competitors access to the same technology or intellectual property rights licensed to us. Moreover, we could encounter delays and other obstacles in our attempt to develop alternatives. Defense of any lawsuit or failure to obtain any of these licenses on favorable terms could prevent us from commercializing solutions and services, which could harm our competitive position, business, financial condition, results of operations and prospects.

Risks Related to the Healthcare Industry

We may be subject to state and federal fraud and abuse and other healthcare regulatory laws and regulations. If we or our commercial partners act in a manner that violates such laws or otherwise engage in misconduct, we may be subject to civil or criminal penalties as well as exclusion from government healthcare programs.

Although the consumers who use our offerings do so outside of any medication or other health benefits covered under their health insurance, including any commercial or government healthcare program, we may nonetheless be subject to healthcare fraud and abuse regulation and enforcement by both the U.S. federal government and the states in which we conduct our business. These laws impact, among other things, our sales, marketing, support and education programs and constrain our business and financial arrangements and relationships with pharmacies, PBMs, pharmaceutical manufacturers, marketing partners, healthcare professionals and consumers, and include, but are not limited to, the following:

- the U.S. federal Anti-Kickback Statute, which prohibits, among other things, persons or entities from knowingly and willfully soliciting, offering, receiving or paying any remuneration, directly or indirectly, overtly or covertly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, lease, order, or arranging for or recommending the purchase, lease or order of, any item or service, for which payment may be made, in whole or in part, under federal healthcare programs such as Medicare and Medicaid. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;
- the U.S. federal false claims laws, including the civil False Claims Act (which can be enforced through ‘‘qui tam,’’ or whistleblower actions, by private citizens on behalf of the federal government), which prohibits any person from, among other things, knowingly presenting, or causing to be presented false or fraudulent claims for payment of government funds or knowingly making, using or causing to be made or used, a false record or statement material to an obligation to pay money to the government or knowingly and improperly avoiding, decreasing or concealing an obligation to pay money to the U.S. federal government. In addition, the government may assert that a claim including items and services resulting from a violation of the U.S. federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the civil False Claims Act;
- HIPAA imposes criminal and civil liability for, among other things, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, or knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement, in connection with the delivery of, or payment for healthcare benefits, items or services by a healthcare benefit program, which includes both government and privately funded benefits programs. Similar to the U.S. federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;

- the federal Civil Monetary Penalties Law, which, subject to certain exceptions, prohibits, among other things, the offer or transfer of remuneration, including waivers of copayments and deductible amounts (or any part thereof), to a Medicare or state healthcare program beneficiary if the person knows or should know it is likely to influence the beneficiary's selection of a particular provider, practitioner or supplier of services reimbursable by a state or federal healthcare program;
- federal consumer protection and unfair competition laws, which broadly regulate platform activities and activities that potentially harm consumers; and
- state laws and regulations, including state anti-kickback and false claims laws, that may apply to our business practices, including but not limited to, research, distribution, sales and marketing arrangements and claims involving healthcare items or services reimbursed by any third-party payor, including private insurers and self-pay patients.

To enforce compliance with healthcare regulatory laws, certain enforcement bodies have recently increased their scrutiny of interactions between healthcare companies and referral sources, which has led to a number of investigations, prosecutions, convictions and settlements in the healthcare industry. Responding to investigations can be time- and resource-consuming and can divert management's attention from the business. Additionally, as a result of these investigations, entities may also have to agree to additional compliance and reporting requirements as part of a consent decree, non-prosecution or corporate integrity agreement. Any such investigation or settlements could increase our costs or otherwise have an adverse effect on our business. Even an unsuccessful challenge or investigation into our practices could cause adverse publicity and be costly to respond.

The shifting commercial compliance environment and the need to build and maintain robust and expandable systems to comply with different compliance or reporting requirements in multiple jurisdictions increase the possibility that a healthcare company may fail to comply fully with one or more of these requirements. Efforts to ensure that our business arrangements with third parties will comply with applicable healthcare laws and regulations may involve substantial costs. It is possible that governmental authorities may conclude that our business practices, including, without limitation, our revenue sharing arrangements with our partners, arrangements with entities that provide us with rebate administrative services, and other sales and marketing practices, do not comply with applicable fraud and abuse or other healthcare laws and regulations or guidance.

If our operations are found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, imprisonment, exclusion from government-funded healthcare programs, such as Medicare and Medicaid, and additional oversight and reporting requirements if we become subject to a corporate integrity agreement to resolve allegations of non-compliance with these laws and the curtailment or restructuring of our operations. If any of the pharmacies, PBMs, pharmaceutical manufacturers, marketing partners or other entities with whom we do business is found not to be in compliance with applicable laws, they may be subject to the same criminal, civil or administrative sanctions, including exclusion from government-funded healthcare programs.

We provide pricing information and discounted prices for all FDA-approved medications, including products that are regulated under federal and state law as controlled substances. Controlled substances are subject to more onerous regulatory requirements than other pharmaceutical products and have received increasing legal scrutiny in recent years, which will likely continue into the future. Regulatory or legal developments that have the effect of lowering the sales of controlled substances may have a negative impact on our business.

Our telehealth offerings are subject to laws, rules and policies governing the practice of medicine and medical board oversight.

Our ability to conduct and optimize our telehealth offerings in each state is dependent upon the state's treatment of telehealth, such as the permissibility of asynchronous store-and-forward telehealth, under such state's laws, rules and policies governing the practice of medicine, which are subject to changing political, regulatory and other influences. Some state medical boards have established rules or interpreted existing rules in a manner that limits or restricts our ability to conduct or optimize our business.

Our telehealth offerings offer patients the ability to see a board-certified medical professional for advice, diagnosis and treatment of routine health conditions on a remote basis. Due to the nature of this service and the provision of medical care and treatment by board-certified medical professionals, we and certain of our affiliated physicians and healthcare professionals are and may in the future be subject to complaints, inquiries and compliance orders by national and state medical boards. Such complaints, inquiries or compliance orders may result in disciplinary actions taken by these medical boards against the licensed physicians who provide services through our telehealth offerings, which could include suspension, restriction or revocation of the physician's medical license, probation, required continuing medical education courses, monetary fines, administrative actions and other conditions. Regardless of outcome, these complaints, inquiries or compliance orders could have an adverse impact on our telehealth offerings and our platform generally due to defense and settlement costs, diversion of management resources, negative publicity, reputational harm and other factors.

Due to the uncertain regulatory environment, certain states may determine that we are in violation of their laws and regulations or such laws and regulations may change. In the event that we must remedy such violations, we may be required to modify our offerings in such states in a manner that undermines our offerings or business, we may become subject to fines or other penalties or, if we determine that the requirements to operate in compliance in such states are overly burdensome, we may elect to terminate our operations in such states. In each case, our revenue may decline and our business, financial condition and results of operations could be materially adversely affected.

In our telehealth offerings, we are dependent on our relationships with affiliated professional entities, which we do not own, to provide healthcare services, and our business would be adversely affected if those relationships were disrupted.

Our contractual relationships with our affiliated healthcare professionals providing telehealth services, our platform that enables HeyDoctor consumers to opt in to use our prescription offering, and the recent launch of HeyDoctor's platform where consumers can access a third-party mail order pharmacy to fill their prescriptions may implicate certain state laws in the United States that generally prohibit non-physician entities from practicing medicine, exercising control over physicians or engaging in certain practices such as fee-splitting with physicians. Although we believe that we have structured our arrangements to ensure that the healthcare professionals maintain exclusive authority regarding the delivery of medical care and prescription of medications when clinically appropriate, there can be no assurance that these laws will be interpreted in a manner consistent with our practices or that other laws or regulations will not be enacted in the future that could have a material and adverse effect on our business, financial condition and results of operations. Regulatory authorities, state medical boards of medicine, state attorneys general and other parties, including our affiliated healthcare professionals, may assert that, despite the management service agreement and other arrangements through which we operate, we are engaged in the prohibited corporate practice of medicine, and/or that our arrangements with our affiliated professional entities constitute unlawful fee-splitting. If a state's prohibition on the corporate practice of medicine or fee-splitting law is interpreted in a manner that is inconsistent with our practices, we would be required to restructure or terminate our relationship with our affiliated professional entities to bring its activities into compliance with such laws. A determination of non-compliance, or the termination of or failure to successfully restructure these relationships could result in disciplinary action, penalties, damages, fines, and/or a loss of revenue, any of which could have a material and adverse effect on our business, financial condition and results of operations. State corporate practice of medicine doctrines and fee-splitting prohibitions also often impose penalties on healthcare professionals for aiding the corporate practice of medicine, which could discourage physicians and other healthcare professionals from participating in our network of providers.

The impact of recent healthcare reform legislation and other changes in the healthcare industry and in healthcare spending on us is currently unknown, but may adversely affect our business, financial condition and results of operations.

Our revenue is dependent on the healthcare industry and could be affected by changes in healthcare spending and policy. The healthcare industry is subject to changing political, regulatory and other influences. The

Patient Protection and Affordable Care Act, as amended by the Healthcare and Education Reconciliation Act of 2010, or collectively, the ACA, enacted in March 2010, made major changes in how healthcare is delivered and reimbursed, and increased access to health insurance benefits to the uninsured and underinsured population of the United States. The ACA, among other things, required manufacturers to participate in a coverage gap discount program, under which they must agree to offer 70% point-of-sale discounts off negotiated prices of applicable brand medications to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer's outpatient medications to be covered under Medicare Part D, increased the number of individuals with Medicaid and private insurance coverage, implemented reimbursement policies that tie payment to quality, facilitated the creation of accountable care organizations that may use capitation and other alternative payment methodologies, strengthened enforcement of fraud and abuse laws and encouraged the use of information technology.

Since its enactment, there have been judicial, U.S. congressional and executive branch challenges to certain aspects of the ACA, and we expect there will be additional challenges and amendments to the ACA in the future. For example, the Tax Cuts and Jobs Act of 2017, or Tax Act, was enacted, which includes a provision repealing, effective January 1, 2019, the tax-based shared responsibility payment imposed by the ACA on certain individuals who fail to maintain qualifying health coverage for all or part of a year, which is commonly referred to as the "individual mandate." On December 14, 2018, a U.S. District Court judge in the Northern District of Texas ruled that the individual mandate is a critical and inseverable feature of the ACA, and therefore, because it was repealed as part of the Tax Act, the remaining provisions of the ACA are invalid as well. On December 18, 2019, the U.S. Court of Appeals for the 5th Circuit affirmed the District Court's decision that the individual mandate was unconstitutional but remanded the case back to the District Court to determine whether the remaining provisions of the ACA are invalid as well. On March 2, 2020, the U.S. Supreme Court granted the petitions for writs of certiorari to review the case, although it is unclear when a decision will be made or how the Supreme Court will rule. In addition, there may be other efforts to challenge, repeal or replace the ACA will impact the ACA. We are continuing to monitor any changes to the ACA that, in turn, may potentially impact our business in the future.

In addition, recently there has been heightened governmental scrutiny over the manner in which pharmaceutical manufacturers set prices for their marketed products, which has resulted in several U.S. congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to medication pricing, reduce the cost of prescription medications under government payor programs, and review the relationship between pricing and manufacturer patient programs. At the federal level, the Trump administration's budget proposal for fiscal year 2021 includes a $135 billion allowance to support legislative proposals seeking to reduce medication prices, increase competition, lower out-of-pocket medication costs for patients, and increase patient access to lower-cost generic and biosimilar medications. On March 10, 2020, the Trump administration sent ''principles'' for medication pricing to Congress, calling for legislation that would, among other things, cap Medicare Part D beneficiary out-of-pocket pharmacy expenses, provide an option to cap Medicare Part D beneficiary monthly out-of-pocket expenses, and place limits on pharmaceutical price increases. Further, the Trump administration previously released a "Blueprint," or plan, to lower medication prices and reduce out-of-pocket costs of prescription medications that contains additional proposals to increase pharmaceutical manufacturer competition, increase the negotiating power of certain federal healthcare programs, incentivize manufacturers to lower the list price of their products, and reduce the out of pocket costs of medication products paid by consumers. Moreover, in February 2019, the Office of Inspector General, or OIG, of HHS, proposed modifications to U.S. federal healthcare Anti-Kickback Statute safe harbors which, among other things, would have affected rebates paid by manufacturers to Medicare Part D plans and Medicaid managed care organizations, either directly or through PBMs under contract with such sponsors or organizations, the purpose of which was to further reduce the cost of medication products to consumers. Although the Trump administration withdrew the proposed rule in July 2019, in July 2020, President Trump signed four executive orders that attempt to implement several of the Administration's proposals, including one that directs HHS to finalize the rulemaking process on modifying these Anti-Kickback Statute safe harbors if HHS confirms that the action is not projected to increase federal spending, Medicare beneficiary premiums, or patients' total out-of-pocket costs. The other executive orders include a policy that would tie Medicare Part B

drug prices to international drug prices; an order that directs HHS to finalize the Canadian drug importation proposed rule previously issued by HHS allowing states to submit importation program proposals to the FDA for review and authorization and makes other changes allowing for the facilitation of grants to individuals of waivers of the prohibition of importation of prescription drugs, provided such importation poses no additional risk to public safety, and one that reduces costs of insulin and epipens to patients of federally qualified health centers. Congress and the Trump administration have each indicated that it will continue to seek new legislative and/or administrative measures to control medication costs.

Individual states in the United States have also increasingly passed legislation and implemented regulations designed to control medication pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access, disclosure, transparency and reporting requirements to regulatory agencies regarding marketing costs and discounts provided to patients, such as those provided through our prescription offering and subscription offerings, for prescription medications dispensed by pharmacies, and, in some cases, designed to encourage importation from other countries and bulk purchasing. We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could impact the amounts that federal and state governments and other third-party payors will pay for healthcare products and services or require us to restructure our existing arrangements with PBMs and pharmaceutical manufacturers, any of which could adversely affect our business, financial condition and results of operations.

Risks Related to This Offering and Ownership of Our Class A Common Stock

There has been no prior market for our Class A common stock. An active market may not develop or be sustainable, and investors may be unable to resell their shares at or above the initial public offering price.

There has been no public market for our Class A common stock prior to this offering. The initial public offering price for our Class A common stock will be determined through negotiations between the representatives of the underwriters and us and may vary from the market price of our Class A common stock following the completion of this offering. An active or liquid market in our Class A common stock may not develop upon completion of this offering or, if it does develop, it may not be sustainable. In the absence of an active trading market for our Class A common stock, you may not be able to resell those shares at or above the initial public offering price or at all. We cannot predict the prices at which our Class A common stock will trade.

Our stock price may be volatile or may decline regardless of our operating performance, resulting in substantial losses for investors purchasing shares in this offering.

The market price of our Class A common stock may fluctuate significantly in response to numerous factors, many of which are beyond our control, including:

- actual or anticipated fluctuations in our financial conditions and results of operations;
- the financial projections we may provide to the public, any changes in these projections or our failure to meet these projections;
- failure of securities analysts to initiate or maintain coverage of our company, changes in financial estimates or ratings by any securities analysts who follow our company or our failure to meet these estimates or the expectations of investors;
- announcements by us or our competitors of significant technical innovations, acquisitions, strategic partnerships, joint ventures, results of operations or capital commitments;
- changes in stock market valuations and operating performance of other healthcare and technology companies generally, or those in our industry in particular;
- price and volume fluctuations in the overall stock market, including as a result of trends in the economy as a whole;
- changes in our board of directors or management;

- sales of large blocks of our Class A common stock, including sales by or our executive officers and directors;
- lawsuits threatened or filed against us;
- anticipated or actual changes in laws, regulations or government policies applicable to our business;
- changes in our capital structure, such as future issuances of debt or equity securities;
- short sales, hedging and other derivative transactions involving our capital stock;
- general economic conditions in the United States;
- other events or factors, including those resulting from war, pandemics (including COVID-19), incidents of terrorism or responses to these events; and
- the other factors described in the sections of this prospectus titled “Risk Factors” and “Special Note Regarding Forward-Looking Statements.”

The stock market has recently experienced extreme price and volume fluctuations. The market prices of securities of companies have experienced fluctuations that often have been unrelated or disproportionate to their results of operations. Market fluctuations could result in extreme volatility in the price of shares of our Class A common stock, which could cause a decline in the value of your investment. Price volatility may be greater if the public float and trading volume of shares of our Class A common stock is low. Furthermore, in the past, stockholders have sometimes instituted securities class action litigation against companies following periods of volatility in the market price of their securities. Any similar litigation against us could result in substantial costs, divert management’s attention and resources, and harm our business, financial condition and results of operations.

The dual class structure of our common stock may adversely affect the trading market for our Class A common stock.

We cannot predict whether our dual class structure will result in a lower or more volatile market price of our Class A common stock or in adverse publicity or other adverse consequences. For example, certain index providers have announced restrictions on including companies with dual class or multi-class share structures in certain of their indexes. In July 2017, S&P Dow Jones and FTSE Russell announced changes to their eligibility criteria for the inclusion of shares of public companies on certain indices, including the Russell 2000, the S&P 500, the S&P MidCap 400 and the S&P SmallCap 600, to exclude companies with multiple classes of shares of common stock from being added to these indices. Beginning 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. As a result, our dual class capital structure would make us ineligible for inclusion in any of these indices, and mutual funds, exchange-traded funds and other investment vehicles that attempt to passively track these indices will not be investing in our stock. These policies are still fairly new and it is as of yet unclear what effect, if any, they will have on the valuations of publicly traded companies excluded from the indices, but it is possible that they may depress these valuations compared to those of other similar companies that are included. Furthermore, we cannot assure you that other stock indices will not take a similar approach to S&P Dow Jones or FTSE Russell in the future. Exclusion from indices could make our Class A common stock less attractive to investors and, as a result, the market price of our Class A common stock could be adversely affected.

control the direction of our business and ownership of our common stock will prevent you and other stockholders from influencing significant decisions.

Following the completion of this offering, will continue to control shares representing a majority of our combined voting power. Immediately after this offering, will own % of our outstanding Class B common stock, which will represent approximately % of our total outstanding shares of

common stock and approximately % of the combined voting power of both classes of our outstanding common stock. On all matters submitted to a vote of our stockholders, our Class B common stock entitles its owners to 10 votes per share, and our Class A common stock, which is the stock we are offering in this offering, entitles its owners to one vote per share. As long as continues to control shares representing a majority of our combined voting power, it will generally be able to determine the outcome of all corporate actions requiring stockholder approval, including the election and removal of directors (unless supermajority approval of such matter is required by applicable law). may engage in activities where their interests may not be the same as, or may conflict with, the interests of our other stockholders. Even if were to control less than a majority of our combined voting power, it may be able to influence the outcome of corporate actions so long as it owns a significant portion of our combined voting power.

Investors in this offering will not be able to affect the outcome of any stockholder vote while controls the majority of our combined voting power. Due to its ownership and rights under our amended and restated articles of incorporation and our amended and restated bylaws, will be able to control, subject to applicable law (see "Certain Relationships and Related Party Transactions—Policies and Procedures for Related Party Transactions"), the composition of our board of directors, which in turn will be able to control all matters affecting us, including, among other things:

- any determination with respect to our business direction and policies, including the appointment and removal of officers and, in the event of a vacancy on our board of directors, additional or replacement directors;
- any determinations with respect to mergers, business combinations or disposition of assets;
- determination of our management policies;
- determination of the composition of the committees on our board of directors;
- our financing policy;
- our compensation and benefit programs and other human resources policy decisions;
- changes to any other agreements that may adversely affect us;
- the payment of dividends on our Class A common stock; and
- determinations with respect to our tax returns.

See "Description of Capital Stock."

In addition, the concentration of ownership could also discourage others from making tender offers, which could prevent holders from receiving a premium for their common stock. Because interests may differ from ours or from those of our other stockholders, actions that takes with respect to us, as our controlling stockholder, may not be favorable to us or our other stockholders.

Substantial future sales by or others of our common stock, or the perception that such sales may occur, could depress the price of our Class A common stock.

Immediately following the completion of this offering, will own % of our outstanding shares of common stock (or % if the underwriters exercise in full their over-allotment option). Subject to the restrictions described in the paragraph below, future sales of these shares in the public market will be subject to the volume and other restrictions of Rule 144 under the Securities Act of 1933, or the Securities Act, for so long as is deemed to be our affiliate, unless the shares to be sold are registered with the Securities and Exchange Commission, or SEC. We are unable to predict with certainty whether or when will sell a substantial number of shares of our Class A common stock. The sale by of a substantial number of shares after this offering, or a perception that such sales could occur, could significantly reduce the market price of our Class A common stock. Upon completion of this offering, except as otherwise described herein, all shares

of our Class A common stock that are being offered hereby will be freely tradable without restriction, assuming they are not held by our affiliates.

We, all of our officers and directors, and substantially all of our other existing stockholders have agreed with the underwriters that, without the prior written consent of , we and they will not, subject to certain exceptions and extensions, during the period ending 180 days after the date of this prospectus, 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, or enter into any swap or other agreement that transfers to another, in whole or in part, any of the economic consequences of ownership of shares of our common stock or any securities convertible into or exercisable or exchangeable for shares of our common stock or publicly disclose the intention to make any such offer, sale, pledge or disposition. may, in its sole discretion and at any time without notice, release all or any portion of the shares of our common stock subject to the lock-up.

Immediately following this offering, we intend to file a registration statement on Form S-8 registering under the Securities Act the shares of our Class A common stock reserved for issuance under our incentive plan. If equity securities granted under our incentive plan are sold or it is perceived that they will be sold in the public market, the trading price of our Class A common stock could decline substantially. These sales also could impede our ability to raise future capital.

We will be a "controlled company" under the corporate governance rules of the and, as a result, will qualify for, and intend to rely on, exemptions from certain corporate governance requirements. You will not have the same protections afforded to stockholders of companies that are subject to such requirements.

Upon completion of this offering, will continue to control a majority of our combined voting power of both classes of our outstanding common stock. As a result, we will be a "controlled company" within the meaning of the corporate governance standards of the rules. Under these rules, a listed company of which more than 50% of the voting power is held by an individual, group or another company is a "controlled company" and may elect not to comply with certain corporate governance requirements, including:

- the requirement that a majority of its board of directors consist of independent directors;
- the requirement that its director nominations be made, or recommended to the full board of directors, by its independent directors or by a nominations committee that is comprised entirely of independent directors and that it adopt a written charter or board resolution addressing the nominations process; and
- the requirement that it have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities.

Following this offering, we intend to rely on all of these exemptions. As a result, our board of directors will not have a majority of independent directors, our compensation committee will not consist entirely of independent directors and our directors will not be nominated or selected by independent directors. Accordingly, you will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the rules.

If securities or industry analysts do not publish research or reports about our business, or they publish negative reports about our business, our share price and trading volume could decline.

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, our market and our competitors. We do not have any control over these analysts. If one or more of the analysts who cover us downgrade our shares or publish negative views on us or our shares, our share price would likely decline. If one or more of these analysts cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our share price or trading volume to decline.

We are an "emerging growth company" and our compliance with the reduced reporting and disclosure requirements applicable to "emerging growth companies" may make our Class A common stock less attractive to investors.

We are an "emerging growth company," as defined in the JOBS Act, and we may take advantage of certain exemptions and relief from various reporting requirements that are applicable to other public companies that are not "emerging growth companies." These provisions include, but are not limited to: being permitted to have only two years of audited financial statements and only two years of related selected financial data and management's discussion and analysis of financial condition and results of operations disclosures; being exempt from compliance with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act; being exempt from any rules that could be adopted by the Public Company Accounting Oversight Board requiring mandatory audit firm rotations or a supplement to the auditor's report on financial statements; being subject to reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements; and not being required to hold nonbinding advisory votes on executive compensation or on any golden parachute payments not previously approved.

In addition, while we are an "emerging growth company," we will not be required to comply with any new financial accounting standard until such standard is generally applicable to private companies. As a result, our financial statements may not be comparable to companies that are not "emerging growth companies" or elect not to avail themselves of this provision.

We may remain an "emerging growth company" until as late as December 31, 2025, the fiscal year-end following the fifth anniversary of the completion of this initial public offering, though we may cease to be an "emerging growth company" earlier under certain circumstances, including if (i) we have more than $1.07 billion in annual revenue in any fiscal year, (ii) we become a "large accelerated filer," with at least $700 million of equity securities held by non-affiliates as of the end of the second quarter of that fiscal year or (iii) we issue more than $1.0 billion of non-convertible debt over a three-year period.

The exact implications of the JOBS Act are still subject to interpretations and guidance by the SEC and other regulatory agencies, and we cannot assure you that we will be able to take advantage of all of the benefits of the JOBS Act. In addition, investors may find our Class A common stock less attractive to the extent we rely on the exemptions and relief granted by the JOBS Act. If some investors find our Class A common stock less attractive as a result, there may be a less active trading market for our Class A common stock and our stock price may decline or become more volatile.

Purchasers in this offering will experience immediate and substantial dilution in the book value of their investment.

The assumed initial public offering price of our Class A common stock of $ per share, the midpoint of the price range on the cover page of this prospectus, is substantially higher than the pro forma as adjusted net tangible book value per share of our outstanding Class A common stock immediately after this offering. Therefore, if you purchase our Class A common stock in this offering, you will incur immediate dilution of $ in the pro forma as adjusted net tangible book value per share from the price you paid assuming that stock price. In addition, following this offering, purchasers who bought shares from us in the offering will have contributed % of the total consideration paid to us by our stockholders to purchase million shares of Class A common stock to be sold by us in this offering, in exchange for acquiring approximately % of our total outstanding shares as of after giving effect to this offering.

We have broad discretion to determine how to use the funds we receive from this offering, and may use them in ways that may not enhance our results of operations or the price of our Class A common stock.

We have broad discretion over the use of proceeds we receive from this offering, and we could spend the proceeds we receive from this offering in ways our stockholders may not agree with or that do not yield a favorable return, or no return at all. We currently expect to use the net proceeds for general corporate purposes to

support the growth of our business. However, our use of these proceeds may differ substantially from our current plans. If we do not invest or apply the proceeds we receive from this offering in ways that improve our results of operations, we may fail to achieve expected financial results or be required to raise additional capital, which could cause our stock price to decline. In addition pending their use, the proceeds of this offering may be placed in investments that do not produce income or that may lose value.

Delaware law and provisions in our amended and restated certificate of incorporation and amended and restated bylaws could make a merger, tender offer or proxy contest more difficult, limit attempts by our stockholders to replace or remove our current management and limit the market price of our Class A common stock.

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

- any amendments to our amended and restated certificate of incorporation or our amended and restated bylaws will require the approval of at least 66 2/3% of our then-outstanding voting power;
- our dual class common stock structure, which provides , individually or together, with the ability to significantly influence the outcome of matters requiring stockholder approval, even if they own significantly less than a majority of the shares of our outstanding Class A common stock and Class B common stock;
- our staggered board;
- our stockholders will only be able to take action at a meeting of stockholders and will not be able to take action by written consent for any matter;
- our amended and restated certificate of incorporation will not provide for cumulative voting;
- vacancies on our board of directors will be able to be filled only by our board of directors and not by stockholders;
- a special meeting of our stockholders may only be called by the chairperson of our board of directors, our Chief Executive Officer or our Co-Chief Executive Officers, as applicable, or a majority of our board of directors;
- restrict the forum for certain litigation against us to Delaware;
- our amended and restated certificate of incorporation will authorize undesignated preferred stock, the terms of which may be established and shares of which may be issued without further action by our stockholders; and
- advance notice procedures apply for stockholders to nominate candidates for election as directors or to bring matters before an annual meeting of stockholders.

These provisions, alone or together, could discourage, delay or prevent a transaction involving a change in control of our company. These provisions could also discourage proxy contests and make it more difficult for stockholders to elect directors of their choosing and to cause us to take other corporate actions they desire, any of which, under certain circumstances, could limit the opportunity for our stockholders to receive a premium for their shares of our 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 provide that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for certain stockholder litigation matters and the federal district courts of the United States shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or stockholders.

Our amended and restated certificate of incorporation will provide (A) (i) any derivative action or proceeding brought on behalf of the Company, (ii) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, other employee or stockholder of the Company to the Company or the Company's stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws (as either may be amended or restated) or as to which the Delaware General Corporation Law confers jurisdiction on the Court of Chancery of the State of Delaware or (iv) any action asserting a claim governed by the internal affairs doctrine of the law of the State of Delaware shall, to the fullest extent permitted by law, be exclusively brought in the Court of Chancery of the State of Delaware or, if such court does not have subject matter jurisdiction thereof, the federal district court of the State of Delaware; and (B) the federal district courts of the United States shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. Notwithstanding the foregoing, the exclusive forum provision shall not apply to claims seeking to enforce any liability or duty created by the Exchange Act. The choice of forum provision 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 such lawsuits against us and our directors, officers, and other employees, although our stockholders will not be deemed to have waived our compliance with federal securities laws and the rules and regulations thereunder. Alternatively, if a court were to find the choice of forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, results of operations, and financial condition. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and consented to the forum provisions in our amended and restated certificate of incorporation.

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

We currently intend to retain any future earnings to finance the operation and expansion of our business and we do not expect to declare or pay any dividends in the foreseeable future. Moreover, the terms of our existing Credit Agreement restrict our ability to pay dividends, and any additional debt we may incur in the future may include similar restrictions. In addition, Delaware law may impose requirements that may restrict our ability to pay dividends to holders of our common stock. As a result, stockholders must rely on sales of their Class A common stock after price appreciation as the only way to realize any future gains on their investment.

We are a holding company and depend on our subsidiaries for cash to fund operations and expenses, including future dividend payments, if any.

We are a holding company that does not conduct any business operations of our own. As a result, we are largely dependent upon cash distributions and other transfers from our subsidiaries to meet our obligations and to make future dividend payments, if any. We do not currently expect to declare or pay dividends on our common stock for the foreseeable future; however, the agreements governing the indebtedness of our subsidiaries impose restrictions on our subsidiaries' ability to pay dividends or other distributions to us. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources." The deterioration of the earnings from, or other available assets of, our subsidiaries for any reason could impair their ability to make distributions to us.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements. All statements contained in this prospectus other than statements of historical facts, including statements regarding our business strategy, plans, market growth and our objectives for future operations, are forward-looking statements. The words “may,” “will,” “should,” “expect,” “plan,” “anticipate,” “could,” “intend,” “target,” “project,” “contemplate,” “believe,” “estimate,” “forecast,” “predict,” “potential” or “continue” or the negative of these terms and other similar expressions are intended to identify forward-looking statements.

Forward-looking statements contained in this prospectus include, but are not limited to, statements about:

- our future financial performance, including our expectations regarding our revenue, cost of revenue, operating expenses, including capital expenditures, and our ability to achieve and maintain future profitability;
- the sufficiency of our cash to meet our liquidity needs;
- the demand for our platform and offerings in general;
- our ability to attract and retain Monthly Active Consumers and consumers of our various offerings;
- our expectations of the value provided by our subscription offerings subscribers, and the continuation of existing trends;
- our ability to develop new offerings and bring them to market in a timely manner, make enhancements to our platform and current offerings and integrate our offerings;
- our ability to successfully execute upon our strategy, including in respect of our recently launched telehealth offerings;
- our ability to increase the number of consumers of our telehealth offerings that opt to use our prescription offering following an online visit with a healthcare professional;
- our ability to grow and scale our telehealth offerings;
- our ability to increase the lifetime value of our consumers;
- our ability to improve our unaided awareness, build our brand, scale our existing marketing channels and unlock new ones;
- our ability to successfully compete with existing and new competitors in our markets;
- the size of our total addressable market and market trends, expected growth rates of these markets and our ability to grow within and further penetrate our primary markets;
- our expectations regarding the effects of existing and developing laws and regulations, including with respect to the healthcare industry, healthcare reform measures and data protection in the United States;
- our ability to develop and protect our brand;
- our ability to maintain the security and availability of our platform;
- our expectations and management of future growth;
- our expectations regarding technology trends and developments in the healthcare industry and our ability to address those trends and developments with our offerings;
- our expectations concerning relationships with third parties, including PBMs, healthcare professionals, telehealth providers and other healthcare partners;
- our ability to maintain, protect and enhance our intellectual property;

- our ability to implement, maintain and improve effective internal controls and remediate material weaknesses;
- the increased expenses associated with being a public company; and
- our anticipated uses of net proceeds from this offering.

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

We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties, and assumptions, including those described in the section titled "Risk Factors." Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties, and assumptions, the future events and trends discussed in this prospectus may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. The events and circumstances reflected in the forward-looking statements may not be achieved or occur. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, performance, or achievements. We undertake no obligation to update any of these forward-looking statements for any reason after the date of this prospectus or to conform these statements to actual results or revised expectations, except as required by law.

You should read this prospectus and the documents that we reference in this prospectus and have filed with the SEC as exhibits to the registration statement of which this prospectus is a part with the understanding that our actual future results, performance, and events and circumstances may be materially different from what we expect.

USE OF PROCEEDS

We estimate that the net proceeds to us from the sale of shares of our Class A common stock in this offering will be approximately $ million, assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the net proceeds to us from this offering by approximately $ million, assuming 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 underwriting discounts and commissions and estimated offering expenses payable by us. An increase (decrease) of 1.0 million shares in the number of shares of Class A common stock offered would increase (decrease) the net proceeds to us from this offering by approximately $ million, assuming the assumed initial public offering price stays the same, and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

We intend to use the net proceeds from this offering for general corporate purposes to support the growth of our business. As of the date of this prospectus, we cannot specify with certainty the specific allocations or all of the particular uses for the net proceeds to be received upon completion of this offering. We may also use a portion of the proceeds for the acquisition of, or investment in, technologies, solutions, or businesses that complement our business. However, we do not have binding agreements or commitments for any acquisitions or investments outside the ordinary course of business at this time.

We may find it necessary or advisable to use the net proceeds for other purposes, and we will have broad discretion in the application and specific allocations of the net proceeds of this offering. Pending the uses described above, we intend to invest the net proceeds from this offering in short- and intermediate-term, interest-bearing obligations, investment-grade instruments or other securities.

DIVIDEND POLICY

In May 2018, we paid a special dividend to our stockholders in an aggregate amount of $154.4 million, and paid accrued dividends to the holders of our convertible preferred stock of $18.6 million. The dividends were financed with net proceeds from a $150.0 million term loan under a credit agreement entered into by GoodRx, Inc. and various lenders party thereto, or the 2017 Credit Agreement, and cash on hand. In addition, in October 2018, we paid a special dividend to our stockholders in an aggregate amount of $1,167.1 million, and paid accrued dividends to the holders of our convertible preferred stock of $6.4 million. The dividends were financed with net proceeds from GoodRx, Inc.'s First Lien Term Loan Facility and the Second Lien Term Loan Facility, and cash on hand.

We are a holding company that does not conduct any business operations of our own. We will only be able to pay dividends from our available cash on hand and cash distributions and other transfers received from our subsidiaries, including GoodRx, Inc. and GoodRx Intermediate Holdings, LLC, whose ability to make any payments to us will depend upon many factors, including their operating results and cash flows. We currently intend to retain all available funds and any future earnings for use in the operation of our business, and therefore we do not currently expect to pay any cash dividends on our common stock. Any future determination related to our dividend policy will be made at the discretion of our board of directors after considering our financial condition, results of operations, capital requirements, the operations and performance of our subsidiaries, business prospects and other factors our board of directors deems relevant, and subject to the restrictions contained in agreements governing the indebtedness of our subsidiaries. Our current Credit Facilities impose restrictions on our subsidiaries' ability to pay dividends or other distributions to us. In addition to these restrictions, our ability to pay cash dividends on our capital stock in the future may also be limited by the terms of any preferred securities we may issue or agreements governing any additional indebtedness we or our subsidiaries may incur. In addition, Delaware law may impose requirements that may restrict our ability to pay dividends to holders of our common stock. See "Risk Factors—Risks Related to This Offering and Ownership of Our Class A Common Stock" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources."

CAPITALIZATION

The following table sets forth our cash and capitalization as of June 30, 2020 on:

(1) an actual basis;

(2) a pro forma basis to give effect to (i) the Preferred Stock Conversion, (ii) the Class A Redesignation, (iii) the Class B Exchange, and (iv) the filing and effectiveness of our amended and restated certificate of incorporation; and

(3) a pro forma as adjusted basis to give effect to the pro forma adjustments described above as well as the sale and issuance by us of shares of our Class A common stock in this offering at an assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

The pro forma and pro forma as adjusted information below is illustrative only and our capitalization following the closing of this offering will be adjusted based on the actual initial public offering price and other terms of this offering determined at the pricing of this offering. You should read this information in conjunction with the sections titled “Use of Proceeds,” “Selected Consolidated Financial and Operating Data” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our financial statements and the accompanying notes thereto included elsewhere in this prospectus.

	As of June 30, 2020		
	Actual	Pro Forma	Pro Forma As Adjusted
	(in thousands, except share and par values)		
Cash	$ 126,625	$	$
Debt (including current portion of long-term debt)	696,921		
Redeemable convertible preferred stock, $0.006 par value; 130,000,000 shares authorized; 126,045,531 shares issued and outstanding; zero shares authorized, issued and outstanding, pro forma and pro forma as adjusted	737,009	—	—
Stockholders’ equity (deficit):			
Preferred stock, par value $ per share; zero shares authorized, issued and outstanding, actual; shares authorized, zero shares issued and outstanding, pro forma and pro forma as adjusted	—	—	—
Common stock, par value $0.002 per share; 390,000,000 shares authorized, 230,439,443 shares issued and outstanding, actual; and zero shares authorized, issued and outstanding, pro forma and pro forma as adjusted	462	—	—
Class A common stock, par value $ per share; zero shares authorized, issued and outstanding, actual; and shares authorized, shares issued and outstanding, pro forma; and shares authorized, shares issued and outstanding, pro forma as adjusted	—		
Class B common stock, par value $ per share; zero shares authorized, issued and outstanding, actual; and shares authorized, shares issued and outstanding, pro forma; and shares authorized, shares issued and outstanding, pro forma as adjusted	—		
Additional paid-in capital	$ 14,950	$	$
Accumulated deficit	(1,042,147)		
Total stockholders’ equity (deficit)	(1,026,735)		
Total capitalization	$ 407,195	$	$

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is 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, additional paid-in capital, total stockholders' equity (deficit) and total capitalization by approximately $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, an increase (decrease) of 1.0 million shares in the number of shares offered by us at the assumed initial public offering price of $ per share, which is 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, additional paid-in capital, total stockholders' equity (deficit) and total capitalization by approximately $ million, assuming the shares of our Class A common stock offered by this prospectus are sold at the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

The number of shares of our Class A common stock and Class B common stock to be outstanding after this offering is based on shares of our Class A common stock and shares of our Class B common stock outstanding, in each case, as of June 30, 2020 (after giving effect to the pro forma adjustments described above), and does not include:

- shares of our Class A common stock issuable upon the exercise of outstanding options under our Fourth Amended and Restated 2015 Equity Incentive Plan as of June 30, 2020, at a weighted-average exercise price of $ per share; and
- shares of our common stock reserved for future issuance under our equity compensation plans, consisting of (1) shares of our Class A common stock reserved for future issuance under our Fourth Amended and Restated 2015 Equity Incentive Plan as of June 30, 2020, (2) shares of our Class A common stock reserved for future issuance under our 2020 Incentive Award Plan, which will become effective in connection with the completion of this offering, and (3) shares of our Class A common stock reserved for future issuance under our 2020 Employee Stock Purchase Plan, which will become effective in connection with the closing of this offering.

DILUTION

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

As of June 30, 2020, our historical net tangible book value (deficit) was $(1,278) million, or $(5.55) per share of common stock. Historical net tangible book value (deficit) per share represents our total tangible assets less total liabilities and redeemable convertible preferred stock, divided by the number of shares of common stock outstanding as of June 30, 2020.

As of June 30, 2020, our pro forma net tangible book value (deficit) was $ million, or $ per share. Pro forma net tangible book value per share represents the amount of our total tangible assets reduced by the amount of our total liabilities and divided by the total number of shares of our Class A common stock and Class B common stock outstanding as of June 30, 2020 after giving effect to (i) the Preferred Stock Conversion, (ii) the Class A Redesignation, (iii) the Class B Exchange, and (iv) the filing and effectiveness of our amended and restated certificate of incorporation.

After giving further effect to our sale of shares of our Class A common stock in this offering at the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of June 30, 2020 would have been approximately $ million, or $ per share. This represents an immediate increase in pro forma net tangible book value of $ per share to our existing stockholders and an immediate dilution in pro forma net tangible book value of approximately $ per share to new investors purchasing shares of our Class A common stock in this offering at the assumed initial public offering price.

The following table illustrates this dilution on a per share basis to new investors:

Assumed initial public offering price per share of Class A common stock		$
Historical net tangible book value (deficit) per share as of June 30, 2020	$(5.55)	
Pro forma increase in net tangible book value (deficit) per share		
Pro forma net tangible book value per share as of June 30, 2020		
Increase in pro forma net tangible book value per share attributable to new investors purchasing Class A common stock in this offering	$	
Pro forma as adjusted net tangible book value per share		$
Dilution in pro forma as adjusted net tangible book value per share to new investors in this offering		$

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

The following table summarizes, on a pro forma as adjusted basis as of June 30, 2020, after giving effect to the pro forma adjustments described above, the difference among existing stockholders and new investors purchasing shares of our Class A common stock in this offering with respect to the number of shares purchased from us, the total consideration paid to us and the average price per share paid by our existing stockholders or to be paid by investors purchasing shares in this offering at the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and before deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

	Shares Purchased		Total Consideration		Average Price
	Number (in thousands)	Percent	Amount (in thousands)	Percent	Per Share
Existing stockholders		%	$	%	$
New investors					
Total		100%		100%	

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the total consideration paid by new investors and total consideration paid by all stockholders by $ million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us.

Except as otherwise indicated, the above discussion and tables assume no exercise of the underwriters' over-allotment option. If the underwriters exercise their over-allotment option in full, our existing stockholders would own % and our new investors would own % of the total number of shares of our common stock outstanding after this offering.

The dilution information discussed above is illustrative only and may change based on the actual initial public offering price and other terms of this offering. In addition, to the extent we issue any additional stock options or warrants or any outstanding stock options are exercised, or we issue any other securities or convertible debt in the future, investors will experience further dilution.

The number of shares of our Class A common stock and Class B common stock to be outstanding after this offering is based on shares of our Class A common stock and shares of our Class B common stock outstanding, in each case, as of June 30, 2020 after giving effect to (i) the Preferred Stock Conversion, (ii) the Class A Redesignation, (iii) the Class B Exchange, and (iv) the filing and effectiveness of our amended and restated certificate of incorporation, and does not include:

- shares of our Class A common stock issuable upon the exercise of outstanding options under our Fourth Amended and Restated 2015 Equity Incentive Plan as of June 30, 2020, at a weighted-average exercise price of $ per share; and
- shares of our common stock reserved for future issuance under our equity compensation plans, consisting of (1) shares of our Class A common stock reserved for future issuance under our Fourth Amended and Restated 2015 Equity Incentive Plan as of June 30, 2020, (2) shares of our Class A common stock reserved for future issuance under our 2020 Incentive Award Plan, which will become effective on the date of this prospectus, and (3) shares of our Class A common stock reserved for future issuance under our 2020 Employee Stock Purchase Plan, which will become effective on the date of this prospectus.

SELECTED CONSOLIDATED FINANCIAL AND OPERATING DATA

The following tables present our selected financial and operating data for the periods and as of the dates indicated. We derived our selected consolidated statement of operations data for the years ended December 31, 2018 and 2019 and our selected consolidated balance sheet data as of December 31, 2018 and 2019 from our audited consolidated financial statements included elsewhere in this prospectus. We derived our selected consolidated statement of operations data for the years ended December 31, 2016 and 2017 and our selected consolidated balance sheet data as of December 31, 2016 and 2017 from our unaudited consolidated financial statements that are not included in this prospectus. We derived our selected consolidated statement of operations data for the six months ended June 30, 2019 and 2020 and the balance sheet data as of June 30, 2020 from our unaudited interim condensed consolidated financial statements included elsewhere in this prospectus. In our opinion, the unaudited interim financial statements have been prepared on a basis consistent with our audited financial statements and contain all adjustments, consisting only of normal and recurring adjustments, necessary for a fair statement of such interim financial statements. Our historical results are not necessarily indicative of the results to be expected in the future and our operating results for the six months ended June 30, 2020 are not necessarily indicative of the results that may be expected for the year ending December 31, 2020 or any other interim periods or any future year or period. You should read the following information in conjunction with the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the accompanying notes thereto included elsewhere in this prospectus.

Consolidated Statement of Operations Data

	Year Ended December 31,				Six Months Ended June 30,	
	2016	2017	2018	2019	2019	2020
	(in thousands, except per share data)					
Revenue	$99,377	$157,240	$249,522	$388,224	$173,223	$256,703
Costs and operating expenses:						
Cost of revenue, exclusive of depreciation and amortization presented separately below (1) (2)	1,230	3,075	6,035	14,016	6,024	12,843
Product development and technology (1) (2)	5,742	11,501	43,894	29,300	11,636	22,287
Sales and marketing (1) (2)	60,503	78,278	104,177	176,967	77,689	115,082
General and administrative (1) (2)	4,038	4,982	8,359	14,692	6,063	12,219
Depreciation and amortization	9,089	9,099	9,806	13,573	5,746	8,866
Total costs and operating expenses	80,602	106,935	172,271	248,548	107,158	171,297
Operating income	18,775	50,305	77,251	139,676	66,065	85,406
Other expense (income):						
Other expense (income), net	154	(5)	7	2,967	1	(21)
Loss on extinguishment of debt	—	3,661	2,857	4,877	—	—
Interest income	(21)	(24)	(154)	(715)	(309)	(116)
Interest expense	3,541	6,970	22,193	49,569	26,679	15,433
Total other expense, net	3,674	10,602	24,903	56,698	26,371	15,296
Income before income tax expense	15,101	39,703	52,348	82,978	39,694	70,110
Income tax expense	(6,188)	(10,931)	(8,555)	(16,930)	(8,492)	(15,427)
Net income	$ 8,913	$ 28,772	$ 43,793	$ 66,048	$ 31,202	$ 54,683
Net (loss) income attributable to common stockholders (3)						
Basic	$ (7,774)	$ 8,843	$ 13,795	$ 42,441	$ 20,025	$ 35,325
Diluted	$ (7,774)	$ 8,980	$ 14,226	$ 42,745	$ 20,155	$ 35,674

	Year Ended December 31,				Six Months Ended June 30,	
	2016	2017	2018	2019	2019	2020
	(in thousands, except per share data)					
(Loss) earnings per share (3)						
Basic	$ (0.11)	$ 0.11	$ 0.12	$ 0.19	$ 0.09	$ 0.15
Diluted	$ (0.11)	$ 0.11	$ 0.12	$ 0.18	$ 0.09	$ 0.15
Weighted-average shares used in computing (loss) earnings per share (3)						
Basic	73,151	77,109	111,842	226,607	225,841	230,020
Diluted	73,151	81,747	118,344	231,209	229,974	236,557
Pro forma earnings per share (3)						
Basic				$ 0.19		$ 0.15
Diluted				$ 0.18		$ 0.15
Weighted-average shares used in computing pro forma earnings per share (3)						
Basic				352,653		356,066
Diluted				357,255		362,603

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

	Year Ended December 31,				Six Months Ended June 30,	
	2016	2017	2018	2019	2019	2020
	(in thousands)					
Cost of revenue	$ —	$ —	$ —	$ 28	$ —	$ 41
Product development and technology	1,150	1,278	1,048	1,775	816	1,814
Sales and marketing	598	665	544	1,268	600	1,478
General and administrative	254	207	170	676	320	998
Total stock-based compensation expense	$2,002	$2,150	$1,762	$3,747	$ 1,736	$ 4,331

(2) Includes expense for cash bonuses to vested option holders as follows:

	Year Ended December 31,				Six Months Ended June 30,	
	2016	2017	2018	2019	2019	2020
	(in thousands)					
Cost of revenue	$—	$ 36	$ —	$—	$ —	$ —
Product development and technology	—	760	29,189	—	—	—
Sales and marketing	—	214	6,878	—	—	—
General and administrative	—	390	2,733	—	—	—
Total vested option holder bonuses	$—	$1,400	$38,800	$—	$ —	$ —

(3) See Notes 2 and 16 to our audited consolidated financial statements included elsewhere in this prospectus for an explanation of the calculations of our earnings per share, basic and diluted, and pro forma earnings per share stockholders, basic and diluted, for the years ended December 31, 2018 and 2019. See Notes 2 and 9 to our unaudited interim condensed consolidated financial statements included elsewhere in this prospectus for an explanation of the calculations of earnings per share, basic and diluted, and pro forma earnings per share, basic and diluted, for the six months ended June 30, 2019 and 2020.

Consolidated Balance Sheet Data

	As of December 31,				As of June 30,
	2016 (1)	2017 (1)	2018 (1)	2019	2020
	(in thousands)				
Cash	$ 23,613	$ 17,539	$ 34,600	$ 26,050	$ 126,625
Working capital	32,240	26,110	56,451	53,209	140,407
Total assets	295,649	286,869	314,791	386,796	502,433
Total debt (including current portion of long-term debt)	46,079	136,007	722,236	670,922	696,921
Total liabilities	68,836	151,845	740,209	737,369	792,159
Redeemable convertible preferred stock	166,777	166,777	737,009	737,009	737,009
Retained earnings (accumulated deficit)	8,109	(86,191)	(1,162,878)	(1,096,830)	(1,042,147)
Total stockholders' equity (deficit) (2)	60,036	(31,753)	(1,162,427)	(1,087,582)	(1,026,735)

(1) On January 1, 2019, we adopted Accounting Standards Codification, or ASC, 842, *Leases*, on a modified retrospective basis. Accordingly, periods prior to 2019 reflect lease accounting under the accounting standards in effect for those periods. See Notes 2 and 10 to our audited consolidated financial statements included elsewhere in this prospectus.

(2) In October 2018, we paid a special dividend to our stockholders in an aggregate amount of $1,167.1 million, and paid accrued dividends to the holders of our convertible preferred stock of $6.4 million. The dividends were financed with net proceeds from GoodRx, Inc.'s First Lien Term Loan Facility and the Second Lien Term Loan Facility, and cash on hand. See Note 14 to our audited consolidated financial statements included elsewhere in this prospectus for an explanation of the special dividends paid in October 2018.

Key Financial and Operating Metrics

Monthly Active Consumers

	Three Months Ended																	
	Mar. 31, 2016	June 30, 2016	Sept. 30, 2016	Dec. 31, 2016	Mar. 31, 2017	June 30, 2017	Sept. 30, 2017	Dec. 31, 2017	Mar. 31, 2018	June 30, 2018	Sept. 30, 2018	Dec. 31, 2018	Mar. 31, 2019	June 30, 2019	Sept. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	June 30, 2020
	(in thousands)																	
Monthly Active Consumers(1)	718	852	981	1,138	1,279	1,309	1,455	1,710	2,020	2,170	2,413	2,750	3,188	3,513	3,787	4,272	4,875	4,418

(1) "Monthly Active Consumers" represents the number of unique consumers who have used a GoodRx code to purchase a prescription medication in a given calendar month and have saved money compared to the list price of the medication. A unique consumer who uses a GoodRx code more than once in a calendar month to purchase prescription medications is only counted as one Monthly Active Consumer in that month. Monthly Active Consumers do not include subscribers to our subscription offerings, consumers of our pharmaceutical manufacturers solutions offering, or consumers who used our telehealth offerings. When presented for a period longer than a month, Monthly Active Consumers is averaged over the number of calendar months in such period.

Non-GAAP Financial Measures

	Year Ended December 31,				Six Months Ended June 30,	
	2016	2017	2018	2019	2019	2020
	(dollars in thousands)					
Adjusted EBITDA (1)	$ 30,008	$ 62,956	$ 127,634	$ 159,629	$ 74,521	$ 101,152
Adjusted EBITDA Margin (1)	30.2%	40.0%	51.2%	41.1%	43.0%	39.4%

(1) Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP financial measures. For a reconciliation of Adjusted EBITDA to the most directly comparable GAAP financial measure, information about why we consider Adjusted EBITDA useful and a discussion of the material risks and limitations of these measures, please see "Prospectus Summary—Summary Consolidated Financial and Operating Data—Key Financial and Operating Metrics—Non-GAAP Financial Measures."

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

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with the section titled "Selected Consolidated Financial and Other Data" and our financial statements and the accompanying notes thereto included elsewhere in this prospectus. Some of the information contained in this discussion and analysis or set forth elsewhere in this prospectus, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. You should read the sections titled "Risk Factors" and "Special Note Regarding Forward-Looking Statements" for a discussion of 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.

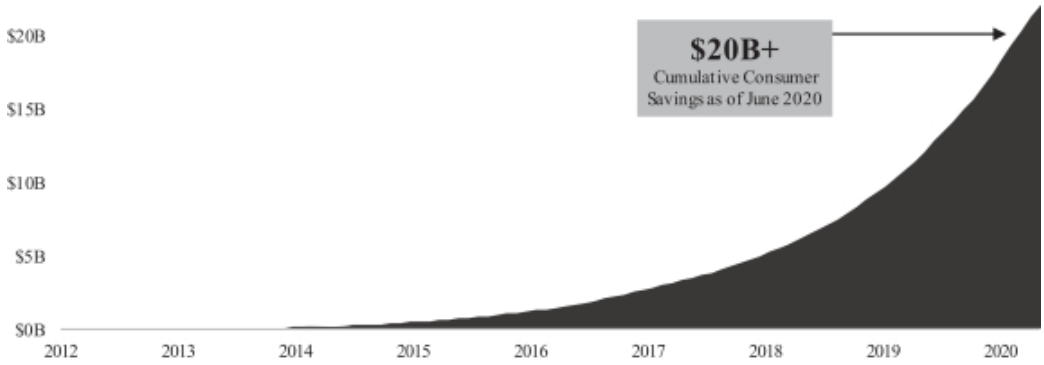
Overview

Our mission is to provide all Americans with access to affordable and convenient healthcare. To achieve this, we are building the leading, consumer-focused digital healthcare platform in the United States.

Healthcare consumers in the United States face an increasing number of challenges. These include a lack of affordability, transparency, and access to care. Additionally, healthcare professionals' lack of access to current prescription pricing and out of pocket consumer cost information exacerbate the challenges that healthcare consumers face. GoodRx was founded to solve these challenges. We started with a price comparison tool for prescriptions, offering consumers free access to lower prices on their medication. Today, our expanded platform also provides access to brand medication savings programs, affordable and convenient medical provider consultations and lab tests via our telehealth offerings, HeyDoctor and the GoodRx Telehealth Marketplace, and other healthcare related content. Whether a consumer is insured or uninsured, young or old, or suffers from an acute or a chronic ailment, we strive to be at the consumer's side throughout their healthcare journey. We believe that our offerings provide significant savings to consumers, and can help drive greater medication adherence, faster treatment and better patient outcomes that also benefit the broader healthcare ecosystem and its stakeholders. These all contribute to a healthier, happier society.

Our success is demonstrated by our 4.4 million Monthly Active Consumers for the second quarter of 2020, the million Monthly Visitors for the second quarter of 2020, the approximately $20 billion of cumulative consumer savings generated for GoodRx consumers through June 30, 2020 and our consumer and healthcare professional NPS scores of 90 and 86, respectively, as of February 2020. On average, we have been the most downloaded medical app on the Apple App Store and Google Play App Store for the last three years. Our GoodRx app had a rating of 4.8 out of 5.0 stars in the Apple App Store and 4.7 out of 5.0 stars in the Google Play App Store, with over 700,000 combined reviews as of June 30, 2020. In both app stores, our HeyDoctor app had a rating of 5.0 out of 5.0 stars, with over 8,000 combined reviews as of June 30, 2020. The chart below shows our cumulative consumer savings over time, which we believe demonstrates the positive impact of our prescription offering within the U.S. prescriptions market and broader healthcare ecosystem over time, but is not representative or indicative of our revenue or results of operations.

Cumulative Consumer Savings (in billions)



We believe our financial results reflect the significant market demand for our offerings and the value that we provide to the broader healthcare ecosystem. We have been focused on capital efficiency and delivering on a cash generative monetization model since inception. The GMV generated by our prescription offering was $2.5 billion in 2019. Our revenue has grown at a compound annual growth rate, or CAGR, of 57% since 2016, and reached $388 million in 2019, up from $250 million in 2018. Our net income was $66 million in 2019, up from $44 million in 2018, and our Adjusted EBITDA was $160 million in 2019, up from $128 million in 2018. Our revenue grew 48% in the first half of 2020 to $257 million, up from $173 million in the first half of 2019. Our net income was $55 million in the first half of 2020, up from $31 million in the first half of 2019, and our Adjusted EBITDA was $101 million in the first half of 2020, up from $75 million in the first half of 2019. Adjusted EBITDA is a non-GAAP financial measure. For a reconciliation of Adjusted EBITDA to the most directly comparable GAAP financial measure, information about why we consider Adjusted EBITDA useful and a discussion of the material risks and limitations of these measures, please see “Prospectus Summary—Summary Consolidated Financial and Operating Data—Key Financial and Operating Metrics—Non-GAAP Financial Measures”

Impact of COVID-19

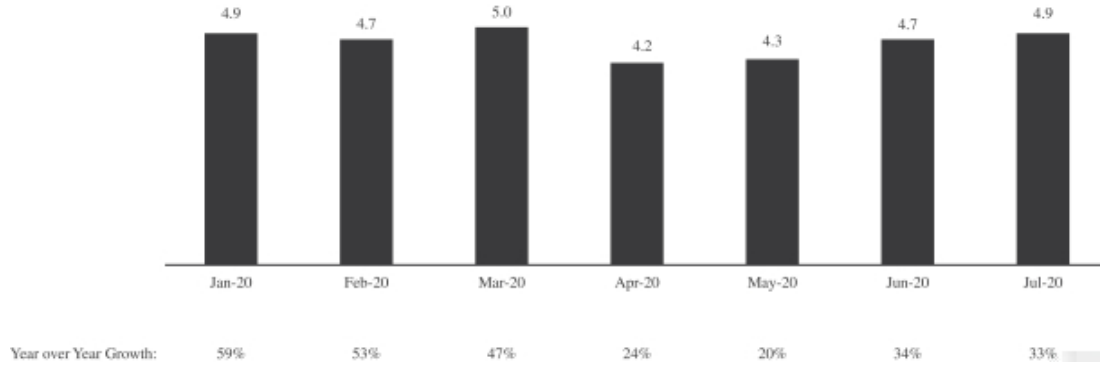
In December 2019, a novel strain of coronavirus, SARS-CoV-2, was identified in Wuhan, China. Since then, SARS-CoV-2, and the resulting disease, COVID-19, has spread to almost every country in the world and all 50 states within the United States. Global health concerns relating to the outbreak of COVID-19 have been weighing on the macroeconomic environment, and the outbreak has significantly increased economic uncertainty. The outbreak has resulted in authorities implementing numerous measures to try to contain the virus, such as travel bans and restrictions, quarantines, shelter-in-place orders, and business shutdowns. In particular for our business, governmental authorities have also recommended, and in certain cases, required, that elective or other medical appointments be suspended or cancelled to avoid non-essential patient exposure to medical environments and potential infection. These and other measures have not only negatively impacted consumer spending and business spending habits, they have adversely impacted and may further impact our workforce and operations and the operations of healthcare professionals, pharmacies, consumers, PBMs and others in the broader healthcare ecosystem. Although certain of these measures are beginning to ease in some geographic regions, overall measures to contain the COVID-19 outbreak may remain in place for a significant period of time, and certain geographic regions are experiencing a resurgence of COVID-19 infections. The duration and severity of this pandemic is unknown and the extent of the business disruption and financial impact depend on factors beyond our knowledge and control.

Various government measures, community self-isolation practices and shelter-in-place requirements, as well as the perceived need by individuals to continue such practices to avoid infection, have generally reduced the extent to which consumers visit healthcare professionals in-person, seek treatment for certain conditions or

ailments, and receive and fill prescriptions. Consumers may also increasingly elect to receive prescriptions by mail order instead of at the pharmacy, which could have an adverse impact on our prescription offering. In addition, many pharmacies and healthcare providers have reduced staffing, closed locations or otherwise limited operations, and many prescribing healthcare professionals have reduced or postponed treatment of certain patients. The number of Monthly Active Consumers decreased and our prescription offering experienced a decline in activity in the second quarter of 2020 as compared to the first quarter of 2020 as many consumers avoided visiting healthcare professionals and pharmacies in-person, which we believe has had a similar effect across the industry. Any decrease in the number of consumers seeking to fill prescriptions could negatively impact demand for and use of certain of our offerings, particularly our prescription offering, which would have an adverse effect on our business, financial condition and results of operations.

As described below, the number of Monthly Active Consumers is a key indicator of the scale of our consumer base and a gauge for our marketing and engagement efforts and we believe that this metric reflects our scale, growth and engagement with consumers. To provide information regarding consumer activity on our platform during the outbreak of COVID-19, the chart below shows Monthly Active Consumers by month during the period in which COVID-19 has impacted our operations and the healthcare industry:

Monthly Active Consumers (in millions) and Year over Year Growth (%)



April and May of 2020 were most significantly impacted by COVID-19, and we saw an improvement in the number of Monthly Active Consumers in June and July as the number of in-person physician visits began to rebound, although continued improvement in future periods remains uncertain.

Conversely, pandemics, epidemics and outbreaks may significantly and temporarily increase demand for our telehealth offerings. COVID-19 has significantly accelerated the awareness and use of our telehealth offerings, including demand for our HeyDoctor offering and the utilization of our GoodRx Telehealth Marketplace. While we have experienced a significant increase in demand for the telehealth offerings, there can be no assurance that the levels of interest, demand and use of our telehealth offerings will continue at current levels or will not decrease during or after the pandemic. Any such decrease could have an adverse effect on our growth and the success of our telehealth offerings.

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

The full extent to which the outbreak of COVID-19 will impact our business, results of operations and financial condition is still unknown and will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions to contain the virus or treat its impact, and how quickly and to what extent normal economic and operating

conditions can resume. Even after the outbreak of COVID-19 has subsided, we may experience materially adverse impacts to our business as a result of its global economic impact, including any recession that has occurred or may occur in the future.

For additional information, see "Risk Factors—Risks Related to Our Business—A pandemic, epidemic or outbreak of an infectious disease in the United States, including the outbreak of the novel strain of coronavirus disease, could impact our business."

How We Make Money

We generate the vast majority of our revenue from our prescription offering, where consumers save money on prescription medications using a GoodRx code. Through our price comparison platform, we present consumers with curated, geographically relevant prescription pricing, and provide access to negotiated prices through GoodRx codes that can be used to save money on prescriptions across the United States. While the medication distribution and pricing system underlying the pharmacy's retail experience is extremely complex, we provide consumers with price transparency through a simple, easy to use, and convenient digital interface. We do so through our proprietary platform, which aggregates over 150 billion prescription pricing data points from a variety of different healthcare sources every day to provide consumers with comparison tools and access to lower prices. Our GoodRx codes are accepted at over 70,000 pharmacies, nearly every retail pharmacy in the United States.

When a consumer uses a GoodRx code to fill a prescription and saves money compared to the list price at that pharmacy, we receive fees from our partners, primarily PBMs. The fees can be a percentage of the fees that our partners earn or a fixed payment per transaction. Revenue from prescription transactions fees made up approximately 94% of our revenue in 2019 and 91% of revenue in the first half of 2020. We have seen strong repeat activity on our platform due to the typical refill cycle and long-term nature of most prescriptions. Since 2016, over 80% of transactions for our prescription offering have come from repeat activity, which refers to the second and later use of our discounted prices by a single GoodRx consumer, whether refilling an existing prescription or filling a new prescription. Our high percentage of repeat activity is partially related to the inherent nature and mechanics of our product: when a consumer uses a GoodRx code, the code is saved to the consumer's profile at the pharmacy. From then on, the GoodRx code typically applies to all future refills as well as, in many cases, fills for other prescriptions at that location, without the consumer having to re-present the GoodRx code.

Building on the rapid growth and increasing scale of our platform and greater brand recognition, we have developed additional offerings that enable consumers to save even more on their healthcare costs and allow us to monetize consumers at different stages of the consumer healthcare journey:

- *Subscription Offerings*: Our subscription offerings are a natural extension of our successful prescription offering, as they address the same consumer need and generally offer greater savings on prescription medication than our prescription offering does. We launched our first subscription offering, Gold, in 2017, and added a second offering, Kroger Savings, in 2018. We receive subscriptions fees from subscribers for these offerings, and for Kroger Savings we share a portion of these fees with Kroger. We recognize the subscription fees, net of Kroger's share, as revenue over the subscription period. We have significantly increased the number of subscribers who use our subscription offerings. The number of subscribers as of June 30, 2020 was 15 times higher than as of December 31, 2018. Based on our data for the cohort of consumers who started using our subscription offerings between July 2018 and June 2019, we estimate that consumers of our subscription offerings have a first year contribution of approximately two times that of consumers of our prescription offering, which we expect will result in a substantially higher lifetime value for these consumers. First year contribution represents the cumulative revenue generated by consumers in the first year after they became consumers of our subscription offerings, less our estimated cost of revenue attributable to such revenue.
- *Pharmaceutical Manufacturer Solutions Offering*: Approximately 20% of the consumer searches on our platform are for brand medications. Brand medications tend to be expensive, and insurance coverage is complicated and may be restrictive. Pharmaceutical manufacturers provide affordability

solutions such as co-pay cards, patient assistance programs, and other savings options so that consumers can access their medications. We partner with pharmaceutical manufacturers to advertise and integrate these affordability solutions into our platform. Our trusted brand, large volume of high intent consumers and easy-to-use interface make our platform highly desirable to pharmaceutical manufacturers. We generate revenue from pharmaceutical manufacturers who advertise, integrate, and communicate their affordability solutions to consumers on our platform, typically for fixed fees for a specified time period. Our pharmaceutical manufacturer solutions offering delivers a product that both increases overall consumer satisfaction and drives incremental consumer lifetime value at a low incremental cost to us. Revenue from our pharmaceutical manufacturer solutions offering has more than quadrupled in the first half of 2020, compared to the same period in 2019.

- *Telehealth Offerings*: We have built a telehealth platform that is designed to meet our consumers' demand for timely, convenient and affordable access to healthcare. Our two-pronged approach includes our own telehealth provider, HeyDoctor, as well as our GoodRx Telehealth Marketplace, which is a marketplace designed to bring third party providers to our ecosystem so that we can provide consumers with a breadth of services in a single platform.

  Our data suggests that approximately 20% of consumers who search for medications on GoodRx do not have a prescription at the time of their search. Through HeyDoctor and the GoodRx Telehealth Marketplace, we can provide these and other consumers with a convenient and affordable way to receive a diagnosis and a prescription online, when medically appropriate. Once they complete their online visit via HeyDoctor, consumers are able to choose to fill their prescriptions, if they receive one, at retail locations using a GoodRx code, or via mail order through a third-party partner. In March 2020, we launched our GoodRx Telehealth Marketplace, an online marketplace for individuals to access providers of telehealth and lab tests. Our GoodRx Telehealth Marketplace added additional services, conditions and geographies to our telehealth offerings, and also provides alternative providers for the conditions and geographies already covered by HeyDoctor, providing consumers with additional options to choose from.

  Revenue from HeyDoctor comes from visits fees paid by our consumers, with many visits starting at $20. If consumers choose to use mail order through a third-party partner, they pay us an additional fee. Revenue for the GoodRx Telehealth Marketplace comes from fees we earn for directing traffic to the third-party telehealth providers on our marketplace.

  An average of more than 1,000 consumers per day completed online visits using HeyDoctor in the second quarter of 2020, and more than 200,000 medical visits and lab tests have been initiated through the GoodRx Telehealth Marketplace since its launch.

  In March 2020, we also launched an integrated service that allows HeyDoctor consumers to opt in to use our prescription offering for their prescription needs after they complete their online visit. Since launch, we have already seen more than 10% of HeyDoctor consumers utilize this feature to fill prescriptions using a GoodRx code at pharmacies. As awareness of our offering grows, we expect this percentage to increase. In addition, we expect that the recent launch of HeyDoctor's mail order service, where prescriptions are processed by a third-party partner, will further increase the number of consumers who use our platform to fill their prescriptions after completing an online visit. We have also partnered with some of the telehealth providers in the GoodRx Telehealth Marketplace to enable consumers to opt in to use our prescription offering for their prescription needs after they complete their online visit. The introduction of these integrated solutions and the addition of mail order provides our consumers with additional value and convenience in their healthcare journey, and adds monetization opportunities for us after consumers visit a healthcare professional online.

Key Financial and Operating Metrics

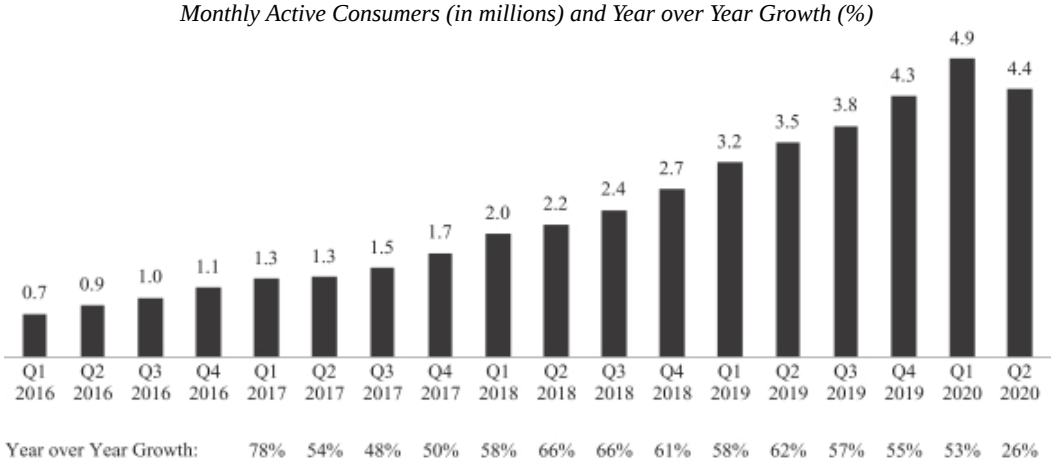
We use Monthly Active Consumers and Adjusted EBITDA to assess our performance, make strategic and offering decisions and build our financial projections.

Monthly Active Consumers

We define Monthly Active Consumers as the number of unique consumers who have used a GoodRx code to purchase a prescription in a given calendar month and have saved money compared to the list price of the medication. A unique consumer who uses a GoodRx code more than once in a calendar month to purchase prescription medications is only counted as one Monthly Active Consumer in that month. Monthly Active Consumers do not include subscribers to our subscription offerings, consumers of our pharmaceutical manufacturers solutions offering, or consumers who used our telehealth offerings. When presented for a period longer than a month, Monthly Active Consumers is averaged over the number of calendar months in such period.

The number of Monthly Active Consumers is a key indicator of the scale of our consumer base and a gauge for our marketing and engagement efforts. We believe that this metric reflects our scale, growth and engagement with consumers. The chart below shows Monthly Active Consumers by quarter from the first quarter of 2016 to the second quarter of 2020.

Monthly Active Consumers (in millions) and Year over Year Growth (%)



The number of Monthly Active Consumers has grown rapidly in recent years due to both consumer acquisition and repeat consumer engagement with our platform. Monthly Active Consumers reached 4.9 million for the first quarter of 2020 before declining to 4.4 million for the second quarter of 2020 due to the impact of COVID-19, as many consumers avoided visiting healthcare professionals and pharmacies in-person. We expect to continue to drive growth in Monthly Active Consumers through investments in sales and marketing and strong repeat activity.

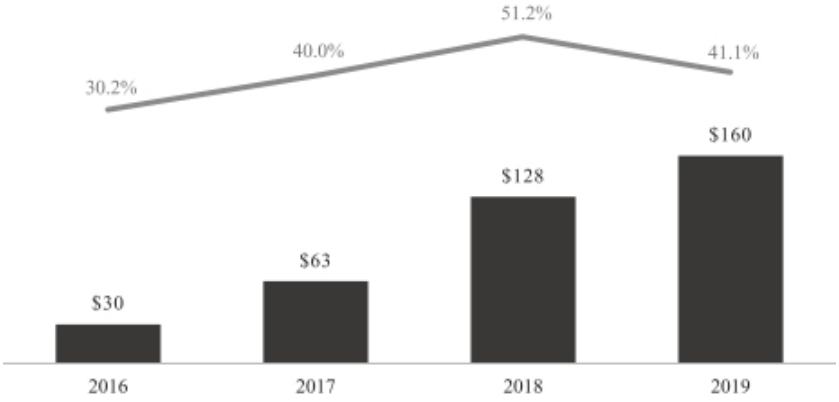
Adjusted EBITDA

We define Adjusted EBITDA for a particular period as net income before interest, taxes, depreciation and amortization, and as further adjusted for acquisition related expenses, stock-based compensation expense, loss on extinguishment of debt, financing related expenses, cash bonuses to vested option holders and other expense (income), net. Adjusted EBITDA Margin represents Adjusted EBITDA as a percentage of revenue.

Adjusted EBITDA is a key measure we use to assess our financial performance and is also used for internal planning and forecasting purposes. We believe Adjusted EBITDA is helpful to investors, analysts and other interested parties because it can assist in providing a more consistent and comparable overview of our operations across our historical financial periods. In addition, this measure is frequently used by analysts, investors and other interested parties to evaluate and assess performance.

Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP measures and are presented for supplemental informational purposes only and should not be considered as alternatives or substitutes to financial information presented in accordance with GAAP. These measures have certain limitations in that they do not include the impact of certain expenses that are reflected in our consolidated statement of operations that are necessary to run our business. Other companies, including other companies in our industry, may not use these measures or may calculate these measures differently than as presented in this prospectus, limiting their usefulness as comparative measures. The chart below shows Adjusted EBITDA and Adjusted EBITDA Margin from 2016 to 2019. See the section titled "Prospectus Summary—Summary Consolidated Financial and Operating Data—Key Financial and Operating Metrics—Non-GAAP Financial Measures" for additional information and a reconciliation of net income to Adjusted EBITDA.

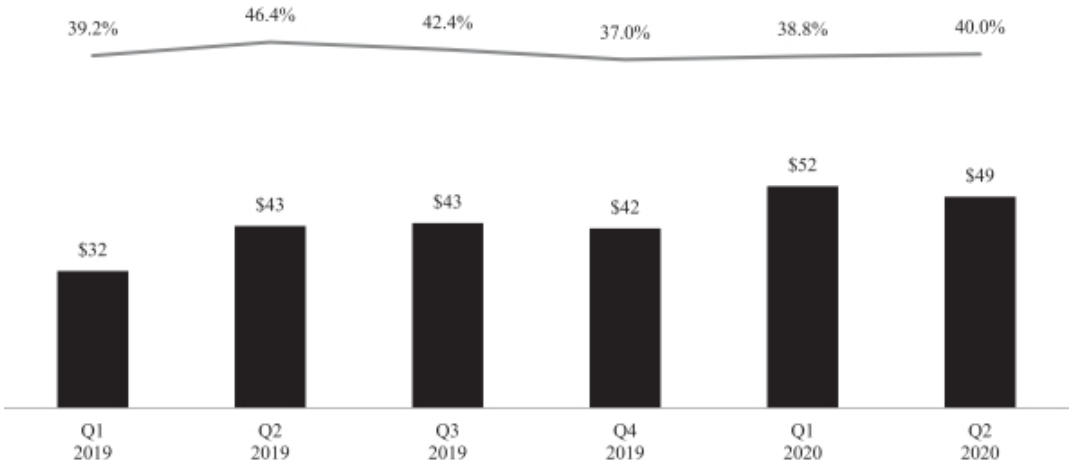
Adjusted EBITDA (in millions) and Adjusted EBITDA Margin (%)



We have been focused on capital efficiency and delivering on a cash generative monetization model since inception. We have also been focused on using our cash flow to invest in our business to be able to continue to capture the large market opportunities across our multiple offerings. In 2019, we increased our expenditures on advertising by $74.4 million compared to 2018. As a result, advertising expense as a percent of revenue increased from 36% in 2018 to 42% in 2019, which reduced our Adjusted EBITDA Margin.

The chart below shows Adjusted EBITDA and Adjusted EBITDA Margin by quarter from the first quarter of 2019 to the second quarter of 2020. See the section titled "—Quarterly Results of Operations—Non-GAAP Financial Measures" for additional information and a reconciliation of net income to Adjusted EBITDA.

Adjusted EBITDA (in millions) and Adjusted EBITDA Margin (%)



Our Adjusted EBITDA and Adjusted EBITDA Margin fluctuate on a quarterly basis primarily based on the level of our investments in sales and marketing and product development and technology relative to changes in revenue. During the fourth quarter of 2019, we increased the level of sales and marketing spend as we sought to increase our consumer base and continue to build the GoodRx brand, which reduced our Adjusted EBITDA and Adjusted EBITDA Margin. In the first quarter of 2020, we experienced strong consumer demand, which resulted in an increase in both Monthly Active Consumers and prescription transactions revenue. Those increases, coupled with a more modest sequential increase in sales and marketing spend, resulted in higher Adjusted EBITDA and higher Adjusted EBITDA Margin.

Adjusted EBITDA decreased in the second quarter of 2020 compared with the first quarter of 2020, as we experienced a decline in our prescription transactions revenue due to COVID-19 as many consumers avoided visiting healthcare professionals and pharmacies in-person. In response, we proactively reduced our sales and marketing spend during the second quarter of 2020, which largely offset the decrease in prescription transactions revenue. During the second quarter of 2020 we continued to invest in product development and technology and our general and administrative infrastructure. For additional details on quarterly revenue and expenses, please see the section titled "—Quarterly Results of Operations."

We generally expect to continue to invest in sales and marketing in the near-term, but will continue to evaluate the impact of COVID-19 on our business and actively manage our sales and marketing spend, including investment in consumer acquisition, which is largely variable, as market conditions change. We will also continue to invest in product development and technology to continue to improve our platform, introduce new offerings and scale existing ones. Additionally, we will invest in our general and administrative infrastructure as we prepare to become a public company and operate as such thereafter. Therefore, we expect our Adjusted EBITDA Margin to decline in the near and medium term. We believe these investments will positively impact our business in the long-term.

Key Factors Affecting Our Performance

We believe that our performance and future success depend on a number of factors that present significant opportunities for us but also pose risks and challenges, including those discussed below and in the section of this prospectus titled "Risk Factors."

Growth of Monthly Active Consumers Through Consumer Acquisition and Repeat Activity

Our goal is to attract new visitors to our platform and to successfully convert them to become active consumers of our offerings. We also seek to generate value from our existing consumers through repeat activity and higher engagement. We believe that we have a significant opportunity to expand our consumer base given the massive size of the market in which we operate.

Consumer acquisition is driven primarily by the number of consumers that we acquire through unpaid and paid sources. A significant portion of our consumer base comes from unpaid channels, including word-of-mouth referrals from healthcare providers, friends and family. We also acquire consumers through a variety of paid channels, such as television, paid search, marketing to healthcare providers, and other online and offline channels.

For the second quarter of 2020, we had million Monthly Visitors. Monthly Visitors is the number of individuals who visited our apps and websites in a given calendar month. Visitors to our apps and websites are counted independently. As a result, a consumer that visits or engages with our platform through both apps and websites will be counted multiple times in calculating Monthly Visitors, while family members who use a single computer to visit our websites will be counted only once. Additionally, Monthly Active Consumers who used a GoodRx code without accessing our apps or websites (since their GoodRx codes were saved in their profile at the pharmacy), will not be counted as Monthly Visitors. When presented for a period longer than a calendar month, Monthly Visitors is averaged over each calendar month in such period. We believe that we have a substantial opportunity to increase the number of Monthly Visitors as our offerings are applicable to a broad range of Americans seeking healthcare. We also believe that Monthly Visitors in part reflects growth from our newer monetization channels and that over time we can continue to convert Monthly Visitors to Monthly Active Consumers of our prescription offering as well as consumers of our other offerings.

When assessing the efficiency of our marketing spending, we monitor the payback period on consumer acquisition, which has been consistently under eight months since the launch of our prescription offering, despite a significant increase in advertising spending over the last few years.

Payback period represents the number of months it takes a cohort of consumers of our prescription offering to generate a cumulative contribution that equals or exceeds estimated advertising expenses attributable to the acquisition of such cohort in the calendar quarter in which the cohort was acquired. A consumer is considered acquired in the calendar quarter in which such consumer first used a GoodRx code to realize savings compared to the list price of a medication. Cumulative contribution is defined as the cumulative revenue generated from that cohort of consumers of our prescription offering, less our estimated cost of revenue attributable to such revenue. We attribute cost of revenue by applying, in each period in which the cohort generated revenue, the cost of revenue rate (cost of revenue, exclusive of depreciation and amortization, as a percentage of revenue) for such period to the cohort's revenue for such period. Cost of revenue included for the purposes of calculating the cost of revenue rate excludes cost of revenue that is specific to our telehealth offering, pharmaceutical manufacturer solutions offering, and our subscription offerings. Advertising expense attributable to the acquisition of a new consumer cohort of our prescription offering in a particular period is comprised of third-party expenses on television advertising, search engine marketing expenses, marketing expenses to healthcare professionals, and other online and offline advertising expenses. We exclude personnel costs related to our sales and marketing team, and also exclude any direct spending on other offerings, such as our subscription, pharmaceutical manufacturer solutions and telehealth offerings.

In addition to acquiring new consumers, our success also depends on our ability to continue to generate repeat activity from existing consumers. Since 2016, over 80% of transactions for our prescription offering have come from repeat activity, which refers to the second and later use of our discounted prices by a single GoodRx consumer, whether refilling an existing prescription or filling a new prescription. Our goal is to continue to increase the lifetime value of our consumers through delivering affordable prices and an increasingly engaging product experience, converting more consumers to our subscription offerings, growing our pharmaceutical manufacturer solutions offering and driving utilization of our telehealth offerings.

The Size and Strength of our Healthcare Partner Network

Our proprietary technology platform aggregates data from a variety of different sources on a daily basis to present consumers with curated, geographically relevant prescription pricing that can be used to save money at every major retail pharmacy. Our pricing sources span the entire healthcare industry and include PBMs, pharmacies, pharmaceutical manufacturers, patient assistance programs, Medicare prescription drug plans (Part D) and others. The size of our database, combined with our proprietary platform, allows us to present highly competitive prices to consumers. We believe that we currently have the largest database of PBM prices in the United States.

We believe the size of our healthcare partner network impacts our ability to provide price comparisons and attractive pricing to drive consumer acquisition and engagement. As we have increased the scale of our business, we have been able to offer consumers access to better pricing for their medications. According to our calculations, on aggregate, in 2019, consumers saving using GoodRx codes were able to realize a discount of 71% off the list price for their medications, compared to 59% in 2016. We believe that we have been able to drive these greater savings by expanding our network of healthcare partners and increasing our number of consumers, which has led to a stronger desire by our partners to show attractive pricing to our consumers. We plan to continue to harness our scale to further deepen our relationships within the healthcare industry.

We have been able to develop strong long-term relationships with our PBM and other healthcare partners and have steadily increased the number of PBMs with which we work. There is currently significant concentration in the U.S. healthcare industry, and in particular only a limited number of PBMs. Due in part to this concentration, a limited number of PBMs generate a significant portion of our revenue. To date, a PBM has never terminated a relationship with us. Even if a contract with a PBM were to be terminated, many of our contracts require the PBM to continue to pay us for activity by consumers originally directed to their pricing by us, even subsequent to the contract termination. Throughout our history, we have been able to help our consumers realize increased savings. PBM mix and relative share on our platform has varied over time as we have added new PBMs and as certain PBMs have delivered more or less favorable pricing relative to other PBMs. Even as the mix has changed, we have continued to grow and deliver a strong value proposition to our consumers. While we believe that the loss of any one PBM or other healthcare provider that we partner with would generally result in minimal disruption in our ability to provide competitive discounts and pricing, the breadth of the pricing that we are able to offer consumers may be adversely impacted by any such loss.

As we continue to expand our platform and scale offerings like pharmaceutical manufacturer solutions and telehealth, our success will also depend on the number of pharmaceutical manufacturers and telehealth providers we are able to engage.

Growth of our Platform Offerings

We believe that we have several growth opportunities in various stages of development, which may contribute significantly to our financial performance in the future. We believe that growing these offerings will help us to better provide value to consumers at different stages of their healthcare journey, improve our ability to attract additional consumers, and increase the engagement and value of our existing consumer base.

- *Subscription Offerings*: We believe that our subscription offerings will help us attract new consumers, as well as increase engagement and retention with our existing consumer base. We believe we can continue to increase the value proposition of our subscription products for consumers by bundling various existing and new offerings into an affordable and consumer-friendly subscription package, with an aim to make their healthcare journey more convenient and affordable. We believe the growth of our subscriber base will help us continue to improve engagement and increase our recurring revenue base.
- *Pharmaceutical Manufacturer Solutions*: We believe that our pharmaceutical manufacturer solutions offering represents a significant opportunity with attractive incremental margins. This opportunity is driven by a number of factors, including the approximately $30 billion spent in 2016 in the United States on medical marketing and advertising by pharmaceutical manufacturers (not including market access spending by pharmaceutical manufacturers to ensure consumer access and affordability of their medications), our significant base of Monthly Visitors, the approximately 20% of searches on our

platform that are for brand medications, the high level of conversion of our consumers to existing pharmaceutical manufacturer affordability offerings, and our efforts to continue to introduce new technology-based solutions for the pharmaceutical manufacturers with whom we work. We plan to continue to expand the number of pharmaceutical manufacturers with which we work, as well as enhance our existing offerings and introduce new, integrated technology solutions that will allow pharmaceutical manufacturers to interact with our consumer base more effectively.

- *Telehealth Offerings*: We believe that we have an opportunity to continue to increase the interaction between, and leverage the cross-sell opportunities across, our telehealth offerings and our prescription and subscription offerings. For example, our data suggests that approximately 20% of consumers who search for medication on GoodRx do not have a prescription at the time of their search. Through HeyDoctor and the GoodRx Telehealth Marketplace, we can provide these and other consumers with a convenient and affordable way to receive a diagnosis and a prescription online, when medically appropriate. We plan to expand the medical conditions that we serve through HeyDoctor and continue to improve the functionality and integration of our telehealth offerings with our platform. We have been focused on accelerating the number of conditions and geographies we cover and consumers we reach, and not on optimizing our costs as they compare to the revenue we earn from HeyDoctor visits. Year to date, the payments we have made to telehealth physicians has been roughly offset by the revenue we have generated from our telehealth consumers. Additionally, our GoodRx Telehealth Marketplace was recently launched with the goal of expanding the suite of telehealth services that we provide to consumers. We plan to add new services to this marketplace and make it more integrated with our other offerings, as we see this as an opportunity to add another key consumer entry point into the GoodRx platform, as well as another monetization opportunity in the consumer journey.

The large number of highly engaged consumers who trust our brand and platform provide a strong foundation for the development of new offerings that extend across the healthcare market. We will continue to invest in expanding our platform and add new offerings so that we can attract new consumers and better engage with our consumer and visitor base.

Pricing and Insurance

As our prescription and subscription offerings depend on pricing aggregation and analysis, as well as providing insured and non-insured consumers with access to negotiated prices, our performance may also be impacted by changes in medication pricing structures, insurance premiums, and insurance coverage, which we do not control. See “Risk Factors—Risks Related to Our Business—We generally do not control the categories and types of prescriptions for which we can offer savings or discounted prices” and “—Our business is subject to changes in medication pricing and is significantly impacted by pricing structures negotiated by industry participants.”

Regulatory Conditions

As we receive the majority of our revenue from our healthcare partners, primarily PBMs, changes in the regulatory landscape and potential new legislation that impact such healthcare partners may impact our financial and operational performance. See “Business—Government Regulation,” “Risk Factors—Risks Related to the Healthcare Industry—We may be subject to state and federal fraud and abuse and other healthcare regulatory laws and regulations. If we or our commercial partners act in a manner that violates such laws or otherwise engage in misconduct, we may be subject to civil or criminal penalties as well as exclusion from government healthcare programs,” “—The impact of recent healthcare reform legislation and other changes in the healthcare industry and in healthcare spending on us is currently unknown, but may adversely affect our business, financial condition and results of operations” and “Risks Related to Our Business—We rely on a limited number of industry participants.”

Components of Our Results of Operations

Revenue

Our revenue is primarily derived from prescription transactions revenue that is generated when pharmacies fill prescriptions for consumers, and from other revenue streams such as our subscription offerings, from pharmaceutical manufacturers and affiliates, and our telehealth offerings. All of our revenue has been generated in the United States.

- *Prescription transactions revenue*: Consists primarily of revenue generated from PBMs when a prescription is filled with a GoodRx code provided through our platform. For example, when a consumer uses a GoodRx code to fill a prescription and saves money compared to the list price at that pharmacy, we receive fees from our partners, primarily PBMs. The majority of our contracts with PBMs provide for fees that represent a percentage of the fees that the PBM charges to the pharmacy, and a minority of our contracts provide for a fixed fee per transaction. Our percentage of fee contracts often also include a minimum fixed fee per transaction. In 2018, 2019 and the first half of 2020, 15%, 7% and 7%, respectively, of our prescription transactions revenue was generated pursuant to contracts that were entirely fixed fee arrangements. We expect the revenue contribution from contracts with fixed fee arrangements to remain largely stable over the medium term, and do not expect that changes in revenue contribution from fixed fee versus percentage of fee arrangements will materially impact our revenue. Certain contracts also provide that the amount of fees we receive is based on the volume of prescriptions filled each month.
- *Other revenue*: Consists primarily of subscription revenue from our subscription offerings, including Gold and Kroger Savings, revenue generated from pharmaceutical manufacturers for advertising and integrating onto our platform their affordability solutions to our consumers and advertising in direct mailers, and revenue generated by our telehealth offerings that allow consumers to access healthcare professionals online.

Expenses

We incur the following expenses directly related to our cost of revenue and operating expenses:

- *Cost of revenue:* Consists primarily of costs related to outsourced consumer support, healthcare provider costs for HeyDoctor, personnel costs including salaries, benefits, bonuses and stock-based compensation expense, for our consumer support employees, hosting and cloud costs, merchant account fees, processing fees and allocated overhead. Cost of revenue is largely driven by the growth of our visitor and active consumer base, as well as our telehealth offerings. Our cost of revenue as a percentage of revenue may vary based on the relative growth rates of our various offerings.
- *Product development and technology:* Consists primarily of personnel costs, including salaries, benefits, bonuses and stock-based compensation expense, for employees involved in product development activities, third-party services and contractors related to product development, information technology and software-related costs, and allocated overhead. Product development and technology expenses are primarily driven by increases in headcount required to support and further develop our various products. We capitalize certain qualified costs related to the development of internal-use software, which may also cause Product Development and Technology expenses to vary from period to period. We expect product development and technology expenses will increase on an absolute dollar basis as we continue to grow our platform and product offerings
- *Sales and marketing:* Consists primarily of advertising and marketing expenses for consumer acquisition and retention, as well as personnel costs, including salaries, benefits, bonuses, stock-based compensation expense and sales commissions, for sales and marketing employees, third-party services and contractors, and allocated overhead. Sales and marketing expenses are primarily driven by investments to grow and retain our consumer base and may fluctuate based on the timing of our investments in consumer acquisition and retention. Over the near to medium term, we expect to increase our spending on sales and marketing.

- *General and administrative:* Consists primarily of personnel costs including salaries, benefits, bonuses and stock-based compensation expense for our executive, finance, accounting, legal, and human resources functions, as well as professional fees, occupancy costs, and other general overhead costs. We expect to incur additional general and administrative costs in compliance, legal, investor relations, insurance, and professional services following the completion of this offering related to our compliance and reporting obligations as a public company. We also anticipate that as we continue to grow as a company our general and administrative costs will increase on an absolute dollar basis.
- *Depreciation and amortization:* Consists of depreciation of property and equipment and amortization of capitalized internal-use software costs and intangible assets. Our depreciation and amortization changes primarily based on changes in our property and equipment, intangible assets, and capitalized software balances.

Other Expense (Income)

Our other expense (income) consists of the following:

- *Other expense, net:* Consists primarily of third-party transaction expenses related to the modification of our debt facilities.
- *Loss on extinguishment of debt:* Consists of losses recognized due to extinguishment of debt.
- *Interest expense*: Consists primarily of interest expense associated with the Credit Facilities (as defined below), including amortization of debt issuance costs and discounts.
- *Interest income*: Consists primarily of interest income earned on excess cash held in interest-bearing accounts.

Income Tax Expense

Our income tax expense consists of federal and state income taxes. Our effective income tax rate for the years 2018 and 2019 of 16% and 20%, respectively, and for the first half of 2019 and 2020 of 21% and 22%, respectively, differed from the U.S. statutory tax rate of 21% primarily due to U.S. federal and state tax credits, state income taxes and stock-based compensation tax deductions.

Results of Operations

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

	Year Ended December 31,		Six Months Ended June 30,	
	2018	2019	2019	2020
	(in thousands)			
Revenue:				
Prescription transactions revenue	$242,911	$364,582	$ 164,318	$ 232,565
Other revenue	6,611	23,642	8,905	24,138
Total revenue	249,522	388,224	173,223	256,703
Costs and operating expenses:				
Cost of revenue, exclusive of depreciation and amortization presented separately below	6,035	14,016	6,024	12,843
Product development and technology	43,894	29,300	11,636	22,287
Sales and marketing	104,177	176,967	77,689	115,082
General and administrative	8,359	14,692	6,063	12,219
Depreciation and amortization	9,806	13,573	5,746	8,866
Total costs and operating expenses	172,271	248,548	107,158	171,297
Operating income	77,251	139,676	66,065	85,406
Other expense (income):				
Other expense (income), net	7	2,967	1	(21)
Loss on extinguishment of debt	2,857	4,877	—	—
Interest income	(154)	(715)	(309)	(116)
Interest expense	22,193	49,569	26,679	15,433
Total other expense, net	24,903	56,698	26,371	15,296
Income before income tax expense	52,348	82,978	39,694	70,110
Income tax expense	(8,555)	(16,930)	(8,492)	(15,427)
Net income	$ 43,793	$ 66,048	$ 31,202	$ 54,683

Comparison of the Six Months Ended June 30, 2019 and 2020

Revenue

	Six Months Ended June 30,		Change	
	2019	2020	$	%
	(dollars in thousands)			
Prescription transactions revenue	$164,318	$232,565	$68,247	42%
Other revenue	8,905	24,138	15,233	171%
Total revenue	$173,223	$256,703	$83,480	48%

Revenue for the six months ended June 30, 2020 increased $83.5 million, or 48%, compared to the six months ended June 30, 2019.

Prescription transactions revenue for the six months ended June 30, 2020 increased $68.2 million, or 42%, compared to the six months ended June 30, 2019, driven primarily by a 39% increase in the number of our Monthly Active Consumers. Prescription transactions revenue was negatively impacted in the second quarter of 2020 due to the impact of COVID-19, as many consumers avoided visiting healthcare professionals and pharmacies in-person, which led to a decrease in Monthly Active Consumers. See "—Quarterly Results of Operations."

Other revenue for the six months ended June 30, 2020 increased $15.2 million, or 171%, compared to the six months ended June 30, 2019. This increase was primarily due to an increase of $7.6 million in subscription revenue as a result of an increase in the number of subscribers in the six months ended June 30, 2020 compared to the six months ended June 30, 2019. The increase in other revenue was also due to a $5.3 million increase in advertising revenue, primarily from pharmaceutical manufacturers, and a $2.9 million increase in telehealth revenue following the acquisition of HeyDoctor in 2019 and the launch of the GoodRx Telehealth Marketplace in March 2020.

Costs and operating expenses

Cost of revenue, exclusive of depreciation and amortization

	Six Months Ended June 30,		Change	
	2019	2020	$	%
	(dollars in thousands)			
Cost of revenue, exclusive of depreciation and amortization	$6,024	$12,843	$6,819	113%
As a percentage of total revenue	3%	5%		

Cost of revenue for the six months ended June 30, 2020 increased $6.8 million, or 113%, compared to the six months ended June 30, 2019. This increase was primarily due to a $2.8 million increase in provider cost related to our telehealth offerings following the acquisition of HeyDoctor in 2019, a $1.4 million increase in outsourced and in-house personnel related consumer support expense to support our growth, a $0.6 million increase in processing fees due to our Kroger Savings subscription program and our telehealth offerings, and other increases in hosting and cloud expenses, merchant fees, and allocated overhead.

Product development and technology

	Six Months Ended June 30,		Change	
	2019	2020	$	%
	(dollars in thousands)			
Product development and technology	$11,636	$22,287	$10,651	92%
As a percentage of total revenue	7%	9%		

Product development and technology expenses for the six months ended June 30, 2020 increased by $10.7 million, or 92%, compared to the six months ended June 30, 2019. This increase was primarily due to increases in product development related personnel expenses of $7.6 million due to higher headcount, increases in third-party services and contractor expenses related to product development of $1.4 million, and an increase in allocated overhead of $1.7 million to support our product development efforts.

Sales and marketing

	Six Months Ended June 30,		Change	
	2019	2020	$	%
	(dollars in thousands)			
Sales and marketing	$77,689	$115,082	$37,393	48%
As a percentage of total revenue	45%	45%		

Sales and marketing expenses for the six months ended June 30, 2020 increased by $37.4 million, or 48%, compared to the six months ended June 30, 2019. This increase was primarily due to a $32.1 million increase in advertising expenses. The increase in sales and marketing expenses was also due to a $3.6 million increase in sales and marketing related personnel expenses, and a $0.8 million increase in costs related to third-party services and contractors.

Advertising expense as a percent of revenue was 42% in the six months ended June 30, 2019 and 41% in the six months ended June 30, 2020. We increased our investment in consumer acquisition and retention through the first quarter of 2020, and subsequently we reduced our investment in consumer acquisition during the second quarter of 2020 due to the impact of COVID-19 as many consumers avoided visiting healthcare professionals and pharmacies in-person. We will continue to evaluate the impact of COVID-19 on our business and actively manage our consumer acquisition spending, according to market conditions.

General and administrative

	Six Months Ended June 30,		Change	
	2019	2020	$	%
	(dollars in thousands)			
General and administrative	$6,063	$12,219	$6,156	102%
As a percentage of total revenue	4%	5%		

General and administrative expenses for the six months ended June 30, 2020 increased by $6.2 million, or 102%, compared to the six months ended June 30, 2019. This increase was primarily due to a $4.6 million increase in professional fees to support our growth and preparation for this offering and a $2.8 million increase in executive and administrative personnel expenses, partially offset by decreases in acquisition related expenses, and other general overhead.

Depreciation and amortization

	Six Months Ended June 30,		Change	
	2019	2020	$	%
	(dollars in thousands)			
Depreciation and amortization	$5,746	$8,866	$3,120	54%
As a percentage of total revenue	3%	3%		

Depreciation and amortization expenses for the six months ended June 30, 2020 increased by $3.1 million, or 54%, compared to the six months ended June 30, 2019. This increase was due primarily to a $1.8 million increase in intangible assets amortization as a result of intangible asset additions from our 2019 acquisitions, and a $1.0 million increase in capitalized software amortization due to higher capitalized costs for platform improvements and the introduction of new products and features.

Interest income

	Six Months Ended June 30,		Change	
	2019	2020	$	%
	(dollars in thousands)			
Interest income	$(309)	$(116)	$193	(62%)
As a percentage of total revenue	0%	0%		

The decrease in interest income was primarily a result of lower interest rates during the six months ended June 30, 2020 compared to the six months ended June 30, 2019.

Interest expense

	Six Months Ended June 30,		Change	
	2019	2020	$	%
	(dollars in thousands)			
Interest expense	$26,679	$15,433	$(11,246)	(42%)
As a percentage of total revenue	15%	6%		

Interest expense for the six months ended June 30, 2020 decreased by $11.2 million compared to the six months ended June 30, 2019 primarily due to the November 2019 amendment to increase the amount of the First Lien Term Loan Facility in order to repay all amounts outstanding under the Second Lien Term Loan Facility, which bore interest at a higher rate than the First Lien Term Loan Facility, as further described below, and as a result of lower interest rates.

Income tax expense

	Six Months Ended June 30,		Change	
	2019	2020	$	%
	(dollars in thousands)			
Income tax expense	$(8,492)	$(15,427)	$(6,935)	82%
Income tax effective rate	21%	22%		

Income tax expense for the six months ended June 30, 2020 increased by $6.9 million, or 82%, compared to the six months ended June 30, 2019 primarily due to increases in pre-tax income.

Comparison of the Years Ended December 31, 2018 and 2019

Revenue

	Year Ended December 31,		Change	
	2018	2019	$	%
	(dollars in thousands)			
Prescription transactions revenue	$ 242,911	$ 364,582	$121,671	50%
Other revenue	6,611	23,642	17,031	258%
Total revenue	$ 249,522	$ 388,224	$138,702	56%

Revenue for 2019 increased $138.7 million, or 56%, compared to 2018.

Prescription transactions revenue for 2019 increased $121.7 million, or 50%, compared to 2018, driven primarily by a 58% increase in the number of our Monthly Active Consumers.

Other revenue for 2019 increased $17.0 million, or 258%, compared to 2018. This increase was primarily due to an increase of $10.6 million in subscription revenue as a result of an increase in the number of subscribers in 2019 compared to 2018. The increase in other revenue was also due to a $4.2 million increase in advertising revenue, primarily from pharmaceutical manufacturers, and the impact of the launch of our telehealth offerings following the acquisition of HeyDoctor in 2019, from which we had no revenue in 2018.

Costs and operating expenses

Cost of revenue, exclusive of depreciation and amortization

	Year Ended December 31,		Change	
	2018	2019	$	%
	(dollars in thousands)			
Cost of revenue, exclusive of depreciation and amortization	$ 6,035	$ 14,016	$7,981	132%
As a percentage of total revenue	2%	4%		

Cost of revenue for 2019 increased $8.0 million, or 132%, compared to 2018. This increase was primarily due to a $2.7 million increase in outsourced consumer support expense to support an increase in the number of Monthly Active Consumers, a $1.8 million increase in provider cost related to our telehealth offerings following the acquisition of HeyDoctor in 2019, a $1.6 million increase in processing fees due primarily to our Kroger Savings subscription program, and other increases in hosting and cloud expenses and merchant fees.

Product development and technology

	Year Ended December 31,		Change	
	2018	2019	$	%
	(dollars in thousands)			
Product development and technology	$ 43,894	$ 29,300	$(14,594)	(33%)
As a percentage of total revenue	18%	8%		

Product development and technology expenses for 2019 decreased by $14.6 million, or 33%, compared to 2018. In 2018, product development and technology expenses included expenses of $29.2 million related to cash bonuses paid to vested option holders in connection with dividends paid to equity holders, as further described in note 15 to our audited consolidated financial statements. From 2018 to 2019, product development related personnel expenses increased by $9.6 million due primarily to an increase in headcount; third-party services and contractor expenses related to product development increased by $2.5 million; and allocated overhead increased by $2.4 million to support our increasing product development efforts.

Sales and marketing

	Year Ended December 31,		Change	
	2018	2019	$	%
	(dollars in thousands)			
Sales and marketing	$104,177	$176,967	$72,790	70%
As a percentage of total revenue	42%	46%		

Sales and marketing expenses for 2019 increased by $72.8 million, or 70%, compared to 2018. This increase was primarily due to a $74.4 million increase in advertising expenses. The increase in sales and marketing expenses was also due to a $3.6 million increase in sales and marketing related personnel expenses, and a

$1.2 million increase in third-party services and contractors. In 2018, sales and marketing expenses included expenses of $6.9 million related to cash bonuses paid to vested option holders in connection with dividends paid to equity holders, as further described in note 15 to our audited consolidated financial statements.

Advertising expenses as a percent of revenue increased from 36% in 2018 to 42% in 2019, as we continued to increase our investment in consumer acquisition and retention, which we believe will produce positive returns in the long-term.

General and administrative

	Year Ended December 31,		Change	
	2018	2019	$	%
	(dollars in thousands)			
General and administrative	$ 8,359	$ 14,692	$6,333	76%
As a percentage of total revenue	3%	4%		

General and administrative expenses for 2019 increased by $6.3 million, or 76%, compared to 2018. This increase was primarily due to a $3.9 million increase in executive and administrative personnel expenses and a $2.1 million increase in professional fees to support our growth. In addition, the increase in general and administrative expenses was also due to an increase of $1.5 million in acquisition related expenses. In 2018, general and administrative expenses included expenses of $2.7 million related to cash bonuses paid to vested option holders in connection with dividends paid to equity holders, as further described in note 15 to our audited consolidated financial statements.

Depreciation and amortization

	Year Ended December 31,		Change	
	2018	2019	$	%
	(dollars in thousands)			
Depreciation and amortization	$ 9,806	$ 13,573	$3,767	38%
As a percentage of total revenue	4%	3%		

Depreciation and amortization expenses for 2019 increased by $3.8 million, or 38%, compared to 2018. This increase was due primarily to a $2.1 million increase in intangible assets amortization and a $1.3 million increase in capitalized software amortization. The increase in intangible assets amortization was driven by $16.4 million of intangible asset additions recorded as a result of our 2019 acquisitions. The increase in capitalized software amortization was driven by $4.7 million in capitalized software additions in 2019 due to platform improvements and the introduction of new products and features.

Other expense, net

	Year Ended December 31,		Change	
	2018	2019	$	%
	(dollars in thousands)			
Other expense, net	$ 7	$ 2,967	$2,960	*
As a percentage of total revenue	0%	1%		

* Percentage not meaningful.

Other expenses for 2019 increased by $3.0 million compared to 2018 due to third-party transaction expenses related to an amendment to the First Lien Credit Agreement (as defined below) in November 2019.

Loss on extinguishment of debt

	Year Ended December 31,		Change	
	2018	2019	$	%
	(dollars in thousands)			
Loss on extinguishment of debt	$ 2,857	$ 4,877	$2,020	71%
As a percentage of total revenue	1%	1%		

In 2019, we recognized a loss of $4.9 million related to prepayment penalties and the write-off of unamortized loan fees upon the extinguishment of our Second Lien Term Loan Facility in November 2019. In 2018, we recognized a loss of $2.9 million related to the write-off of unamortized loan fees upon the extinguishment of our prior credit agreement.

Interest income

	Year Ended December 31,		Change	
	2018	2019	$	%
	(dollars in thousands)			
Interest income	$ (154)	$ (715)	$(561)	*
As a percentage of total revenue	0%	0%		

* Percentage not meaningful.

The increase in interest income was primarily due to higher average cash balance during 2019 compared to 2018.

Interest expense

	Year Ended December 31,		Change	
	2018	2019	$	%
	(dollars in thousands)			
Interest expense	$ 22,193	$ 49,569	$27,376	123%
As a percentage of total revenue	9%	13%		

Interest expense for 2019 increased by $27.4 million compared to 2018 primarily due to increased borrowings incurred under our First Lien Credit Agreement and Second Lien Credit Agreement in October 2018 as further described below.

Income tax expense

	Year Ended December 31,		Change	
	2018	2019	$	%
	(dollars in thousands)			
Income tax expense	$ (8,555)	$ (16,930)	$8,375	98%
Income tax effective rate	16%	20%		

Income tax expense for 2019 increased by $8.4 million, or 98%, compared to 2018 primarily due to increases in pre-tax income.

Quarterly Results of Operations

The following table sets forth our unaudited quarterly consolidated results of operations by quarter from the first quarter of 2019 to the second quarter of 2020. The unaudited quarterly consolidated results of operations set forth below have been prepared on the same basis as our audited consolidated financial statements and in our opinion contains all adjustments, consisting only of normal and recurring adjustments, necessary for the fair statement of this financial information. You should read the following information in conjunction with the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the accompanying notes thereto included elsewhere in this prospectus. The results of historical periods are not necessarily indicative of the results for any future period, and the results for any quarter are not necessarily indicative of results to be expected for a full year or any other period.

Quarterly Consolidated Statement of Operations Data

	Three Months Ended					
	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020
	(in thousands)					
Revenue:						
Prescription transactions revenue	$ 78,539	$85,779	$ 95,795	$ 104,469	$123,017	$109,548
Other revenue	3,150	5,755	5,950	8,787	10,391	13,747
Total revenue	81,689	91,534	101,745	113,256	133,408	123,295
Costs and operating expenses:						
Cost of revenue, exclusive of depreciation and amortization presented separately below (1)	2,882	3,142	3,396	4,596	6,019	6,824
Product development and technology (1)	5,639	5,997	7,844	9,820	10,325	11,962
Sales and marketing (1)	39,923	37,766	44,950	54,328	63,162	51,920
General and administrative (1)	2,628	3,435	4,102	4,527	5,887	6,332
Depreciation and amortization	2,622	3,124	3,609	4,218	4,345	4,521
Total costs and operating expenses	53,694	53,464	63,901	77,489	89,738	81,559
Operating income	27,995	38,070	37,844	35,767	43,670	41,736
Other expense (income):						
Other expense (income), net	(2)	3	(4)	2,970	(5)	(16)
Loss on extinguishment of debt	—	—	—	4,877	—	—
Interest income	(129)	(180)	(271)	(135)	(75)	(41)
Interest expense	13,399	13,280	12,773	10,117	8,638	6,795
Total other expense, net	13,268	13,103	12,498	17,829	8,558	6,738
Income before income tax expense	14,727	24,967	25,346	17,938	35,112	34,998
Income tax expense	(3,175)	(5,317)	(5,727)	(2,711)	(7,766)	(7,661)
Net income	$ 11,552	$19,650	$ 19,619	$ 15,227	$ 27,346	$ 27,337

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

	Three Months Ended					
	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020
	(in thousands)					
Cost of revenue	$ —	$ —	$ —	$ 28	$ 17	$ 24
Product development and technology	412	404	449	510	896	918
Sales and marketing	$ 274	$ 326	$ 331	$ 337	$ 870	$ 608

	Three Months Ended					
	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020
	(in thousands)					
General and administrative	146	174	176	180	427	571
Total stock-based compensation expense	$ 832	$ 904	$ 956	$ 1,055	$ 2,210	$ 2,121

Seasonality

We typically experience stronger consumer demand during the first and fourth quarters of each year, which coincide with generally higher consumer healthcare spending, doctor office visits, annual benefit enrollment season, and seasonal cold and flu trends. This seasonality may impact revenue and sales and marketing expense. The rapid growth of our business may have masked these trends to date, and we expect the impact of seasonality to be more pronounced in the future. In addition, in 2020 we have seen the impact of the COVID-19 pandemic further disrupt these trends, which may continue in future periods.

Quarterly Revenue Trends

Prescription transactions revenue increased sequentially each quarter in 2019 and the first quarter of 2020 primarily due to the increase in the number of our Monthly Active Consumers. Prescription transactions revenue decreased in the second quarter of 2020 due to the impact of COVID-19, as many consumers avoided visiting healthcare professionals and pharmacies in-person, which led to a decrease in Monthly Active Consumers. Other revenue increased sequentially each quarter in 2019 and the first and second quarters of 2020 as a result of an increase in subscription revenue due to an increase in the number of subscribers, an increase in revenue from pharmaceutical manufacturers, and the impact of the launch and expansion of our telehealth offerings following the acquisition of HeyDoctor in April 2019 and the launch of the GoodRx Telehealth Marketplace in March 2020.

Quarterly Costs and Operating Expense Trends

Our quarterly total costs and operating expenses increased sequentially commencing in the third quarter of 2019 through the first quarter of 2020 due primarily to increases in sales and marketing and product development and technology expenses. Commencing in the third quarter of 2019 we significantly accelerated our sales and marketing spending to increase our consumer base and build the GoodRx brand as we believe such spending will produce long-term positive returns. During the second quarter of 2020, due to the impact of COVID-19, which resulted in many consumers avoiding visiting healthcare professionals and pharmacies in-person, we reduced our spending on advertising and marketing in certain channels, which resulted in a decrease in sales and marketing expense for that period. Our product development and technology expenses increased sequentially each quarter in 2019 and the first and second quarters of 2020 as we continued to invest in product development and technology to introduce new offerings and scale existing ones. Additionally, our general and administrative expenses have increased each quarter as we have expanded our infrastructure and headcount to support our growth and prepare to meet our obligations as a public company following the completion of this offering.

Other Expense (Income) Trends

Our quarterly interest expense has decreased throughout 2019 and during the first two quarters of 2020 as a result of lower interest rates, the November 2019 amendment to increase the amount of the First Lien Term Loan Facility in order to repay all amounts outstanding under the Second Lien Term Loan Facility, which bore interest at a higher rate than the First Lien Term Loan Facility, and repayments of principal. As a result of the November 2019 transaction, we incurred a loss on the early extinguishment of debt during the fourth quarter of 2019.

Non-GAAP Financial Measures

The following table presents a reconciliation of net income to Adjusted EBITDA, the most directly comparable financial measure calculated in accordance with GAAP. For more information as to the limitations of

using non-GAAP measurements, please see “Prospectus Summary—Summary Consolidated Financial and Operating Data—Key Financial and Operating Metrics—Non-GAAP Financial Measures”.

	Three Months Ended					
	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020
	(dollars in thousands)					
Net income	$ 11,552	$19,650	$ 19,619	$ 15,227	$ 27,346	$27,337
Adjusted to exclude the following:						
Interest income	(129)	(180)	(271)	(135)	(75)	(41)
Interest expense	13,399	13,280	12,773	10,117	8,638	6,795
Income tax expense	3,175	5,317	5,727	2,711	7,766	7,661
Depreciation and amortization	2,622	3,124	3,609	4,218	4,345	4,521
Other expense (income), net	(2)	3	(4)	2,970	(5)	(16)
Loss on extinguishment of debt	—	—	—	4,877	—	—
Financing related expenses(1)	—	—	85	378	1,118	188
Acquisition related expenses(2)	561	413	685	511	463	780
Stock based compensation(3)	832	904	956	1,055	2,210	2,121
Adjusted EBITDA	$ 32,010	$42,511	$ 43,179	$ 41,929	$ 51,806	$49,346
Adjusted EBITDA Margin	39.2%	46.4%	42.4%	37.0%	38.8%	40.0%

(1) Financing related expenses include third party fees related to proposed financings.

(2) Acquisition related expenses include third party fees for actual or planned acquisitions, including related legal, consulting and other expenditures, and retention bonuses to employees related to acquisitions.

(3) Non-cash expenses related to equity-based compensation programs, which vary from period to period depending on various factors including the timing, number and the valuation of awards.

Liquidity and Capital Resources

Overview

Since our inception, we have financed our operations primarily through net cash provided by operating activities, equity issuances, and borrowings under our long-term debt arrangements. Our primary requirements for liquidity and capital are to finance working capital, capital expenditures and general corporate purposes. Additionally, we expect to use approximately $15.0 million of our cash for leasehold improvements and furniture and fixtures related to our new office facility in Santa Monica during the second half of 2020. Our principal sources of liquidity following this offering are expected to be our cash and borrowings available under our Revolving Credit Facility. In March 2020, we drew down $28.0 million under the Revolving Credit Facility. Additionally, in May 2020, the Revolving Credit Facility was amended to increase the amount of the facility to $100.0 million. As of June 30, 2020 we had cash of $126.6 million and $62.9 million available under the Revolving Credit Facility.

We believe that our net cash provided by operating activities, cash on hand and availability under the Revolving Credit Facility will be adequate to meet our operating, investing and financing needs for at least the next 12 months. Our future capital requirements will depend on many factors, including our revenue growth, the timing and extent of investments to support such growth, the expansion of sales and marketing activities, and many other factors as described under “Risk Factors” and “—Key Factors Affecting Our Performance.”

If necessary, we may borrow funds under our Revolving Credit Facility to finance our liquidity requirements, subject to customary borrowing conditions. To the extent additional funds are necessary to meet our long-term liquidity needs as we continue to execute our business strategy, we anticipate that they will be obtained through the incurrence of additional indebtedness, additional equity financings or a combination of

these potential sources of funds; however, such financing may not be available on favorable terms, or at all. In particular, the widespread COVID-19 pandemic has resulted in, and may continue to result in, significant disruption of global financial markets, reducing our ability to access capital. If we are unable to raise additional funds when desired, our business, financial condition and results of operations could be adversely affected.

Credit Facilities

In October 2018, GoodRx, Inc., our wholly owned subsidiary, as borrower, and GoodRx Intermediate Holdings, LLC, entered into a first lien credit agreement with various lenders, or the First Lien Credit Agreement. The First Lien Credit Agreement provided for a $40.0 million secured asset-based revolving credit facility, or the Revolving Credit Facility, and a $545.0 million senior secured term loan facility, or the First Lien Term Loan Facility (together with the Revolving Credit Facility, the Credit Facilities). In November 2019, the First Lien Term Loan Facility was amended to increase the amount of the facility to $700.0 million. Additionally, in May 2020, the Revolving Credit Facility was amended to increase the amount of the facility to $100.0 million.

The Revolving Credit Facility and the First Lien Term Loan Facility under the First Lien Credit Agreement are collateralized by substantially all of our assets, including our intellectual property, and 100% of the equity interest of GoodRx, Inc.

The First Lien Credit Agreement that governs the Revolving Credit Facility and the First Lien Term Loan Facility contains certain affirmative and negative covenants, including, among other things, restrictions on indebtedness, liens, fundamental changes, repurchases of stock, dividends and other distributions. GoodRx, Inc. is restricted from making dividend payments, loans or advances to GoodRx Intermediate Holdings, LLC and GoodRx Holdings, Inc. In addition, GoodRx, Inc. is subject to a financial covenant whereby GoodRx, Inc. is required to maintain a First Lien Net Leverage Ratio (as defined in the First Lien Credit Agreement) not to exceed 8.2 to 1.0. At June 30, 2020, we were in compliance with the covenants under the First Lien Credit Agreement.

Revolving Credit Facility

Loans under the Revolving Credit Facility bear interest at a rate per annum equal to the LIBO Screen Rate (as defined in the First Lien Credit Agreement) plus a variable margin rate, which is based on our most recently determined First Lien Net Leverage Ratio (as defined in the First Lien Credit Agreement), that ranges from 2.50% to 3.00%. The Revolving Credit Facility has a variable commitment fee, which is based on the Company's most recently determined First Lien Net Leverage Ratio (as defined in the First Lien Credit Agreement), and ranges from 0.25% to 0.50% per annum. In addition, the Revolving Credit Facility has a fixed fronting fee of 0.125% per annum of our aggregate undrawn and disbursed but unreimbursed letters of credit. The Revolving Credit Facility expires on October 11, 2024. As of June 30, 2020, the outstanding principal balance under the Revolving Credit Facility was $28.0 million.

Under the terms of a lease agreement entered into during September 2019, GoodRx, Inc. assigned to the landlord drawdown rights against the Revolving Credit Facility for up to $9.0 million to meet the contractual line of credit requirement in the lease agreement. The landlord can draw on the Revolving Credit Facility in the event of the Company's default on rent or damages to the building. The assigned rights to the landlord will be held for the initial three years of the lease term, and subject to certain conditions, the letter of credit will decrease thereafter by up to 10% per year based upon the original amount to no less than $2 million. This outstanding letter of credit to the landlord reduces our available borrowings under the Revolving Credit Facility by an amount equal to the value of assigned rights.

First Lien Term Loan Facility

The First Lien Term Loan Facility accrues interest at a rate per annum equal to the LIBO Screen Rate (as defined in the First Lien Credit Agreement) plus a variable margin rate, which is based on the Company's most recently determined Net Leverage Ratio (as defined in the First Lien Credit Agreement), that ranges from 2.75%

to 3.00% per annum. The First Lien Credit Agreement requires quarterly principal payments from March 2019 through September 2025, with any remaining unpaid principal and any accrued and unpaid interest due on the maturity date of October 10, 2025.

The effective interest rate on the First Lien Term Loan Facility was 5.90% for each 2018 and 2019 and was 5.90% and 4.33% for the first half of 2019 and 2020, respectively.

The carrying value of the First Lien Term Loan Facility was $668.9 million, net of unamortized debt issuance costs and discount of $15.7 million, as of June 30, 2020.

Second Lien Term Loan Facility

Concurrent with the above First Lien Credit Agreement, GoodRx, Inc., as borrower, and GoodRx Intermediate Holdings, LLC entered into a second lien credit agreement with various lenders, or the Second Lien Credit Agreement. The Second Lien Credit Agreement provided for a $200.0 million secured term loan facility, or the Second Lien Term Loan Facility, which accrued interest at a rate per annum equal to the LIBO Screen Rate (as defined in the Second Lien Credit Agreement) plus a margin of 7.50% per annum. In connection with the amendment to increase the amount of the First Lien Term Loan Facility in November 2019, we repaid all amounts outstanding and owed under the Second Lien Term Loan Facility, using the proceeds from the amendment to the First Lien Term Loan Facility and existing cash resources, including $200.0 million in principal amount outstanding, approximately $0.1 million of accrued interest and a $2.0 million prepayment penalty.

Holding Company Status

We are a holding company that does not conduct any business operations of our own. As a result, we are largely dependent upon cash distributions and other transfers from our subsidiaries to meet our obligations and to make future dividend payments, if any. The First Lien Credit Agreement contains covenants restricting payments of dividends by our subsidiaries, including GoodRx, Inc., unless certain conditions are met. These covenants provide for certain exceptions for specific types of payments.

Based on these restrictions, all of the net assets of GoodRx, Inc. were restricted pursuant to the terms of the Credit Facilities as of December 31, 2019 and June 30, 2020. Since the restricted net assets of GoodRx, Inc. and its subsidiaries exceed 25% of our consolidated net assets, in accordance with Regulation S-X, refer to our audited consolidated financial statements included elsewhere in this prospectus for condensed parent company financial information of GoodRx Holdings, Inc.

Cash Flows

	Year Ended December 31,		Six Months Ended June 30,	
	2018	2019	2019	2020
	(dollars in thousands)			
Net cash provided by operating activities	$ 45,253	$ 83,286	$ 50,274	$ 83,825
Net cash used in investing activities	(3,458)	(37,055)	(15,305)	(8,319)
Net cash used in financing activities	(24,734)	(54,781)	(6,838)	25,069
Net change in cash	$ 17,061	$ (8,550)	$ 28,131	$100,575

Net cash provided by operating activities

Net cash provided by operating activities was $83.8 million for the first half of 2020 consisting of $54.7 million of net income, adjusted for $19.3 million of non-cash expenses and $9.8 million of net cash provided as a

result of changes in operating assets and liabilities. The changes in operating assets and liabilities were primarily driven by increases in accounts receivable, prepaid expenses and other current assets and accrued expenses and other current liabilities due to our growing operations.

Net cash provided by operating activities was $50.3 million for the first half of 2019 consisting of $31.2 million of net income, adjusted for $10.1 million of non-cash expenses and $9.0 million of net cash provided as a result of changes in operating assets and liabilities. The changes in operating assets and liabilities were primarily driven by increases in accounts receivable, accounts payable and accrued expenses and other current liabilities due to our growing operations.

Net cash provided by operating activities was $83.3 million for 2019 consisting of $66.0 million of net income, adjusted for $22.1 million of non-cash expenses, partially offset by $4.8 million of net cash used as a result of changes in operating assets and liabilities. The changes in operating assets and liabilities were primarily driven by an increase in our accounts receivable, partially offset by an increase in our accrued expenses and other current liabilities due to our growing operations.

Net cash provided by operating activities was $45.3 million for 2018 consisting of $43.8 million of net income, adjusted for $13.2 million of non-cash expenses, partially offset by $11.8 million of net cash used as a result of changes in operating assets and liabilities, primarily driven by an increase in our accounts receivable due to our growth. Net cash provided by operating activities included an outflow of $38.8 million related to bonuses paid to vested option holders in 2018.

Net cash used in investing activities

Net cash used in investing activities of $8.3 million for the first half of 2020 was related to $6.5 million for capitalized software and $1.8 million for capital expenditures.

Net cash used in investing activities of $15.3 million for the first half of 2019 was related to $12.6 million in cash consideration, net of cash acquired, related to an acquisition in 2019, $2.0 million for capitalized software, and $0.7 million for capital expenditures.

Net cash used in investing activities of $37.1 million for 2019 was related to $31.3 million in cash consideration, net of cash acquired, related to our acquisitions in 2019, $4.3 million for capitalized software, and $1.4 million for capital expenditures.

Net cash used in investing activities of $3.5 million for 2018 was related to $2.7 million of capitalized software and $0.8 million for capital expenditures.

Net cash used in financing activities

Net cash provided by financing activities of $25.1 million for the first half of 2020 was related to $28.0 million in proceeds drawn down under the Revolving Credit Facility and $1.9 million from exercise of options, offset by $3.5 million in long-term debt principal payments and payments of $1.3 million for debt issuance costs related to increasing the amount of our line of credit in May 2020.

Net cash used in financing activities of $6.8 million for the first half of 2019 was primarily related to $8.7 million in long-term debt principal payments offset by $1.9 million from exercise of options.

Net cash used in financing activities of $54.8 million for 2019 was primarily related to $211.8 million in long-term debt payments and payments of $2.2 million for debt issuance costs and prepayment penalties, partially offset by $154.6 million in proceeds from long-term debt and $4.7 million in proceeds from issuance of common stock and exercise of options.

Net cash used in financing activities of $24.7 million for 2018 was primarily related to dividends of $1,346.4 million, $294.9 million in long-term debt principal payments, and $25.6 million in debt issuance costs, partially offset by $901.8 million in proceeds from long-term debt, $737.0 million from issuance of preferred stock, and $3.3 million from exercise of options.

Contractual Obligations and Commitments

The following table summarizes our contractual obligations and commitments as of December 31, 2019:

	Payments due by period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Contractual Obligations:		(in thousands)			
Long-term debt—principal payments(1)	$ 688,155	$ 7,029	$ 14,058	$ 14,058	$ 653,010
Interest on long-term debt(2)	175,494	30,848	60,748	59,483	24,415
Operating lease obligations(3)	55,953	2,937	10,610	8,969	33,437
Unused credit fee payments(4)	1,030	77	154	162	637
Total contractual obligations	$ 920,632	$ 40,891	$ 85,570	$ 82,672	$ 711,499

(1) Long-term debt represents borrowings under the Credit Facilities. Under the Credit Facilities we are required to pay quarterly principal payments of 0.25% of the outstanding principal balance of the First Lien Term Loan Facility through September 2025, with any remaining unpaid principal and any accrued and unpaid interest due on October 10, 2025. In March 2020, we drew down $28.0 million under the Revolving Credit Facility. We are required to pay any outstanding principal balance of the Revolving Credit Facility on October 11, 2024.

(2) Our long-term debt bears a floating interest rate based on LIBO. The interest obligation on long-term debt included in the table above is based on the interest rate in effect at December 31, 2019 of 4.50%. The floating interest rate as of June 30, 2020 was 2.92%.

(3) Operating lease obligations relate to our office space facilities. These lease terms expire through 2031. The majority of the lease agreements are renewable at the end of the lease period.

(4) We are required to pay a commitment fee of 0.25% based on the unused portion of the Revolving Credit Facility. As of December 31, 2019 and June 30, 2020, we were contingently liable for approximately $9.1 million in standby letters of credit as security for our operating lease obligations.

Off Balance Sheet Arrangements

We did not have any off-balance sheet arrangements as of December 31, 2019 or June 30, 2020.

Critical Accounting Policies and Estimates

Our consolidated financial statements and the related notes thereto included elsewhere in this prospectus are prepared in accordance with GAAP. The preparation of consolidated financial statements also requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs and expenses and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ significantly from our estimates. To the extent that there are differences between our estimates and actual results, our future financial statement presentation, financial condition, results of operations and cash flows will be affected.

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

Revenue Recognition

Our revenue is primarily derived from prescription transaction fees generated when pharmacies fill prescriptions for consumers. We also generate other revenue from subscription, advertising and telehealth services.

On January 1, 2019, we adopted ASC 606, *Revenue from contracts with customers*, on a modified retrospective basis. The adoption of ASC 606 was applied to all contracts at the date of initial application and did not have a material impact on our revenue recognition. Prior to January 1, 2019, we applied ASC 605, *Revenue recognition*, and recognized revenue when the following criteria have been met: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services have been rendered; (3) the price is fixed and determinable; and (4) collectability is reasonable assured.

Under ASC 606, we recognize revenue when control of the promised good or service is transferred to the customer in an amount that reflects the consideration for which we are expected to be entitled to in exchange for those services.

Prescription Transactions Revenue

Prescription transactions revenue is primarily generated from PBMs, or customers, when a prescription is filled with a GoodRx code provided through our platform, and saves money compared to the list price in that pharmacy. In our contracts with customers, the nature of our promise is to direct prescription volume through our platform, which may include marketing through our apps, websites and GoodRx cards. These activities are not distinct from each other and are not separate performance obligations. Our performance obligation is to connect consumers with pharmacies that are contracted with our customers. We have no performance obligation to fill prescriptions.

Contracts with PBMs provide that we are entitled to either a percentage of fees the PBM charges the pharmacy or fixed amount per type of medication prescription, when a consumer uses a GoodRx code provided through our platform. Our performance obligation is satisfied upon the completion of pharmacies filling prescriptions. We recognize revenue for the estimated fee due from the PBM at a point in time when a prescription is filled.

We receive reporting from PBMs of the number of prescriptions and amount of consideration to which we are entitled at a prescription level. Certain arrangements with PBMs provide that the amount of consideration we are entitled to is based on the volume of prescription fills each month. In addition, the amount of consideration to which we are entitled may be adjusted in the event that a fill is determined ineligible, or based upon other adjustments allowed under our contracts with PBMs. We estimate the amount we expect to be entitled to using the expected value method based on the historical experience of the number of prescriptions filled, ineligible fills and applicable rates.

Other Revenue

Other revenue consists of subscription revenue from our subscription offerings, revenue generated from pharmaceutical manufacturers for advertising and integrating onto our platform their affordability solutions to our consumers and advertising in direct mailers, and revenue generated by HeyDoctor and the GoodRx Telehealth Marketplace.

Subscription revenue consists of subscriptions to Gold and Kroger Savings. For Gold, subscribers purchase a monthly subscription that provides access to lower prices for prescriptions. Subscribers can cancel their GoodRx Gold subscription at any time. We recognize revenue for Gold over the subscription period. For Kroger Savings, subscribers pay an annual upfront fee for a subscription that provides access to lower prices on

prescriptions at Kroger pharmacies. At the commencement of the subscription term, subscribers pay the annual fee to us which we share with Kroger. Kroger Savings subscription fees are generally nonrefundable to the subscriber after the first 30 days, unless we cancel the subscription, in which case the subscriber is entitled to a pro rata refund. We recognize revenue for Kroger Savings over the subscription period, net of the fee shared with Kroger.

Advertising revenue consists primarily of revenue generated through advertisements placed in apps, websites and direct mailers for pharmaceutical manufacturers. Advertising customers may purchase advertisements for a fixed fee that appear on our apps and websites for a specified period of time, and revenue is recognized over the term of the arrangement. Customers may also purchase advertisements for which we charge fees on a cost-per-click basis, or they may purchase advertisements placed in our direct mailers. Revenue for these arrangements is recognized at a point-in-time when the advertisement is clicked or when the direct mailer is shipped.

Telehealth revenue consists primarily of revenue generated from consumers who complete a telehealth visit with a member of our network of qualified healthcare professionals. Consumers pay a fee per telehealth visit and we recognize the fee as revenue at a point-in-time when the visit is complete.

Stock-Based Compensation

Stock-based compensation cost is allocated to cost of revenue, product development and technology, sales and marketing, and general and administrative expense in the consolidated statements of operations. Compensation cost for stock options and restricted stock awards granted to employees is based on the fair value of these awards at the date of grant. We recognize compensation cost over the requisite service period, which is generally the vesting period of the award. For awards that vest based on continued service, compensation cost is recognized on a straight-line basis over the requisite service period. For awards with performance vesting conditions, compensation cost is recognized on a graded vesting basis when it is probable the performance condition will be achieved. Forfeitures are recognized when they occur.

Determining the fair value of stock-based awards requires judgment. The Black-Scholes option-pricing model is used to estimate the fair value of stock options, while the fair value of our common stock at the date of grant is used to measure the fair value of restricted stock awards. The assumptions used in the Black-Scholes option-pricing model require the input of subjective assumptions and are as follows:

- The fair value of the common stock underlying our stock-based awards was determined by our Board of Directors, with input from management and a third-party valuation firm. Because there is no public market for our common stock, our Board of Directors determined the common stock fair value at the stock option grant date by considering several objective and subjective factors, as discussed below. The fair value was determined in accordance with applicable elements of the practice aid issued by the American Institute of Certified Public Accountants, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*. The fair value of the underlying common stock will be determined by the Board of Directors until such time as our common stock is listed on an established stock exchange or national market system.
- Expected volatility is based on historical volatilities of a publicly traded peer group based on daily price observations over a period equivalent to the expected term of the stock option grants.
- The expected term is based on historical and estimates of future exercise behavior.
- The risk-free interest rate is based on the U.S. Treasury yield of treasury bonds with a maturity that approximates the expected term of the options.
- The dividend yield is based on our current expectations of dividend payouts.

The assumptions used in the Black-Scholes option-pricing model represent management's best estimates. These estimates involve inherent uncertainties and the application of management's judgment. If factors change and different assumptions are used, stock-based compensation expense could be materially different in the future.

Common Stock Valuation

Because our common stock is not publicly traded, our Board of Directors exercises significant judgment in determining the fair value of our common stock on the date of each stock-based grant, with input from management and the assistance from an independent third-party valuation firm based on several objective and subjective factors. In determining the fair market value of a common stock, our Board of Directors considered the following:

- the prices of our redeemable convertible preferred stock sold to outside investors in arms-length transactions;
- the rights, preferences and privileges of our redeemable convertible preferred stock relative to our common stock;
- our operating and financial performance;
- our stage of development and current business conditions and projections affecting our business, including the introduction of new products and services;
- the hiring of key personnel;
- the likelihood of achieving a liquidity event for the shares of common stock underlying these stock options, such as an initial public offering or sale of our company, in light of prevailing market conditions;
- any adjustment necessary to recognize a lack of a liquid trading market for our common stock;
- the market performance of comparable publicly traded companies; and
- the overall U.S. economic, regulatory and capital market conditions.

In valuing our common stock, we first determine the equity value using both the income and market approach valuation methods. In addition, we also consider values implied by sales of preferred and common stock, if applicable. We then allocate the equity value to our classes of stock using an option-pricing model, or OPM, or Probability Weighted Expected Return Method, or PWERM.

The income approach estimates equity value based on the expectation of future cash flows that a company will generate. These future cash flows, and an assumed terminal value, are discounted to their present values using a discount rate based on a weighted-average cost of capital that reflects the risks inherent in the cash flows. The market approach estimates equity value based on a comparison of the subject company to comparable public companies in a similar line of business. From the comparable companies, a representative market value multiple is determined and then applied to the subject company's financial forecasts to estimate the value of the subject company.

Once we determined an equity value, we used a combination of approaches to allocate the equity value to each of our classes of stock. We used the OPM, and more recently also use the OPM in combination with the PWERM. The OPM allocates values to each equity class by creating a series of call options on our equity value, with exercise prices based on the liquidation preferences, participation rights, and strike prices of the equity instruments. Using the PWERM, the value of our common stock is estimated based upon a probability-weighted analysis of varying values for our common stock assuming possible future events, which include an IPO, merger or sale, dissolution, or continued operation as a private company. In determining the estimated fair value of our common stock, we consider the fact that our stockholders could not freely trade our common stock in the public markets. Accordingly, we also applied a lack of marketability discount to the equity value.

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

Business Combinations

The results of businesses acquired in a business combination are included in our consolidated financial statements from the date of the acquisition. Purchase accounting results in assets and liabilities of an acquired business being recorded at their estimated fair values on the acquisition date. Any excess consideration over the fair value of assets acquired and liabilities assumed is recognized as goodwill.

We perform valuations of assets acquired and liabilities assumed for an acquisition and allocate the purchase price to its respective net tangible and intangible assets. Determining the fair value of assets acquired and liabilities assumed requires management to use significant judgment and estimates including the selection of valuation methodologies, estimates of future revenue, costs, and cash flows, discount rates and selection of comparable companies. For material acquisitions, we may engage the assistance of valuation specialists in concluding on fair value measurements of certain assets acquired or liabilities assumed in a business combination.

Income Taxes

Deferred income tax assets and liabilities are determined based upon the net tax effects of the differences between the financial statements carrying amounts and the tax basis of assets and liabilities and are measured using the enacted tax rate expected to apply to taxable income in the years in which the differences are expected to be reversed. A valuation allowance is used to reduce some or all of the deferred tax assets if, based upon the weight of available evidence, it is more likely than not that those deferred tax assets will not be realized.

We recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in our consolidated financial statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized. We recognize interest and penalties accrued related to its uncertain tax positions in income tax expense in our consolidated statements of operations.

Recent Accounting Pronouncements

Refer to Note 2 to our audited consolidated financial statements included elsewhere in this prospectus for accounting pronouncements adopted in 2019 and Note 2 to our unaudited interim condensed consolidated financial statements included elsewhere in this prospectus for accounting pronouncements adopted in 2020 and recent accounting pronouncements not yet adopted.

Jumpstart Our Business Startups Act of 2012

Under the JOBS Act, an “emerging growth company” can take advantage of an extended transition period for complying with new or revised accounting standards. This provision allows an “emerging growth company” to delay the adoption of new or revised accounting standards that have different transition dates for public and private companies until those standards would otherwise apply to private companies. We meet the definition of an “emerging growth company” and have elected to use this extended transition period. As a result of this election, our timeline to comply with these standards will in many cases be delayed as compared to other public companies that are not eligible to take advantage of this election or have not made this election. Therefore, our financial statements may not be comparable to those of companies that comply with the public company effective dates for these standards.

Quantitative and Qualitative Disclosures about Market Risk

We only have operations within the United States and therefore do not have any foreign currency exposure. We are exposed to market risks in the ordinary course of our business, including the effects of interest rate changes.

Interest rate risk

Our exposures to market risk for changes in interest rates relate primarily to the Credit Facilities which bear floating interest rates and a rising interest rate environment will increase the amount of interest paid on these loans. A hypothetical 100 basis point increase in interest rates would have increased our interest expense by $7.4 million for 2019 and $3.5 million for the six months ended June 30, 2020.

Impact of inflation

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

BUSINESS

Overview

Our mission is to provide all Americans with access to affordable and convenient healthcare. To achieve this, we are building the leading, consumer-focused digital healthcare platform in the United States.

Healthcare consumers in the United States face an increasing number of challenges. Consumers are bearing more of the cost of care and have more restrictions imposed on their care. The rising cost of insurance and higher deductibles have led to an increase in the percentage of underinsured Americans. Additionally, the number of uninsured consumers in the United States has increased in recent years. These developments have occurred at a time when the majority of Americans have less than $1,000 in savings.

Lack of affordability in healthcare is a contributing reason why 20% to 30% of prescriptions are left at the pharmacy counter. Non-adherence has a significant impact on American health: someone dies every four minutes in the United States from not taking their prescribed medication at all or as directed, according to a report in the American Journal of Health-System Pharmacy. Even for those who can afford care, access to physicians is limited. The average wait time for a new patient appointment in 15 large metropolitan markets in the United States was 24 days in 2017, and may extend up to 56 days in mid-sized markets, according to a Merritt Hawkins survey. This has placed additional strain on hospital emergency departments across the country – an estimated 30% of emergency department visits occur for health issues that could have been treated in primary or other care settings. Healthcare professionals, who are motivated by and whose success is increasingly judged on patient outcomes and satisfaction, are growing frustrated and need resources to help them. Part of the problem is that the healthcare market – one of the largest markets in the United States by spending and projected to reach $4.0 trillion in 2020 – has had no widely accepted, consumer-focused, tech-enabled solution through which consumers can easily shop for and access healthcare, unlike those found in other industries for things like airline tickets, rental homes and cars.

GoodRx was founded to solve the challenges that consumers face in understanding, accessing, and affording healthcare. We started with a price comparison tool for prescriptions, offering consumers free access to lower prices on their medication. We wanted to help ensure that no parent had to choose between their child’s next meal and their life-saving medication. Today, we believe our expanded platform improves the health and financial well-being of American families by providing easy access to price transparency and affordability solutions for generic and brand medications, affordable and convenient medical provider consultations via telehealth and additional healthcare services and information. Based on our research, from inception through June 30, 2020, we estimate that approximately 18 million of our consumers could not have afforded to fill their prescriptions without the savings provided by GoodRx. In addition to reducing the costs of healthcare for consumers, we believe that our offerings can help drive greater medication adherence, faster treatment and better patient outcomes. These all contribute to a healthier, happier society.

We see exciting growth potential as we continue to attract new consumers through our existing offerings, launch new offerings to address more of the needs of healthcare consumers, and improve healthcare affordability and access for all Americans. As we extend our platform, we believe that we can create multiple monetization opportunities at different stages of the consumer healthcare journey, enabling us to drive higher expected consumer lifetime value without significant additional consumer acquisition costs.

Our business model has facilitated the rapid growth and expansion of our platform. We have been focused on capital efficiency and delivering on a cash generative monetization model since inception, and we have been able to reinvest our cash flows in our business. As a result, our consumers can now access an increasingly broad platform with a variety of integrated offerings that provide healthcare affordability, access and convenience. Whether a consumer is insured or uninsured, young or old, or suffers from an acute or a chronic ailment, we strive to be at the consumer’s side throughout their healthcare journey.

Our platform has been effective because we positively impact stakeholders in the healthcare ecosystem. Benefits to participants in the healthcare ecosystem include: achieving better outcomes by increasing medication

adherence; providing fast access to preventative care to reduce the strain on hospitals and emergency departments; increasing accessibility to affordable prescriptions that otherwise may not have been filled; and enhancing consumer satisfaction and engagement. We believe that consumers, healthcare providers, pharmacy benefit managers, or PBMs, pharmacies, pharmaceutical manufacturers and telehealth providers all win with GoodRx. Our partnerships across the healthcare ecosystem, scale and strong consumer brand create a deep competitive moat that is reinforced by our proprietary technology platform, which processes over 150 billion pricing data points every day and integrates that data into an interface that is convenient and easy to use for consumers.

Our success is demonstrated by our 4.4 million Monthly Active Consumers for the second quarter of 2020, the million Monthly Visitors for the second quarter of 2020, the approximately $20 billion of cumulative consumer savings generated for GoodRx consumers through June 30, 2020 and our consumer and healthcare professional NPS scores of 90 and 86, respectively, as of February 2020. On average, we have been the most downloaded medical app on the Apple App Store and Google Play App Store for the last three years. Our GoodRx app had a rating of 4.8 out of 5.0 stars in the Apple App Store and 4.7 out of 5.0 stars in the Google Play App Store, with over 700,000 combined reviews as of June 30, 2020. In both app stores, our HeyDoctor app had a rating of 5.0 out of 5.0 stars, with over 8,000 combined reviews as of June 30, 2020.

We believe our financial results reflect the significant market demand for our offerings and the value that we provide to the broader healthcare ecosystem. The GMV generated by our prescription offering, which accounts for the vast majority of our revenue, was $2.5 billion in 2019. Our revenue has grown at a CAGR of 57% since 2016, and reached $388 million in 2019, up from $250 million in 2018. Our net income was $66 million in 2019, up from $44 million in 2018, and our Adjusted EBITDA was $160 million in 2019, up from $128 million in 2018. Our revenue grew 48% in the first half of 2020 to $257 million, up from $173 million in the first half of 2019. Our net income was $55 million in the first half of 2020, up from $31 million in the first half of 2019, and our Adjusted EBITDA was $101 million in the first half of 2020, up from $75 million in the first half of 2019. Adjusted EBITDA is a non-GAAP financial measure. For a reconciliation of Adjusted EBITDA to the most directly comparable GAAP financial measure, information about why we consider Adjusted EBITDA useful and a discussion of the material risks and limitations of these measures, please see “Prospectus Summary—Summary Consolidated Financial and Operating Data—Key Financial and Operating Metrics—Non-GAAP Financial Measures.”

Industry Challenges

The total estimated spending in the U.S. healthcare market is projected to reach $4.0 trillion in 2020, and the market is expected to grow to $6.2 trillion by 2028, according to the Centers for Medicare & Medicaid Services, or CMS. Despite it being one of the largest sectors of the U.S. economy, the U.S. healthcare market remains opaque and highly fragmented for consumers. Even simple healthcare transactions, such as finding a doctor or filling a prescription at an affordable price, are difficult. This can lead to confusion, inefficiency and unneeded additional costs for consumers and the healthcare system. Every year, approximately 140 million Americans fill nearly 5.8 billion 30-day equivalent prescriptions, according to the Centers for Disease Control and Prevention and a 2019 IQVIA Institute report. The pharmacy is the de-facto “front door” to American healthcare, with frequent consumer interaction and engagement. We estimate that the average consumer visits a pharmacy multiple times per month, compared to less than three visits per year to physicians, according to the Centers for Disease Control and Prevention. However, finding affordable prices for prescriptions is complicated by a lack of price transparency, a confusing reimbursement and insurance landscape and a fragmented marketplace in which the list prices for the same medication can vary more than 100 times across pharmacies. Similarly, people who need to see healthcare professionals can face the same lack of price transparency, as well as exceedingly long wait times to access the care that they need.

We believe that these challenges are driven in part by a lack of consumer-focused solutions that enable consumers to easily search, discover and access the product or service that they need at an affordable price.

Technology similar to that which has been deployed to help consumers buy airline tickets, rent homes or hail cars can also be utilized in the highly complex healthcare market to make healthcare affordable, accessible and efficient. Consumer-focused technology solutions are even more essential in healthcare than in other industries given that the stakes involve peoples' health and lives.

The challenges that healthcare consumers face have been increasing for decades, while the solutions to combat these issues have remained largely absent:

- ***Lack of Consumer-Focused Solutions:*** Health is the most essential aspect of peoples' lives. However, healthcare has remained largely unaffected by many of the market and technology-driven forces that have improved many other facets of life. According to a 2019 CBS News poll, 76% of Americans believed the U.S. healthcare system either needed fundamental changes or to be completely rebuilt. Technology-driven platforms have empowered consumers with ease of access and price transparency across many other industry verticals. As a result, consumers now demand what they want, when they want it, and how they want it—all at a value that makes sense to them. Traditional healthcare companies have been slow to adapt to these demands, disconnecting those businesses from the needs of healthcare consumers. We believe that an increase in access to information, price transparency and ease of use can benefit healthcare consumers, just as it has helped consumers purchase goods and services in other industries.
- ***Lack of Affordability:*** Americans spent twice as much per capita on healthcare compared to citizens from other OECD countries in 2018; however, the United States has one of the lowest quality of care rankings among these countries. Healthcare is so unaffordable that medical problems contributed to approximately 66% of all personal bankruptcies in the United States between 2013 and 2016 according to a study published in the American Journal of Public Health, and approximately 64% of Americans risked their health by avoiding or delaying medical care due to the anticipated expenses in 2017 according to a 2018 survey by 20|20 Research and CarePayment. It is estimated that 20% to 30% of prescriptions written are not filled, with cost being among the leading reasons. The related medication non-adherence is estimated to result in a patient death every four minutes in the United States according to a report in the American Journal of Health-System Pharmacy, and can cost up to $300 billion per year in incremental healthcare expenses according to an article in the New England Journal of Medicine. Furthermore, insurance companies and employers in the United States have shifted an increasing amount of the financial burden of healthcare onto their members and employees through higher deductibles and increasing co-pays and co-insurance. According to a Kaiser Family Foundation report, the average annual deductible among covered employees in the United States rose by 36% to $1,655 from 2014 to 2019, and new enrollments in high deductible health plans, or HDHPs, have grown at a CAGR of 14% for the past decade. That report also showed that 30% of employees were enrolled in HDHPs in 2019, compared to only 8% in 2009.
- ***Lack of Transparency:*** The healthcare system is highly complex and fragmented. Price variability for prescription medication and other healthcare services can be significant. Unlike almost every other industry, healthcare consumers are faced with a lack of transparency and have a limited ability to compare prices for prescription medication or the cost of care across providers. Based on third party data and internal estimates, we estimate that approximately 60% of consumers do not know that there is disparity in the price of prescription medication across pharmacies, and the ones that are aware may not be aware of tools that are available to help them save money. Our data shows that list prices for the same medication can, in some instances, vary by more than 100 times. Similarly, common healthcare services and surgical procedures can vary greatly in price, with differences of up to 39 times within similar geographies for the same service or procedure, according to a Health Care Cost Institute study. This can lead to consumer frustration, unnecessary cost, and in many cases, failure to adhere to a medication, undergo a treatment or get a medical test.
- ***Lack of Access to Care:*** Consumers face challenges gaining access to affordable, timely and quality care. In 2014, an estimated 62 million Americans had no, or inadequate, access to primary care due to physician shortages according to the National Association of Community Health Centers. Just seeing a

physician can be difficult – the average wait time for a new patient appointment in 15 large metropolitan markets in the United States was 24 days in 2017, and may extend up to 56 days in mid-sized markets, according to a Merritt Hawkins survey. The lack of access to this care limits the ability of many consumers to quickly and effectively address relatively basic needs, such as obtaining medication for high blood pressure or diagnosing an infection. Failure to receive early diagnosis and treatment often leads to more severe illness and can require more costly medical treatment in the future.

- ***Lack of Resources for Healthcare Professionals:*** Physicians and other healthcare professionals know that their patients increasingly expect to have a conversation regarding the cost of their treatment or medications, but they tend to have limited access to current information regarding the out-of-pocket financial burden of prescriptions or treatment, and are typically unaware as to whether the patient will be able to afford the prescribed medication or treatment.

Our Market Opportunity

A paradigm shift is occurring in healthcare as consumers are both increasingly informed and cost-conscious. According to the 2019 Alegeus Healthcare Consumerism Index, 70% of consumers are very focused on getting the best value for their money. We believe that allowing people to transact using more information than ever before will help Americans consume healthcare more efficiently. This can be accomplished by providing a healthcare platform that allows consumers to search a broad range of choices and offerings, discover what is best for them, transact based on their preferences, and receive the best price while doing so.

We believe this market opportunity is substantial and estimate the total addressable market, or TAM, for our current solutions to be approximately $800 billion. This includes a $524 billion prescription opportunity, inclusive of prescriptions that are written but not filled, a $30 billion pharmaceutical manufacturer solutions opportunity and a $250 billion telehealth opportunity.

Prescription Opportunity

It is estimated that approximately 5.8 billion 30-day equivalent prescriptions are dispensed in the United States each year. We started our business with a focus on the U.S. prescriptions market, which is expected to reach approximately $360 billion in 2020 according to CMS. This market does not include the value of prescriptions that are written but not filled, partly due to the cost to the consumer, and which we estimate to be up to $164 billion. Approximately 90% of the total prescription volume and 26% of prescription spending in the United States was for generic forms of medication in 2018, with the remainder being brand medications, or medications on patent, according to a report by the IQVIA Institute. Similar to the total prescription volume in the United States, the vast majority of the utilization of our platform relates to generic medications. We also enable consumers to save on brand medications. We believe that the prices available through our platform are highly competitive, for both insured and uninsured consumers, and our platform enables consumers to save on prescription medications regardless of whether the consumer is insured or not. The majority of our consumers are insured and, based on a survey that we conducted in July 2020, approximately 36%, 34%, 26% and 4% of our consumers had commercial insurance, Medicare, no insurance and Medicaid, respectively. The results of this July 2020 survey are consistent with our historical surveys. We believe we can drive significant growth in our prescription opportunity through our ability to continue to provide attractive prescription pricing to consumers.

Pharmaceutical Manufacturer Solutions Opportunity

Approximately 20% of the searches on our platform are for brand medications. Brand medications tend to be expensive, and insurance coverage is complicated and may be restrictive. Pharmaceutical manufacturers provide affordability solutions, such as co-pay cards, patient assistance programs and other savings options, so that consumers can access their medications. We partner with pharmaceutical manufacturers to advertise and integrate these affordability solutions into our platform. We earn fees from the pharmaceutical manufacturers, largely from their advertising and market access budgets. Pharmaceutical manufacturers spent approximately $30 billion in 2016 on medical marketing and advertising in the United States alone, according to an article published in the Journal of

the American Medical Association in 2019. This amount does not include other areas that our pharmaceutical manufacturer solutions address, such as the $13 billion of price reductions provided by pharmaceutical manufacturers to U.S. consumers in 2018 or other separate spending by pharmaceutical manufacturers on market access, which we believe further increases the estimate of our TAM. Revenue from our pharmaceutical manufacturer solutions offering has more than quadrupled in the first half of 2020, compared to the same period in 2019, and we expect to continue to grow this offering through further engagement with pharmaceutical manufacturers. We believe this offering can deliver incremental margin as we deploy these solutions across our existing base of consumers and visitors.

Telehealth Opportunity

The telehealth market is a natural expansion of our platform. There are 800 million annual physician visits in the United States and an estimated $1.25 trillion will be spent on outpatient office and home health visits in 2020, of which an estimated $250 billion can be addressed via telehealth, according to a report by McKinsey & Company. There is a growing consumer preference for on-demand services, which is rapidly changing how healthcare services are delivered. The COVID-19 pandemic has further accelerated the utilization of telehealth among consumers. According to a McKinsey & Company report, only 11% of consumers used telehealth services in 2019, whereas 46% of consumers used telehealth to replace cancelled healthcare visits in April 2020. Further, the report stated 76% of consumers indicated they are now interested in using telehealth going forward. We believe that the addition of telehealth to our platform will increase consumer engagement and improve outcomes. Our data suggests that approximately 20% of consumers who search for medication on GoodRx do not have a prescription at the time of their search. Through HeyDoctor and the GoodRx Telehealth Marketplace, we can provide these and other consumers with a convenient and affordable way to receive a diagnosis and a prescription online, when medically appropriate, and we believe our telehealth offerings will enhance the accessibility of our prescription offering for these consumers. Our telehealth offerings have grown significantly since launch, and an average of more than 1,000 consumers per day completed online visits using HeyDoctor in the second quarter of 2020, driven in part by the impact of COVID-19. Additionally, since launching the GoodRx Telehealth Marketplace in March 2020, approximately one million consumers have visited the marketplace and more than 200,000 medical visits and lab tests have been initiated. We expect that the recent launch of our service that allows HeyDoctor consumers to opt in to use our prescription offering for their prescriptions, and the launch of HeyDoctor’s mail order service, where prescriptions are processed by a third-party partner and consumers receive their medication by mail, will increase the number of consumers who use our platform to fill their prescriptions. We have also partnered with some of the telehealth providers in the GoodRx Telehealth Marketplace to enable consumers to opt in to use our prescription offering for their prescription needs after they complete their online visit. The introduction of these integrated solutions and the addition of mail order provides our consumers with additional value and convenience in their healthcare journey, and adds monetization opportunities for us after consumers visit a healthcare professional online.

Our Value Proposition

GoodRx was founded to provide consumers with solutions to the complexity, affordability and transparency challenges American healthcare presents. These challenges can reduce medication adherence and can have severe, broad-ranging impacts on both the health and financial well-being of Americans. Our platform helps to improve the lives of individuals by providing them with easy access to affordable healthcare. In addition to reducing the costs of healthcare for consumers, we believe that our platform can drive greater medication adherence, faster treatment and better patient outcomes, all of which can create a healthier, happier population.

We positively impact many key stakeholders in the healthcare ecosystem. Benefits to participants in the broader healthcare ecosystem include: achieving better outcomes by increasing medical adherence; providing timely access to preventative care to reduce the strain on hospitals and emergency departments; increasing access to affordable prescriptions that otherwise may not have been filled; and enhancing consumer satisfaction. We believe that consumers, healthcare providers, PBMs, pharmacies, pharmaceutical manufacturers and telehealth providers all win with GoodRx. This, in turn, can drive beneficial and self-reinforcing network effects.

Our value proposition by stakeholder is described below:

- ***Consumers:*** Our platform provides consumers with a variety of mobile-first offerings designed to make their access to healthcare simple and more affordable. We help people fill prescriptions that they may otherwise not have filled due to cost, and enable them to access treatments through telehealth that they may otherwise have delayed due to long wait times for in-person visits. These solutions increase medication adherence, reduce strain on hospital emergency departments and physicians, and improve health outcomes. For example, our research suggests that when consumers use our prescription offering, they are 50-70% more likely to afford and fill a prescription and thus follow through with their prescribed treatment plan. The value that consumers ascribe to our platform is demonstrated by our high NPS of 90 according to a survey that we conducted in February 2020, which exceeds that of many other well-regarded consumer-centric brands.
    - Our prescription offering provides curated, geographically relevant price comparisons and negotiated prices on prescriptions that have generated an estimated $20 billion of cumulative savings to our consumers through June 30, 2020. Our negotiated prices for prescriptions are often cheaper than insurance co-pays and, in a survey that we conducted in July 2020, approximately 74% of respondents reported that they were insured. Access to discounted prices is free for consumers through our platform.
    - Our subscription offerings provide consumers and their families with access to even lower prescription prices on select medications in select pharmacies for a monthly or annual subscription fee.
    - Our pharmaceutical manufacturer solutions offering provides advertising and integrated consumer affordability solutions to pharmaceutical manufacturers with the goal of improving access to and affordability of brand medications for consumers.
    - Our telehealth offerings provide access to online doctor visits, lab test providers and a marketplace of recommended third-party telehealth providers for over 150 medical conditions.
    - Our platform provides educational resources to help inform consumers about their healthcare. We provide consumers with expert medication information, as well as pricing and coverage information made possible through our robust data sources and staff of experienced researchers.
- ***Healthcare Professionals:*** Physicians and other healthcare professionals are motivated to help patients, and, increasingly, are judged by patient outcomes. We help these healthcare professionals improve patient outcomes by encouraging medication adherence and providing a consumer-friendly service. Based on a survey that we conducted in February 2020, approximately 17% of our website visitors are healthcare professionals. Our NPS score among healthcare professionals who use our platform was 86 as of February 2020, and over 2 million prescribers have a patient who has used GoodRx. We are able to integrate our pricing information and GoodRx codes directly into EHR systems, enabling healthcare professionals to provide prices from our platform directly to their patients at the point of prescribing, including via EHR-sent text messages and emails. We help physicians engage with patients both directly through HeyDoctor and indirectly by providing healthcare professionals who engage in telehealth the ability to list their services on our GoodRx Telehealth Marketplace
- ***Healthcare Companies:*** PBMs, pharmacies, pharmaceutical manufacturers and telehealth providers use our platform to reach and provide affordability solutions to consumers. We play a valuable role within the healthcare ecosystem by aggregating, normalizing, and presenting information from all of these constituents on a single platform for the consumer. Through the deep relationships that we have developed with these stakeholders over many years, we are able to continually improve our offerings and achieve better pricing outcomes for consumers.
    - *Pharmacy Benefit Managers:* PBMs aggregate consumer demand to negotiate prescription medication prices with pharmacies and manufacturers. PBMs aggregate most of their demand through relationships with insurance companies and employers. However, nearly all PBMs also

have consumer direct or cash network pricing that they negotiate with pharmacies for consumers who choose to purchase prescriptions outside of insurance. We provide a platform through which PBMs can drive incremental volume to these networks by offering their discounted prices to our consumers. We expand the market for PBMs by increasing their cash network transaction volumes and by adding new consumers to the overall prescriptions market, many of whom, both insured and uninsured, would otherwise not fill their prescriptions because of high deductibles or prices. For many of our PBM partners, we are their only significant direct-to-consumer channel. To date, we have retained all of our PBM partners, which highlights the strength of our relationships alongside the value we deliver.

- *Pharmacies:* With GoodRx, pharmacies can reduce 'walk away' patients and prescriptions abandoned at the counter due to high cost, and can also increase overall sales through additional foot-traffic. It is estimated that 20% to 30% of prescriptions written are not filled, with cost being among the leading reasons. A survey that we commissioned from Lab42 Research LLC in July 2020 found that of consumers picking up a prescription also purchase a secondary non-pharmacy item. We work with pharmacies on integrated technology and marketing programs to help them attract pharmacy customers. For example, we partner with Kroger, the fourth largest retail pharmacy in the United States, to provide a tailored co-branded subscription product, Kroger Rx Savings Club powered by GoodRx. We work closely with pharmacies to ensure that pharmacists are educated on how to use our apps and websites, and know how to apply GoodRx codes at the point of sale. Consumers can use GoodRx at over 70,000 pharmacies, nearly every retail pharmacy in the United States.
- *Pharmaceutical Manufacturers:* Brand medications tend to be more expensive than generics, and insurance coverage is complicated. GoodRx works with pharmaceutical manufacturers to advertise, integrate and enhance consumer awareness and uptake of their various savings solutions for brand medications, increasing the likelihood that a consumer will start or continue to take their prescribed medication.
- *Telehealth Providers:* In addition to operating our own telehealth provider, HeyDoctor, we partner with select telehealth providers through our GoodRx Telehealth Marketplace. We display their prices and services on the marketplace section of our apps and websites, driving incremental traffic for them.

How Our Business Works

Prescription Offering

Over the past nine years, we have built a vast network of relationships, contracts and integrations with key stakeholders in the healthcare industry. Our proprietary technology enables us to aggregate over 150 billion prescription pricing data points every day from sources spanning the healthcare industry. We structure and normalize the presentation of the data to give consumers curated, geographically relevant pricing information that is accessible through our apps or websites for free. By normalize, we refer to a process of taking the various different pricing methodologies and medication lists from each of our sources, and homogenizing the presentation of this data so that prices are directly comparable. Consumers can choose the lowest price from a selection of nearby pharmacies, save a GoodRx code to their mobile device for free and present that code at their pharmacy to access that low price. In 2019 and in the first half of 2020, we provided consumers with an average discount to the list price of more than 70%. Once a consumer has used a GoodRx code from our platform to purchase a prescription, that code is recorded in the pharmacy's database and the consumer is not required to present their GoodRx code again for subsequent prescription refills, or, in many cases, for additional prescriptions that the consumer purchases at that pharmacy. We earn revenue upon the initial usage of the GoodRx code when the consumer realizes savings compared to the list price at the pharmacy, and we continue to earn revenue when the consumer returns to the pharmacy for refills and new prescriptions. This results in high and increasing repeat activity, which refers to the second and later use of our discounted prices by a single GoodRx consumer, on our platform. Since 2016, over 80%

of transactions for our prescription offering have come from repeat activity. We track prices and update our database on a daily basis, which helps ensure that consumers have access to accurate prescription pricing.

Our pricing sources span the healthcare industry and include PBMs, pharmacies, pharmaceutical manufacturers, patient assistance programs, and others, making it difficult to replicate the data we possess and share with consumers. We believe it is important to work with as many of the key stakeholders of the healthcare industry as possible in order to increase the affordability options for our consumers. Our broad set of long-term relationships across the industry, combined with our proprietary platform, allows us to present highly competitive prices to consumers.

PBMs are the most common source of pricing information and are the source of the majority of our revenue from prescriptions. Our proprietary technology enables us to combine prices from multiple PBMs and other industry sources and display it on a single consumer interface. We believe that we maintain the largest database of aggregated pricing information across PBMs in the United States. When a transaction occurs in which one of our consumers fills a prescription and saves compared to the list price using a GoodRx code, the PBM receives a portion of the price that the consumer paid. We receive a percentage of this amount or a fixed payment from the PBM as compensation for directing the consumer to that PBM's pricing and the pharmacy.

As we help more consumers save money on their medications and drive additional traffic through various PBMs, we increase our scale, which over time leads to lower prices for our consumers. We have steadily increased the number of PBMs with which we work over time. To date, a PBM has never terminated a relationship with us. Even if a contract with a PBM were to be terminated, many of our contracts require the PBM to continue to pay us for activity by consumers originally directed to their pricing by us, even subsequent to the contract termination. The ongoing payment obligation can continue for so long as the underlying PBM-specific pricing is used, or for certain partners, for a specified multi-year period, depending on the terms of our contract with the PBM. Throughout our history, we have been able to help our consumers realize increased savings. PBM mix and relative share on our platform has varied over time as we have added new PBMs and as certain PBMs have delivered more or less favorable pricing relative to other PBMs. Even as the mix has changed, we have continued to grow and deliver a strong value proposition to our consumers. We believe that our sources of pricing are sufficiently broad and robust that the loss of any one PBM or other healthcare partner would generally result in minimal disruption in our ability to provide competitive discounts and pricing. Although the majority of our pricing information comes from PBMs, we also collect pricing data points from other sources in order to help save our consumers as much money as possible. These other sources include:

- ***Pharmacies:*** We collect pharmacy savings program data and pharmacy list prices. Pharmacy savings programs are pharmacy-led programs that offer consumers lower prices on select prescription medications, typically in exchange for a membership fee.
- ***Mail Order Pharmacies:*** Similar to traditional brick and mortar retail pharmacies, we partner with a number of mail order pharmacies to display their prices.
- ***Pharmaceutical Manufacturers:*** We work with pharmaceutical manufacturers to show manufacturer savings programs.
- ***Patient Assistance Programs:*** We aggregate patient assistance programs for brand and specialty medications. Patient assistance programs are typically run by charities and foundations, which are commonly associated with pharmaceutical manufacturers, to reduce the cost of brand and specialty medications to those in need.
- ***Medicare:*** We access Medicare prices from CMS. We use this data to help consumers find their co-pay amounts based on their medication, plan and stage of coverage if they used the benefits under their Medicare prescription drug plans.

Subscription Offerings

Our subscription offerings are a natural extension of our successful prescription offering. We leverage our relationships across the healthcare ecosystem and our product expertise to provide subscribers with even greater savings and convenience at select pharmacies. We launched our first subscription offering, Gold, in 2017, and added a second offering, Kroger Savings, in 2018.

- ***GoodRx Gold:*** We offer a subscription savings program whereby subscribers pay a monthly fee of $5.99 for individuals or $9.99 for families of up to five, for access to even lower prices in select participating pharmacies. Over 1,000 prescriptions are available for under $10 with Gold, with savings of up to 90% off standard list prices. We have also recently added a mail order feature to the GoodRx Gold plan, which provides Gold subscribers with additional value and convenience, with no additional subscription cost.
- ***Kroger Rx Savings Club powered by GoodRx****:* We partner with Kroger, the fourth largest retail pharmacy in the United States, to offer a tailored subscription product to Kroger consumers for an annual fee of $36 for individuals or $72 for families of up to six. Subscribers access lower prescription prices at Kroger pharmacies, including over 100 common generic medications for free, $3.00, or $6.00 price points, and savings on more than 1,000 other generic medications. We manage key aspects of the program, including subscriber registration, consumer billing, transaction processing and marketing. Subscribers pay an annual fee, a portion of which we share with Kroger.

We have significantly increased the number of subscribers who use our subscription offerings. The number of subscribers as of June 30, 2020 was 15 times higher than as of December 31, 2018. Based on our data for the cohort of consumers who started using our subscription offerings between July 2018 and June 2019, we estimate that consumers of our subscription offerings have a first year contribution of approximately two times that of consumers of our prescription offering, which we expect will result in a substantially higher lifetime value for these consumers. First year contribution represents the cumulative revenue generated by consumers in the first year after they became consumers of our subscription offerings, less our estimated cost of revenue attributable to such revenue.

Pharmaceutical Manufacturer Solutions Offering

Approximately 20% of the searches on our platform are for brand medications. Brand medications tend to be expensive, and insurance coverage is complicated and may be restrictive. As a result, many consumers are not able to access or afford these medications.

Pharmaceutical manufacturers provide affordability solutions such as co-pay cards, patient assistance programs, and other savings options so that consumers can access their medications. We partner with pharmaceutical manufacturers to advertise and integrate these affordability solutions into our platform. For example, a consumer searching for a brand medication on our platform can select their insurance status and related criteria so that we can automatically determine their eligibility for specific manufacturer savings solutions, and route them to the best option. The patient can also sign up for ongoing savings alerts related to that medication. We believe our trusted brand, large volume of high intent consumers and easy-to-use interface make our platform highly attractive to pharmaceutical manufacturers. These solutions generally increase the likelihood that consumers will start or continue their prescribed medication.

Our pharmaceutical manufacturer solutions offering delivers a product that both increases overall consumer satisfaction and drives incremental consumer lifetime value at a low incremental cost to us. Revenue from our pharmaceutical manufacturer solutions offering has more than quadrupled in the first half of 2020, compared to the same period in 2019, and we expect to continue to grow this offering through further engagement with pharmaceutical manufacturers. We believe this offering can deliver incremental margin as we deploy these solutions across our existing base of consumers and visitors.

Telehealth Offerings

We have built a telehealth platform that is designed to meet the needs of our consumers who seek rapid and affordable access to quality care. Our two-pronged approach includes our own telehealth provider, HeyDoctor, as well as our GoodRx Telehealth Marketplace, which is a marketplace designed to bring third party providers to our ecosystem so that we can provide consumers with a breadth of services in a single platform.

We launched our telehealth offerings in 2019 with the acquisition of HeyDoctor. We have in-house healthcare providers through our affiliated professional entities and contracts with a network of on-demand physicians who operate on our purpose-built EHR. Our EHR includes messaging, video chat and electronic prescriptions, and integrates with our prescription offering. We offer telehealth visits to provide consumers with quick, easy and affordable access to healthcare, covering 23 conditions across 50 states, with many visits starting at $20, which are offered to patients on a cash-pay basis outside of insurance.

Our data suggests that approximately 20% of consumers who search for medication on GoodRx do not have a prescription at the time of their search. Through HeyDoctor, we provide consumers with a convenient and affordable way to receive a diagnosis and a prescription online, when medically appropriate. Once they complete their online visit, consumers are able to choose to fill their prescriptions, should they receive one, at retail locations using a GoodRx code, or via mail order through a third-party partner. Our expansion into telehealth has unlocked additional growth opportunities through access to the approximately 62 million Americans with no or inadequate access to primary care physicians.

In March 2020, we launched our GoodRx Telehealth Marketplace, an online marketplace for individuals to access third-party providers of telehealth and lab tests. Our GoodRx Telehealth Marketplace added additional services, conditions, and geographies to our online telehealth offerings, and also provides alternative providers for the conditions and geographies already covered by HeyDoctor, providing consumers with additional options to choose from. The GoodRx Telehealth Marketplace allows consumers to search for treatment for over 150 conditions across all 50 states, and displays results with information that helps consumers compare services, review prescription delivery options, and receive pricing information. Our marketplace also presents similar information for lab tests, allowing consumers to search for providers by lab test type. Current services range from screenings and diagnosis to treatment plans and prescriptions, covering medical issues such as birth control, acne, urinary tract infections, COVID-19, cold and flu. We earn fees for directing traffic to these third-party telehealth providers in our marketplace.

Together with HeyDoctor, the GoodRx Telehealth Marketplace provides a set of integrated solutions that simplifies the consumer healthcare journey and offers quick, easy and affordable access to treatment. From the comfort of their own homes, consumers can use our services to complete an online visit with a doctor and get a prescription, all within minutes. An average of more than 1,000 consumers per day completed online visits using HeyDoctor in the second quarter of 2020. Additionally, since launching the GoodRx Telehealth Marketplace in March 2020, approximately one million consumers have visited the marketplace and more than 200,000 medical visits and lab tests have been initiated. In March 2020, we also launched an integrated service that allows HeyDoctor consumers to opt in to use our prescription offering for their prescription needs after they complete their online visit. Since launch, we have already seen more than 10% of HeyDoctor consumers utilize this feature to fill prescriptions using a GoodRx code at pharmacies. As awareness of our offerings grows, we expect this percentage to increase. In addition, we expect that the recent launch of HeyDoctor’s mail order service, which is processed by a third-party partner, will further increase the number of consumers who use our platform to fill their prescriptions after completing an online visit. We have also partnered with some of the telehealth providers in the GoodRx Telehealth Marketplace to enable consumers to opt in to use our prescription offering for their prescription needs after they complete their online visit. The introduction of these integrated solutions and the addition of mail order provides our consumers with additional value and convenience in their healthcare journey, and adds monetization opportunities for us after consumers visit a healthcare professional online.

We attract consumers to our apps and websites through several entry points:

- ***Example Entry Point A – Word of Mouth:*** We benefit from strong word of mouth referrals, helping drive significant organic traffic to our apps and websites. A consumer may be attracted to our platform after speaking to a family member or a friend who has used one of our offerings and saved money.
- ***Example Entry Point B – Physician:*** A consumer sees their physician to have their blood pressure checked. The physician establishes that the patient's blood pressure is excessive, and determines based on the patient's history that medication is required. The patient is concerned about the price of the medication, and the physician looks up the price for that patient in their EHR, which has GoodRx pricing integrated into it. The physician then shares the GoodRx code with their patient via text or email, which the patient then shows to the pharmacist when they pick up the medication.
- ***Example Entry Point C – HeyDoctor Telehealth Consultation:*** A consumer needs to see a physician, but their primary care provider says that the next available appointment is in 30 days. The consumer searches online for quick ways to see a doctor and finds HeyDoctor. Within 40 minutes, the consumer has completed a consultation with a HeyDoctor physician and has been booked for a lab test with one of HeyDoctor's lab partners that afternoon. The HeyDoctor physician confirms that the lab results warrant a prescription medication. The consumer is offered a choice of HeyDoctor's mail order delivery service, which is processed by a third-party partner, or to fill the prescription at a local pharmacy, where the patient can use a GoodRx code to achieve savings.
- ***Example Entry Point D – GoodRx Marketing:*** A consumer sees a GoodRx online ad or TV commercial and visits our app to see if we can save them money on their prescription. The consumer uses GoodRx to find the lowest price available at a nearby pharmacy. In order to access this discounted price, they save a GoodRx code for their selected prescription to their mobile device and present it at the chosen pharmacy. After several refills, the GoodRx app prompts the consumer to try our subscription product, Gold, where for a monthly fee they can access an even lower price for their selected prescription and thousands of other medications.

What Sets Us Apart

We are a market leader with a significant scale and brand advantage over our competitors. Our growth accelerates self-reinforcing network effects that further strengthen our competitive position. Our competitive strengths consist of:

- ***Leading Platform:*** We believe that we are the largest platform that aggregates pricing for prescriptions. Our proprietary platform enables us to collect and normalize over 150 billion prescription pricing data points every day from sources spanning the healthcare industry, including PBMs, pharmacies, pharmaceutical manufacturers, assistance programs, Medicare prescription drug plans (Part D) and others. Our negotiated prices are accepted at over 70,000 pharmacies nationwide, nearly all retail pharmacies. We continually strive to increase the size and accuracy of our prescription pricing database.
- ***Trusted Brand:*** We have built a trusted brand based on nearly a decade of consumer-focused product development. We strive to be with the consumer throughout their healthcare journey. We are guided by the principle of doing well for consumers and the healthcare industry as a whole, which we believe helps us build trust, engagement and brand loyalty. In fact, we show many prices on our platform for which we make no money, but we show them because they may be the best option for the consumer. Our patient advocacy team (what others may call customer service) had a customer satisfaction score of 99% as of April 2020 based on our consumer surveys. Our brand is also recognized and trusted by healthcare providers who often encourage the use of GoodRx by their patients. Over 2 million prescribers have a patient who has used our platform, based on our internal data. Our NPS among healthcare professionals who use our platform was 86 as of February 2020. Our GoodRx app had a rating of 4.8 out of 5.0 stars in the Apple App Store and 4.7 out of 5.0 stars in the Google Play App Store, with over 700,000 combined reviews as of June 30, 2020. In both app stores, our HeyDoctor app had a rating of 5.0 out of 5.0 stars, with over 8,000 combined reviews as of June 30, 2020.

- ***Scaled and Growing Network:*** Our leading consumer-focused digital healthcare platform and brand have facilitated rapid growth in our consumer base, which has helped us achieve significant scale. For the second quarter of 2020, we had 4.4 million Monthly Active Consumers, and our GMV for 2019 was $2.5 billion. Our network extends to multiple PBMs and over 70,000 pharmacies where GoodRx codes can be used. As we have scaled our consumer base and healthcare partner networks, we have been able to increase the savings that we provide our consumers, in part by leveraging our growing consumer base to attract more partners and source better prices. Finally, our scale enables sophisticated data analytics that help us to continuously optimize our product, marketing and operations for the benefit of our consumers.
- ***Consumer-focus:*** We empower consumers with the tools and resources to navigate the complexity of the healthcare system. Our platform delivers a consumer-first experience that is convenient and is easy to use and understand. Consumers only have to provide the name of their medication, and we do the rest. Results are presented in an easy to understand format that is designed to streamline and simplify the decision-making process. We aggregate a broad set of access and affordability options for the consumer, commonly showing options that we do not monetize, but we display because it is what may be right for the consumer. Our telehealth platform offers a similarly streamlined consumer experience that promotes ease of use and understanding. To ensure the best possible experience for consumers, our patient advocacy team provides guidance and support for our products and services.
- ***Extensible Platform:*** The large number of highly engaged consumers who trust our brand and platform provide a strong foundation for the development of new products that extend across the healthcare market. We have demonstrated our ability to develop new products such as our subscription offerings and pharmaceutical manufacturer solutions offering, and integrate acquired companies such as HeyDoctor. We plan to continue to expand and improve our platform to achieve our mission. Our large base of existing consumers allows us to extend our platform into new offerings and generate incremental revenue and consumer lifetime value without significant additional customer acquisition costs.
- ***Cash Generative Monetization Model:*** We believe our business model has facilitated the rapid growth and expansion of our platform. We have been focused on capital efficiency and delivering on a cash generative monetization model since inception. We have a track record of generating cash flows, allowing us to reinvest in platform expansion and growth. In 2019, cash flows from operating activities was $83.3 million, and in the first half of 2020 cash flows from operating activities was $83.8 million.

Sales & Marketing

Consumers come to our platform organically and also through our sales and marketing initiatives. The GoodRx brand benefits from word-of-mouth recommendations to consumers from friends, healthcare professionals and pharmacists, as well as press coverage, which drives significant unpaid traffic to our apps and websites. For example, in 2019, our business, pricing and research was cited more than 1,800 times by major publications and newscasts, all unpaid placements.

In addition to organic consumer acquisition, our sales and marketing efforts are designed to bring new consumers onto our platform for the first time and to re-engage existing consumers. We acquire new consumers through a variety of channels.

- ***Direct to Consumer Marketing***
  - ***TV:*** We advertise both on traditional linear television as well as through digital streaming. We buy media through agencies and manage targeting through internal analytics and external partners.
  - ***Paid Search:*** We buy search advertising primarily through Google and Bing. We use both external vendors and internal analytics for bid optimization and channel strategy.
  - ***Other Digital:*** We execute display, paid social, and mobile advertising campaigns.

- ***Marketing through Partners***
  - ***Healthcare Professional Marketing:*** We market through healthcare professionals by providing in-office materials, enabling them to distribute information regarding our offerings to their patients. We have also built GoodRx Pro, an app designed specifically for healthcare professionals to facilitate electronic prescriptions. This app is integrated with our prescription offering to enable physicians to quickly find the form, dosage and quantity of medication that they intend to prescribe and seamlessly send pricing that is available on GoodRx to their patients. The GoodRx Pro app is available on the Apple App Store and Google Play App Store and has an average rating of 4.8 out of 5.0, with over 10,000 combined reviews as of June 30, 2020.
  - ***EHRs:*** We work with several of the largest electronic health record providers, or EHRs, which integrate pricing from our platform into their prescribing workflows so that healthcare professionals can provide prices from our platform to their patients at the point of prescribing.
  - ***Affiliates:*** We partner with a variety of organizations to distribute our discounts and solutions to a broader target audience. For example, we are the exclusive provider of prescription pricing to the American Automobile Association membership base.
- ***Content Creation***
  - ***Essential Source of Consumer Healthcare Insights:*** Our market research and content creation teams seek to make GoodRx the essential consumer platform for relevant healthcare information, education and updates. Since 2017, media organizations and academic researchers have mentioned and discussed our business more than 4,500 times, and we are frequently cited as a resource for healthcare intelligence, medication pricing and prescribing trends. Consumers can come to our apps and websites and find information regarding insurance, medications, and common health topics, and we seek to offer resources that educate consumers as to these topics and our various offerings. Relevant healthcare content increases traffic to the GoodRx apps and websites, providing us with more opportunities to convert visitors to active consumers. Our GoodRx medication and condition editorial content had an average of over million monthly visitors in the first half of 2020.

We believe that we still have significant opportunities to improve our unaided awareness, to build our brand, as well as to scale existing marketing channels, and unlock new ones.

We also deploy a variety of consumer retention tools on our platform. These include:

- ***Savings Information Retained in Pharmacy Database:*** When a consumer uses a GoodRx code, the code is saved to the consumer's profile at the pharmacy. From then on, the discounted price typically applies to future refills and new prescriptions without the consumer having to re-present the GoodRx code.
- ***Consumer Lifecycle Management:*** We engage with consumers to provide them with value-added information that improves their experience using our platform. Types of engagement include savings alerts, medication information alerts, refill reminders and links to our other offerings such as telehealth visits when a prescription is about to expire.
- ***Consumer Support & Patient Advocacy:*** Consumers often need additional, higher-touch support to understand the cost and coverage options for their medication. We provide strong consumer support and patient advocacy services to help consumers understand how best to afford their medication. In April 2020, we accepted over 60,000 consumer calls, had an average wait time of less than 20 seconds and had a customer satisfaction score of 99% based on our consumer surveys. We use a combined insourced and outsourced model, and all consumer support professionals are located within the United States. Our team is trained to provide support to consumers related to consumers' specific healthcare questions, such as insurance coverage for brand medication. We believe that our consumer support and patient advocacy team is an asset that we can leverage, specifically in supporting new areas of growth for our business by directing consumers to our new offerings.

Our Technology

- ***Proprietary Pricing Engine:*** Our price ingestion technology enables us to link with multiple sources spanning the healthcare industry. In addition, we have proprietary patented technology related to collecting and normalizing prices from multiple PBMs and presenting them using a single consumer interface.
- ***Constant Data Refresh:*** Displaying our prescription- and location-specific list of prices to each consumer in near real-time requires the rapid processing of a significant amount of data, the use of complex predictive models, and sophisticated software programming and design.
- ***Living Database:*** Since inception, our platform has processed over $8 billion of GMV, with $0.7 billion, $1.1 billion, $1.8 billion and $2.5 billion processed in 2016, 2017, 2018 and 2019, respectively. With every prescription filled, our dataset becomes more comprehensive and accurate. We use our proprietary algorithms to create actionable insights and continuously improve our consumer experience. Our database is central to the value that we provide to our consumers through accurate pricing and improved recommendations. We refer to our data as “living”, meaning that it is dynamic and continually being updated or refined.
- ***Artificial Intelligence / Machine Learning:*** Our engine is also able to learn from and react to changes in prescribing habits or to ensure that consumers are selecting the accurate dosing or form of a given medication. For example, our engine will automatically show the most common dose of a given medication. We also take into account pharmacy-level dispensing patterns that may impact the price of a medication, such as when two pharmacy locations that are part of the same pharmacy chain dispense the same medication, but source the medication from different manufacturers.
- ***Our Proprietary Telehealth EHR:*** We have built a proprietary EHR to support HeyDoctor. This EHR is used by physicians to conduct online patient visits, with built-in messaging and video capabilities, as well as the ability to send consumers electronic prescriptions, prescription pricing, and mail order options.
- ***Scalable:*** Our digital platform is cloud native, scalable and reliable. We leverage major third-party cloud and data service providers, such as Amazon Web Services and the Google Cloud Platform. We have built a modular system of services on top of this infrastructure.
- ***Secure:*** Trust is critical to our relationship with both our consumers and our partners and we take security and privacy very seriously. We implement security procedures and policies informed by various industry-standard frameworks such as NIST SP 800-53, ISO 27002, HIPAA and PCI DSS. Our operations are audited annually as part of a SOC2 audit, based on principles developed by the American Institute of Certified Public Accountants and we have obtained SOC2 certification with respect to our prescription offering and subscription offerings. In addition, our security is tested through our bug-bounty program. We continue to expand our team and solutions to address emerging risks and changes in the threat landscape.

Our Growth Strategy

The key elements of our growth strategy include:

- ***Continue to Attract New Consumers:*** We believe that we have a significant opportunity to serve all Americans. By growing awareness of our existing offerings and through the extension of our platform into many of the other areas of healthcare that lack price transparency and consumer empowerment, we believe that we can address an increasingly larger portion of the healthcare market in the United States, which is projected to reach $4.0 trillion in 2020.
- ***Continue to Facilitate Existing GoodRx Consumers’ Adoption of Multiple GoodRx Offerings:*** We aim to increase the number of our monetization channels used by our existing consumers. We believe that this will result in higher consumer satisfaction and be accretive to our consumer lifetime value and to our margins in the medium to long term, without significant additional consumer acquisition costs.

- ***Continue to Build the GoodRx Brand:*** We believe that there are significant opportunities to increase awareness and educate healthcare consumers regarding prescription pricing, as well as our platform and solutions. Based on third party data and internal estimates, we estimate that approximately 60% of consumers do not know that there is disparity in the price of prescription medication across pharmacies. We estimate that our unaided awareness, or the percentage of consumers that are aware of our platform and brand without being prompted, was approximately 17% as of May 2020. As we continue to invest in marketing, we anticipate that many of the consumers who do not fully understand prescription pricing, or that are not aware of tools such as our platform, will begin using our platform.
- ***Invest in Product Offerings:*** We plan to continue to invest in and scale our range of product offerings to better address the needs of consumers, provide them with better pricing, and improve their overall healthcare journey. We have a multi-prong approach for this strategy which includes:
  - ***Subscription Offerings:*** The usage of Gold and Kroger Savings has increased significantly. We believe these offerings have higher lifetime value than our prescription transactions offering. We will continue to increase the value proposition for consumers by bundling various existing and new offerings in affordable and consumer-friendly subscription packages.
  - ***Pharmaceutical Manufacturer Solutions Offering:*** We believe our trusted brand, large volume of high intent consumers and easy-to-use consumer experience make our offering highly attractive to pharmaceutical manufacturers. The solutions offered by pharmaceutical manufacturers on our platform can increase the likelihood that consumers will start to take or continue to take their prescribed medication. Our consumer base already desires access to this offering as demonstrated by the 20% of consumer searches that are targeted at brand medications, presenting an attractive opportunity to convert these searches into incremental revenue and consumer lifetime value at a low incremental cost to us. We plan to continue to expand the number of pharmaceutical manufacturers with which we work, as well as enhance our existing offerings and introduce new integrated technology solutions that will allow manufacturers to interact with our consumer base more effectively.
  - ***Telehealth Offerings:*** We believe our telehealth offerings will become more integrated with, and will be a growth driver for, our other offerings, including our prescription offering and mail order prescriptions through a third-party provider. We plan to significantly invest in our telehealth offerings, as we see this as an opportunity to add another key consumer entry point into our platform.
- ***Future Expansion Opportunities:*** We believe there are many other areas of healthcare that could benefit from the transparency and accessibility provided by our platform. While we are currently focused on scaling our existing offerings, we see attractive opportunities to deploy our expertise in markets such as clinical trials, in person doctor visits and prescription delivery, among others. As we continue to grow our brand awareness and consumer base, selling additional products and services into our large acquired base will drive an attractive incremental margin opportunity.
- ***Pursue Strategic Partnerships and Acquisitions:*** We are a valuable partner to a variety of healthcare constituents. We expect to continue to pursue strategic opportunities, including commercial relationships and acquisitions, to strengthen our market position and enhance our capabilities

Competition

Although we have built and scaled a differentiated consumer internet platform, we face a variety of types of competition. We believe that our primary barrier to adoption is awareness. Americans have historically not had to be active consumers of healthcare since benefit plans were more generous and open than they are today. Many consumers are not aware that prices for the same prescription vary between pharmacies or that there are competitive cash prices available that may be lower than insurance prices. Similarly, most consumers are not aware of the range of direct-to-consumer telehealth options available at low cash prices, and think that they must

wait days or weeks to see a doctor in-person. We have had to raise consumer awareness about healthcare consumerism and we believe that we will need to continue to be a market leader in raising consumer and healthcare provider awareness for our services and products.

We compete with companies that provide prescription savings, telehealth, and solutions to pharmaceutical manufacturers. Generally, we believe that we are able to compete effectively against these organizations based on our brand, scale, pricing and consumer experience. Our competitors vary in size and breadth of their offerings.

- In prescriptions, our competition is fragmented and consists of competitors that are smaller than us in scale.
- Our pharmaceutical manufacturer solutions offering competes for advertising and market access budget allocation against platforms on which manufacturers can reach consumers, including health-related websites and mobile apps, and services supporting patient access. We believe that our trusted brand and our platform allows us to engage patients about the cost of their brand medications.
- In telehealth, we compete with other providers of telehealth services that are larger than us, and which usually provide telehealth services on behalf of employers and insurance plans, such as Teladoc, Amwell, MDLIVE, and Doctor on Demand. We believe that our direct-to-consumer business model and low cash price points (in addition to our brand and scale) help differentiate our telehealth offerings from these competitors.

Intellectual Property

Our success depends in part on our ability to obtain and maintain intellectual property protection for our products and technology platform, defend and enforce our intellectual property rights, preserve the confidentiality of our trade secrets, and operate without infringing, misappropriating or otherwise violating valid and enforceable intellectual property rights of others. We protect our intellectual property, including our brand, through a combination of trademarks, patents, trade secrets, contractual provisions that restrict partners from infringing on our intellectual property, intellectual property assignment agreements, licensing agreements, confidentiality procedures, non-disclosure agreements, and employee non-disclosure and invention assignment agreements to establish and protect our proprietary rights. Though we rely in part upon these legal and contractual protections, we believe that factors such as our position as the largest healthcare-focused internet platform for prescription prices and discounts, our scale and the network effects enabled by these factors, as well as the skills and ingenuity of our employees and the functionality and frequent enhancements to our platform are larger contributors to our success.

As of June 30, 2020, we owned three issued patents and four pending patent applications in the United States. One issued patent relates to our ability to combine prices from multiple PBMs together in a single consumer interface. Our issued patents begin expiring in 2034, excluding any patent term adjustment. As of June 30, 2020, we held 9 registered trademarks in the United States, including trademarks for our brand, GoodRx, and for the use of the color yellow in the prescription discounts space. In addition, we have registered domain names for websites that we use in our business, such as www.goodrx.com and www.heydoctor.com.

We continually review our development efforts to assess the existence and patentability of new intellectual property and we intend to pursue additional intellectual property protection to the extent we believe it would advance our business objectives. Notwithstanding these efforts, there can be no assurance that we will adequately protect our intellectual property or that will provide any competitive advantage. We cannot provide any assurance that any patents will be issued from our pending or any future applications or that any issued patents will adequately protect our products and technology. Our intellectual property rights may be invalidated, circumvented or challenged. In addition, it may be difficult to protect our trade secrets. While we have confidence in the measures we take to protect and preserve our trade secrets, they may be inadequate and can be breached, and we may not have adequate remedies for violations of such measures. Furthermore, our trade secrets may otherwise become known or be independently discovered by competitors. For more information regarding risks related to intellectual property, please see “Risk Factors—Risks Related to Intellectual Property.”

Data Protection

The data we collect and process is an integral part of our products and services, allowing us to ensure our prices are accurate, provide an engaging consumer experience, surface the most relevant prices and reach opted-in consumers with relevant information. We do not sell personal information as part of our business model.

We collect and may use personal information to help run our business (including for analytical purposes) and to communicate and otherwise reach our consumers. In some instances, we may use third party service providers to assist us in the above.

We endeavor to treat our consumers' data with respect and maintain consumer trust. We provide our consumers with options designed to allow them to control their data, such as allowing our consumers to opt out of any marketing requests, opt out of the use of marketing cookies, pixels and technologies on our platform, and request deletion of their data. Our privacy and security teams are devoted to processing and fulfilling consumer requests regarding access to and deletion of their data.

Our respect for laws and regulations regarding the collection and processing of personal data underlies our strategy to improve our customer experience and build trust. To read more about our approach to privacy laws and the regulations, please see "—Government Regulation" and "Risk Factors—Risks Related to Our Business—Actual or perceived failures to comply with applicable data protection, privacy and security, advertising and consumer protection laws, regulations, standards and other requirements could adversely affect our business, financial condition and results of operations."

Philanthropy

Philanthropy is not a separate initiative at GoodRx; helping others is woven throughout everything we do. Since inception, our aim has been to provide all Americans with access to affordable and convenient healthcare, and our team of medical health professionals, public health experts and passionate people ensures that we never lose sight of that goal. We are fortunate to be in a position where helping others also supports our business, which in turn allows us to help even more people in more profound ways. It is a virtuous cycle.

We are especially focused on the massive disadvantages in care that plague communities of color in America. Across the board, minorities score worse on healthcare access and outcomes. This is simply unacceptable. We use our marketing resources, physician relationships and industry connections to make healthcare more affordable and accessible.

Throughout our history, we have provided charitable support to communities, individuals, students, clinics and non-profits in furtherance of that goal. We have sent employees to hurricane-damaged Houston to provide direct support, provided scholarships for pharmacy professionals and delivered food to low-income populations, among many other projects. We frequently provide direct financial support to individuals, families and organizations who simply need help.

In 2020, we launched GoodRxHelps, a free medication program, that expects to partner with healthcare professionals and clinics across America. We will be purchasing and providing more than 500 different medications to patients through our clinic partnerships. GoodRxHelps aims to help tens of thousands of individuals every year, with a specific focus on communities that serve people of color. In the future, we intend to increase these efforts, expand funding and engage our employees and consumers to increase our charitable impact.

Our People and Culture

We pride ourselves on hiring people who not only have the skills required to perform their respective roles, but also share in the mission to provide all consumers with access to affordable and convenient healthcare. We have an excellent track record of selectivity and retention. In 2019, we hired only 0.6% of applicants. In 2019, the Los Angeles Business Journal rated GoodRx as one of the Best Places to Work.

We prioritize diversity and inclusivity in our workplace. We focus on diversity in both hiring and promotion, and are working on initiatives from minority internships to external audits of our hiring and promotion practices.

As of June 30, 2020, GoodRx employed 338 full-time employees, 248 of which were based at our headquarters in Santa Monica, California. GoodRx has a strong employee referral program, which is a leading source of new hires.

In addition to providing challenging and engaging work, we also provide robust benefits, including health insurance for employees and dependents, which include options that are fully funded by GoodRx, 401k match, fertility benefits, paid parental leave and discretionary vacation. We foster a tight-knit corporate culture through company events, team building offsites, weekly happy hours, game and movie nights, and pet-friendly offices. The biggest perk of all is knowing that the work performed has a meaningful impact on our consumers.

Facilities

Our corporate headquarters is located in Santa Monica, California, where we lease approximately 29,000 square feet of space across a set of leases with similar terms expiring between the fourth quarter of 2020 and the first quarter of 2023, which the majority expiring in the first quarter of 2022. We have plans to move to a new 74,000 square foot facility in Santa Monica by the fourth quarter 2020, with the lease expiring in 2031. We also maintain offices in San Francisco, California, Charleston, South Carolina, St. Louis, Missouri, and New York, New York. We believe that these facilities are sufficient for our current needs and that additional facilities will be available to accommodate the expansion of our business should they be needed.

Government Regulation

Data Privacy and Security Laws

The data we collect and process is an integral part of our products and services, allowing us to ensure our prices are accurate, surface the most relevant prices and reach opted-in consumers with savings information. We collect and may use personal information to help run our business (including for analytical purposes) and to communicate and otherwise reach our consumers. In some instances, we may use third party service providers to assist us in the above.

We endeavor to treat our consumers' data with respect and maintain consumer trust. We provide consumers options designed to allow them to control the use and disclosure of their data, such as allowing consumers to opt out of any marketing requests, opt out the use of marketing cookies, pixels and technologies on our platform, and request deletion of their data.

Since we receive, use, transmit, disclose and store personally identifiable information, including health-related information, we are subject to numerous state and federal laws and regulations that address privacy, data protection and the collection, storing, sharing, use, transfer, disclosure and protection of certain types of data. Such regulations include the CAN-SPAM Act, the Telephone Consumer Protection Act of 1991, HIPAA, Section 5(a) of the Federal Trade Commission Act, and, as of January 1, 2020, the CCPA.

Various federal and state legislative and regulatory bodies, or self-regulatory organizations, may expand current laws or regulations, enact new laws or regulations or issue revised rules or guidance regarding privacy, data protection, consumer protection, and advertising. In June 2018, California enacted the California Consumer Privacy Act (CCPA), which went into effect on January 1, 2020. The CCPA creates individual privacy rights for California consumers and increases the privacy and security obligations of entities handling certain personal data. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches that is expected to increase data breach litigation. The CCPA may increase our compliance costs and potential liability.

Additionally, a new California ballot initiative, the California Privacy Rights Act, appears to have garnered enough signatures to be included on the November 2020 ballot in California, and if voted into law by California residents, would impose additional data protection obligations on companies doing business in California, including additional consumer rights processes and opt-outs for certain uses of sensitive data. It would also create a new California data protection agency specifically tasked to enforce the law, which would likely result in increased regulatory scrutiny of California businesses in the areas of data protection and security. Further, many similar laws have been proposed at the federal level and in other states. For instance, the state of Nevada recently enacted a law that went into force on October 1, 2019 and requires companies to honor consumers' requests to no longer sell their data.

Additionally, the Federal Trade Commission, or FTC, and many state attorneys general are interpreting existing federal and state consumer protection laws to impose evolving standards for the online collection, use, dissemination and security of health-related and other personal information. Courts may also adopt the standards for fair information practices promulgated by the FTC, which concern consumer notice, choice, security and access. Consumer protection laws require us to publish statements that describe how we handle personal information and choices individuals may have about the way we handle their personal information. If such information that we publish is considered untrue, we may be subject to government claims of unfair or deceptive trade practices, which could lead to significant liabilities and consequences. Furthermore, according to the FTC violating consumers' privacy rights or failing to take appropriate steps to keep consumers' personal information secure may constitute unfair acts or practices in or affecting commerce in violation of Section 5(a) of the FTC Act.

In addition, HIPAA, which we believe does not currently apply to most of our business as currently operated, imposes on entities within its jurisdiction, among other things, certain standards relating to the privacy, security, transmission and breach reporting of individually identifiable health information. Entities that are found to be in violation of HIPAA as the result of a breach of unsecured protected health information, a complaint about privacy practices or an audit by HHS, may be subject to significant civil, criminal and administrative fines and penalties and/or additional reporting and oversight obligations if required to enter into a resolution agreement and corrective action plan with HHS to settle allegations of HIPAA non-compliance.

State Licensing Requirements

Certain states have enacted laws regulating companies that offer and market discount medical plans, including prescription drug plans, subscription membership programs or discount cards, such as our prescription offering, Gold, Kroger Savings, and any other subscription products we may develop in the future, including with respect to our telehealth business. These state laws are intended to protect consumers from fraudulent, unfair or deceptive marketing, sales and enrollment practices by such plans. It is possible that other states may enact new requirements or interpret existing requirements to include our programs. Failure to obtain the required licenses, certifications or registrations to offer and market these subscription discount programs may result in civil penalties, receipt of cease and desist orders, or a restructuring of our operations.

State Corporate Practice of Medicine and Fee Splitting Laws

With respect to our telehealth platform, HeyDoctor contracts with physician-owned professional entities to deliver our telehealth offerings to their patients in the United States. We enter into management services agreements with these physician-owned professional entities pursuant to which we provide them with billing, scheduling and a wide range of other services, and they pay us for those services. In addition, our platform enables HeyDoctor consumers to opt in to use our prescription offering and/or fill their prescriptions through a third-party mail-order pharmacy. These relationships are subject to various state laws, which are intended to prevent unlicensed persons from interfering with or influencing the physician's professional judgment, and prohibiting the sharing of professional services income with non-professional or business interests. These laws vary from state to state and are subject to broad interpretation and enforcement by state regulators. A determination of non-compliance could lead to adverse judicial or administrative action against us and/or our

providers, civil or criminal penalties, receipt of cease and desist orders from state regulators, loss of provider licenses, or a restructuring of our arrangements with our affiliated professional entities.

Healthcare Fraud and Abuse Laws

Although the consumers who use our offerings do so outside of any medication or other health benefits covered under their health insurance, including any commercial or government healthcare program, we may nonetheless be subject to a number of federal and state healthcare regulatory laws that restrict business practices in the healthcare industry. These laws include, but are not limited to, federal and state anti-kickback, false claims, and other healthcare fraud and abuse laws.

The U.S. federal Anti-Kickback Statute prohibits, among other things, any person or entity from knowingly and willfully offering, paying, soliciting, receiving or providing any remuneration, directly or indirectly, overtly or covertly, to induce or in return for purchasing, leasing, ordering, or arranging for or recommending the purchase, lease, or order of any good, facility, item or service reimbursable, in whole or in part, under Medicare, Medicaid or other federal healthcare programs. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. The majority of states also have anti-kickback laws, which establish similar prohibitions, and in some cases may apply to items or services reimbursed by any third party payor, including commercial insurers and self-pay patients.

The federal false claims, including the civil False Claims Act, prohibit, among other things, any person or entity from knowingly presenting, or causing to be presented, a false, fictitious or fraudulent claim for payment to, or approval by, the federal government, knowingly making, using, or causing to be made or used a false record or statement material to a false or fraudulent claim to the federal government, or knowingly making a false statement to avoid, decrease or conceal an obligation to pay money to the U.S. federal government. A claim includes “any request or demand” for money or property presented to the U.S. government. Actions under the civil False Claims Act may be brought by the Attorney General or as a qui tam action by a private individual in the name of the government. Moreover, a claim including items or services resulting from a violation of the U.S. federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the federal civil False Claims Act.

In addition, the civil monetary penalties statute, subject to certain exceptions, prohibits, among other things, the offer or transfer of remuneration, including waivers of copayments and deductible amounts (or any part thereof), to a Medicare or state healthcare program beneficiary if the person knows or should know it is likely to influence the beneficiary’s selection of a particular provider, practitioner or supplier of services reimbursable by Medicare or a state healthcare program.

The federal Health Insurance Portability and Accountability Act of 1996 created additional federal criminal statutes that prohibit, among other actions, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, including private third party payors, knowingly and willfully embezzling or stealing from a healthcare benefit program, willfully obstructing a criminal investigation of a healthcare offense, and knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services. Similar to the U.S. federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation.

Violations of fraud and abuse laws, including federal and state anti-kickback and false claims laws, may be punishable by criminal and civil sanctions, including fines and civil monetary penalties, the possibility of exclusion from federal healthcare programs (including Medicare and Medicaid), disgorgement and corporate integrity agreements, which impose, among other things, rigorous operational and monitoring requirements on companies. Similar sanctions and penalties, as well as imprisonment, also can be imposed upon executive officers and employees of such companies.

Healthcare Reform

A primary trend in the U.S. healthcare industry is cost containment. In the United States, there have been, and likely will continue to be, a number of federal and state legislative and regulatory changes and proposed changes regarding the healthcare system directed at containing or lowering the cost of healthcare, including the costs of medication. For example, in March 2010, the Affordable Care Act was enacted, which, among other things imposed mandatory discounts for certain Medicare Part D beneficiaries as a condition for manufacturers' outpatient medication coverage under Medicare Part D; and subjected pharmaceutical manufacturers to new annual fees based on pharmaceutical manufacturers' share of sales to federal healthcare programs. Since its enactment, there have been judicial and congressional challenges to certain aspects of the Affordable Care Act, and we expect there will be additional challenges and amendments to the Affordable Care Act in the future.

In addition, there has been heightened governmental and regulatory scrutiny over the manner in which manufacturers set prices for their marketed products. For example, the Trump administration has released proposals that call for increasing pharmaceutical manufacturer competition, increasing the negotiating power of certain federal healthcare programs, capping Medicare Part D beneficiary out-of-pocket pharmacy expenses, and placing limits on pharmaceutical price increases. Such federal and state healthcare reform measures could impact the amounts that federal and state governments and other third-party payors will pay for healthcare products and services or require us to restructure our existing arrangements with PBMs and pharmaceutical manufacturers, any of which could adversely affect our business, financial condition and results of operations.

Legal Proceedings

We are from time to time subject to, and are presently involved in, litigation and other legal proceedings. We believe that there are no pending lawsuits or claims that, individually or in the aggregate, may have a material effect on our business, financial condition or operating results.

MANAGEMENT

Directors and Executive Officers

The following table sets forth information regarding our directors and executive officers as of the date of this prospectus.

Name	Age	Position
Douglas Hirsch	49	Co-Chief Executive Officer and Director
Trevor Bezdek	42	Co-Chief Executive Officer and Director
Karsten Voermann	51	Chief Financial Officer
Andrew Slutsky	34	President, Consumer
Babak Azad	47	Chief Marketing Officer and SVP, Marketing & Communications
Bansi Nagji	55	President, Healthcare
Christopher Adams	41	Director
Dipanjan Deb	51	Director
Adam Karol	45	Director
Jacqueline Kosecoff	71	Director
Stephen LeSieur	46	Director
Gregory Mondre	46	Director
Agnes Rey-Giraud	55	Director

(1) Member of the Nominating and Corporate Governance Committee.
(2) Member of the Audit Committee.
(3) Member of the Compensation Committee.

Douglas Hirsch is one of our co-founders and has served as a Chief Executive Officer and as a member of our board of directors since our founding in September 2011. From January 2015, Mr. Hirsch served as our Co-Chief Executive Officer. Prior to our founding, Mr. Hirsch served as Chief Executive Officer at DailyStrength, Inc., a healthcare-focused social network centered on support groups, from March 2005 to November 2008. Mr. Hirsch holds a B.A. in Political Science from Tufts University. We believe Mr. Hirsch is qualified to serve on our board of directors because of the historical knowledge, operational expertise, leadership, and continuity that he brings to our board of directors as our co-founder and Co-Chief Executive Officer.

Trevor Bezdek is one of our co-founders and has served as our Co-Chief Executive Officer since January 2015 and as a member of our board of directors since our founding in September 2011. Mr. Bezdek also serves as President and Chief Executive Officer of two of our wholly-owned subsidiaries. Previously, Mr. Bezdek served as Managing Partner at Tryarc, LLC, an information technology consulting firm from 2001 to 2007, and co-founded Bioware, a community for biologists and scientists. Mr. Bezdek holds a B.S. in Biological Sciences from Stanford University. We believe Mr. Bezdek is qualified to serve as a member of our board of directors because of his extensive experience in the healthcare, prescription medication and technology industries, in addition to the continuity he brings as one of our co-founders and Co-Chief Executive Officers.

Karsten Voermann has served as our Chief Financial Officer since March 2020. From May 2018 to February 2020, Mr. Voermann served as Chief Financial Officer of Mercer Advisors, an investment advisory services firm, and from July 2015 to May 2018, Mr. Voermann served as Chief Financial Officer of Ibotta, an app-based provider of consumer discounts on consumer packaged goods and other items, and has over 20 years of financial experience with public and private companies. Mr. Voermann holds an H.B.A. in Business from the University of Western Ontario and an M.B.A. from Harvard Business School.

Andrew Slutsky has served as our President, Consumer since October 2019 and has been at the Company since February 2012 and was our third employee. From 2011 to 2012, Mr. Slutsky served as a Senior Marketing Manager at RentTheRunway, an internet clothing company, and from 2008 to 2011, Mr. Slutsky served as a

Director of Loeb Enterprises, a venture capital company, where he launched digital marketing for Loeb Enterprises' early pharmacy discount program. Mr. Slutsky holds a B.A. in Political Science from Amherst College.

Babak Azad has served as our Chief Marketing Officer and SVP, Marketing & Communications since October 2019. Mr. Azad is the Founder of Round 2 Ventures, LLC, a marketing consulting business, focused on marketing activities of various clients, including GoodRx from June 2017 to October 2019. Prior to this, Mr. Azad served as a Senior Vice President of Media and Customer Acquisition for Beachbody, LLC, a developer of health and fitness related products, from February 2007 to April 2015. Mr. Azad holds a B.S. in Mathematics from MIT and an M.B.A. from the Stanford Graduate School of Business.

Bansi Nagji has served as our President, Healthcare since June 2020. Previously, Mr. Nagji served for more than 5 years as the Executive Vice President and Chief Strategy and Business Development Officer at McKesson Corporation, a global leader in healthcare supply chain management solutions and retail pharmacy. Prior to McKesson Corporation, Mr. Nagji served from January 2013 to February 2015 as a Principal of Deloitte Consulting, LLP, a consulting firm, and as the Global Leader of Monitor Deloitte. Mr. Nagji previously worked for almost 20 years at Monitor Group, a global strategy consulting firm, and served as a senior partner and President of the firm when it merged with Deloitte. Currently, Mr. Nagji serves on the board of directors of Change Healthcare, Inc., where he also sits on the Compensation Committee and Nominating and Corporate Governance Committee. He has previously served as a director of several private companies, including Deloitte LLP from 2013 to 2015. Mr. Nagji received B.A. and M.A. degrees from Cambridge University and an M.B.A. with Distinction from INSEAD.

Christopher Adams has served as a member of our board of directors since October 2015. Mr. Adams is a Partner at Francisco Partners Management, L.P., or Francisco Partners, a private equity firm, where he has served since August 2008. Prior to this, Mr. Adams was an associate at American Securities Capital Partners, a private equity firm, and a management consultant at Bain & Company. Mr. Adams also serves on the board of directors of several private companies. Mr. Adams holds a B.S. in Computer Engineering from the Georgia Institute of Technology and an M.B.A. from the Stanford Graduate School of Business. We believe that Mr. Adams is qualified to serve as a member of our board of directors because of his extensive experience in the private equity industry analyzing, investing in, and serving on the board of directors of several healthcare and technology companies.

Dipanjan Deb has served as a member of our board of directors since October 2015. Mr. Deb is a founder of Francisco Partners and has served as the Managing Partner/Chief Executive Officer of Francisco Partners since September 2005. Mr. Deb has also served as a Partner of Francisco Partners since its founding in August 1999. Prior to founding Francisco Partners, Mr. Deb was a principal at TPG Capital, a private equity firm, a Director of Semiconductor Banking at Robertson, Stephens & Company and a management consultant at McKinsey & Company. Mr. Deb has served on the board of directors of numerous public companies including most recently Ichor Systems, Inc. from February 2012 to May 2018, and currently serves on the board of directors of several private companies. Mr. Deb holds a B.S. in electrical engineering and computer science from the University of California, Berkeley and an M.B.A. from the Stanford Graduate School of Business. We believe that Mr. Deb is qualified to serve as a member of our board of directors because of his experience in the private equity and venture capital industries analyzing, investing in and serving on the boards of directors of manufacturing and technology companies.

Adam Karol has served as a member of our board of directors since October 2018. Mr. Karol is a Managing Director at Silver Lake. He joined Silver Lake in 2009 as a Principal and then served as a Director from 2013 to December 2018. Prior to Silver Lake, Mr. Karol worked at Silver Point Capital, L.P., an asset management firm, and at Perry Capital, a multi-strategy investment firm. Mr. Karol serves on the board of directors for A Place for Mom, Inc. Mr. Karol holds a B.S. in Finance and Management Information Systems from Boston College and an M.B.A. from The Wharton School of the University of Pennsylvania. We believe Mr. Karol is qualified to serve

on our board of directors because he has significant experience in private equity investing and expertise in technology investing.

Jacqueline Kosecoff has served as a member of our board of directors since May 2016. Dr. Kosecoff is a Managing Partner at Moriah Partners, LLC, where she has served since 2012. Dr. Kosecoff has also served as a Senior Advisor at Warburg Pincus since March 2012. Dr. Kosecoff has had an extensive career in healthcare including serving as Executive Vice President of PacifiCare where she had responsibility for its PBM, Medicare Part D Drug Program, and Behavioral Health, Dental and Vision companies. At UnitedHealth Group, Dr. Kosecoff was CEO of OptumRx, with responsibility for UnitedHealth's PBM, Specialty Pharmacy and Consumer Health Products. Currently, Dr. Kosecoff serves on the board of directors of Houlihan Lokey, where she also serves on Houlihan Lokey's Audit Committee and Nominating and Governance Committee, Sealed Air Corporation where she chairs the Compensation Committee and also serves on the Nominating and Governance Committee, STERIS Corporation, where she chairs the Organization and Compensation Committee and also serves on the Nominating and Governance Committee, TriNet, and several private companies. Dr. Kosecoff holds a B.A. in Mathematics from the University of California, Los Angeles, an M.S. in Applied Mathematics from Brown University and a Ph.D. with a concentration in Research Methods from the University of California, Los Angeles, School of Education. We believe Dr. Kosecoff is qualified to serve on our board of directors because of her extensive experience serving on the board of directors of several public and private companies and her experience and knowledge in the healthcare sector, including healthcare services and technology.

Stephen LeSieur has served as a member of our board of directors since October 2015. Mr. LeSieur is a Managing Director at Spectrum Equity, a growth stage private equity firm, where he has served since 2005 and co-leads the firm's healthcare technology investing efforts. Prior to Spectrum, Mr. LeSieur was an associate at Trident Capital. Mr. LeSieur serves and has served on the board of directors of several private healthcare and software companies. Mr. LeSieur holds a B.A. in Economics from Princeton University and an M.B.A. from the Tuck School of Business at Dartmouth College. We believe Mr. LeSieur is qualified to serve on our board of directors because of his extensive experience in private equity investing and serving on the boards of directors of numerous healthcare and technology-based companies.

Gregory Mondre has served as a member of our board of directors since October 2018. Mr. Mondre is Co-Chief Executive Officer at Silver Lake. He joined Silver Lake in 1999 and most recently served as a Managing Partner and Managing Director of the firm from January 2013 to December 2019. Mr. Mondre currently serves on the board of directors of Expedia Group, Inc., a position he has held since May 2020, and of Motorola Solutions, a position he has held since August 2015 and where he also serves on the Audit and Governance and Nominating Committees. He previously served as a director of GoDaddy Inc. from May 2014 to February 2020, and of Sabre Corporation from March 2007 to December 2018. Mr. Mondre holds a B.S. degree in Economics from The Wharton School of the University of Pennsylvania. We believe Mr. Mondre is qualified to serve on our board of directors because of his significant experience in private equity investing and expertise in technology and technology-enabled industries.

Agnes Rey-Giraud has served as a member of our board of directors since June 2016. Ms. Rey-Giraud is the Founder, Chairman and Chief Executive Officer of Acera Surgical Inc., a bioscience company, where she has served since its founding in January 2013. Ms. Rey-Giraud previously served as an Executive Vice President and the President of Operations at Express Scripts, a pharmacy benefit management organization, from May 1999 to May 2011. Ms. Rey-Giraud also serves on the board of directors for several private companies. Ms. Rey-Giraud holds a B.S. and M.S. in Mechanical Engineering from Ecole Nationale d'Ingenieurs de Saint Etienne (ENISE), France, a MMa in Operations Management from Ecole de Management de Lyon (EM Lyon), France and an M.B.A. from the University of Chicago. We believe Ms. Rey-Giraud is qualified to serve on our board of directors because of her experience and expertise in the PBM industry as an executive of a large publicly traded company and her experience serving on the board of directors of several companies.

Family Relationships

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

Board Composition

Our board of directors is currently composed of nine members with no vacancies. Pursuant to our fifth amended and restated certificate of incorporation as in effect prior to the completion of this offering and the amended and restated stockholders agreement, Douglas Hirsch, Trevor Bezdek, Christopher Adams, Dipanjan Deb, Adam Karol, Jacqueline Kosecoff, Stephen LeSieur, Gregory Mondre and Agnes Rey-Giraud have been designated to serve as members of our board of directors. Pursuant to amended and restated stockholders agreement, the stockholders who are party to the agreement have agreed to vote their respective shares to elect (i) two directors designated by SLP Geology Aggregator, L.P., currently Mr. Karol and Mr. Mondre, (ii) three directors designated by Francisco Partners IV, L.P., Francisco Partners IV-A, L.P., Spectrum Equity VII, L.P., Spectrum VII Investment Managers' Fund, L.P., Spectrum VII Co-Investment Fund, L.P., with Francisco Partners IV, L.P. and Francisco Partners IV-A, L.P. entitled to designate one of these three directors each and Spectrum Equity VII, L.P. entitled to designate one director, currently Mr. Deb, Mr. Adams and Mr. LeSieur, (iii) two directors designated by Idea Men, LLC, currently Mr. Hirsch and Mr. Bezdek, and (iv) two directors that are not affiliated with any entity party to the amended and restated stockholders agreement designated by unanimous written consent of the board of directors, currently Ms. Rey-Giraud and Dr. Kosecoff.

The provisions of our fifth amended and restated certificate of incorporation and the amended and restated stockholders agreement will no longer be in effect upon the closing of this offering; provided that, in connection with this offering, any party to the amended and restated stockholders agreement may request to enter into a voting agreement, pursuant to which the parties will agree to vote in favor of any directors nominated by such parties.

Each of our current directors will continue to serve until the election and qualification of his or her successor, or his or her earlier death, resignation or removal.

In accordance with our amended and restated certificate of incorporation, which will be in effect upon the closing of this offering, our board of directors will be divided into three classes of directors. At each annual meeting of stockholders, a class of directors will be elected for a three-year term to succeed the class whose terms are then expiring, to serve from the time of election and qualification until the third annual meeting following their election or until their earlier death, resignation or removal. Upon the closing of this offering, our directors will be divided among the three classes as follows:

The Class I directors will be , and , and their terms will expire at our first annual meeting of stockholders following this offering.

The Class II directors will be , and , and their terms will expire at our second annual meeting of stockholders following this offering.

The Class III directors will be , and , and their terms will expire at our third annual meeting of stockholders following this offering.

Our amended and restated certificate of incorporation will provide that the authorized number of directors may be changed only by resolution of our board of directors. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control. See the section of this prospectus captioned "Description of Capital Stock—Anti-Takeover Provisions" for a discussion of these and other anti-takeover provisions found in our amended and restated certificate of incorporation and amended and restated bylaws, which will become effective immediately prior to the closing of this offering.

Director Independence

We will be a "controlled company" under the rules of the . As a result, we qualify for exemptions from, and have elected not to comply with, certain corporate governance requirements under the rules, including the requirements that within one year of the completion of this offering we have a board that is composed of majority of "independent directors," as defined under the rules, and a compensation committee and a nominating and corporate governance committee that are composed entirely of independent directors. Even though we will be a controlled company, we are required to comply with the rules of the SEC and the relating to the membership, qualifications and operations of the audit committee, as discussed below.

The rules of the define a "controlled company" as a company of which more than 50% of the voting power for the election of directors is held by an individual, a group or another company. After the closing of this offering, will own no shares of our Class A common stock and shares of our Class B common stock, representing % of the total outstanding shares of common stock (or approximately % if the underwriters exercise their over-allotment option in full) or % of the combined voting power of both classes of our outstanding common stock (or approximately % if the underwriters exercise their over-allotment option in full). Through its control of shares of common stock representing a majority of the votes entitled to be cast in the election of directors, will control the vote to elect all of our directors. Accordingly, we will qualify as a "controlled company" and will be able to rely on the controlled company exemption from the director independence requirements of the relating to the board of directors, compensation committee and nominating and corporate governance committee. If we cease to be a controlled company and the Class A common stock continues to be listed on the , we will be required to comply with these requirements by the date our status as a controlled company changes or within specified transition periods applicable to certain provisions, as the case may be.

In connection with this offering, our board of directors has undertaken a review of the independence of each director and considered whether each director has a material relationship with us that could compromise his or her ability to exercise independent judgment in carrying out his or her responsibilities. As a result of this review, our board of directors determined that , , and are "independent directors" as defined under the applicable rules and regulations of the SEC and the listing requirements and rules of , representing of our nine directors.

Board Committees

Our board of directors has an audit committee, a compensation committee and a nominating and corporate governance committee, each of which has the composition and the responsibilities described below. In addition, from time to time, special committees may be established under the direction of our board of directors when necessary to address specific issues.

Each of the audit committee, the compensation committee and the nominating and corporate governance committee will operate under a written charter that will be approved by our board of directors in connection with this offering. A copy of each of the audit committee, compensation committee and nominating and corporate governance committee charters will be available on our corporate website. The reference to our website address in this prospectus does not include or incorporate by reference the information on our website into this prospectus.

Audit Committee

Our audit committee oversees our corporate accounting and financial reporting process and assists our board of directors in monitoring our financial systems. Our audit committee will be responsible for, among other things:

- appointing, compensating, retaining, evaluating, terminating and overseeing our independent registered public accounting firm;

- discussing with our independent registered public accounting firm their independence;
- reviewing with our independent registered public accounting firm the scope and results of their audit;
- approving all audit and permissible non-audit services to be performed by our independent registered public accounting firm;
- overseeing the financial reporting process and discussing with management and our independent registered public accounting firm the interim and annual financial statements that we file with the SEC;
- reviewing and monitoring our accounting principles, accounting policies, financial and accounting controls and compliance with legal and regulatory requirements; and
- establishing procedures for the confidential anonymous submission of concerns regarding questionable accounting, internal controls or auditing matters.

Effective immediately prior to the effectiveness of the registration statement of which this prospectus forms a part, our audit committee will consist of , and , with serving as chair. We intend to rely on the phase-in rules of the with respect to the requirement that the audit committee be composed entirely of members of our board of directors who satisfy the standards of independence established for independent directors under the rules and the additional independence standards applicable to audit committee members established pursuant to Rule 10A-3 under the Exchange Act, as determined by our board of directors. Our board of directors has determined that each of and are independent directors under the rules and the additional independence standards applicable to audit committee members established pursuant to Rule 10A-3 under the Exchange Act. Our board of directors has also determined that each of , and meets the "financial literacy" requirement for audit committee members under the rules and is an "audit committee financial expert" within the meaning of the SEC rules.

Compensation Committee

Our compensation committee oversees our compensation policies, plans and benefits programs. Our compensation committee will be responsible for, among other things:

- reviewing and approving corporate goals and objectives relevant to the compensation of our Co-Chief Executive Officers, evaluating the performance of each Co-Chief Executive Officer in light of these goals and objectives and setting compensation;
- reviewing and setting or making recommendations to our board of directors regarding the compensation of our other executive officers;
- reviewing and approving or making recommendations to our board of directors regarding our incentive compensation and equity-based plans and arrangements; and
- appointing and overseeing any compensation consultants.

Effective immediately prior to the effectiveness of the registration statement of which this prospectus forms a part, our compensation committee will consist of , and , with serving as chair. The composition of our compensation committee meets the requirements for independence under the current listing standards and SEC rules and regulations. Each member of this committee is a non-employee director, as defined in Section 16b-3 of the Exchange Act.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee oversees and assists our board of directors in reviewing and recommending nominees for election as directors. Our nominating and corporate governance committee will be responsible for, among other things:

- identifying individuals qualified to become members of our board of directors, consistent with criteria approved by our board of directors;
- recommending to our board of directors the nominees for election to our board of directors at annual meetings of our stockholders;
- evaluating the overall effectiveness of our board of directors; and
- developing and recommending to our board of directors a set of corporate governance guidelines and principles.

Effective immediately prior to the effectiveness of the registration statement of which this prospectus forms a part, our nominating and corporate governance committee will consist of , and , with serving as chair. The composition of our nominating, governance, and corporate responsibility committee meets the requirements for independence under the current listing standards and SEC rules and regulations.

Role of the Board in Risk Oversight

Our board of directors has an active role, as a whole and also at the committee level, in overseeing the management of our risks. Our board of directors is responsible for general oversight of risks and regular review of information regarding our risks, including credit risks, liquidity risks and operational risks. The compensation committee is responsible for overseeing the management of risks relating to our executive compensation plans and arrangements. The audit committee is responsible for overseeing the management of risks relating to accounting matters and financial reporting. The nominating and corporate governance committee is responsible for overseeing the management of risks associated with the independence of our board of directors and potential conflicts of interest. Although each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire board of directors is regularly informed through discussions from committee members about such risks. Our board of directors believes its administration of its risk oversight function has not negatively affected our board of directors' leadership structure.

Code of Business Conduct and Ethics

We have adopted a written code of business conduct and ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions prior to the completion of this offering. Following this offering, a current copy of the code will be posted on the investor section of our website.

Compensation Committee Interlocks and Insider Participation

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

EXECUTIVE AND DIRECTOR COMPENSATION

Executive Compensation

This section discusses the material components of the executive compensation program for our executive officers who are named in the "2019 Summary Compensation Table" below. In 2019, our co-chief executive officers and our two other highest-paid executive officers, or our named executive officers, were as follows:

- Douglas Hirsch, Co-Chief Executive Officer;
- Trevor Bezdek, Co-Chief Executive Officer;
- Andrew Slutsky, President, Consumer; and
- Babak Azad, Chief Marketing Officer and SVP, Marketing & Communications.

This discussion may contain forward-looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation programs. Actual compensation programs that we adopt following the completion of this offering may differ materially from the currently planned programs summarized in this discussion.

2019 Summary Compensation Table

The following table sets forth information concerning the compensation of our named executive officers for 2019:

Name and Principal Position	Salary ($)	Bonus ($)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)(1)	Total ($)
Douglas Hirsch *Co-Chief Executive Officer*	500,000	—	608,831	16,400	1,125,231
Trevor Bezdek *Co-Chief Executive Officer*	500,000	—	608,831	39,850	1,148,681
Andrew Slutsky *President, Consumer*	324,000	—	118,357	8,920	451,277
Babak Azad *Chief Marketing Officer and SVP, Marketing & Communications*	73,958	146,229 (2)	—	150	220,337

(1) Amounts include Company-paid matching contributions to our 401(k) plan ($5,000, $11,200 and $4,320 for Messrs. Hirsch, Bezdek and Slutsky, respectively), Company reimbursement of professional organization dues and related travel expenses ($11,400 for Mr. Hirsch and $28,650 for Mr. Bezdek), and a Company-paid employee referral bonus ($4,000 for Mr. Slutsky).

(2) Amount for Mr. Azad reflects the one-third portion ($116,667) of a $350,000 signing bonus paid to him in 2019 in connection with the commencement of his employment, as well as a discretionary annual bonus of $29,562. The remaining two-thirds of the signing bonus are payable to Mr. Azad in 2020, subject to his continued employment with us. The signing bonus must be repaid to us, on a pro-rated basis, if Mr. Azad resigns or is terminated without cause within 24 months following his employment start date.

Narrative to Summary Compensation Table

2019 Salaries

The named executive officers receive a base salary to compensate them for services rendered to our company. The base salary payable to each named executive officer is intended to provide a fixed component of compensation reflecting the executive's skill set, experience, role and responsibilities.

The base salaries for Messrs. Hirsch, Bezdek, Slutsky and Azad for 2019 were $500,000, $500,000, $324,000 and $325,000, respectively. Because Mr. Azad's employment start date was October 9, 2019, he received a prorated base salary of $73,958 in 2019.

2019 Bonuses

Each of Messrs. Hirsch, Bezdek and Slutsky was eligible to earn a cash incentive bonus based upon the achievement of pre-determined revenue goals of the Company and its consolidated subsidiaries for 2019 (each such bonus, a Revenue Bonus). For 2019, the target Revenue Bonuses for Messrs. Hirsch, Bezdek and Slutsky were $500,000, $500,000 and $97,200, respectively. Each named executive officer was eligible to receive a bonus expressed as a percentage of his applicable target bonus based on the actual achievement of a revenue above 75% of the target revenue goal. During calendar year 2019, the Company and its consolidated subsidiaries achieved a consolidated revenue at a level that triggered the payments set forth above in the Summary Compensation Table in the column entitled "Non-Equity Incentive Plan Compensation."

For 2019, Mr. Azad was eligible to earn an annual cash incentive bonus targeted at 40% of his base salary, prorated for the first year of employment based on his start date. Payout of this 2019 cash incentive bonus was determined by the Company in its discretion. Mr. Azad was also eligible for a signing bonus totaling $350,000, one-third ($116,667) of which was paid in 2019. The remaining two-thirds of the bonus are payable in 2020, subject to continued employment with the Company. If Mr. Azad resigns or is terminated for cause during the first 24 months of employment, he must repay to the Company a prorated amount of the signing bonus.

Equity Compensation

We typically grant equity awards to key new hires upon their commencing employment with us. We historically have used stock options as the primary incentive for long-term compensation to our named executive officers because they are able to profit from stock options only if our stock price increases relative to the stock option's exercise price, which generally is set at or above the fair market value of our Class A common stock as of the applicable grant date. Generally, the stock options we grant vest in equal monthly installments over four years, either monthly during the four-year period or monthly following a one-year cliff, subject to the employee's continued service with us on the vesting date.

We did not award any stock options to our named executive officers in 2019.

Equity Compensation Plans

We currently maintain the Fourth Amended and Restated 2015 Equity Incentive Plan, or the 2015 Plan, in order to provide additional incentives for our employees, directors and consultants, and to provide incentives to attract, retain and motivate eligible persons whose present and potential contributions are important to our success. We offer stock options, restricted stock and restricted stock units to our employees, including our named executive officers, as the long-term incentive component of our compensation program. For additional information about the 2015 Plan, please see the section titled "2015 Equity Incentive Plan" below. As mentioned below, in connection with the completion of this offering, no further awards will be granted under the 2015 Plan.

We intend to adopt a 2020 Incentive Award Plan, referred to below as the Plan, in order to facilitate the grant of cash and equity incentives to directors, employees (including our named executive officers) and consultants of our company and certain of our affiliates and to enable our company and certain of its affiliates to obtain and retain services of these individuals, which is essential to our long-term success. We expect that the Plan will be effective prior to the completion of this offering. For additional information about the Plan, please see the section titled "2020 Incentive Award Plan" below.

Other Elements of Compensation

Retirement Plans

We currently maintain a 401(k) retirement savings plan for our employees, including our named executive officers, who satisfy certain eligibility requirements. Our named executive officers are eligible to participate in the 401(k) plan on the same terms as other full-time employees. The Code allows eligible employees to defer a portion of their compensation, within prescribed limits, on a pre-tax basis through contributions to the 401(k) plan. Currently, we match contributions made by participants in the 401(k) plan up to a specified percentage of the employee contributions, and these matching contributions are fully vested as of the date on which the contribution is made. We believe that providing a vehicle for tax-deferred retirement savings through our 401(k) plan, and making fully vested matching contributions, adds to the overall desirability of our executive compensation package and further incentivizes our employees, including our named executive officers, in accordance with our compensation policies.

Employee Benefits and Perquisites

Health/Welfare Plans. All of our full-time employees, including our named executive officers, are eligible to participate in our health and welfare plans, including:

- medical, dental and vision benefits;
- medical and dependent care flexible spending accounts;
- short-term and long-term disability insurance; and
- life insurance.

We believe the perquisites described above are necessary and appropriate to provide a competitive compensation package to our named executive officers.

No Tax Gross-Ups

We have not made gross-up payments to cover our named executive officers' personal income taxes that may pertain to any of the compensation paid or provided by our company.

Outstanding Equity Awards at Year-End

The following table summarizes the number of shares of Class A common stock underlying outstanding equity incentive plan awards for each named executive officer as of December 31, 2019. Each equity award listed in the following table was granted under the 2015 Plan.

		Option Awards			
Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date
Douglas Hirsch	—	—	—	—	—
Trevor Bezdek	—	—	—	—	—
Andrew Slutsky	11/09/2017 (1)	93,333	166,667	2.1808	11/08/2027
Babak Azad	—	—	—	—	—

(1) This option vests and becomes exercisable with respect to 1/48 of the total number of shares underlying the option on each monthly anniversary of August 1, 2017.

Executive Compensation Arrangements

Douglas Hirsch and Trevor Bezdek 2015 Employment Agreements

On October 7, 2015, GoodRx, Inc. entered into employment agreements with Messrs. Hirsch and Bezdek, pursuant to which each serves as our Co-Chief Executive Officer. These employment agreements provide for at-will employment, an annual base salary, eligibility to participate in the health and welfare benefit plans and programs maintained by GoodRx, Inc. for the benefit of its employees and certain other perquisites. In addition, each of Messrs. Hirsch and Bezdek is eligible to earn an annual cash incentive bonus equal to his base salary, which bonus is payable upon the achievement of certain performance targets agreed between the executive and the board of directors.

Under the employment agreements, if either Messrs. Hirsch or Bezdek is terminated without "cause" or due to his death, "disability" or resignation for "good reason" (each, as defined in his employment agreement), then, in addition to any accrued obligations and subject to his timely execution and non-revocation of a general release of claims, he will be eligible to receive (i) 12 months of continued payment of his base salary and (ii) 12 months of company-reimbursed COBRA continuation coverage premiums.

The employment agreements also include a "best pay" provision under Section 280G of the Code, pursuant to which any "parachute payments" that become payable to Mr. Hirsch or Mr. Bezdek will either be paid in full or reduced so that such payments are not subject to the excise tax under Section 4999 of the Code, whichever results in the better after-tax treatment to Mr. Hirsch or Mr. Bezdek, as applicable.

Andrew Slutsky 2015 Employment Agreement

On October 7, 2015, GoodRx, Inc. entered into an employment agreement with Mr. Slutsky, which provides for at-will employment, an annual base salary, and eligibility to participate in the health and welfare benefit plans and programs maintained by us for the benefit of its employees. In addition, Mr. Slutsky is eligible to earn an annual cash incentive bonus expressed as a percentage of his base salary, which bonus is payable upon the achievement of certain performance targets agreed between the executive and the board of directors. Under his employment agreement, Mr. Slutsky is eligible to receive an annual incentive bonus equal to 20% of his base salary; in 2019, he was eligible to receive an annual incentive bonus equal to 30% of his base salary.

Under the employment agreement, if Mr. Slutsky is terminated without "cause" or due to his death, "disability" or resignation for "good reason" (each, as defined in his employment agreement), then, in addition to any accrued obligations and subject to his timely execution and non-revocation of a general release of claims, he will be eligible to receive (i) nine months of continued payment of his base salary and (ii) nine months of company-reimbursed COBRA continuation coverage premiums.

The employment agreement also includes a "best pay" provision under Section 280G of the Code, pursuant to which any "parachute payments" that become payable to Mr. Slutsky will either be paid in full or reduced so that such payments are not subject to the excise tax under Section 4999 of the Code, whichever results in the better after-tax treatment to Mr. Slutsky.

Babak Azad 2019 Offer Letter

On October 3, 2019, GoodRx, Inc. entered into an offer letter with Mr. Azad. The offer letter provides for at-will employment, an annual base salary, and eligibility to participate in the health and welfare benefit plans and programs maintained by GoodRx, Inc. for the benefit of its employees. In addition, Mr. Azad is eligible to earn an annual discretionary performance bonus equal to 40% of his base salary (pro-rated for 2019).

Pursuant to the offer letter, Mr. Azad is eligible to receive an aggregate $350,000 signing bonus, with one-third of the total signing bonus payable upon each of the commencement of his employment and the six- and

twelve-month anniversaries of his employment start date, subject to his continuous employment with us. If Mr. Azad resigns or is terminated for cause during the first 24 months of employment, he must repay to the Company a prorated amount of the signing bonus.

Pursuant to the offer letter, it was recommended to the board that Mr. Azad receive a grant of stock options covering 600,000 shares of our Class A common stock. This stock option of 600,000 shares was granted in January 2020 and vests in equal monthly installments over the four years following Mr. Azad's start date, subject to his continued service with us through the applicable vesting dates. The option will vest in full upon termination without "cause" or resignation for "good reason" within 12 months after a "sale of the Company" (each, as defined in the 2015 Plan).

Mr. Azad was also required to execute the Company's proprietary information and invention assignment agreement as a condition to his employment under the offer letter.

Director Compensation

2019 Director Compensation Program

The following table sets forth information for 2019 regarding the compensation awarded to, earned by or paid to our non-employee directors who served on our board of directors during 2019. Messrs. Hirsch and Bezdek, who served as our Co-Chief Executive Officers during 2019, and continue to serve in that capacity, do not receive additional compensation for their service as directors, and therefore are not included in the Director Compensation table below. All compensation paid to Messrs. Hirsch and Bezdek is reported above in the "2019 Summary Compensation Table."

Name	Fees Earned or Paid in Cash ($)	Total ($)
Christopher Adams	—	—
Dipanjan Deb	—	—
Adam Karol	—	—
Jacqueline Kosecoff	20,000	20,000
Stephen LeSieur	—	—
Gregory Mondre	—	—
Agnes Rey-Giraud	20,000	20,000

The table below shows the aggregate numbers of shares of our Class A common stock subject to outstanding option awards (exercisable and unexercisable) held as of December 31, 2019 by each non-employee director who was serving as of December 31, 2019.

Name	Options Outstanding at Year End
Christopher Adams	—
Dipanjan Deb	—
Adam Karol	—
Jacqueline Kosecoff	233,371
Stephen LeSieur	—
Gregory Mondre	—
Agnes Rey-Giraud	192,185

Board Service Letter Agreements

In April 2016 and June 2016, we entered into board service letter agreements with Dr. Kosecoff and Ms. Rey-Giraud, respectively, pursuant to which they receive $20,000 per year, payable quarterly, for their

service as members of our board of directors. Pursuant to the offer letters, in connection with the commencement of their service, each of Ms. Rey-Giraud and Dr. Kosecoff also received a stock option grant covering 0.25% of the fully-diluted equity of the Company as of the date of grant. These options vest in equal monthly installments over the 48 months following the grant date and vest in full upon a "sale of the company" (as defined in the 2015 Plan), subject to the director's continued service through the vesting date or sale of the company, as applicable.

In June 2020, we entered into new board service letter agreements with each of Dr. Kosecoff and Ms. Rey-Giraud, pursuant to which they continue to serve on our board of directors and will receive $30,000 per year, paid quarterly, for their service. Additionally, if Dr. Kosecoff serves on the audit committee of the board of directors, she will receive an additional $8,000 per year, paid quarterly, for her service on this committee. All cash compensation will be pro-rated for any partial quarter of service.

Pursuant to the letter agreements, each of Dr. Kosecoff and Ms. Rey-Giraud was granted a non-statutory option to purchase 30,000 shares of our Class A common stock in June 2020. These options will vest in equal monthly installments over the 12 months following the director's election date (for Dr. Kosecoff) or August 11, 2020 (for Ms. Rey-Giraud), subject to the director's continued service through the vesting date. Dr. Kosecoff will also be eligible to receive annual equity grants for continued service as approved by the board of directors.

Post-IPO Director Compensation Program

We intend to approve and implement a compensation program for our non-employee directors that consists of annual retainer fees and long-term equity awards. We are still in the process of developing our non-employee director compensation program.

2015 Equity Incentive Plan

Our board of directors and certain of our stockholders approved the Fourth Amended and Restated 2015 Equity Incentive Plan, or the 2015 Plan, in January 2020. A total of 39,095,360 shares of our Class A common stock are reserved for issuance under the 2015 Plan and, as of December 31, 2019, 16,849,568 shares were subject to outstanding awards and 732,723 remained available for future issuance. The 2015 Plan will expire in January 2030 unless earlier terminated by our board of directors.

Following the effectiveness of the 2020 Incentive Award Plan, the 2015 Plan will terminate and we will not make any further awards under the 2015 Plan. However, any outstanding awards granted under the 2015 Plan will remain outstanding, subject to the terms of the 2015 Plan and applicable award agreement. Shares of our Class A common stock subject to awards granted under the 2015 Plan that expire unexercised or are cancelled, terminated or forfeited in any manner without issuance of shares thereunder following the effective date of the 2020 Incentive Award Plan, will become available for issuance under the 2020 Incentive Award Plan in accordance with its terms.

Eligibility and Administration. Our executives, directors, consultants, other service providers, and key employees are eligible to receive awards under the 2015 Plan. The 2015 Plan is administered by our board of directors or a committee appointed thereby, each of which may delegate its duties and responsibilities as it deems appropriate. The board of directors has the sole authority to select participants, grant awards to participants in such form and amounts as it shall determine, impose such limitations, restrictions and conditions upon such awards as it deems appropriate, interpret the 2015 Plan and adopt, amend, and rescind administrative guidelines and other rules and regulations relating to the 2015 Plan, correct any defect or omission or reconcile any inconsistency in the 2015 Plan or in any award granted hereunder, and make all other determinations and take all other actions necessary or advisable for the implementation and administration of the 2015 Plan.

Awards. The 2015 Plan provides for the grant of nonqualified stock options and restricted stock units and for the sale or grant of restricted stock. Only nonqualified stock options and restricted stock awards have been

granted under the 2015 Plan to date. Each award under the 2015 Plan is evidenced by a separate agreement between the Company and the participant, which details all terms and conditions of the awards, including any applicable vesting and payment terms and post-termination exercise limitations.

- Nonqualified Stock Options. Nonqualified stock options provide for the purchase of shares of our Class A common stock in the future at an exercise price set on the grant date. The exercise price of a stock option is fixed by the board of directors and may not be less than 100% of the fair market value of the underlying share on the date of grant. The term of a stock option is determined by our board of directors, but may not exceed ten years. Vesting conditions determined by the plan administrator may apply to stock options and may include the occurrence of certain events, the passage of a specified period of time, achievement by us of certain performance goals, and/or other fulfillment of certain conditions.
- Restricted Stock Units. Restricted stock units, or RSUs, are contractual promises to deliver shares of our Class A common stock (or the cash equivalent thereof) in the future, which may also remain forfeitable unless and until specified conditions are met, and may be accompanied by the right to receive the equivalent value of dividends paid on shares of our Class A common stock prior to the delivery of the underlying shares. Settlement of RSUs may be deferred under the terms of the award or at the election of the participant, if the plan administrator permits such a deferral. Vesting conditions determined by the plan administrator may be applicable to RSUs and may include the occurrence of certain events, the passage of a specified period of time, achievement by us of certain performance goals, and/or other fulfillment of certain conditions.
- Restricted Stock. Restricted stock is an award of nontransferable shares of our Class A common stock that remain forfeitable unless and until specified conditions are met, and which may be subject to a purchase price. The board may issue, sell, or grant to any participant shares of restricted stock at any time prior to the termination of the 2015 Plan in such quantity, at such price, on such terms, and subject to such conditions and restrictions that are established by the board of directors and consistent with the 2015 Plan.

Certain Transactions. In the event of certain transactions and events affecting our Class A common stock, such as stock dividends, stock splits, or a combination or other change in shares of our Class A common stock, the plan administrator may make adjustments to the number, type of shares and exercise price (if applicable) of awards granted under the 2015 Plan, to prevent the dilution or enlargement of rights. In addition, in the event of a sale of the Company, except as otherwise provided in a participant's award agreement, the board of directors may provide in its discretion that any unvested award shall be terminated without payment, any unvested award shall immediately vest causing the award to be immediately exercisable, or that any award (vested or unvested) shall be terminated in exchange for a cash payment in an amount determined by the board of directors, but not less than the fair market value per share of Class A common stock as of the sale date or, in the case of any option, not less than the product of the excess of fair market value per share as of the sale date over such option's exercise price multiplied by the number of shares of Class A common stock issuable upon exercise of such option.

Plan Amendment and Termination. Our board of directors may suspend or terminate the 2015 Plan or any portion thereof at any time and may amend it from time to time in such respects as our board of directors may deem advisable, provided that no such amendment shall be made without stockholder approval to the extent such approval is required by law, agreement, or the rules of any exchange upon which the Class A common stock is listed. Further, no such amendment, suspension or termination shall materially impair the rights of participants under outstanding options without the consent of the affected participants and, excepting the circumstances discussed herein, no such amendment shall increase the number of securities that may be issued by the 2015 Plan without the approval of the holders of at least 80% of the preferred stock of the Company. As described above, the 2015 Plan will terminate as of the effective date of the 2020 Incentive Award Plan.

2020 Incentive Award Plan

We intend to adopt the 2020 Incentive Award Plan, or the Plan, subject to approval by our stockholders, under which we may grant cash and equity incentive awards to eligible service providers in order to attract, motivate and retain the talent for which we compete. The material terms of the Plan, as it is currently contemplated, are summarized below. Our board of directors is still in the process of developing, approving and implementing the Plan and, accordingly, this summary is subject to change.

Eligibility and Administration. Our employees, consultants and directors, and employees, consultants and directors of our subsidiaries will be eligible to receive awards under the Plan. Following our initial public offering, the Plan will be administered by our board of directors with respect to awards to non-employee directors and by our compensation committee with respect to other participants, each of which may delegate its duties and responsibilities to committees of our directors and/or officers (referred to collectively as the plan administrator below), subject to certain limitations that may be imposed under Section 16 of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and/or stock exchange rules, as applicable. The plan administrator will have the authority to make all determinations and interpretations under, prescribe all forms for use with, and adopt rules for the administration of, the Plan, subject to its express terms and conditions. The plan administrator will also set the terms and conditions of all awards under the Plan, including any vesting and vesting acceleration conditions.

Limitation on Awards and Shares Available. An aggregate of shares of our Class A common stock will be available for issuance under awards granted pursuant to the Plan, which shares may be authorized but unissued shares, or shares purchased in the open market. Notwithstanding anything to the contrary in the Plan, no more than shares of our Class A common stock may be issued pursuant to the exercise of ISOs under the Plan.

The number of shares available for issuance will be increased by (i) the number of shares represented by awards outstanding under our 2015 Plan that expire, lapse or are terminated, exchanged for or settled in cash, surrendered, repurchased, cancelled without having been fully experienced or forfeited following the effective date of the Plan, with the maximum number of shares to be added to the Plan equal to shares, and (ii) an annual increase on the first day of each calendar year beginning January 1, 2021 and ending on and including January 1, 2030, equal to the lessor of (A) % of the aggregate number of shares of Class A common stock outstanding on the final day of the immediately preceding calendar year and (B) such smaller number of shares as is determined by our board of directors.

If an award under the Plan expires, lapses or is terminated, exchanged for or settled for cash, surrendered, repurchased, cancelled without having been fully exercised or forfeited, any shares subject to such award may, to the extent of such forfeiture, expiration or cash settlement, be used again for new grants under the Plan. Further, shares delivered to us to satisfy the applicable exercise or purchase price of an award under the Plan or the 2015 Plan and/or to satisfy any applicable tax withholding obligations (including shares retained by us from the award under the Plan or the 2015 Plan being exercised or purchased and/or creating the tax obligation) will become or again be available for award grants under the Plan. The payment of dividend equivalents in cash in conjunction with any awards under the Plan will not reduce the shares available for grant under the Plan. However, the following shares may not be used again for grant under the Plan: (i) shares subject to stock appreciation rights, or SARs, that are not issued in connection with the stock settlement of the SAR on exercise, and (ii) shares purchased on the open market with the cash proceeds from the exercise of options.

Awards granted under the Plan upon the assumption of, or in substitution for, awards authorized or outstanding under a qualifying equity plan maintained by an entity with which we enter into a merger or similar corporate transaction will not reduce the shares available for grant under the Plan. The Plan provides that the sum of any cash compensation and the aggregate grant date fair value (determined as of the date of the grant under ASC Topic 718, or any successor thereto) of all awards granted to a non-employee director as compensation for services as a non-employee director during any calendar year may not exceed the amount equal to $.

Awards. The Plan provides for the grant of stock options, including incentive stock options, or ISOs, and nonqualified stock options, or NSOs, restricted stock, dividend equivalents, stock payments, restricted stock units, or RSUs, performance shares, other incentive awards, stock appreciation rights, or SARs, and cash awards. No determination has been made as to the types or amounts of awards that will be granted to specific individuals pursuant to the Plan. Certain awards under the Plan may constitute or provide for a deferral of compensation, subject to Section 409A of the Code, which may impose additional requirements on the terms and conditions of such awards. All awards under the Plan will be set forth in award agreements, which will detail all terms and conditions of the awards, including any applicable vesting and payment terms and post-termination exercise limitations. Awards other than cash awards generally will be settled in shares of our Class A common stock, but the plan administrator may provide for cash settlement of any award. A brief description of each award type follows.

- Stock Options. Stock options provide for the purchase of shares of our Class A common stock in the future at an exercise price set on the grant date. ISOs, by contrast to NSOs, may provide tax deferral beyond exercise and favorable capital gains tax treatment to their holders if certain holding period and other requirements of the Code are satisfied. The exercise price of a stock option may not be less than 100% of the fair market value of the underlying share on the date of grant (or 110% in the case of ISOs granted to certain significant stockholders), except with respect to certain substitute options granted in connection with a corporate transaction. The term of a stock option may not be longer than ten years (or five years in the case of ISOs granted to certain significant stockholders). Vesting conditions determined by the plan administrator may apply to stock options and may include continued service, performance and/or other conditions.
- SARs. SARs entitle their holder, upon exercise, to receive from us an amount equal to the appreciation of the shares subject to the award between the grant date and the exercise date. The exercise price of a SAR may not be less than 100% of the fair market value of the underlying share on the date of grant (except with respect to certain substitute SARs granted in connection with a corporate transaction) and the term of a SAR may not be longer than ten years. Vesting conditions determined by the plan administrator may apply to SARs and may include continued service, performance and/or other conditions.
- Restricted Stock and RSUs. Restricted stock is an award of nontransferable shares of our Class A common stock that remain forfeitable unless and until specified conditions are met, and which may be subject to a purchase price. RSUs are contractual promises to deliver shares of our Class A common stock in the future, which may also remain forfeitable unless and until specified conditions are met, and may be accompanied by the right to receive the equivalent value of dividends paid on shares of our Class A common stock prior to the delivery of the underlying shares. Settlement of RSUs may be deferred under the terms of the award or at the election of the participant, if the plan administrator permits such a deferral. Conditions applicable to restricted stock and RSUs may be based on continuing service, the attainment of performance goals and/or such other conditions as the plan administrator may determine.
- Other Stock or Cash Based Awards. Other stock or cash based awards of cash, fully vested shares of our Class A common stock and other awards valued wholly or partially by referring to, or otherwise based on, shares of our Class A common stock. Other stock or cash based awards may be granted to participants and may also be available as a payment form in the settlement of other awards, as standalone payments and as payment in lieu of base salary, bonus, fees or other cash compensation otherwise payable to any individual who is eligible to receive awards.
- Dividend Equivalents. Dividend equivalents represent the right to receive the equivalent value of dividends paid on shares of our Class A common stock and may be granted alone or in tandem with awards other than stock options or SARs. Dividend equivalents are credited as of dividend record dates during the period between the date an award is granted and the date such award vests, is exercised, is distributed or expires, as determined by the plan administrator.

Performance Awards. Performance awards include any of the foregoing awards that are granted subject to vesting and/or payment based on the attainment of specified performance goals or other criteria the plan administrator may determine, which may or may not be objectively determinable. Performance criteria upon which performance goals are established by the plan administrator may include but are not limited to: (1) net earnings (either before or after one or more of the following: (a) interest, (b) taxes, (c) depreciation, (d) amortization and (e) non-cash equity-based compensation expense); (2) gross or net sales or revenue; (3) net income (either before or after taxes); (4) adjusted net income; (5) operating earnings or profit; (6) cash flow (including, but not limited to, operating cash flow and free cash flow); (7) return on assets; (8) return on capital; (9) return on stockholders' equity; (10) total stockholder return; (11) return on sales; (12) gross or net profit or operating margin; (13) costs; (14) funds from operations; (15) expenses; (16) working capital; (17) earnings per share; (18) adjusted earnings per share; (19) price per share of Class A common stock; (20) regulatory body approval for commercialization of a product; (21) implementation or completion of critical projects; (22) market share; (23) economic value; (24) debt levels or reduction; (25) sales-related goals; (26) comparisons with other stock market indices; (27) operating efficiency; (28) employee satisfaction; (29) financing and other capital raising transactions; (30) recruiting and maintaining personnel; and (31) year-end cash, any of which may be measured either in absolute terms for us or any operating unit of our company or as compared to any incremental increase or decrease or as compared to results of a peer group or to market performance indicators or indices.

Certain Transactions. The plan administrator has broad discretion to take action under the Plan, as well as make adjustments to the terms and conditions of existing and future awards, to prevent the dilution or enlargement of intended benefits and facilitate necessary or desirable changes in the event of certain transactions and events affecting our Class A common stock, such as stock dividends, stock splits, mergers, acquisitions, consolidations and other corporate transactions. In addition, in the event of certain non-reciprocal transactions with our stockholders known as "equity restructurings," the plan administrator will make equitable adjustments to the Plan and outstanding awards. In the event of a change in control of our company (as defined in the Plan), to the extent that the surviving entity declines to continue, convert, assume or replace outstanding awards, then all such awards will become fully vested and exercisable in connection with the transaction. Upon or in anticipation of a change of control, the plan administrator may cause any outstanding awards to terminate at a specified time in the future and give the participant the right to exercise such awards during a period of time determined by the plan administrator in its sole discretion. Individual award agreements may provide for additional accelerated vesting and payment provisions.

Foreign Participants, Claw-Back Provisions, Transferability, and Participant Payments. The plan administrator may modify award terms, establish subplans and/or adjust other terms and conditions of awards, subject to the share limits described above, in order to facilitate grants of awards subject to the laws and/or stock exchange rules of countries outside of the United States. All awards will be subject to the provisions of any claw-back policy implemented by our company to the extent set forth in such claw-back policy and/or in the applicable award agreement. With limited exceptions for estate planning, domestic relations orders, certain beneficiary designations and the laws of descent and distribution, awards under the Plan are generally non-transferable prior to vesting, and are exercisable only by the participant. With regard to tax withholding, exercise price and purchase price obligations arising in connection with awards under the Plan, the plan administrator may, in its discretion, accept cash or check, shares of our Class A common stock that meet specified conditions, a "market sell order" or such other consideration as it deems suitable.

Plan Amendment and Termination. Our board of directors may amend or terminate the Plan at any time; however, except in connection with certain changes in our capital structure, stockholder approval will be required for any amendment that increases the number of shares available under the Plan, "reprices" any stock option or SAR, or cancels any stock option or SAR in exchange for cash or another award when the option or SAR price per share exceeds the fair market value of the underlying shares. No award may be granted pursuant to the Plan after the tenth anniversary of the date on which our board of directors adopts the Plan.

2020 Employee Stock Purchase Plan

In connection with the offering, we intend to adopt the 2020 Employee Stock Purchase Plan, or ESPP, which will become effective on the day the ESPP is adopted by our board of directors. The material terms of the ESPP, as it is currently contemplated, are summarized below. Our board of directors is still in the process of developing, approving and implementing the ESPP and, accordingly, this summary is subject to change.

Shares Available; Administration. We expect a total of shares of our Class A common stock to be initially reserved for issuance under our ESPP. In addition, we expect that the number of shares available for issuance under the ESPP will be annually increased on January 1 of each calendar year beginning in 2021 and ending in 2030, by an amount equal to the lesser of: (i) % of the aggregate number of shares of Class A common stock outstanding on the final day of the immediately preceding calendar year and (ii) such smaller number of shares as is determined by our board of directors. In no event will more than shares of our Class A common stock be available for issuance under the ESPP.

Our board of directors or a committee designated by our board of directors will have authority to interpret the terms of the ESPP and determine eligibility of participants. We expect that the compensation committee will be the administrator of the ESPP.

Eligibility. The plan administrator may designate certain of our subsidiaries as participating "designated subsidiaries" in the ESPP and may change these designations from time to time. Employees of our company and our designated subsidiaries are eligible to participate in the ESPP if they meet the eligibility requirements under the ESPP established from time to time by the plan administrator. However, an employee may not be granted rights to purchase stock under the ESPP if such employee, immediately after the grant, would own (directly or through attribution) stock possessing 5% or more of the total combined voting power or value of all classes of our common or other class of stock.

If the grant of a purchase right under the ESPP to any eligible employee who is a citizen or resident of a foreign jurisdiction would be prohibited under the laws of such foreign jurisdiction or the grant of a purchase right to such employee in compliance with the laws of such foreign jurisdiction would cause the ESPP to violate the requirements of Section 423 of the Code, as determined by the plan administrator in its sole discretion, such employee will not be permitted to participate in the ESPP.

Eligible employees become participants in the ESPP by enrolling and authorizing payroll deductions by the deadline established by the plan administrator prior to the relevant offering date. Directors who are not employees, as well as consultants, are not eligible to participate. Employees who choose not to participate, or are not eligible to participate at the start of an offering period but who become eligible thereafter, may enroll in any subsequent offering period.

Participation in an Offering. We intend for the ESPP to qualify under Section 423 of the Code and stock will be offered under the ESPP during offering periods. The length of offering periods under the ESPP will be determined by the plan administrator and may be up to 27 months long. Employee payroll deductions will be used to purchase shares on each purchase date during an offering period. The number of purchase periods within, and purchase dates during, each offering period will be established by the plan administrator. Offering periods under the ESPP will commence when determined by the plan administrator. The plan administrator may, in its discretion, modify the terms of future offering periods.

We expect that the ESPP will permit participants to purchase our Class A common stock through payroll deductions of up to 20% of their eligible compensation, which will include a participant's gross base compensation for services to us, including overtime payments and excluding sales commissions, incentive compensation, bonuses, expense reimbursements, fringe benefits and other special payments. The plan administrator will establish a maximum number of shares that may be purchased by a participant during any

offering period or purchase period, which, in the absence of a contrary designation, will be shares. In addition, no employee will be permitted to accrue the right to purchase stock under the ESPP at a rate in excess of $25,000 worth of shares during any calendar year during which such a purchase right is outstanding (based on the fair market value per share of our Class A common stock as of the first day of the offering period).

On the first trading day of each offering period, each participant automatically will be granted an option to purchase shares of our Class A common stock. The option will be exercised on the applicable purchase date(s) during the offering period, to the extent of the payroll deductions accumulated during the applicable purchase period. We expect that the purchase price of the shares, in the absence of a contrary determination by the plan administrator, will be 85% of the lower of the fair market value of our Class A common stock on the first trading day of the offering period or on the applicable purchase date, which will be the final trading day of the applicable purchase period.

Participants may voluntarily end their participation in the ESPP at any time at least one week prior to the end of the applicable offering period (or such longer or shorter period specified by the plan administrator), and will be paid their accrued payroll deductions that have not yet been used to purchase shares of Class A common stock. Participation ends automatically upon a participant's termination of employment.

Transferability. A participant may not transfer rights granted under the ESPP other than by will, the laws of descent and distribution or as otherwise provided in the ESPP.

Certain Transactions. In the event of certain transactions or events affecting our Class A common stock, such as any stock dividend or other distribution, change in control, reorganization, merger, consolidation or other corporate transaction, the plan administrator will make equitable adjustments to the ESPP and outstanding rights. In addition, in the event of the foregoing transactions or events or certain significant transactions, including a change in control, the plan administrator may provide for (i) either the replacement of outstanding rights with other rights or property or termination of outstanding rights in exchange for cash, (ii) the assumption or substitution of outstanding rights by the successor or survivor corporation or parent or subsidiary thereof, (iii) the adjustment in the number and type of shares of stock subject to outstanding rights, (iv) the use of participants' accumulated payroll deductions to purchase stock on a new purchase date prior to the next scheduled purchase date and termination of any rights under ongoing offering periods or (v) the termination of all outstanding rights. Under the ESPP, a change in control has the same definition as given to such term in the Plan.

Plan Amendment; Termination. The plan administrator may amend, suspend or terminate the ESPP at any time. However, stockholder approval of any amendment to the ESPP must be obtained for any amendment which increases the aggregate number or changes the type of shares that may be sold pursuant to rights under the ESPP, changes the corporations or classes of corporations whose employees are eligible to participate in the ESPP, or changes the ESPP in any manner that would cause the ESPP to no longer be an employee stock purchase plan within the meaning of Section 423(b) of the Code. The ESPP will terminate on the tenth anniversary of the date it is initially approved by our board of directors.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

In addition to the equity and other compensation, termination, change in control and other arrangements discussed in the section titled "Executive and Director Compensation," the following is a description of each transaction since January 1, 2017 and each currently proposed transaction which:

- we have been or are to be a participant;
- the amount involved exceeded or will exceed $120,000; and
- any of our directors, executive officers or, to our knowledge, beneficial owners of more than 5% of our capital stock or any member of the immediate family of any of the foregoing persons had or will have a direct or indirect material interest.

Preferred Stock Financing

In August 2018, we entered into a purchase and recapitalization agreement with Silver Lake Partners V, L.P. In October 2018, the agreement was assigned by Silver Lake to its affiliate, SLP Geology Aggregator, L.P. (collectively with Silver Lake Partners V, L.P., Silver Lake). Pursuant to the agreement, in October 2018, GoodRx Holdings, Inc. issued 126,045,531 shares of redeemable convertible preferred stock for an aggregate purchase price of approximately $748.8 million. In connection with the issuance of these redeemable convertible preferred stock, our existing shares of preferred stock of GoodRx Holdings, Inc. were converted into shares of common stock.

As holders of our redeemable convertible preferred stock, Silver Lake are entitled to specified registration rights. For a description of these registration rights, see the section titled "Description of Capital Stock—Registration Rights."

Investor Rights Agreement

In October 2018, we entered into an amended and restated investor rights agreement with Francisco Partners IV, L.P., Francisco Partners IV-A, L.P., Spectrum Equity VII, L.P., Spectrum VII Investment Managers' Fund, L.P., Spectrum VII Co-Investment Fund, L.P., Idea Men, LLC, and SLP Geology Aggregator, L.P. These stockholders are entitled to rights with respect to the registration of their shares following this offering. For a description of these registration rights, see the section titled "Description of Capital Stock—Registration Rights."

Stockholders Agreement

In October 2018, we entered into an amended and restated stockholders agreement with Francisco Partners IV, L.P., Francisco Partners IV-A, L.P., Spectrum Equity VII, L.P., Spectrum VII Investment Managers' Fund, L.P., Spectrum VII Co-Investment Fund, L.P., Idea Men, LLC, SLP Geology Aggregator, L.P., Douglas Hirsch, Trevor Bezdek and Scott Marlette. The agreement contains certain nomination rights to designate candidates for nomination to our board of directors, to appoint members to each board committee and to designate non-voting observers to the Board. The agreement also contains agreements among the parties, including transfer restrictions, tag-along rights, drag-along rights and rights of first refusal. In addition, the agreement contains certain negative covenants that require us to obtain the consent of Francisco Partners IV, L.P., Francisco Partners IV-A, L.P., Spectrum Equity VII, L.P., Spectrum VII Investment Managers' Fund, L.P., Spectrum VII Co-Investment Fund, L.P., SLP Geology Aggregator, L.P. and Idea Men, LLC before taking certain actions.

As a result of this offering, most of the provisions set forth in the amended and restated stockholders agreement that apply to us will terminate, including rights regarding the nomination, appointment and designation of members of our board of directors and board committees, transfer restrictions, tag-along rights, drag-along rights, rights of first refusal and negative covenants. Following this offering, we will continue to be required to maintain directors and officers indemnity insurance coverage reasonably satisfactory to the Board, indemnify and exculpate directors to the fullest extent permitted under applicable law and, at the request of Francisco Partners IV, L.P., Francisco Partners IV-A, L.P., Spectrum Equity VII, L.P., Spectrum VII Investment Managers' Fund, L.P., Spectrum VII Co-Investment Fund, L.P., SLP Geology Aggregator, L.P. or Idea Men, LLC, enter into a voting agreement pursuant to which the parties will agree to vote in favor of any directors nominated by such parties.

Disposition Agreement

In October 2018, we entered into an amended and restated disposition agreement with Francisco Partners IV, L.P., Spectrum Equity VII, L.P., SLP Geology Aggregator L.P., Idea Men, LLC, Douglas Hirsch, Trevor Bezdek and Scott Marlette. The agreement restricts the ability of Idea Men, LLC, Douglas Hirsch, Trevor Bezdek and Scott Marlette from selling or transferring their equity interests in us or issuing equity or debt without first obtaining the written consent of certain of Francisco Partners IV, L.P., Spectrum Equity VII, L.P., SLP Geology Aggregator L.P. The amended and restated disposition agreement will terminate by its terms in connection with the completion of this offering.

Services Agreement

In October 2018, we entered into a services agreement with Silver Lake Management Company V, L.L.C., or SLMC. Pursuant to the agreement, SLMC may render to us or any of our affiliates, by and through itself and its affiliates, each as an independent contractor, monitoring, advisory and consulting services, among others. Pursuant to the agreement, we also granted SLMC a non-exclusive license to use our trademarks and logos in connection with the describing SLMC's relationship with us. No services have been rendered to us pursuant to this agreement, and we have not paid any management fees to SLMC to date.

Other Transactions

To facilitate the Class B Exchange, we will enter into exchange agreements with , pursuant to which shares of Class A common stock held by will be exchanged for an equivalent number of shares of our Class B common stock in connection with this offering.

We have granted options to our executive officers and certain of our directors as more fully described in the section entitled "Executive and Director Compensation."

Indemnification Agreements

We have entered into, and plan on entering into, indemnification agreements with each of our directors and executive officers. See "Description of Capital Stock—Limitations on Liability and Indemnification Matters."

Policies and Procedures for Related Party Transactions

Our board of directors has adopted a written related person transaction policy, to be effective upon the closing of this offering, setting forth the policies and procedures for the review and approval or ratification of related person transactions. This policy will cover, with certain exceptions set forth in Item 404 of Regulation S-K under the Securities Act, any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships, in which we were or are to be a participant, where the amount involved exceeds $120,000 in any fiscal year and a related person had, has or will have a direct or indirect material interest, including without limitation, purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, guarantees of indebtedness and employment by us of a related person. In reviewing and approving any such transactions, our audit committee is tasked to consider all relevant facts and circumstances, including, but not limited to, whether the transaction is on terms comparable to those that could be obtained in an arm's length transaction and the extent of the related person's interest in the transaction. All of the transactions described in this section occurred prior to the adoption of this policy.

PRINCIPAL STOCKHOLDERS

The following table sets forth information with respect to the beneficial ownership of our common stock as of June 30, 2020, and as adjusted to reflect the sale of Class A common stock offered by us in this offering, assuming no exercise of the underwriters' over-allotment option, by:

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

The number of shares beneficially owned by each stockholder is determined under rules issued by the SEC. Under these rules, a person is deemed to be a "beneficial" owner of a security if that person has or shares voting power or investment power, which includes the power to dispose of or to direct the disposition of such security. Except as indicated in the footnotes below, we believe, based on the information furnished to us, that the individuals and entities named in the table below have sole voting and investment power with respect to all shares beneficially owned by them, subject to any applicable community property laws.

Applicable percentage ownership before the offering is based on shares of our Class A common stock and shares of our Class B common stock outstanding as of June 30, 2020, after giving effect to (i) the Preferred Stock Conversion, (ii) the Class A Redesignation, (iii) the Class B Exchange, and (iv) the filing and effectiveness of our amended and restated certificate of incorporation.

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 or would vest based on service-based vesting conditions within 60 days of June 30, 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 owners in the table below is c/o GoodRx Holdings, Inc., 233 Wilshire Blvd., Suite 990, Santa Monica, CA 90401.

	Beneficial Ownership Before the Offering					Beneficial Ownership After the Offering				
	Class A Common Stock		Class B Common Stock		% of Total Voting Power Before the Offering	Class A Common Stock		Class B Common Stock		% of Total Voting Power After the Offering(1)
Name of Beneficial Owner	Shares	%	Shares	%		Shares	%	Shares	%	
5% Stockholders:										
Entities affiliated with Silver Lake(2)										
Entities affiliated with Francisco Partners(3)										
Entities affiliates with Spectrum(4)										
Idea Men, LLC(5)										
Named Executive Officers and Directors:										
Christopher Adams										
Trevor Bezdek(6)										
Dipanjan Deb										
Douglas Hirsch(7)										
Adam Karol										
Jacqueline Kosecoff(8)										

Name of Beneficial Owner	Beneficial Ownership Before the Offering: Class A Common Stock Shares	%	Class B Common Stock Shares	%	% of Total Voting Power Before the Offering	Beneficial Ownership After the Offering: Class A Common Stock Shares	%	Class B Common Stock Shares	%	% of Total Voting Power After the Offering(1)
Stephen LeSieur										
Gregory Mondre										
Agnes Rey-Giraud(9)										
Andrew Slutsky(10)										
Babak Azad (11)										
All Executive Officers and Directors as a Group (13 individuals) (12):										

* Less than 1%.

(1) Percentage of total voting power represents voting power with respect to all shares of our Class A common stock and Class B common stock, as a single class. The holders of our Class B common stock are entitled to 10 votes per share, and holders of our Class A common stock are entitled to one vote per share. See the section titled "Description of Capital Stock—Common Stock—Voting Rights" for additional information about the voting rights of our Class A common stock and Class B common stock.

(2) Represents shares of Class A common stock held by SLP Geology Aggregator, L.P. Each of SLP Geology GP, L.L.C., as the general partner of SLP Geology Aggregator, L.P.; Silver Lake Technology Associates V, L.P., as the managing member of SLP Geology GP, L.L.C.; SLTA V (GP), L.L.C., as the general partner of Silver Lake Technology Associates V, L.P.; and Silver Lake Group, L.L.C., as the managing member of SLTA V (GP), L.L.C. may be deemed to share voting and dispositive power over the shares of Class A common stock held by SLP Geology Aggregator, L.P. Silver Lake is controlled by Michael Bingle, Egon Durban, Kenneth Hao, Gregory Mondre and Joseph Osnoss. Mr. Mondre is a member of our board of directors. The address for each of the entities referenced above is c/o Silver Lake, 2775 Sand Hill Road, Suite 100, Menlo Park, CA 94025.

(3) Represents shares of Class A common stock held by Francisco Partners IV, L.P. and shares held by Francisco Partners IV-A, L.P. Francisco Partners GP IV, L.P. is the general partner of each of Francisco Partners IV, L.P. and Francisco Partners IV-A, L.P. Francisco Partners GP IV Management Limited is the general partner of Francisco Partners GP IV, L.P. Francisco Partners Management, L.P. serves as the investment manager for each of Francisco Partners IV, L.P. and Francisco Partners IV-A, L.P. Voting and disposition decisions at Francisco Partners Management, L.P. with respect to the shares of Class A common stock held by Francisco Partners IV, L.P. and Francisco Partners IV-A, L.P. are made by an investment committee, the members of which include Dipanjan Deb, who is a member of our board of directors. Christopher Adams is a partner at Francisco Partners. Each of Mr. Adams, Mr. Deb and each of the members of the investment committee disclaims beneficial ownership of any of the Class A common stock held by Francisco Partners IV, L.P. and Francisco Partners IV-A, L.P, except to the extent of their pecuniary interest. The address for each of these entities is One Letterman Drive, Building C, Suite 410, San Francisco, CA 94129.

(4) Represents shares of Class A common stock held by Spectrum Equity VII, L.P., the general partner of which is Spectrum Equity Associates VII, L.P., shares held by Spectrum VII Investment Managers' Fund, L.P. and shares held by Spectrum VII Co-Investment Fund, L.P. The general partner of each of Spectrum Equity Associates VII, L.P., Spectrum VII Investment Managers' Fund, L.P. and Spectrum VII Co-Investment Fund, L.P. is SEA VII Management, LLC. Brion B. Applegate, Christopher T. Mitchell, Victor E. Parker, Jr., Benjamin C. Spero, Ronan Cunningham, Peter T. Jensen, Stephen M. LeSieur, Brian Regan and Michael W. Farrell may be deemed to share voting and dispositive power over the shares of Class A common stock held by Spectrum Equity VII, L.P., Spectrum VII Investment Managers' Fund, L.P. and Spectrum VII Co-Investment Fund, L.P. Mr. LeSieur is a member of our board of directors. Each of these individuals disclaims beneficial ownership of any of the Class A common stock held by Spectrum Equity VII, L.P., Spectrum VII Investment Managers' Fund, L.P. and Spectrum VII Co-Investment Fund, L.P., except to the extent of their pecuniary interest. The address for each of these entities is 140 New Montgomery Street, 20th Floor, San Francisco, CA 94105.

(5) The address for Idea Men, LLC is 2644 30th St., Ste. 101, Santa Monica, CA 90405.

(6) Represents (i) shares of our Class A common stock held by The Bezdek Family Irrevocable Trust, for which Mr. Bezdek serves as trustee and (ii) shares of our Class A common stock underlying options to purchase Class A common stock that are exercisable within 60 days of June 30, 2020.

(7) Represents (i) shares of our Class A common stock held by The Hirsch Family Irrevocable Trust, for which Mr. Hirsch serves as trustee and (ii) shares of our Class A common stock underlying options to purchase Class A common stock that are exercisable within 60 days of June 30, 2020.

(8) Represents (i) shares of our Class A common stock and (ii) shares of our Class A common stock underlying options to purchase Class A common stock that are exercisable within 60 days of June 30, 2020.

(9) Represents (i) shares of our Class A common stock held by the ARG Family Legacy Trust #1, for which Ms. Rey-Giraud serves as trustee and (ii) shares of our Class A common stock underlying options to purchase Class A common stock that are exercisable within 60 days of June 30, 2020.

(10) Represents (i) shares of our Class A common stock held by the Slutsky Family Trust, for which Mr. Slutsky serves as trustee and (ii) shares of our Class A common stock underlying options to purchase Class A common stock that are exercisable within 60 days of June 30, 2020.

(11) Represents shares of our Class A common stock underlying options to purchase Class A common stock that are exercisable within 60 days of June 30, 2020.

(12) Represents (i) shares of our Class A common stock and (ii) shares of our Class A common stock underlying options to purchase Class A common stock that are exercisable within 60 days of June 30, 2020.

DESCRIPTION OF CAPITAL STOCK

The following description of our capital stock and certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws are summaries and are qualified by reference to the amended and restated certificate of incorporation and the amended and restated bylaws that will be in effect upon the closing of this offering. Copies of these documents will be filed with the SEC as exhibits to our registration statement, of which this prospectus forms a part. The descriptions of our Class A common stock, Class B common stock and preferred stock reflect changes to our capital structure that will occur upon the closing of this offering.

General

Upon the closing of this offering, our authorized capital stock will consist of shares of Class A common stock, par value of $ per share, shares of Class B common stock, par value $ per share, and shares of preferred stock, par value $ per share.

As of June 30, 2020 after giving effect to (i) the Preferred Stock Conversion, (ii) the Class A Redesignation, (iii) the Class B Exchange, and (iv) the filing and effectiveness of our amended and restated certificate of incorporation, there were shares of our Class A common stock outstanding, held by approximately stockholders of record, shares of our Class B common stock outstanding, held by stockholders of record, and no shares of our preferred stock outstanding.

Common Stock

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.

Dividend Rights

Subject to preferences that may apply to any shares of preferred stock outstanding at the time, the holders of our common stock are entitled to receive dividends out of funds legally available if our board of directors, in its discretion, determines to issue dividends and then only at the times and in the amounts that our board of directors may determine. See the section titled “Dividend Policy” for additional information.

Voting Rights

Holders of our Class A common stock are entitled to one vote for each share of Class A common stock held on all matters submitted to a vote of stockholders and holders of our Class B common stock are entitled to 10 votes for each share of Class B common stock held on all matters submitted to a vote of stockholders. Following this offering, the holders of our outstanding Class B common stock will hold % of the voting power of our outstanding capital stock, with holding % of the voting power in the aggregate. Holders of shares of our Class A common stock and Class B common stock vote together as a single class on all matters (including the election of directors) submitted to a vote of 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:

(1) 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

(2) 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.

Our amended and restated certificate of incorporation does not provide for cumulative voting for the election of directors. As a result, the holders of a majority of our voting shares can elect all of the directors then standing for election. Our amended and restated certificate of incorporation establishes a classified board of directors, to be divided into three classes with staggered three-year terms. Only one class of directors will be elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms.

No Preemptive or Similar Rights

Our common stock is not entitled to preemptive rights and is not subject to redemption or sinking fund provisions.

Right to Receive Liquidation Distributions

Upon our liquidation, dissolution, or winding up, the assets legally available for distribution to our stockholders would be distributable ratably among the holders of our common stock and any participating preferred stock outstanding at that time, subject to the prior satisfaction of all outstanding debt and liabilities and the preferential rights of and the payment of liquidation preferences, if any, on any shares of preferred stock outstanding at that time.

Change of Control Transactions

In the case of any distribution or payment in respect of the shares of our Class A common stock or Class B common stock upon a merger or consolidation with or into any other entity, or other substantially similar transaction, the holders of our Class A common stock and Class B common stock will be treated equally and identically with respect to shares of Class A common stock or Class B common stock owned by them, unless the only difference in the per share distribution to the holders of the Class A common stock and Class B common stock is that any securities distributed to the holder of a share Class B common stock have 10 times the voting power of any securities distributed to the holder of a share of Class A common stock, or such merger, consolidation, or other transaction is approved by the affirmative vote of the holders of a majority of the outstanding shares of Class A common stock and Class B common stock, each voting as a separate class.

Subdivisions and Combinations

If we subdivide or combine in any manner outstanding shares of Class A common stock or Class B common stock, the outstanding shares of the other class will be subdivided or combined in the same manner, unless different treatment of the shares of each class is approved by the affirmative vote of the holders of a majority of the outstanding shares of Class A common stock and Class B common stock, each voting as a separate class.

Conversion

Each outstanding share of Class B common stock is convertible at any time at the option of the holder into one share of Class A common stock. In addition, each share of Class B common stock will convert automatically into one share of Class A common stock upon any transfer, whether or not for value, which occurs after the closing of this offering, except for certain permitted transfers described in our amended and restated certificate of incorporation, including transfers to family members, trusts solely for the benefit of the stockholder or their family members, and partnerships, corporations, and other entities exclusively owned by the stockholder or their family members. Once converted or transferred and converted into Class A common stock, the Class B common stock may not be reissued.

All the outstanding shares of our Class B common stock will convert automatically into shares of our Class A common stock upon the date that is the earlier of (i) the date specified by a vote of the holders of 66 2/3% of the then outstanding shares of Class B common stock, (ii) years from the closing of this offering, and (iii) the date the shares of Class B common stock cease to represent at least % of all outstanding shares of our common stock. Following such conversion, each share of Class A common stock will have one vote per share and the rights of the holders of all outstanding common stock will be identical. Once converted into Class A common stock, the Class B common stock may not be reissued.

Preferred Stock

Pursuant to the provisions of our amended and restated certificate of incorporation, each currently outstanding share of redeemable convertible preferred stock will automatically be converted into one share of Class A common stock effective upon the completion of this offering. Following this offering, no shares of convertible preferred stock will be outstanding.

Following the completion of this offering, our board of directors will be authorized, subject to limitations prescribed by Delaware law, to issue preferred stock in one or more series, to establish from time to time the number of shares to be included in each series, and to fix the designation, powers, preferences, and rights of the shares of each series and any of its qualifications, limitations, or restrictions, in each case without further vote or action by our stockholders. Our board of directors can also increase or decrease the number of shares of any series of preferred stock, but not below the number of shares of that series then outstanding, without any further vote or action by our stockholders. Our board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of our common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring, or preventing a change in control of our company and might adversely affect the market price of our Class A common stock

Options

As of June 30, 2020, we had options to purchase an aggregate of shares of our Class A common stock, with a weighted-average exercise price of approximately $ per share, outstanding under our Fourth Amended and Restated 2015 Equity Incentive Plan, of which shares were vested of that date.

Registration Rights

Our amended and restated investor rights agreement grants the parties thereto certain registration rights in respect of the “registrable securities” held by them, which securities include, among others, (1) the shares of our common stock issued upon the conversion of shares of our redeemable convertible preferred stock, (2) the shares of our common stock held or acquired by such parties and (3) any shares of common stock issued as a dividend or other distribution to or in exchange for or in replacement of the shares referenced in clause (1) and (2). The registration of shares of our common stock pursuant to the exercise of these registration rights would enable the holders thereof to sell such shares without restriction under the Securities Act when the applicable registration statement is declared effective. Under the amended and restated investor rights agreement, we will pay expenses relating to such registrations, including up to $50,000 of the reasonable fees and disbursements of one counsel for the participating holders, and the holders will pay among other things all underwriting discounts and commissions relating to the sale of their shares. The amended and restated investor rights agreement also includes customary indemnification and procedural terms.

These registration rights terminate upon the earlier of (1) the closing of a deemed liquidation event, which includes (i) certain mergers, reorganizations or consolidations, (ii) the sale or other disposition of all or

substantially all of our assets, or (iii) any other transaction to which at least 50% of our voting securities or assets are transferred, or (2) as to any given holder of such registration rights, at such time following this offering when all of the registrable securities of such holder, together with any registrable securities held by affiliates of such holder, can be sold without restriction under SEC Rule 144.

The holders of an aggregate of shares of our Class A common stock and the holders of an aggregate of shares of our Class B common stock, which together represents % of our outstanding shares of common stock before the offering, are entitled to the registration rights pursuant to the amended and restated investor rights agreement.

Demand Registration Rights

Following the completion of this offering, the holders of an aggregate of shares of our Class A common stock and the holders of an aggregate of shares of our Class B common stock, which together represents % of our outstanding shares of common stock before the offering, will be entitled to certain demand registration rights. At any time beginning six months after the effective date of the registration statement for this offering, the parties may request that we prepare and file a registration to register their registrable securities. Following such a request, we will notify other holders with such rights as to the requested registration and, as soon as practicable, but in any event no more than 90 days, effect such registration. We are obligated to effect only one such registration per investor group. If we determine that it would be detrimental to us and our stockholders to effect a requested registration, we may postpone such registration, not more than once in any 12-month period, for a period of up to 120 days.

The foregoing demand registration rights are subject to a number of additional exceptions and limitations.

Piggyback Registration Rights

In the event that we propose to register any of our securities under the Securities Act, either for our own account or for the account of other stockholders, the stockholders party to the amended and restated investors' rights agreement will be entitled to certain "piggyback" registration rights, entitling them to notice of the registration and allowing them to include their registrable securities in such registration. These rights will apply whenever we propose to file a registration statement under the Securities Act other than with respect to (1) a registration related to the sale of securities to employees pursuant to a stock option, stock purchase or similar plan, (2) a registration relating to an SEC Rule 145 transaction, (3) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of registrable securities, or (4) a registration in which the only common stock being registered is common stock issuable upon conversion of debt securities that are also being registered.

S-3 Registration Rights

Following the completion of this offering, the holders of an aggregate of shares of our Class A common stock and the holders of an aggregate of shares of our Class B common stock, which together represents % of our outstanding shares of common stock before the offering, will be entitled to certain Form S-3 registration rights. One or more holders of these shares may request that we register the offer and sale of their shares on a registration statement on Form S-3 if we are eligible to file a registration statement on Form S-3 so long as the request covers securities the anticipated aggregate public offering price of which is at least $5.0 million. Following such a request, we will notify the other holders with such rights as to the requested registration and, as soon as practicable, but in any event within 60 days, effect such registration. These holders may make an unlimited number of requests for registration on Form S-3; however, we will not be required to effect such a registration on Form S-3 if we have effected two such registrations within the 12-month period preceding the date of the request.

In addition, from time to time when a registration on Form S-3 is effective, the holders may request that we facilitate a shelf takedown of all or a portion of their shares. We will not be required to effect such a registration on Form S-3 if we have effected four such registrations within the 12-month period preceding the date of the request. We are also not required to effect more than one shelf takedown in any 90-day period.

In each case described above, if we determine that it would be detrimental to us and our stockholders to effect such a registration, we may postpone such registration, not more than once in any 12-month period, for a period of up to 120 days. The foregoing Form S-3 and shelf takedown rights are subject to a number of additional exceptions and limitations.

Anti-Takeover Provisions

Certain provisions of Delaware law, our amended and restated certificate of incorporation and our amended and restated bylaws, which will become effective immediately prior to the completion of this offering, which are summarized below, may have the effect of delaying, deferring or discouraging another person from acquiring control of us. They are also designed, in part, to encourage persons seeking to acquire control of us to negotiate first with our board of directors. We believe that the benefits of increased protection of our potential ability to negotiate with an unfriendly or unsolicited acquirer outweigh the disadvantages of discouraging a proposal to acquire us because negotiation of these proposals could result in an improvement of their terms.

Delaware law

We are subject to Section 203 of the Delaware General Corporation Law, which prohibits a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years after the date that such stockholder became an interested stockholder, with the following exceptions:

- the business combination or transaction which resulted in the stockholder becoming an interested stockholder was approved by the board of directors prior to the time that the stockholder became an interested stockholder;
- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding shares owned by directors who are also officers of the corporation and shares owned by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- at or subsequent to the time the stockholder became an interested stockholder, the business combination was approved by the board of directors and authorized at an annual or special meeting of the stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock which is not owned by the interested stockholder

In general, Section 203 defines a “business combination” to include mergers, asset sales and other transactions resulting in financial benefit to a stockholder and an “interested stockholder” as a person who, together with affiliates and associates, owns, or within three years did own, 15% or more of the corporation’s outstanding voting stock. These provisions may have the effect of delaying, deferring or preventing changes in control of our company.

Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws

Our amended and restated certificate of incorporation and our amended and restated bylaws, which will become effective immediately prior to the completion of this offering, will include a number of provisions that

could deter hostile takeovers or delay or prevent changes in control of our board of directors or management team, including the following:

Dual Class Stock

As described above in "—Common Stock—Voting Rights," our amended and restated certificate of incorporation provides for a dual class common stock structure, which will provide with significant influence over matters requiring stockholder approval, including the election of directors and significant corporate transactions, such as a merger or other sale of our company or its assets.

Classified Board

Our amended and restated certificate of incorporation will further provide that our board of directors is divided into three classes, Class I, Class II and Class III, with each class serving staggered three-year terms. In addition, directors may only be removed from the board of directors for cause. The existence of a classified board could delay a potential acquirer from obtaining majority control of our board of directors, and the prospect of that delay might deter a potential acquirer. See "Management—Board Composition."

Board of Directors Vacancies

Our amended and restated certificate of incorporation and restated bylaws will authorize only our board of directors to fill vacant directorships, including newly created seats. In addition, the number of directors constituting our board of directors will be permitted to be set only by a resolution adopted by a majority vote of our entire board of directors. These provisions would prevent a stockholder from increasing the size of our board of directors and then gaining control of our board of directors by filling the resulting vacancies with its own nominees. This will make it more difficult to change the composition of our board of directors and will promote continuity of management.

Stockholder Action; Special Meeting of Stockholders

Our amended and restated certificate of incorporation will provide that our stockholders may not take action by written consent, but may only take action at annual or special meetings of our stockholders. As a result, a holder controlling a majority of our capital stock would not be able to amend our amended and restated bylaws or remove directors without holding a meeting of our stockholders called in accordance with our amended and restated bylaws. Our amended and restated bylaws will further provide that special meetings of our stockholders may be called only by a majority of our board of directors, the chairperson of our board of directors, our Chief Executive Officer or our Co-Chief Executive Officers, as applicable, thus prohibiting a stockholder from calling a special meeting. These provisions might delay the ability of our stockholders to force consideration of a proposal or for stockholders controlling a majority of our capital stock to take any action, including the removal of directors.

Advance Notice Requirements for Stockholder Proposals and Director Nominations

Our amended and restated bylaws will provide advance notice procedures for stockholders seeking to bring business before our annual meeting of stockholders or to nominate candidates for election as directors at our annual meeting of stockholders. Our amended and restated bylaws will also specify certain requirements regarding the form and content of a stockholder's notice. These provisions might preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our annual meeting of stockholders if the proper procedures are not followed. We expect that these provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company.

No Cumulative Voting

The Delaware General Corporation Law provides that stockholders are not entitled to cumulate votes in the election of directors unless a corporation's certificate of incorporation provides otherwise. Our amended and restated certificate of incorporation does not provide for cumulative voting.

Amendment of Charter and Bylaws Provisions

Amendments to our amended and restated certificate of incorporation will require the approval of 66 2/3% of the outstanding voting power of our common stock. Our amended and restated bylaws will provide that approval of stockholders holding 66 2/3% of our outstanding voting power voting as a single class is required for stockholders to amend or adopt any provision of our bylaws.

Issuance of Undesignated Preferred Stock

Our board of directors will have the authority, without further action by our stockholders, to issue up to shares of undesignated preferred stock with rights and preferences, including voting rights, designated from time to time by our board of directors. The existence of authorized but unissued shares of preferred stock would enable our board of directors to render more difficult or to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or other means.

Exclusive Forum

Our amended and restated certificate of incorporation will provide (A) (i) any derivative action or proceeding brought on behalf of the Company, (ii) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, other employee or stockholder of the Company to the Company or the Company's stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws (as either may be amended or restated) or as to which the Delaware General Corporation Law confers jurisdiction on the Court of Chancery of the State of Delaware or (iv) any action asserting a claim governed by the internal affairs doctrine of the law of the State of Delaware shall, to the fullest extent permitted by law, be exclusively brought in the Court of Chancery of the State of Delaware or, if such court does not have subject matter jurisdiction thereof, the federal district court of the State of Delaware; and (B) the federal district courts of the United States shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. Notwithstanding the foregoing, the exclusive forum provision shall not apply to claims seeking to enforce any liability or duty created by the Exchange Act. Our amended and restated certificate of incorporation will also provide that, to the fullest extent permitted by law, any person or entity purchasing or otherwise acquiring or holding any interest in shares of our capital stock shall be deemed to have notice of and consented to the foregoing. By agreeing to this provision, however, stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder.

Limitations on Liability and Indemnification Matters

Our amended and restated certificate of incorporation will limit the liability of our directors to the fullest extent permitted by the Delaware General Corporation Law, and our amended and restated bylaws will provide that we will indemnify them to the fullest extent permitted by such law. We expect to enter into indemnification agreements with our current directors and executive officers prior to the completion of this offering and expect to enter into a similar agreement with any new directors or executive officers. Further, pursuant to our indemnification agreements and directors' and officers' liability insurance, our directors and executive officers will be indemnified and insured against the cost of defense, settlement or payment of a judgment under certain circumstances. In addition, as permitted by Delaware law, our amended and restated certificate of incorporation will include provisions that eliminate the personal liability of our directors for monetary damages resulting from breaches of certain fiduciary duties as a director. The effect of this provision is to restrict our rights and the rights of our stockholders in derivative suits to recover monetary damages against a director for breach of fiduciary duties as a director.

These provisions may be held not to be enforceable for violations of the federal securities laws of the United States.

Listing

We intend to apply to list our Class A common stock on the under the symbol “ .”

Transfer Agent and Registrar

The transfer agent and registrar for our Class A common stock is .

SHARES ELIGIBLE FOR FUTURE SALE

Immediately prior to this offering, there was no public market for our Class A common stock, and no predictions can be made about the effect, if any, that market sales of our Class A common stock or the availability of such shares for sale will have on the market price prevailing from time to time. Nevertheless, future sales of our 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 and could impair our ability to raise capital through future sales of our securities. Furthermore, although we intend to apply to have our Class A common stock listed on the , we cannot assure you that there will be an active public trading market for our Class A common stock.

Upon the closing of this offering, based on the number of shares of our capital stock outstanding as of June 30, 2020 after giving effect to (i) the Preferred Stock Conversion, (ii) the Class A Redesignation, (iii) the Class B Exchange, and (iv) the filing and effectiveness of our amended and restated certificate of incorporation, we will have a total of shares of our Class A common stock outstanding and shares of our Class B common stock outstanding. This includes shares that we are selling in this offering, which shares may be resold in the public market immediately following this offering, and assumes no additional exercise of outstanding options. Shares of our Class B common stock are convertible into an equivalent number of shares of our Class A common stock and generally convert into shares of our Class A common stock upon transfer.

The remaining outstanding shares of our Class A common stock and Class B common stock will be "restricted securities," as that term is defined in Rule 144 under the Securities Act. These restricted securities are eligible for public sale only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rules 144 or 701 under the Securities Act, which are summarized below. We expect that substantially all of these shares will be subject to the 180-day lock-up period under the lock-up agreements described below. Upon expiration of the lock-up period, we estimate that approximately shares of our Class A common stock will be available for sale in the public market, subject in some cases to applicable volume limitations under Rule 144.

Lock-Up Agreements

All of our directors and officers and the holders of substantially all of our outstanding stock and stock options have agreed not to sell or transfer any common stock or securities convertible into, exchangeable for, exercisable for, or repayable with common stock, for 180 days after the date of this prospectus without first obtaining the written consent of the representatives on behalf of the underwriters.

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 limitations discussed above. For a further description of these lock-up agreements, please see "Underwriters."

Rule 144

In general, Rule 144 provides that once we have been subject to the public company reporting requirements of Section 13 or Section 15(d) of the Exchange Act for at least 90 days, a person who is not deemed to have been one of our affiliates for purposes of the Securities Act at any time during the 90 days preceding a sale and who has beneficially owned the shares of our common stock proposed to be sold for at least six months is entitled to sell those shares without complying with the manner of sale, volume limitation or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than our affiliates, then that person would be entitled to sell those shares without complying with any of the requirements of Rule 144.

In general, Rule 144 provides that our affiliates or persons selling shares of our common stock on behalf of our affiliates are entitled to sell upon expiration of the lock-up agreements described in this prospectus, within any three-month period, a number of shares of common stock that does not exceed the greater of:

- 1% of the number of shares of our Class A common stock then outstanding, which will equal shares of our Class A common stock immediately after this offering; or
- the average weekly trading volume in shares of our Class A common stock during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Sales of our Class A common stock made in reliance upon Rule 144 by our affiliates or persons selling shares of our Class A common stock on behalf of our affiliates are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us.

Rule 701

In general, under Rule 701, any of an issuer's employees, directors, officers, consultants or advisors who purchases shares from the issuer in connection with a compensatory stock or option plan or other written agreement before the effective date of a registration statement under the Securities Act is entitled to sell such shares 90 days after such effective date in reliance on Rule 144. An affiliate of the issuer can resell shares in reliance on Rule 144 without having to comply with the holding period requirement, and non-affiliates of the issuer can resell shares in reliance on Rule 144 without having to comply with the current public information and holding period requirements.

The Securities and Exchange Commission has indicated that Rule 701 will apply to typical options granted by an issuer before it becomes subject to the reporting requirements of the Exchange Act, along with the shares acquired upon exercise of such options, including exercises after an issuer becomes subject to the reporting requirements of the Exchange Act.

Equity Plans

We intend to file one or more registration statements on Form S-8 under the Securities Act to register all shares of our Class A common stock subject to outstanding options and common stock issuable under our equity incentive plans and employee stock purchase plan. We expect to file the registration statement covering shares offered pursuant to our plans shortly after the date of this prospectus, permitting the resale of such shares by nonaffiliates in the public market without restriction under the Securities Act and the sale by affiliates in the public market, subject to compliance with the resale provisions of Rule 144.

Registration Rights

Upon the closing of this offering, the holders of shares of our Class A common stock and shares of our Class B common stock or their transferees will be entitled to various rights with respect to the registration of these shares under the Securities Act. Registration of these shares under the Securities Act would result in these shares becoming fully tradable without restriction under the Securities Act immediately upon the effectiveness of the registration, except for shares purchased by affiliates. See "Description of Capital Stock—Registration Rights" for additional information. Shares covered by a registration statement will be eligible for sale in the public market upon the expiration or release from the terms of the lock-up agreement.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS

The following discussion is a summary of the material U.S. federal income tax consequences to Non-U.S. Holders (as defined below) of the purchase, ownership and disposition of our Class A common stock issued pursuant to this offering, but does not purport to be a complete analysis of all potential tax effects. The effects of other U.S. federal tax laws, such as estate and gift tax laws, and any applicable state, local or non-U.S. tax laws are not discussed. This discussion is based on the Code, Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the U.S. Internal Revenue Service, or the IRS, in each case in effect as of the date hereof. These authorities may change or be subject to differing interpretations. Any such change or differing interpretation may be applied retroactively in a manner that could adversely affect a Non-U.S. Holder. We have not sought and will not seek any rulings from the IRS regarding the matters discussed below. There can be no assurance the IRS or a court will not take a contrary position to that discussed below regarding the tax consequences of the purchase, ownership and disposition of our Class A common stock.

This discussion is limited to Non-U.S. Holders that 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 U.S. federal income tax consequences relevant to a Non-U.S. Holder's particular circumstances, including the impact of the Medicare contribution tax on net investment income or the alternative minimum tax. In addition, it does not address consequences relevant to Non-U.S. Holders subject to special rules, including, without limitation:

- U.S. expatriates and former citizens or long-term residents of the United States;
- persons holding our Class A common stock as part of a hedge, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- banks, insurance companies, and other financial institutions;
- brokers, dealers or traders in securities;
- "controlled foreign corporations," "passive foreign investment companies," and corporations that accumulate earnings to avoid U.S. federal income tax;
- partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes (and investors therein);
- tax-exempt organizations or governmental organizations;
- persons deemed to sell our Class A common stock under the constructive sale provisions of the Code;
- persons who hold or receive our Class A common stock pursuant to the exercise of any employee stock option or otherwise as compensation;
- tax-qualified retirement plans; and
- "qualified foreign pension funds" as defined in Section 897(l)(2) of the Code and entities all of the interests of which are held by qualified foreign pension funds.

If an entity treated as a partnership for U.S. federal income tax purposes holds our Class A common stock, the tax treatment of a partner in the partnership will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Accordingly, partnerships holding our Class A common stock and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

INVESTORS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR

SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR CLASS A COMMON STOCK ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

Definition of a Non-U.S. Holder

For purposes of this discussion, a "Non-U.S. Holder" is any beneficial owner of our Class A common stock that is neither a "U.S. person" nor an entity treated as a partnership for U.S. federal income tax purposes. A U.S. person is any person that, for U.S. federal income tax purposes, is or is treated as any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation or other entity treated as a corporation for U.S. federal 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 that (1) is subject to the primary supervision of a U.S. court and one or more "United States persons" (within the meaning of Section 7701(a)(30) of the Code) have the authority to control substantial decisions of the trust, or (2) has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a United States person for U.S. federal income tax purposes.

Distributions

As described in the section entitled "Dividend Policy," we do not currently expect to pay any cash dividends on our Class A common stock. However, if we do make distributions of cash or property on our Class A common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts not treated as dividends for U.S. federal income tax purposes will constitute a return of capital and first be applied against and reduce a Non-U.S. Holder's adjusted tax basis in its common stock, but not below zero. Any excess will be treated as capital gain and will be treated as described below under "—Sale or Other Taxable Disposition."

Subject to the discussion below on effectively connected income, dividends paid to a Non-U.S. Holder of our Class A common stock will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends (or such lower rate specified by an applicable income tax treaty, provided the Non-U.S. Holder furnishes a valid IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) certifying qualification for the lower treaty rate). A Non-U.S. Holder that does not timely furnish the required documentation, but that qualifies for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

If dividends paid to a Non-U.S. Holder are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such dividends are attributable), the Non-U.S. Holder will be exempt from the U.S. federal withholding tax described above. To claim the exemption, the Non-U.S. Holder must furnish to the applicable withholding agent a valid IRS Form W-8ECI, certifying that the dividends are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States.

Any such effectively connected dividends will be subject to U.S. federal income tax on a net income basis at the regular rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected dividends, as adjusted for certain items. Non-U.S. Holders should consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

Sale or Other Taxable Disposition

Subject to the discussion below regarding backup withholding and foreign accounts, a Non-U.S. Holder generally will not be subject to U.S. federal income tax on any gain realized upon the sale or other taxable disposition of our Class A common stock unless:

- the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such gain is attributable);
- the Non-U.S. Holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met; or
- our Class A common stock constitutes a U.S. real property interest, or USRPI, by reason of our status as a U.S. 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 such disposition or such holder's holding period.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected gain, as adjusted for certain items.

Gain described in the second bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty), which may be offset by certain U.S. source capital losses of the Non-U.S. Holder (even though the individual is not considered a resident of the United States), provided the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.

With respect to the third bullet point above, we believe we currently are not, and do not anticipate becoming, a USRPHC. Because the determination of whether we are a USRPHC depends, however, on the fair market value of our USRPIs relative to the fair market value of our non-U.S. real property interests and our other business assets, there can be no assurance we currently are not a USRPHC or will not become one in the future. Even if we are or were to become a USRPHC, gain arising from the sale or other taxable disposition by a Non-U.S. Holder will not be subject to U.S. federal income tax if our Class A common stock is "regularly traded," as defined by applicable Treasury Regulations, on an established securities market, and such Non-U.S. Holder owned, actually and constructively, 5% or less of our Class A common stock throughout the shorter of the five-year period ending on the date of the sale or other taxable disposition or the Non-U.S. Holder's holding period.

Non-U.S. Holders should consult their tax advisors regarding potentially applicable income tax treaties that may provide for different rules.

Information Reporting and Backup Withholding

Payments of dividends on our Class A common stock will not be subject to backup withholding, provided the Non-U.S. Holder certifies its non-U.S. status, such as by furnishing a valid IRS Form W-8BEN, W-8BEN-E or W-8ECI, or otherwise establishes an exemption. However, information returns are required to be filed with the IRS in connection with any distributions on our Class A common stock paid to the Non-U.S. Holder, regardless of whether any tax was actually withheld. In addition, proceeds of the sale or other taxable disposition of our Class A common stock within the United States or conducted through certain U.S.-related brokers generally will not be subject to backup withholding or information reporting, if the applicable withholding agent receives the certification described above or the Non-U.S. Holder otherwise establishes an exemption. Proceeds of a disposition of our Class A common stock conducted through a non-U.S. office of a non-U.S. broker that does not

have certain enumerated relationships with the United States generally will not be subject to backup withholding or information reporting.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides or is established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Additional Withholding Tax on Payments Made to Foreign Accounts

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code (such Sections commonly referred to as the Foreign Account Tax Compliance Act, or FATCA) on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends on, or (subject to the proposed Treasury Regulations discussed below) gross proceeds from the sale or other disposition of, our Class A common stock paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends on our Class A common stock. While withholding under FATCA would have applied also to payments of gross proceeds from the sale or other disposition of our Class A common stock on or after January 1, 2019, proposed Treasury Regulations eliminate FATCA withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued.

Prospective investors should consult their tax advisors regarding the potential application of withholding under FATCA to their investment in our Class A common stock.

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 are acting as representatives, have severally agreed to purchase, and we have agreed to sell to them, severally, the number of shares of Class A common stock indicated below:

Underwriters	Number of Shares
Total	

The underwriters and the representatives are collectively referred to as the "underwriters" and the "representatives," respectively. The underwriters are offering the shares of Class A common stock subject to their acceptance of the shares from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of 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' over-allotment option 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 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.

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' over-allotment option.

	Per Share	Total	
		No Exercise	Full Exercise
Initial public offering price	$	$	$
Underwriting discounts and commissions	$	$	$
Proceeds, before expenses, to us	$	$	$

The estimated offering expenses payable by us, exclusive of the underwriting discounts and commissions, are approximately $. We have agreed to reimburse the underwriters for expense relating to clearance of this offering with the Financial Industry Regulatory Authority up to $.

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed 5% of the total number of shares of Class A common stock offered by them.

We have applied to list our Class A common stock on the under the trading symbol “ .”

We and all directors and officers and the holders of substantially all of our outstanding stock and stock options have agreed that, without the prior written consent of the representatives on behalf of the underwriters, we and they will not, and will not publicly disclose an intention to, during the period ending 180 days after the date of this prospectus, 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
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock.

whether any such transaction described above is to be settled by delivery of common stock or such other securities, in cash or otherwise. In addition, we and each such person agrees that, without the prior written consent of the representatives on behalf of the underwriters, we or such other person will not, during the restricted period, make any demand for, or exercise any right with respect to, the registration of any shares of common stock or any security convertible into or exercisable or exchangeable for common stock.

The restrictions described in the immediately preceding paragraph are subject to a number of customary exceptions.

The representatives, in their sole discretion, may release the common stock and other securities subject to the lock-up agreements described above in whole or in part at any time.

In order to facilitate the offering of the 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 over-allotment option. The underwriters can close out a covered short sale by exercising the over-allotment option or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under the over-allotment option. The underwriters may also sell shares in excess of the over-allotment option, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the 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 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 common stock to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters that may make internet distributions on the same basis as other allocations.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses.

In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. The underwriters and their respective affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

Pricing of the Offering

Prior to this offering, there has been no public market for our common stock. The initial public offering price was determined by negotiations between us and the representatives. Among the factors considered in determining the initial public offering price were our future prospects and those of our industry in general, our sales, earnings and certain other financial and operating information in recent periods, and the price-earnings ratios, price-sales ratios, market prices of securities, and certain financial and operating information of companies engaged in activities similar to ours.

Selling Restrictions

European Economic Area and the United Kingdom

In relation to each Member State of the European Economic Area and the United Kingdom (each, a Relevant State), no shares of our Class A common stock have been offered or will be offered pursuant to this offering to the public in that Relevant State prior to the publication of a prospectus in relation to the 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:

- to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the representatives for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation;

provided that no such offer of shares of our Class A common stock shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

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 or subscribe for any shares of our Class A common stock, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

This European Economic Area selling restriction is in addition to any other selling restrictions set out below.

United Kingdom

Each underwriter has represented and agreed that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, or FSMA, received by it in connection with the issue or sale of the shares of our Class A common stock in circumstances in which Section 21(1) of the FSMA does not apply to us; and
- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares of our Class A common stock in, from or otherwise involving the United Kingdom.

In the United Kingdom, this prospectus is only addressed to and directed at qualified investors who are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order); or (ii) 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 our 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 our 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 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Hong Kong

The shares of our Class A common stock may have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), or the SFO, of Hong Kong and any rules made thereunder; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong), or the CO, or which do not constitute an offer to the public within the meaning of the CO. No advertisement, invitation or document relating to the shares of our Class A common stock has been or may be issued or has been or may be in the possession of any person for the purposes of issue, 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 of Hong Kong (except if permitted to do so under the securities 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" as defined in the SFO and any rules made thereunder.

Singapore

Singapore SFA Product Classification—In connection with Section 309B of the SFA and the CMP Regulations 2018, unless otherwise specified before an offer of shares, we have determined, and hereby notify all relevant persons (as defined in Section 309A(1) of the SFA), that the shares are ''prescribed capital markets products'' (as defined in the CMP 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).

Each representative has acknowledged that this prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each representative has represented and agreed that it has not offered or sold any shares of our Class A common stock or caused the shares of our Class A common stock to be made the subject of an invitation for subscription or purchase and will not offer or sell any shares of our Class A common stock or cause the shares of our Class A common stock to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares of our Class A common stock, whether directly or indirectly, to any person in Singapore other than:

- to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time, or the SFA) pursuant to Section 274 of the SFA;
- to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA and in accordance with the conditions specified in Section 275 of the SFA; or
- otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares of our Class A common stock are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six

months after that corporation or that trust has acquired the shares pursuant to an offer made under Section 275 of the SFA except:

- to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 276(4)(i)(B) of the SFA;
- where no consideration is or will be given for the transfer;
- where the transfer is by operation of law;
- as specified in Section 276(7) of the SFA; or
- as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

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 our Class A common stock.

Accordingly, the shares of our 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), 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 QII

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 our 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 our Class A common stock. The shares of our 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 our 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 our Class A common stock. The shares of our Class A common stock may only be transferred en bloc without subdivision to a single investor.

LEGAL MATTERS

The validity of the shares of our common stock offered hereby will be passed upon for us by Latham & Watkins LLP. Certain legal matters will be passed upon for the underwriters by Davis Polk & Wardwell LLP.

CHANGES IN ACCOUNTANTS

On November 7, 2018, we dismissed Crowe LLP, formerly known as Crowe Horwath LLP, as our independent accountants.

The reports of Crowe LLP on our consolidated financial statements for the years ended December 31, 2016 and 2017 did not contain any adverse opinion or disclaimer of opinion, nor were such reports qualified or modified as to uncertainty, audit scope, or accounting principles.

During the years ended December 31, 2016 and 2017 and the subsequent interim period through November 7, 2018, Crowe LLP did not have any disagreement with us on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreement, if not resolved to the satisfaction of Crowe LLP, would have caused it to make reference to the subject matter of the disagreement in connection with its report on our consolidated financial statements.

During the years ended December 31, 2016 and 2017 and the subsequent interim period through November 7, 2018, there were no “reportable events” as such term is defined in Item 304(a)(1)(v) of Regulation S-K.

We provided a copy of this disclosure to Crowe LLP and requested that they furnish us a letter addressed to the SEC stating whether they agree with the above statements. Their letter to the SEC is attached as an exhibit to the registration statement of which this prospectus is a part.

On December 19, 2018, we engaged PricewaterhouseCoopers LLP as our independent registered public accounting firm. During the years ended December 31, 2016 and 2017, and the subsequent period preceding the engagement of PricewaterhouseCoopers LLP, we did not consult with PricewaterhouseCoopers LLP on matters that involved the application of accounting principles to a specified transaction, the type of audit opinion that might be rendered on our consolidated financial statements or any other matter that was either the subject of a disagreement or reportable event.

EXPERTS

The financial statements as of December 31, 2018 and 2019 and for the years then ended included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of Class A common stock offered hereby. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits filed therewith. For further information about us and the shares of Class A common stock offered hereby, reference is made to the registration statement and the exhibits filed therewith. Statements contained in this prospectus regarding the contents of any contract or any other document that is filed as an exhibit to the registration statement are not necessarily complete, and in each instance, we refer you to the copy of such contract or other

document filed as an exhibit to the registration statement. The SEC maintains a website that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. The address of the website is *www.sec.gov*.

As a result of this offering, we will become subject to the information and reporting requirements of the Exchange Act and, in accordance with this law, will file periodic reports, proxy and information statements and other information with the SEC. These periodic reports, proxy and information statements and other information will be available for inspection at the website of the SEC referred to above. We also maintain a website at *www.goodrx.com*. Upon completion of this offering, you may access these materials free of charge as soon as reasonably practicable after they are filed electronically with, or furnished to, the SEC. The inclusion of our website address in this prospectus is an inactive textual reference only. The information contained on, or that can be accessed through, our website is not incorporated by reference into, and is not a part of, this prospectus or the registration statement of which this prospectus forms a part. Investors should not rely on any such information in deciding whether to purchase our Class A common stock.

GOODRX HOLDINGS, INC.
INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of GoodRx Holdings, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of GoodRx Holdings, Inc. and its subsidiaries (the "Company") as of December 31, 2019 and 2018, and the related consolidated statements of operations, of changes in redeemable convertible preferred stock and stockholders' deficit and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 2 to the consolidated financial statements, the Company changed the manner in which it accounts for leases in 2019.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

Los Angeles, California
April 27, 2020, except for Note 17 and the effects of disclosing earnings per share information discussed in Note 16 to the consolidated financial statements, as to which the date is July 2, 2020

We have served as the Company's auditor since 2018.

GOODRX HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2018 AND 2019

(in thousands, except par values)	2018	2019
Assets		
Current assets		
Cash	$ 34,600	$ 26,050
Accounts receivable, net	33,359	48,129
Prepaid expenses and other current assets	5,112	12,403
Total current assets	73,071	86,582
Property and equipment, net	988	1,860
Goodwill	220,420	236,225
Intangible assets, net	16,056	21,267
Capitalized software, net	2,214	5,178
Operating lease right-of-use assets	—	32,315
Deferred tax assets, net	866	2,207
Other assets	1,176	1,162
Total assets	$ 314,791	$ 386,796
Liabilities, redeemable convertible preferred stock and stockholders' deficit		
Current liabilities		
Accounts payable	$ 7,200	$ 7,851
Accrued expenses and other current liabilities	3,990	15,556
Current portion of debt	5,430	7,029
Operating lease liabilities, current	—	2,937
Total current liabilities	16,620	33,373
Debt, net	716,806	663,893
Operating lease liabilities, net of current portion	—	37,129
Deferred tax liabilities, net	3,456	—
Other liabilities	3,327	2,974
Total liabilities	740,209	737,369
Commitments and contingencies (Note 13)		
Redeemable convertible preferred stock, $0.006 par value; 130,000 shares authorized and 126,046 shares issued and outstanding at December 31, 2018 and 2019; liquidation preference of $748,800 at December 31, 2019	737,009	737,009
Stockholders' deficit		
Common stock, $0.002 par value; 380,000 shares authorized at December 31, 2018 and 2019; 225,201 and 229,750 shares issued and outstanding at December 31, 2018 and December 31, 2019, respectively	451	460
Additional paid-in capital	—	8,788
Accumulated deficit	(1,162,878)	(1,096,830)
Total stockholders' deficit	(1,162,427)	(1,087,582)
Total liabilities, redeemable convertible preferred stock and stockholders' deficit	$ 314,791	$ 386,796

The accompanying notes are an integral part of these consolidated financial statements.

GOODRX HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2018 AND 2019

(in thousands, except per share amounts)	2018	2019
Revenue	$249,522	$388,224
Costs and operating expenses:		
Cost of revenue, exclusive of depreciation and amortization presented separately below	6,035	14,016
Product development and technology	43,894	29,300
Sales and marketing	104,177	176,967
General and administrative	8,359	14,692
Depreciation and amortization	9,806	13,573
Total costs and operating expenses	172,271	248,548
Operating income	77,251	139,676
Other expense (income):		
Other expense, net	7	2,967
Loss on extinguishment of debt	2,857	4,877
Interest income	(154)	(715)
Interest expense	22,193	49,569
Total other expense, net	24,903	56,698
Income before income tax expense	52,348	82,978
Income tax expense	(8,555)	(16,930)
Net income	$ 43,793	$ 66,048
Net income attributable to common stockholders		
Basic	$ 13,795	$ 42,441
Diluted	$ 14,226	$ 42,745
Earnings per share:		
Basic	$ 0.12	$ 0.19
Diluted	$ 0.12	$ 0.18
Weighted average shares used in computing earnings per share:		
Basic	111,842	226,607
Diluted	118,344	231,209
Pro forma earnings per share (unaudited):		
Basic		$ 0.19
Diluted		$ 0.18
Weighted average shares used in computing pro forma earnings per share (unaudited):		
Basic		352,653
Diluted		357,255

The accompanying notes are an integral part of these consolidated financial statements.

GOODRX HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT
YEARS ENDED DECEMBER 31, 2018 AND 2019

(in thousands, except per share amounts)	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount			
Balance at December 31, 2017	5,654	$ 166,777	78,483	$ 157	$ 54,281	$ (86,191)	$ (31,753)
Stock options exercised	—	—	5,285	11	3,338	—	3,349
Vesting of restricted stock awards	—	—	94	—	—	—	—
Conversion of preferred stock to common stock	(5,654)	(166,777)	141,339	283	166,494	—	166,777
Preferred stock issuance, net of issuance costs	126,046	737,009	—	—	—	—	—
Stock-based compensation	—	—	—	—	1,762	—	1,762
Dividends paid ($152.25 per preferred share, $5.91 per common share)	—	—	—	—	(225,875)	(1,120,480)	(1,346,355)
Net income	—	—	—	—	—	43,793	43,793
Balance at December 31, 2018	126,046	737,009	225,201	451	—	(1,162,878)	(1,162,427)
Stock options exercised	—	—	2,397	5	3,037	—	3,042
Common stock issuance	—	—	273	1	1,622	—	1,623
Restricted stock issuance	—	—	1,879	3	(3)	—	—
Stock-based compensation	—	—	—	—	4,132	—	4,132
Net income	—	—	—	—	—	66,048	66,048
Balance at December 31, 2019	126,046	$ 737,009	229,750	$ 460	$ 8,788	$(1,096,830)	$(1,087,582)

The accompanying notes are an integral part of these consolidated financial statements.

GOODRX HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2018 AND 2019

(in thousands)	2018	2019
Cash flows from operating activities		
Net income	$ 43,793	$ 66,048
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	9,806	13,573
Loss on extinguishment of debt	2,857	4,877
Amortization of debt issuance costs	1,239	3,381
Non-cash operating lease expense	—	2,150
Stock-based compensation	1,762	3,747
Deferred income taxes	(2,433)	(5,674)
Changes in operating assets and liabilities, net of effect of business acquisitions		
Accounts receivable	(12,843)	(14,517)
Prepaid expenses and other assets	(2,627)	102
Accounts payable	665	515
Accrued expenses and other current liabilities	77	11,225
Operating lease liabilities	—	(2,309)
Other liabilities	2,957	168
Net cash provided by operating activities	45,253	83,286
Cash flows from investing activities		
Purchase of property and equipment	(804)	(1,425)
Acquisitions, net of cash acquired	—	(31,306)
Capitalized software	(2,654)	(4,324)
Net cash used in investing activities	(3,458)	(37,055)
Cash flows from financing activities		
Proceeds from long-term debt	901,813	154,613
Payments on long-term debt	(294,937)	(211,845)
Issuance of preferred stock, net	737,009	—
Issuance of common stock	—	1,623
Payment of debt issuance costs and prepayment penalty	(25,613)	(2,214)
Dividends paid	(1,346,355)	—
Proceeds from exercise of stock options	3,349	3,042
Net cash used in financing activities	(24,734)	(54,781)
Net change in cash	17,061	(8,550)
Cash		
Beginning of year	17,539	34,600
End of year	$ 34,600	$ 26,050
Supplemental disclosure of cash flow information		
Cash paid during the period for		
Income taxes	$ 11,700	$ 19,400
Interest	18,658	48,443
Non cash investing and financing activities		
Right-of-use assets obtained in exchange for new operating lease liabilities	$ —	$ 29,493
Conversion of preferred stock to common stock	166,777	—
Stock-based compensation included in capitalized software development costs	—	385

The accompanying notes are an integral part of these consolidated financial statements.

GOODRX HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Business

GoodRx Holdings, Inc. (the "Company") was formed in September 2015. On October 7, 2015, the Company acquired 100% of the outstanding shares of GoodRx, Inc. ("GoodRx"). GoodRx was formed in September 2011. The Company offers information and tools to help consumers compare prices and save on their prescription drug purchases. The Company operates apps and websites that provide prices and discounts at local and mail-order pharmacies for both insured and uninsured Americans. The services are free to consumers and the Company primarily earns revenue from its core business from Pharmacy Benefit Managers ("PBMs") that manage formularies and prescription transactions including establishing pricing between consumers and pharmacies.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP").

Principles of Consolidation

The consolidated financial statements include the financial statements of GoodRx Holdings, Inc., its wholly owned subsidiaries and variable interest entities ("VIEs") for which the Company is the primary beneficiary. Intercompany balances and transactions have been eliminated in consolidation. Results of businesses acquired are included in the Company's consolidated financial statements from their respective dates of acquisition.

Consolidation of VIEs

The Company evaluates whether an entity in which it has a variable interest is considered a variable interest entity ("VIE"). VIEs are generally entities that have either a total equity investment that is insufficient to permit the entity to finance its activities without additional subordinated financial support, or whose equity investors lack the characteristics of a controlling financial interest (i.e., ability to make significant decisions through voting rights and a right to receive the expected residual returns of the entity or an obligation to absorb the expected losses of the entity).

Under the provisions of Accounting Standards Codification ("ASC") 810, *Consolidation*, an entity consolidates a VIE if it is determined to be the primary beneficiary of the VIE. The primary beneficiary has both (a) the power to direct the activities of the VIE that most significantly impact the entity's economic performance, and (b) the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE. The Company periodically reassesses whether it is the primary beneficiary of a VIE.

On April 18, 2019, the Company acquired Sappira, Inc. d.b.a. HeyDoctor ("HeyDoctor"). HeyDoctor provides management and other services to Professional Service Corporations ("PSCs"), which are owned by medical professionals in accordance with certain state laws which restrict the corporate practice of medicine and require medical practitioners to own such entities. The Company determined that the PSCs are VIEs. The Company also determined that it is able to direct the activities of the PSCs that most significantly impact their economic performance and it funds and absorbs all losses of these VIEs resulting in the Company being the primary beneficiary of the PSCs. Accordingly, the Company consolidates the VIEs. Total revenue and net loss for the VIEs were $1.3 million and $(1.6) million, respectively, for the period from April 18, 2019 to December 31, 2019. The VIEs' total assets and liabilities were $1.4 million and

$2.9 million, respectively, at December 31, 2019. The VIEs' total stockholders' deficit was $1.5 million at December 31, 2019.

Unaudited pro forma information

Unaudited pro forma basic and diluted earnings per share were computed to give effect to the automatic conversion of all outstanding redeemable convertible preferred stock into common stock in connection with a qualifying initial public offering as though the conversion had occurred as of January 1, 2019.

Segment Reporting and Geographic Information

Operating segments are defined as components of an enterprise for which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company's chief operating decision maker manages the Company on the basis of one operating segment. During the years ended December 31, 2018 and 2019, all of the Company's revenue was from customers located in the United States. In addition, at December 31, 2018 and 2019, all of the Company's right-of-use assets and property and equipment was in the United States.

Reclassifications

Certain amounts in the prior period financial statements have been reclassified to conform to the presentation of the current period financial statements. These reclassifications had no effect on the previously reported net income.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements, including the accompanying notes. The Company bases its estimates on historical factors, current circumstances, and the experience and judgment of management. The Company evaluates its estimates and assumptions on an ongoing basis. Actual results could differ from those estimates. Significant estimates reflected in the consolidated financial statements include revenue recognition, valuation of intangible assets, useful lives of long-lived assets and capitalized software costs, recovery of long-lived assets and goodwill, assumptions used for purpose of determining stock-based compensation, and income tax reserves, among others.

Cash

The Company's cash balances at December 31, 2018 and 2019 consisted entirely of bank deposits.

Certain Risks and Concentrations

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash and accounts receivable. The Company maintains cash deposits with several financial institutions in the United States which, at times, may exceed federally insured limits. Cash may be withdrawn or redeemed on demand. The Company believes that the financial institutions that hold its cash are financially sound and, accordingly, minimal credit risk exists with respect to these balances. The Company has not experienced any losses in such accounts.

The Company extends credit to its customers based on an evaluation of their ability to pay amounts due under contractual arrangements and generally does not obtain or require collateral.

For the year ended December 31, 2018, three customers accounted for approximately 27%, 19%, and 15% of the Company's revenue. At December 31, 2018, three customers accounted for 19%, 18% and 15% of the Company's accounts receivable balance. For the year ended December 31, 2019, two customers accounted for approximately 24% and 23% of the Company's revenue. At December 31, 2019, two customers accounted for 17% and 16% of the Company's accounts receivable balance.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are recorded at the invoiced amount by various customers (primarily PBMs), net of an allowance for doubtful accounts. The allowance for doubtful accounts is determined by management based on historical losses, specific customer circumstances, and general economic conditions. Periodically, management reviews accounts receivable and adjusts the allowance based on circumstances and charges off uncollectible receivables when all attempts to collect have failed. As of December 31, 2018 and 2019, the allowance for doubtful accounts was not material.

Property and Equipment

Property and equipment is stated at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which are five years for furniture and fixtures and three years for computer equipment. Leasehold improvements are depreciated on the straight-line basis over the shorter of the life of the asset or the remaining lease term. Expenditures for repairs and maintenance are charged to general and administrative expenses as incurred.

Business Combinations

The results of businesses acquired in a business combination are included in the Company's consolidated financial statements from the date of the acquisition. Purchase accounting results in assets and liabilities of an acquired business being recorded at their estimated fair values on the acquisition date. Any excess consideration over the fair value of assets acquired and liabilities assumed is recognized as goodwill.

The Company performs valuations of assets acquired and liabilities assumed for an acquisition and allocates the purchase price to its respective net tangible and intangible assets. Determining the fair value of assets acquired and liabilities assumed requires management to use significant judgment and estimates including the selection of valuation methodologies, estimates of future revenue, costs, cash flows, discount rates and selection of comparable companies. For material acquisitions, the Company may engage the assistance of valuation specialists in concluding on fair value measurements of certain assets acquired or liabilities assumed in a business combination.

Transaction costs associated with business combinations are expensed as incurred and are included in general and administrative expenses in the consolidated statements of operations.

Goodwill

Goodwill represents the excess of the consideration transferred and the amount recognized for noncontrolling interest, if any, over the fair value of the identifiable assets acquired and liabilities assumed in a business combination. The Company has one reporting unit during 2018 and 2019. The Company reviews goodwill for impairment annually in the fourth quarter and whenever events or changes in circumstances indicate the carrying amount of goodwill may not be recoverable. When testing goodwill for impairment, the Company may first perform an optional qualitative assessment. If the Company determines it is not more likely than not the reporting unit's fair value is less than its carrying value, then no further analysis is necessary. If the Company determines that it is more likely than not that the fair value of its reporting unit is less than its carrying amount, then the quantitative impairment test will be performed. Under the quantitative impairment test, if the carrying amount of the Company's reporting unit exceeds its

fair value, the Company will recognize an impairment loss in an amount equal to that excess but limited to the total amount of goodwill. No impairments were recorded in 2018 and 2019.

Intangible Assets

Intangible assets reflect the value of trademarks, customer relationships, developed technology, and backlog recorded in connection with the Company's acquisitions. Purchased intangible assets are recorded at their acquisition date fair value, less accumulated amortization. The Company determines the appropriate useful life of intangible assets by performing an analysis of expected cash flows of the acquired assets. Intangible assets are amortized over their estimated useful lives on a straight-line basis, which approximates the pattern in which the economic benefits of the assets are consumed.

Capitalized Software Costs

The Company accounts for its internal-use software costs, including purchased software, in accordance with ASC 350-40, *Internal-Use Software*. Capitalization of internal-use costs begins when the preliminary project stage is complete, management with the relevant authority authorizes and commits to funding the project, it is probable that the project will be completed, and the software will be used for the function intended. Capitalization of these costs ceases once the project is substantially complete and the software is ready for its intended purpose. Costs incurred for post-configuration training, maintenance and minor modifications or enhancements are expensed to product development and technology costs in the consolidated statements of operations as incurred. Capitalized internal-use costs are amortized on a straight-line basis over their estimated useful life of three years.

Impairment of Long-Lived Assets

The Company accounts for the impairment of long-lived assets in accordance with ASC 360, *Impairment or Disposal of Long-Lived Assets*. In accordance with ASC 360, long-lived assets to be held and used are reviewed for impairment when events or changes in circumstances indicate that their carrying value may not be recoverable. The Company performs impairment testing at the asset group level that represents the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. An impairment loss is recognized when estimated undiscounted future cash flows expected to result from the use of the asset and its eventual disposition are less than its carrying value. If an asset is determined to be impaired, the impairment is measured by the amount that the carrying value of the asset exceeds its fair value. There was no impairment of long-lived assets identified during the years ended December 31, 2018 and 2019.

Leases

As of and for the year ended December 31, 2018, leases were accounted for in accordance with ASC 840, *Leases.* Under ASC 840, operating leases were not recorded on the balance sheet and the Company recognized lease expense on a straight-line basis over the lease term, and the difference between lease payments and straight-line rent was recorded as deferred rent as a current and noncurrent liability on the consolidated balance sheet.

On January 1, 2019, the Company adopted ASC 842, *Leases*, on a modified retrospective basis, and accordingly, the 2018 consolidated financial statements continue to reflect the application of ASC 840. ASC 842 provided a number of optional practical expedients in transition. The Company elected the "package of practical expedients," which permitted the Company not to reassess whether a contract is or contains a lease, lease classification and initial direct costs.

The Company has elected to account for lease and nonlease components as a single lease component and also elected not to record operating lease right-of-use assets and operating lease liabilities for leases with an initial term of 12 months or less. Lease payments for short-term leases are recognized as lease expense on a straight-line basis over the lease term.

The Company determines if a contract is, or contains, a lease at inception. All the Company's leases are operating leases. Leases are included in the operating lease right-of-use assets, operating lease liabilities, current and operating lease liabilities, net of current portion on the consolidated balance sheet. Right-of-use assets and lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term discounted using the Company's incremental borrowing rate. Lease payments include fixed payments and variable payments based on an index or rate, if any, and are recognized as lease expense on a straight-line basis over the term of the lease. The lease term includes options to extend or terminate the lease when it is reasonably certain they will be exercised. As none of the Company's leases provide an implicit rate, the incremental borrowing rate used is estimated based on what the Company would be required to pay for a collateralized loan over a similar term as the lease. Variable lease payments not based on a rate or index are expensed as incurred.

Debt Issuance Costs

Costs incurred in connection with the issuance of long-term debt are capitalized and amortized to interest expense over the contractual life of the loan using the effective-interest method. These costs are recorded as a reduction of the related long-term debt balance on the accompanying consolidated balance sheets. Costs incurred in connection with the issuance of line of credit facilities are recorded in other assets and are amortized to interest expense on a straight-line basis over the term of the line of credit facility.

Income Taxes

Deferred income tax assets and liabilities are determined based upon the net tax effects of the differences between the Company's consolidated financial statements carrying amounts and the tax basis of assets and liabilities and are measured using the enacted tax rate expected to apply to taxable income in the years in which the differences are expected to be reversed. A valuation allowance is used to reduce some or all of the deferred tax assets if, based upon the weight of available evidence, it is more likely than not that those deferred tax assets will not be realized.

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the consolidated financial statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized. The Company recognizes interest and penalties accrued related to its uncertain tax positions in income tax expense in the accompanying consolidated statements of operations.

Revenue Recognition

The Company's revenue is primarily derived from prescription transaction fees generated when pharmacies fill prescriptions for consumers. The Company also generates other revenue from subscription, advertising and telehealth services.

On January 1, 2019, the Company adopted ASC 606, *Revenue from contracts with customers*, on a modified retrospective basis. The adoption of ASC 606 was applied to all contracts at the date of initial application and did not have a material impact on the Company's revenue recognition. Prior to January 1, 2019, the Company applied ASC 605, *Revenue recognition*, and recognized revenue when the following criteria have been met: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services have been rendered; (3) the price is fixed and determinable; and (4) collectability is reasonable assured.

Under ASC 606, the Company recognizes revenue when control of the promised good or service is transferred to the customer in an amount that reflects the consideration for which the Company is expected to be entitled to in exchange for those services.

For the years ended December 31, 2018 and 2019, revenue comprises the following:

(in thousands)	Year Ended December 31, 2018	2019
Prescription transactions revenue	$242,911	$ 364,582
Other revenue	6,611	23,642
Total revenue	$249,522	$ 388,224

Prescription Transactions Revenue

Prescription transactions revenue is primarily generated from PBMs, or customers, when a prescription is filled with a GoodRx code provided through the Company's platform. In its contracts with customers, the nature of the Company's promise is to direct prescription volume through its platform, which may include marketing through its mobile apps, websites, and GoodRx cards. These activities are not distinct from each other and are not separate performance obligations. The Company's performance obligation is to connect consumers with pharmacies that are contracted with the Company's customers. The Company has no performance obligation to fill prescriptions.

Contracts with PBMs provide that the Company is entitled to either a percentage of fees the PBM charges the pharmacy or a fixed amount per type of drug prescription, when a consumer uses a GoodRx code. The Company's performance obligation is satisfied upon the completion of pharmacies filling prescriptions. The Company recognizes revenues for its estimated fee due from the PBM at a point in time when a prescription is filled.

The Company receives reporting from the PBMs of the number of prescriptions and amount of consideration to which it is entitled at a prescription level. Certain arrangements with PBMs provide that the amount of consideration the Company is entitled to is based on the volume of prescription fills each month. In addition, the amount of consideration for which the Company is entitled may be adjusted in the event that a fill is determined ineligible, or based upon other adjustments allowed under the contracts with PBMs. The Company estimates the amount it expects to be entitled to using the expected value method based on historical experience of the number of prescriptions filled, ineligible fills and applicable rates.

The Company generally invoices the PBMs for fills that occurred in the preceding month. Payment terms are typically 30 days after invoicing; however, portions of payments may not be received for up to five months to the extent of adjustments for ineligible fills.

Other Revenue

Other revenue consists of subscription revenue, advertising revenue, and telehealth revenue.

Subscription revenue consists of subscriptions to the GoodRx Gold plan (the "Gold plan") and the Kroger Savings Club powered by GoodRx (the "Kroger plan"). Under the Gold plan, subscribers purchase a monthly subscription that provides access to lower prices for prescriptions. Subscribers can cancel the Gold subscription at any time. The Company recognizes revenue for the Gold plan over the subscription period. Under the Kroger plan, subscribers pay an annual upfront fee for a subscription that provides access to lower prices on prescriptions at Kroger pharmacies. At the commencement of the subscription term, subscribers pay an annual fee to the Company which the Company shares with Kroger. Kroger plan subscription fees are generally nonrefundable to the subscriber after the first 30 days unless the Company cancels the subscription, in which case the subscriber is entitled to a pro rata refund. The Company recognizes revenue for the Kroger plan over the subscription period, net of the fee shared with Kroger. The

amount of deferred revenue recorded related to these plans as of December 31, 2018 and 2019 is $0.3 million and $3.2 million, respectively. Substantially all of the deferred revenue included in the balance sheet at December 31, 2018 was recognized as revenue during 2019 and the Company expects substantially all of the deferred revenue at December 31, 2019 to be recognized as revenue in 2020.

Advertising customers may purchase advertisements for a fixed fee that appear on the Company's apps and websites for a specified period of time, and revenue is recognized over the term of the arrangement. Customers may also purchase advertisements where the Company charges fees on a cost-per-click basis or they may purchase advertisements placed in the Company's direct mailers. Revenue for these arrangements is recognized at a point in time when the advertisement is clicked or when the direct mailer is shipped. The amount of deferred revenue recorded related to these services as of December 31, 2018 and 2019 is $0 and $0.3 million, respectively.

Telehealth revenue consists of revenues generated from consumers who complete a telehealth visit with a member of the Company's network of qualified medical professionals. Consumers pay a fee per telehealth visit and the Company recognizes the fee as revenue at a point in time when the visit is complete.

Deferred revenue is included in accrued expenses and other current liabilities in the consolidated balance sheets.

Cost of Revenue

Cost of revenue consists primarily of costs related to outsourced consumer support, physician costs for the Company's telehealth offering, personnel costs, including salaries, benefits, bonuses and stock-based compensation expense, for the Company's consumer support employees, hosting and cloud costs, merchant account fees, and processing fees. Cost of revenue excludes depreciation and amortization of software development costs, developed technology, and other hosting and data infrastructure equipment used to operate the Company's platforms, which are included in the depreciation and amortization line item in the consolidated statements of operations.

Product Development and Technology

Costs related to the development of products are charged to product development and technology expense as incurred. Product development and technology expense consists primarily of personnel costs, including salaries, benefits, bonuses and stock-based compensation expense, for employees involved in product development activities, third-party services and contractors related to product development, information technology and software-related costs, and allocated overhead.

Sales and Marketing

Sales and marketing costs are expensed as incurred and consist primarily of advertising and marketing expenses. Advertising costs were $89.3 million and $163.7 million for the years ended December 31, 2018 and 2019, respectively. The Company does not have any significant minimum advertising or media commitments.

Sales and marketing expenses also include personnel costs, including salaries, benefits, bonuses, stock-based compensation expense and sales commissions, for sales and marketing employees, third-party services and contractors, and allocated overhead. Sales commissions relate to contracts with a duration of one year or less and are expensed as incurred.

General and Administrative

General and administrative costs are expensed as incurred and include personnel costs, including salaries, benefits, bonuses and stock-based compensation expense, for executive, finance, accounting, legal, and human resources functions, as well as professional fees, occupancy costs, and other general overhead costs.

Depreciation and Amortization

The Company's depreciation and amortization expenses include depreciation of property and equipment, and amortization of capitalized internal-use software costs and intangible assets.

Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The inputs used to measure fair value are classified into the following hierarchy:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 Unadjusted quoted prices in active markets for similar assets or liabilities, or unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs that are derived principally from or corroborated by observable market data by correlation or other means, or inputs other than quoted prices that are observable for the asset or liability; and

Level 3 Unobservable inputs for the asset or liability based on management's assumptions.

When determining the fair value measurements for assets and liabilities which are required to be measured at fair value, the Company considers the principal or most advantageous market in which to transact and the market-based risk. Goodwill, intangible assets, and other long-lived assets are measured at fair value on a nonrecurring basis, only if impaired. The carrying amounts reported in the consolidated financial statements approximate the fair value for cash, accounts receivable, accounts payable, and accrued liabilities, due to their short-term nature. The carrying value of the Company's debt approximates fair value based on the borrowing rate currently available to the Company for financing with similar terms and were determined to be Level 2.

Stock-Based Compensation

Stock-based compensation cost is allocated to cost of revenue, product development and technology, sales and marketing, and general and administrative expense in the consolidated statements of operations. Compensation cost for stock options and restricted stock awards granted to employees is based on the fair value of these awards at the date of grant. Compensation cost is recognized over the requisite service period, which is generally the vesting period of the award. For awards that vest based on continued service, compensation cost is recognized on a straight-line basis over the requisite service period. For awards with performance vesting conditions, compensation cost is recognized on a graded vesting basis when it is probable the performance condition will be achieved. Forfeitures are recognized when they occur.

Determining the fair value of stock-based awards requires judgment. The Black-Scholes option-pricing model is used to estimate the fair value of stock options, while the fair value of the Company's common stock at the date of grant is used to measure the fair value of restricted stock awards. The assumptions used in the Black-Scholes option-pricing model requires the input of subjective assumptions and are as follows:

- The fair value of the common stock underlying the Company's stock-based awards was determined by the Company's Board of Directors, with input from management and a third-party valuation firm. Because there is no public market for the Company's stock, the Company's Board of Directors determined the common stock fair value at the stock option grant date by considering several objective and subjective factors, including the price paid for its common and preferred stock, actual and forecasted operating and financial performance, market conditions and performance of comparable publicly traded companies, developments and milestones within the Company, the rights, preferences, and privileges of its common and preferred stock, and the likelihood of achieving a liquidity event. The fair value of the underlying common stock will be determined by the Board of Directors until such time as the Company's common stock is listed on an established stock exchange or national market system. The fair

value was determined in accordance with applicable elements of the practice aid issued by the American Institute of Certified Public Accountants, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*.

- Expected volatility is based on historical volatilities of a publicly traded peer group based on daily price observations over a period equivalent to the expected term of the stock option grants.
- The expected term is based on historical and estimates of future exercise behavior.
- The risk-free interest rate is based on the U.S. Treasury yield of treasury bonds with a maturity that approximates the expected term of the options.
- The dividend yield is based on the Company's current expectations of dividend payouts.

The assumptions used in the Company's Black-Scholes option-pricing model represent management's best estimates. These estimates involve inherent uncertainties and the application of management's judgment. If factors change and different assumptions are used, the Company's stock-based compensation expense could be materially different in the future.

Comprehensive Income

During the years ended December 31, 2018 and 2019, other than net income, the Company did not have any other elements of comprehensive income.

Basic and Diluted Earnings Per Share

The Company computes earnings per share ("EPS") using the two-class method required for participating securities. The two-class method requires net income to be allocated between common stock and participating securities based upon their respective rights to receive dividends as if all income for the period had been distributed. The Company considers redeemable convertible preferred stock to be participating securities as preferred stockholders have rights to participate in dividends with the common stockholders.

Basic EPS is computed by dividing net income attributable to common stockholders by the weighted average number of common shares outstanding during the period. The Company computes diluted EPS under a two-class method where income is reallocated between common stock, potential common stock and participating securities. Potential common stock includes stock options and restricted stock awards and is computed using the treasury stock method.

Recent Accounting Pronouncements

As an "emerging growth company," the Jumpstart Our Business Startups Act, or the JOBS Act, allows the Company to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are made applicable to private companies. The Company has elected to use the adoption dates applicable to private companies. As a result, the Company's financial statements may not be comparable to the financial statements of issuers who are required to comply with the effective date for new or revised accounting standards that are applicable to public companies.

Recently Adopted Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, and several amendments, codified as ASC 606, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. This ASU replaced most existing revenue recognition guidance under GAAP. The Company adopted this standard as of January 1, 2019 on a modified retrospective basis, and the adoption did not have a material impact to the consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, and several amendments, codified as ASC 842, to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the consolidated balance sheet and disclosing key information about leasing arrangements. The Company early adopted ASC 842 as of January 1, 2019 using the modified retrospective transition method provided in ASU 2018-11, *Leases (Topic 842): Targeted Improvements*. As a result of adopting this guidance, the Company recorded $4.8 million of operating lease right-of-use assets and $5.2 million of operating lease liabilities on the consolidated balance sheet at January 1, 2019. The difference between the operating lease right-of-use asset and lease liability at the adoption date was deferred rent. The adoption of this guidance had no material impact on the Company's consolidated statements of operations or consolidated statements of cash flows.

In June 2018, the FASB issued ASU 2018-07, *Compensation-Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting*, which simplifies the accounting for share-based payments to nonemployees by aligning it with the accounting for share-based payments to employees, with certain exceptions. The Company early adopted this guidance on January 1, 2019, and the adoption did not have a material impact to the consolidated financial statements.

In January 2017, the FASB issued ASU 2017-04, *Intangibles – Goodwill and Other: Simplifying the Test for Goodwill Impairment*, to simplify the subsequent measurement of goodwill by eliminating Step 2 from the goodwill impairment test. The Company adopted this guidance during the year ended December 31, 2019, and the adoption did not have any impact to the consolidated financial statements.

Recently Issued Accounting Pronouncements—Not Yet Adopted

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, to require the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The ASU also amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration. In February 2020, the FASB issued ASU 2020-02, *Financial Instruments—Credit Losses (Topic 326) and Leases (Topic 842)—Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 119 and Update to SEC Section on Effective Date Related to Accounting Standards Update No. 2016-02, Leases (Topic 842) (SEC Update)*, which amends the language in Subtopic 326-20 and addresses questions primarily regarding documentation and company policies. The guidance in ASU 2016-13 and ASU 2020-02 related to credit losses is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating the impact of the new guidance on its consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*. This ASU eliminates, modifies and adds disclosure requirements for fair value measurements. The amendments in this ASU are effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2019, with early adoption permitted. The Company does not expect the adoption of this ASU to have a material impact on its financial statements.

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*. ASU 2018-15 requires implementation costs incurred by customers in cloud computing arrangements to be deferred over the noncancelable term of the cloud-computing arrangements plus any optional renewal periods (1) that are reasonably certain to be exercised by the customer or (2) for which exercise of the renewal option is controlled by the cloud service provider. This guidance is effective for fiscal years beginning after December 15, 2020, and interim periods within annual periods beginning after December 15, 2021. Early adoption is permitted. This guidance can be adopted either using the prospective or retrospective transition approach. The Company is currently evaluating the impacts of this ASU on its consolidated financial statements.

In October 2018, the FASB issued ASU 2018-17, *Consolidation (Topic 810): Targeted Improvements to the Related Party Guidance for Variable Interest Entities*. ASU 2018-17 changes how entities evaluate decision-making fees under the variable interest entity guidance. To determine whether decision-making fees represent a variable interest, an entity considers indirect interests held through related parties under common control on a proportional basis, rather than in their entirety. This guidance is effective for fiscal years, beginning after December 15, 2020 and interim periods within fiscal years beginning after December 15, 2021, with early adoption permitted. All entities are required to apply the amendments in this ASU retrospectively with a cumulative-effect adjustment to retained earnings at the beginning of the earliest period presented. The Company is currently evaluating the impact of the adoption of this ASU on its consolidated financial statements.

In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*. The objective of the guidance is to simplify the accounting for income taxes by removing certain exceptions to the general principles in Topic 740 and to provide more consistent application to improve the comparability of financial statements. The guidance is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The Company is currently evaluating the impact of this ASU on its consolidated financial statements.

3. Business Combinations

Sappira Inc. (d.b.a HeyDoctor)

On April 18, 2019, the Company completed its acquisition of 100% of the equity interests in San Francisco, California-based Sappira Inc. (d.b.a HeyDoctor), a privately-held company offering an online application for consultation with physicians. HeyDoctor can be used by patients to obtain prescriptions for various medical afflictions. The Company intends to use HeyDoctor's technology and service offerings to increase the visits to the GoodRx online platform. The total purchase consideration for the acquisition of HeyDoctor was $14.3 million in cash, of which $1.4 million was placed in escrow for potential breaches of representations and warranties. The escrow amount, net of any claims for such indemnifiable matters, is scheduled to be released from escrow to stockholders of HeyDoctor on October 18, 2020.

The goodwill recorded in connection with this acquisition primarily related to the expected long-term synergies and other benefits, including the acquired assembled workforce, from the acquisition. The acquisition was considered a stock acquisition for tax purposes and, accordingly, goodwill is not expected to be deductible for tax purposes.

The Company also issued 1,878,588 shares of restricted stock with an acquisition date fair value of $7.3 million to certain HeyDoctor employees in connection with this acquisition. These shares have been excluded from the purchase consideration and will be recorded as post-combination expense over four years (refer to Note 15. Stock-based Compensation for further details).

The allocation of the purchase price for HeyDoctor is as follows:

(in thousands)	
Cash	$ 1,653
Other tangible assets	464
Liabilities assumed	(486)
Intangible assets	4,200
Deferred tax liability	(877)
Goodwill	9,305
Total purchase consideration	$14,259

The following table presents details of the identified intangible assets acquired:

($ amounts in thousands)	Fair Value	Estimated Useful Life (in Years)
Developed technology	$3,100	4
Trademarks	400	7
Backlog	700	1
Total	$4,200	

The fair value of the developed technology and backlog were measured using the multi-period excess earnings method. The fair value of the trademarks was measured using the relief from royalty method.

Unaudited supplemental pro forma financial information for the HeyDoctor acquisition, and the revenue and earnings of HeyDoctor from the acquisition date through December 31, 2019, have not been presented because the effects were not material to the Company's consolidated financial statements.

FocusScript LLC

On August 30, 2019, the Company completed the acquisition of certain software assets and the assembled workforce of Creve Coeur, Missouri-based FocusScript LLC ("FocusScript Acquisition"). The Company intends to use the acquired claim routing software to service its customers. The total purchase consideration consisted of $18.7 million in cash.

The goodwill recorded in connection with this acquisition primarily related to the expected long-term synergies and other benefits, including the acquired assembled workforce, from the acquisition. Goodwill is deductible for tax purposes.

The allocation of the purchase price for the FocusScript Acquisition is as follows:

(in thousands)	
Tangible assets	$ 121
Liabilities assumed	(121)
Intangible assets	12,200
Goodwill	6,500
Total purchase consideration	$18,700

The following table presents details of the identified intangible assets acquired:

($ amounts in thousands)	Fair Value	Estimated Useful Life (in Years)
Developed technology	$12,200	4

The fair value of the developed technology was measured using the multi-period excess earnings method.

Disclosure of unaudited supplemental pro forma financial information for the FocusScript Acquisition is not practicable given the Company purchased certain assets and assembled workforce for which historical information was not available. In addition, disclosure of revenues and earnings of FocusScript from the acquisition date through December 31, 2019 is not practicable as the FocusScript Acquisition has been integrated into the Company's operations.

The Company incurred an aggregate of $1.1 million in acquisition-related costs related to the aforementioned acquisitions during the year ended December 31, 2019. These costs are included in general and administrative expenses in the consolidated statements of operations.

4. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following:

(in thousands)	At December 31, 2018	2019
Prepaid expenses	$3,448	$ 5,014
Lease incentive receivable	—	7,389
Income taxes receivable	1,664	—
Total prepaid expenses and other current assets	$5,112	$12,403

5. Property and Equipment

Property and equipment consisted of the following:

(in thousands)	At December 31, 2018	2019
Computer equipment	$ 743	$ 1,338
Furniture and fixtures	281	556
Leasehold improvements	518	1,233
Total property and equipment	1,542	3,127
Less: Accumulated depreciation	(554)	(1,267)
Total property and equipment, net	$ 988	$ 1,860

For the years ended December 31, 2018 and 2019, depreciation expense was $0.3 million and $0.7 million, respectively.

6. Goodwill

The following table presents changes in the carrying amount of goodwill for the years ended December 31, 2018 and 2019:

(in thousands)	Year Ended December 31, 2018	2019
Balance at beginning of the year	$ 220,420	$ 220,420
Add: Sappira Inc. acquisition and FocusScript Acquisition	—	15,805
Less: impairments	—	—
Balance at end of the year	$ 220,420	$ 236,225

7. Intangible Assets

The following tables present details of the Company's intangible assets:

($ amounts in thousands)	Useful Life (Years)	At December 31, 2018 Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Trademarks	5-7	$11,600	$ (7,496)	$ 4,104
Customer relationships	5	2,600	(1,690)	910
Developed technology	4-5	31,298	(20,256)	11,042
		$45,498	$ (29,442)	$ 16,056

($ amounts in thousands)	Useful Life (Years)	At December 31, 2019 Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Trademarks	5-7	$12,000	$ (9,856)	$ 2,144
Customer relationships	5	2,600	(2,210)	390
Developed technology	4-5	46,598	(28,075)	18,523
Backlog	1	700	(490)	210
Total		$61,898	$ (40,631)	$ 21,267

The weighted-average remaining life of intangible assets was 5.0 and 4.4 years at December 31, 2018 and 2019, respectively.

For the years ended December 31, 2018 and 2019, amortization expense was $9.1 million and $11.2 million, respectively.

At December 31, 2019, the expected amortization of intangible assets for future periods is as follows:

(in thousands) Years Ended December 31,	
2020	$ 11,048
2021	3,882
2022	3,882
2023	2,323
2024	57
2025 and thereafter	75
	$ 21,267

8. Capitalized Software

The following table presents details of the Company's capitalized software:

(in thousands)	At December 31, 2018	2019
Capitalized software costs	$2,654	$ 7,363
Less: Accumulated amortization	(440)	(2,185)
Total	$2,214	$ 5,178

For the years ended December 31, 2018 and 2019, amortization expense was $0.4 million and $1.7 million, respectively.

At December 31, 2019, the expected amortization of capitalized software for future periods is as follows:

(in thousands) Years Ended December 31,	
2020	$2,454
2021	2,014
2022	710
	$5,178

9. Accrued Expenses and Other Current Liabilities

The following table summarizes the components of accrued expenses and other current liabilities in the accompanying consolidated balance sheets at December 31, 2018 and 2019:

(in thousands)	At December 31, 2018	2019
Accrued bonus and payroll	$1,191	$ 3,037
Deferred revenue	258	3,453
Accrued interest	2,255	—
Income taxes payable	—	1,349
Accrued marketing expense	286	5,820
Other accrued expenses	—	1,897
Total accrued expenses and other current liabilities	$3,990	$15,556

10. Leases

The Company's leases consist of office facilities under noncancellable operating lease arrangements that expire at various dates through 2031. Certain of the Company's facility leases contain renewal options for periods of up to 10 years, at the Company's election. The Company has not recognized any renewal options in its estimate of the lease term as they are not reasonably certain of exercise. None of the Company's lease agreements contain any material residual value guarantees or material restrictive covenants.

For the years ended December 31, 2018 and 2019, lease expense of $1.9 million and $3.0 million, respectively, is included in operating expenses in the consolidated statements of operations. The Company did not have any material variable lease costs or short-term lease expenses for the years ended December 31, 2018 and 2019.

Cash paid for amounts affecting the measurement of the Company's operating lease liabilities included in cash flows from operating activities was $2.5 million for the year ended December 31, 2019. The weighted-average remaining lease term at December 31, 2019 was 9.9 years and the weighted-average discount rate as of December 31, 2019 was 5.99%. The Company's facility leases do not contain material nonlease components.

The Company's future minimum annual lease payments as of December 31, 2018 required under operating leases that have initial or remaining noncancellable lease terms in excess of one year are as follows for the years ending December 31:

(in thousands)	
2019	$2,265
2020	2,405
2021	2,466
2022	670
	$7,806

The following table presents maturities of operating lease liabilities at December 31, 2019:

(in thousands)	
Fiscal Years Ending December 31,	
2020	$ 2,937
2021	5,356
2022	5,254
2023	4,407
2024	4,562
2025 and thereafter	33,437
Total operating lease payments	55,953
Less: Effects of discounting	(15,887)
Present value of operating lease liabilities	$ 40,066
Current portion of operating lease liabilities	$ 2,937
Long-term operating lease liabilities	$ 37,129

Lease incentives of $7.4 million to be received over the next twelve months exceed the minimum lease payments and this amount is recorded in prepaid expenses and other current assets.

11. Income Taxes

The components of the Company's income tax expense are as follows:

	Year Ended December 31,	
(in thousands)	**2018**	**2019**
Current:		
Federal	$ 10,368	$ 20,012
State	620	2,592
	10,988	22,604
Deferred:		
Federal	(1,789)	(4,670)
State	(644)	(1,004)
	(2,433)	(5,674)
Total income tax expense	$ 8,555	$ 16,930

The reconciliation of the income tax expense computed at the U.S. Federal statutory rate of 21% to the Company's income tax expense is as follows:

	Year Ended December 31,	
(in thousands)	**2018**	**2019**
Income taxes computed at Federal statutory rate	$ 10,993	$ 17,425
State income tax	(154)	988
Stock-based compensation	(1,375)	(475)
Research and development credits	(858)	(1,661)
Increase in valuation allowance	—	380
Other	(51)	273
Expense for income taxes	$ 8,555	$ 16,930

The components of the net deferred tax assets and liabilities are as follows:

(in thousands)	At December 31, 2018	2019
Deferred tax assets		
Other assets	$ 493	$ 3,108
Lease liabilities	—	9,111
Stock-based compensation	467	840
Research and development credits, net of reserves	1,059	1,845
Goodwill	—	2,524
Net operating losses	—	570
Total deferred tax assets	2,019	17,998
Valuation allowance	—	(561)
Deferred tax assets, net of valuation allowance	2,019	17,437
Deferred tax liabilities		
Other liabilities	(345)	(214)
Lease assets	—	(9,002)
Property and equipment	(206)	(335)
Intangible assets	(4,058)	(5,679)
Total deferred tax liabilities	(4,609)	(15,230)
Net deferred tax (liability) asset	$ (2,590)	$ 2,207

The Company regularly reviews the deferred tax assets for recoverability and establishes a valuation allowance when it is more likely that some portion, or all, of the deferred tax assets will not be realized. In making the assessment, the Company is required to consider all available positive and negative evidence to determine whether, based on such evidence, it is more likely than not that some portion or all of the net deferred tax assets will not be realized in future periods. At December 31, 2019, the Company has recorded a valuation allowance of $0.6 million for certain deferred tax assets, primarily related to U.S. net operating loss carryforwards (“NOLs”) generated by the VIEs as sufficient uncertainty exists regarding the future realization of these assets.

At December 31, 2019, the Company had U.S. NOLs of $2.4 million available to reduce future federal income taxes. An immaterial portion of these federal NOLs expire in 2037 and the remaining NOLs may be carried over indefinitely. The Company had state NOLs of $0.9 million available to reduce future state income taxes which expire in varying amounts beginning 2029. The Company had U.S. credit carryforwards related to California research and development credits of $3.7 million to offset future California income taxes. Under current California law, unused research credits may be carried over indefinitely. Utilization of these operating loss carryforwards and tax credits may be subject to an annual limitation based on changes in ownership, as defined by Section 382/383 of the Internal Revenue Code (“IRC”) of 1986, as amended. If applicable, the Company expects any adjustments to the financial statements to be immaterial as a valuation allowance was established against its operating loss carryforwards.

In 2018, the Company closed an audit by the Internal Revenue Service (“IRS”) for the year ended December 31, 2015. No assessment was made by the IRS as a result of this audit. At December 31, 2019, the tax years 2016 and forward are subject to examination by the IRS, and the tax years 2015 and forward are subject to examination by the various state taxing jurisdictions in which the Company is subject to tax.

A reconciliation of the beginning and ending amount of gross unrecognized tax benefits is as follows:

(in thousands)	
Gross unrecognized tax benefits at December 31, 2017	$ 865
Increases related to prior year tax positions	458
Increases related to current year tax positions	3,186
Gross unrecognized tax benefits at December 31, 2018	4,509
Decreases related to prior year tax positions	(879)
Increases related to current year tax positions	744
Gross unrecognized tax benefits at December 31, 2019	$4,374

As of December 31, 2019, the Company had unrecognized tax benefits of $4.4 million, $3.9 million of which, if recognized, would impact its effective tax rate.

The Company estimates unrecognized tax benefits will decrease by $0.3 million in 2020 due to the expiration of statute of limitations.

At December 31, 2018 and 2019, accrued interest and penalties related to uncertain tax positions were $22,000 and $0.1 million, respectively.

12. Debt

The Company's debt balances at December 31, 2018 and 2019 were as follows:

	At December 31,	
(in thousands)	**2018**	**2019**
Principal balance under First Lien Credit Agreement	$545,000	$688,155
Principal balance under Second Lien Credit Agreement	200,000	—
	745,000	688,155
Less: Unamortized debt issuance costs and discounts	(22,764)	(17,233)
	$722,236	$670,922

First Lien and Second Lien

In October 2018, the Company entered into a First Lien Credit Agreement ("First Lien") and a Second Lien Credit Agreement ("Second Lien") with various lenders, for term loans of $545 million and $200 million, respectively. The First Lien and Second Lien are collateralized by substantially all of the assets of the Company and 100% of the equity interest of GoodRx.

The First Lien accrues interest at a rate per annum equal to the LIBO Screen Rate plus a variable margin based on the Company's most recently determined Net Leverage Ratio (as defined in the First Lien Credit Agreement), ranging from 2.75 to 3.00%. The effective interest rate on the First Lien for the years ended December 31, 2018 and 2019 was 5.9%. The First Lien requires quarterly principal payments from March 2019 through September 2025, with any remaining unpaid principal and any accrued and unpaid interest due on the maturity date of October 10, 2025. The Company may prepay the First Lien without penalty after April 2019.

The Second Lien accrued interest per annum at a rate per annum equal to the LIBO Screen Rate plus a margin of 7.50%. The effective interest rate on the Second Lien for the years ended December 31, 2018 and 2019 was 11.2% and 10.0%, respectively. The Second Lien did not require principal payments during the term of the loan with unpaid principal and any accrued and unpaid interest due on October 12, 2026. The Second Lien was prepayable without penalty after October 2020. Any prepayment prior to October 2019 required a 2.0% prepayment penalty and any prepayment between October 2019 and October 2020 required a 1.0% prepayment penalty.

In November 2019, the Company entered into an amendment of the First Lien to draw an additional term loan in the amount of $155 million. The additional term loan has the same maturity date and other terms as the original $545 million term loan. The proceeds from the amendment to the First Lien and existing cash resources were used to repay the Second Lien including prepayment penalties. The Company recognized a loss on extinguishment of the Second Lien of $4.9 million from unamortized debt issuance costs and discounts and prepayment penalties. The Company incurred third-party costs related to the amendment of the First Lien of $2.9 million which were expensed as incurred in other expense, net in the consolidated statements of operations.

As of December 31, 2019, the Company is subject to a financial covenant requiring maintenance of a Net Leverage Ratio not to exceed 8.2 to 1.0 and other nonfinancial covenants under the First Lien. Additionally, GoodRx is restricted from making dividend payments, loans or advances to the Company. At December 31, 2018 and 2019, the Company was in compliance with its covenants.

The following table presents details of the future principal payments under the debt agreements at December 31, 2019:

(in thousands)	
Years Ending December 31,	
2020	$ 7,029
2021	7,029
2022	7,029
2023	7,029
2024	7,029
2025	653,010
Total principal payments	$ 688,155

In 2018 and 2019, the Company incurred debt issuance costs and discounts of $23.4 million and $0.6 million, respectively, relating to the original issuance and subsequent amendment of the First Lien and the issuance of the Second Lien. Amortization of debt issuance costs and discounts of $0.8 million and $3.3 million were recognized as interest expense in the consolidated statements of operations for the years ended December 31, 2018 and 2019, respectively.

Accrued interest on the First Lien and Second Lien was $2.3 million and $0 at December 31, 2018 and 2019, respectively, and interest expense, including the amortization of debt issuance costs and discounts, was $11.7 million and $49.4 million for the years ended December 31, 2018 and 2019, respectively.

Line of Credit

In October 2018, the Company also obtained a line of credit for up to $40 million. During the year ended December 31, 2019, the term of the line of credit was extended by one year expiring on October 11, 2024. The line of credit bears interest at a rate equal to the LIBO Screen Rate plus a variable margin based on the Company's most recently determined Net Leverage Ratio (as defined in the First Lien Credit Agreement), ranging from 2.50 to 3.00% on used amounts and 0.25 to 0.50% on unused amounts. There were no borrowings against the line of credit for the years ended December 31, 2018 and 2019. There were outstanding letters of credit issued against the line of credit for $0.1 million and $9.1 million as of December 31, 2018 and 2019, respectively, which reduces the Company's available borrowings under the line of credit.

In 2019, the Company was required to provide a $9.0 million letter of credit for the benefit of the landlord of a new facility lease which the landlord may draw upon in the event of the Company's default of rent payment or damages to the building. The letter of credit will decrease by $0.9 million per year commencing in 2022.

Loss on Extinguishment of Debt in 2018

In April 2017 and May 2018, the Company entered into two credit agreements syndicated with various lenders, which provided term loans in aggregate of $307 million. In connection with the entering into the First Lien and Second Lien, the Company repaid in full all amounts due under its then-existing debt arrangement and recognized a loss on extinguishment of $2.9 million.

13. Commitments and Contingencies

Legal Proceedings

During the normal course of business, the Company may become subject to legal proceedings, claims and litigation. Such matters are subject to many uncertainties and outcomes are not predictable with assurance. Accruals for loss contingencies are recorded when a loss is probable, and the amount of such loss can be reasonably estimated.

As of December 31, 2019, the Company is not subject to any currently pending legal matters or claims that could have a material adverse effect on its financial position, results of operations, or cash flows should such litigation be resolved unfavorably.

Refer to Note 10 Leases for detail of the contractual obligations for the Company's noncancellable operating leases.

14. Redeemable Convertible Preferred Stock and Stockholders' Deficit

Preferred Stock and Special Dividends

On October 12, 2018, the Company issued 126 million shares of redeemable convertible preferred stock for gross proceeds of $748.8 million. The Company incurred $11.8 million of issuance costs. Concurrent with this investment, all then-existing shares of preferred stock (the "old preferred stock") were converted to common shares.

The holders of old preferred stock were entitled to receive cumulative preferential dividends, if declared, at an annual rate of 10% of the original issue price of each share of preferred stock. In May 2018, the Company used the proceeds from the credit agreement described in Note 12 and cash on hand to pay cumulative dividends in arrears on the old preferred stock of $18.6 million and also to pay a special dividend to preferred and common stockholders of $154.4 million.

In October 2018, the Company used the proceeds from the First Lien and Second Lien, debt facilities, the proceeds from the issuance of preferred stock, and cash on hand to pay cumulative dividends in arrears on the old preferred stock of $6.4 million immediately prior to their conversion to common stock and to pay special dividends to preferred and common stockholders of approximately $1,167.1 million.

A summary of the significant rights and preferences of the redeemable convertible preferred stock outstanding at December 31, 2019 is as follows:

Conversion

Each share of preferred stock is convertible, at the option of the holder, into shares of common stock by dividing the original issue price by the conversion price, subject to adjustments for certain events as defined by the Amended Certificate of Incorporation. Each redeemable convertible preferred share will automatically be converted into common stock upon the election by the majority of investors provided in writing to the Company at the rate of 1:1. The number of shares of common stock issuable upon conversion of each share of redeemable convertible preferred stock shall be appropriately adjusted to reflect any stock dividend, stock split or other similar event affecting the number of outstanding shares of common stock. Each share of preferred stock will automatically be converted into common stock, (i) immediately prior to

the closing of a Qualified IPO, (ii) upon the election of the preferred majority provided in writing to the Company, which notice may be provided at any time, or (iii) immediately at such time as the liquidation preference has been reduced to zero. A Qualified IPO is defined as a sale of any class of shares of the Company, resulting in at least $200 million of net proceeds to the Company, in which the per share price of the shares of Common Stock being offered in such public offering is at least (i) prior to October 12, 2022, 1.25x the original issue price and (ii) on or following October 12, 2022, one times the original issue price. In addition, the Company may not redeem any portion of the preferred stock, without majority written consent of the preferred stockholders.

Dividends

No dividends accrue or are payable with respect to the preferred stock unless declared by the Board of Directors. In the event a dividend to common stockholders is declared, the Company must also declare and pay to holders of the preferred stock at the same time and in the same amount that the preferred stockholders would have been paid had all outstanding preferred stock been converted immediately prior to the record date for such dividend, or if no record date is fixed, the date as of which record holders of common stock are entitled to such dividends.

Liquidation

In the event of any liquidation, dissolution, winding-up of the Company or deemed liquidation events (as defined), the holders of the preferred stock are entitled to receive for each outstanding share an amount equal to the greater of: (i) the original issuance price per share plus all declared but unpaid dividends; and (ii) all declared but unpaid dividends plus the amount per share payable upon the event of any liquidation, dissolution, winding-up or deemed liquidation event, after payment of all declared and unpaid dividends and in lieu of payment of the liquidation preference (as defined), had all the shares of preferred stock been converted into common stock prior to such liquidation. The original issuance price per share is $5.94. After payment of the liquidation preferences to the preferred stock, all remaining assets are distributed to the common stockholders. Any proceeds remaining after payment to the holders of redeemable convertible preferred stock are to be distributed ratably to the holders of common stock.

The liquidation preference provisions of the preferred stock such as a change in control are considered contingent redemption provisions as there are certain elements that are not solely within the control of the Company. Accordingly, the preferred stock has been presented in the mezzanine section of the consolidated balance sheet.

Voting

The holders of shares of preferred stock are entitled to vote as a separate class for certain matters. Unless otherwise provided by law or in the current charter, the preferred stockholders vote together with the common stockholders as a single class, on an as converted common stock basis for matters submitted to the stockholders for a vote.

15. Stock-Based Compensation

2015 Equity Incentive Plan

The Board of Directors is authorized to grant stock-based awards under the 2015 Equity Incentive Plan (the “2015 Plan”). At December 31, 2019, 732,723 shares were available for issuance under the 2015 Plan.

Stock Options

Options granted generally vest 25% of the total award on the first anniversary of the vesting commencement date, and thereafter ratably monthly over the remaining three-year period. Options generally have a ten-year term. The Company issues new shares upon exercise of stock options.

A summary of the stock option activity for the year ended December 31, 2019 is as follows, in thousands, except per share amounts and term information:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2018	14,869	2.61	8.5 years	$ 12,626	
Granted	6,107	5.94			$ 1.27
Exercised	(2,397)	1.25		11,090	
Expired/Cancelled/Forfeited	(1,729)	4.19			
Outstanding at December 31, 2019	16,850	3.82	8.2 years	35,043	
Exercisable at December 31, 2019	7,006	2.55	7.6 years	23,314	

The weighted-average fair value per share of options granted for the year ended December 31, 2018 was $1.17.

The fair value of option awards issued under the plan are estimated on the grant date using the Black-Scholes option-pricing model. The following table summarizes the assumptions used:

	Year Ended December 31,	
	2018	2019
Risk-free interest rate	2.7% - 2.9%	1.4% - 2.4%
Expected term	5.7 - 6.1 years	5.6 - 6.3 years
Expected stock price volatility	60%	50%
Dividend yield	0%	0%
Fair value of common stock per share	$1.05 - $2.75	$2.75 - $ 5.88

For the years ended December 31, 2018 and 2019, stock-based compensation expense related to stock options was $1.8 million and $2.5 million, respectively. There was $5.4 million and $9.1 million of total unrecognized compensation cost related to stock options granted under the 2015 Plan at December 31, 2018 and 2019. The unrecognized compensation cost at December 31, 2019 is expected to be recognized over a weighted-average remaining service period of 2.9 years.

Restricted Stock Awards

As a result of the HeyDoctor acquisition, the Company issued 1,878,588 shares of restricted stock to certain employees. The restricted shares are subject to a repurchase option that entitles the Company to repurchase any unvested shares at par value if the employees are no longer employed by the Company during the four-year vesting period. Compensation expense is recognized over the vesting period based on the grant-date fair value of $3.88 per share.

The following table shows the activity in the nonvested restricted shares for 2019:

(in thousands, except per share amounts)	Shares	Weighted Average Grant Date Fair Value
Nonvested restricted shares at December 31, 2018	19	$ 0.004
Granted	1,879	3.88
Vested	(19)	0.004
Nonvested restricted shares at December 31, 2019	1,879	3.88

For the year ended December 31, 2019, total stock-based compensation expense related to restricted stock awards was $1.3 million. At December 31, 2019, there was $6.0 million of total unrecognized compensation cost related to these restricted shares which is expected to be recognized over the remaining service period of 3.3 years.

Stock-Based Compensation Expense

Stock-based compensation is included in the following components of expenses on the accompanying consolidated statements of operations.

	Year Ended December 31,	
(in thousands)	**2018**	**2019**
Cost of revenue	$ —	$ 28
Product development and technology	1,048	1,775
Sales and marketing	544	1,268
General and administrative	170	676
	$ 1,762	$ 3,747
Deferred income tax benefit recognized	$ 391	$ 561
Excess tax benefit realized from stock options exercised	$ 1,349	$ 853

Bonus expense for options

In connection with the dividend payments made to stockholders in May 2018 and October 2018, as further described in Note 14 Redeemable Convertible Preferred Stock and Stockholders' Deficit, the Company paid vested option holders cash bonuses totaling $38.8 million which are included in the following components of expenses on the accompanying consolidated statement of operations for the year ended December 31, 2018 as follows:

(in thousands)	
Cost of revenue	$ —
Product development and technology	29,189
Sales and marketing	6,878
General and administrative	2,733
	$ 38,800

16. Basic and Diluted Earnings Per Share

The computation of earnings per share for the years ended December 31, 2018 and 2019 is as follows:

(in thousands, except per share data)	Year Ended December 31, 2018	2019
Numerator:		
Net income	$ 43,793	$ 66,048
Less: Accumulated dividends on convertible preferred stock	(12,984)	—
Less: Undistributed earnings allocated to convertible preferred stock	(17,014)	(23,607)
Net income attributable to common stockholders—basic	$ 13,795	$ 42,441
Add: Undistributed earnings reallocated to holders of common stock	431	304
Net income attributable to common stockholders—diluted	$ 14,226	$ 42,745
Denominator:		
Weighted average shares—basic	111,842	226,607
Dilutive impact of stock options and restricted stock awards	6,502	4,602
Weighted average shares—diluted	118,344	231,209
Earnings per share		
Basic	$ 0.12	$ 0.19
Diluted	$ 0.12	$ 0.18

The following weighted-average potentially dilutive shares were excluded from the computation of diluted net income per share for the periods presented because including them would have been antidilutive:

(in thousands)	Year Ended December 31, 2018	2019
Redeemable convertible preferred stock	137,946	126,046
Stock options to purchase common stock	2,539	7,304

Pro forma earnings per share (unaudited)

The computation of unaudited pro forma earnings per share for the year ended December 31, 2019 is as follows:

Numerator:	
Net income—basic and diluted	$ 66,048
Denominator:	
Weighted average shares—basic	226,607
Adjustment for assumed conversion of convertible preferred stock to common stock	126,046
Pro forma weighted-average shares—basic	352,653
Dilutive impact of stock options and restricted stock awards	4,602
Pro forma weighted-average shares—diluted	357,255
Pro forma earnings per share:	
Basic	$ 0.19
Diluted	$ 0.18

17. Condensed Financial Information of Parent Company

GoodRx Holdings Inc. has no material assets or standalone operations other than its ownership in its consolidated subsidiaries. Under the terms of debt agreements entered into by GoodRx, a wholly-owned subsidiary of GoodRx Intermediate Holdings, LLC, which itself is a wholly-owned subsidiary of GoodRx Holdings, Inc., GoodRx is restricted from making dividend payments, loans or advances to GoodRx Intermediate Holdings, LLC and GoodRx Holdings, Inc. These restrictions have resulted in the restricted net assets (as defined in Rule 4-08(e)(3) of Regulation S-X) of GoodRx, Inc. and its subsidiaries exceeding 25% of the consolidated net assets of GoodRx Holdings, Inc. and its subsidiaries.

The condensed financial information is presented on a “parent-only” basis, and GoodRx Holdings Inc.’s investment in its subsidiary is stated at cost plus equity in earnings of subsidiary less distributions received from subsidiary since the date of the October 7, 2015 acquisition. GoodRx Holdings. Inc.’s share of net income of its subsidiary is included in net income using the equity method of accounting. The subsidiary has made distributions to GoodRx Holdings, Inc. in excess of GoodRx Holdings, Inc.’s investments in and equity in earnings of the subsidiary.

During 2018 and 2019, GoodRx Holdings, Inc. received dividends from its subsidiary of $606.0 million and $0, respectively.

The following table presents the parent-only balance sheets of GoodRx Holdings, Inc. as of December 31, 2018 and 2019:

(in thousands, except per share amounts)	At December 31, 2018	2019
Assets		
Cash	$ 500	$ 110
Other asset	—	147
Total assets	$ 500	$ 257
Liabilities, redeemable convertible preferred stock and stockholders’ deficit		
Investment in subsidiary, net of distributions	$ 425,918	$ 350,830
Total liabilities	425,918	350,830
Redeemable convertible preferred stock		
Redeemable convertible preferred stock, $0.006 par value; 130,000 shares authorized and 126,046 shares issued and outstanding at December 31, 2018 and 2019; liquidation preference of $748,800 at December 31, 2019	737,009	737,009
Stockholders’ deficit		
Common stock, $0.002 par value; 380,000 shares authorized at December 31, 2018 and 2019; 225,201 and 229,750 shares issued and outstanding as of December 31, 2018 and December 31, 2019, respectively	451	460
Additional paid-in capital	—	8,788
Accumulated deficit	(1,162,878)	(1,096,830)
Total stockholders’ deficit	(1,162,427)	(1,087,582)
Total liabilities, redeemable convertible preferred stock, and stockholders’ deficit	$ 500	$ 257

The following table presents the parent-only statement of operations of GoodRx Holdings, Inc. for the years ended December 31, 2018 and 2019:

(in thousands)	Year Ended December 31, 2018	2019
Equity in earnings of subsidiary	$ 43,793	$ 66,048
Net income	$ 43,793	$ 66,048

The following table presents the parent-only statement of cash flows of GoodRx Holdings, Inc. for the years ended December 31, 2018 and 2019:

(in thousands)	Year Ended December 31, 2018	2019
Cash flows from operating activities		
Net income	$ 43,793	$ 66,048
Adjustments to reconcile net income to net cash used in operating activities:		
Equity in earnings of subsidiary	(43,793)	(66,048)
Changes in assets and liabilities:		
Other asset	—	(147)
Net cash used in operating activities	—	(147)
Cash flows from investing activities		
Distribution from subsidiary	605,997	—
Investment in subsidiary	—	(4,908)
Net cash provided by (used in) investing activities	605,997	(4,908)
Cash flows from financing activities		
Issuance of preferred stock, net	737,009	—
Issuance of common stock	—	1,623
Dividends paid	(1,346,355)	—
Proceeds from exercise of stock options	3,349	3,042
Net cash (used in) provided by financing activities	(605,997)	4,665
Net change in cash	—	(390)
Cash		
Beginning of year	500	500
End of year	$ 500	$ 110

18. Subsequent Events

The Company has evaluated subsequent events through April 27, 2020, the date these consolidated financial statements were available to be issued and has determined that the following subsequent events require disclosure in the consolidated financial statements.

On January 28, 2020, an additional 10 million shares of common stock were authorized.

Between January 1, 2020 and April 27, 2020, the Company granted stock options to purchase 5.6 million shares of common stock with a weighted average exercise price of $6.20 per share.

COVID-19 Outbreak

As a precautionary measure, to increase the Company's cash position and preserve financial flexibility in light of the current uncertainty resulting from the COVID-19 outbreak, on March 18, 2020, the Company borrowed an aggregate of $28.0 million under its line of credit.

Current circumstances of the COVID-19 crisis are dynamic and the impact on the Company's business operations, including the duration and changes in customer behavior, cannot be reasonably estimated at this time. Although initial indications point to minimal impact to demand, the Company anticipates this may change and could result in a material impact on its business, results of operations, financial position and cash flows in 2020.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") was signed into law, featuring significant tax provisions and other measures to assist individuals and businesses impacted by the economic effects of the COVID-19 pandemic. The CARES Act increased the Section 163(j) interest expense limitation from 30% to 50% of adjusted taxable income, provided for the payment deferral of certain Social Security taxes, made a technical correction allowing Qualified Improvement Property ("QIP") to be treated as 15-year property, and included numerous other provisions. The Company is currently evaluating the impact of the CARES Act and will account for the tax effects of the related changes in the period of enactment.

Change in Ownership of HeyDoctor Professional Service Corporations

In 2020, the ownership of the HeyDoctor PSCs was transferred to different medical professionals. The Company's deferred income taxes reflect carryover tax attributes generated by the VIEs available for future utilization. Section 382 of the IRC limits the utilization of U.S. net operating loss carryforwards following a change of control. As the 2020 change in ownership in the PSCs constitutes a change of control, U.S. NOLs from the PSCs will be subject to an annual limitation under IRC Section 382. The Company expects any limitation will be immaterial to the financial statements as a valuation allowance was established against the NOLs from the PSCs due to uncertainty regarding their future realization.

Events Subsequent to Original Issuance of the Consolidated Financial Statements (Unaudited)

In connection with the reissuance of the consolidated financial statements, the Company has evaluated subsequent events through July 2, 2020, the date the financial statements were available to be reissued.

Between April 28, 2020 and July 2, 2020, the Company granted stock options to purchase 3.5 million shares of common stock with a weighted average exercise price of $6.84 per share of which options to purchase 2.9 million shares of common stock vest solely based on the continued service of the employee and options to purchase 0.6 million shares of common stock vest upon continued service and the achievement of both performance and market conditions. The performance condition is satisfied upon the closing of an initial public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, or a change in the control of the Company, as defined. The market condition is satisfied upon the Company's common stock achieving certain per share price thresholds in the initial public offering, the trading price of the Company's stock for a period subsequent to the initial public offering, or the per share price in a change in control transaction.

In May 2020, the Company entered into an amendment of the First Lien to increase the amount of the line of credit to $100.0 million. The maturity date and interest rate are the same as the original line of credit disclosed in Note 12. The Company incurred lender and third-party costs of $1.3 million related to the amendment. The Company has not borrowed any additional amounts under the line of credit subsequent to March 18, 2020.

In June 2020, the Company modified the terms of an option to purchase 0.4 million shares of common stock. The original award that would otherwise have been cancelled upon the employee's departure from the Company was modified to permit the former employee to only exercise the award within 30 days of the Company completing its initial public offering or a change in control of the Company, as defined.

GOODRX HOLDINGS, INC.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2019 AND JUNE 30, 2020

(in thousands, except par values)	December 31, 2019	June 30, 2020	Pro Forma June 30, 2020
Assets			
Current assets			
Cash	$ 26,050	$ 126,625	
Accounts receivable, net	48,129	58,782	
Prepaid expenses and other current assets	12,403	15,027	
Total current assets	86,582	200,434	
Property and equipment, net	1,860	5,229	
Goodwill	236,225	236,225	
Intangible assets, net	21,267	14,576	
Capitalized software, net	5,178	10,959	
Operating lease right-of-use assets	32,315	30,280	
Deferred tax assets, net	2,207	1,687	
Other assets	1,162	3,043	
Total assets	$ 386,796	$ 502,433	
Liabilities, redeemable convertible preferred stock and stockholders' deficit			
Current liabilities			
Accounts payable	$ 7,851	$ 8,604	
Accrued expenses and other current liabilities	15,556	41,114	
Current portion of debt	7,029	7,029	
Operating lease liabilities, current	2,937	3,280	
Total current liabilities	33,373	60,027	
Debt, net	663,893	689,892	
Operating lease liabilities, net of current portion	37,129	36,088	
Deferred tax liabilities, net	—	1,772	
Other liabilities	2,974	4,380	
Total liabilities	737,369	792,159	
Commitments and contingencies (Note 7)			
Redeemable convertible preferred stock, $0.006 par value; 130,000 shares authorized and 126,046 shares issued and outstanding at December 31, 2019 and June 30, 2020; liquidation preference of $748,800 at December 31, 2019 and June 30, 2020; no shares issued and outstanding at June 30, 2020, pro forma	737,009	737,009	—
Stockholders' deficit			
Common stock, $0.002 par value; 380,000 and 390,000 shares authorized at December 31, 2019 and June 30, 2020, respectively; 229,750 and 230,439 shares issued and outstanding at December 31,2019 and June 30, 2020, respectively; 356,485 shares issued and outstanding at June 30, 2020, pro forma	460	462	$ 713
Additional paid-in capital	8,788	14,950	751,708
Accumulated deficit	(1,096,830)	(1,042,147)	(1,042,147)
Total stockholders' deficit	(1,087,582)	(1,026,735)	$ (289,726)
Total liabilities, redeemable convertible preferred stock and stockholders' deficit	$ 386,796	$ 502,433	

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

GOODRX HOLDINGS, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
SIX MONTHS ENDED JUNE 30, 2019 AND 2020

(in thousands, except per share amounts)	Six Months Ended June 30, 2019	Six Months Ended June 30, 2020
Revenue	$173,223	$256,703
Costs and operating expenses:		
Cost of revenue, exclusive of depreciation and amortization presented separately below	6,024	12,843
Product development and technology	11,636	22,287
Sales and marketing	77,689	115,082
General and administrative	6,063	12,219
Depreciation and amortization	5,746	8,866
Total costs and operating expenses	107,158	171,297
Operating income	66,065	85,406
Other expense (income):		
Other expense (income), net	1	(21)
Interest income	(309)	(116)
Interest expense	26,679	15,433
Total other expense, net	26,371	15,296
Income before income tax expense	39,694	70,110
Income tax expense	(8,492)	(15,427)
Net income	$ 31,202	$ 54,683
Net income attributable to common stockholders		
Basic	$ 20,025	$ 35,325
Diluted	$ 20,155	$ 35,674
Earnings per share:		
Basic	$ 0.09	$ 0.15
Diluted	$ 0.09	$ 0.15
Weighted average shares used in computing earnings per share:		
Basic	225,841	230,020
Diluted	229,974	236,557
Pro forma earnings per share:		
Basic		$ 0.15
Diluted		$ 0.15
Weighted average shares used in computing pro forma earnings per share:		
Basic		356,066
Diluted		362,603

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

GOODRX HOLDINGS, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT
SIX MONTHS ENDED JUNE 30, 2019 AND 2020

(in thousands)	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount			
Balance at December 31, 2018	126,046	$737,009	225,201	$ 451	$ —	$(1,162,878)	$(1,162,427)
Stock options exercised	—	—	1,717	4	1,883	—	1,887
Restricted stock issuance			1,879	3	(3)	—	—
Stock-based compensation	—	—	—	—	1,944	—	1,944
Net income	—	—	—	—	—	31,202	31,202
Balance at June 30, 2019	126,046	$737,009	228,797	$ 458	$ 3,824	$(1,131,676)	$(1,127,394)
Balance at December 31, 2019	126,046	$737,009	229,750	$ 460	$ 8,788	$(1,096,830)	$(1,087,582)
Stock options exercised	—	—	689	2	1,221	—	1,223
Stock-based compensation	—	—	—	—	4,941	—	4,941
Net income	—	—	—	—	—	54,683	54,683
Balance at June 30, 2020	126,046	$737,009	230,439	$ 462	$ 14,950	$(1,042,147)	$(1,026,735)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

GOODRX HOLDINGS, INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2019 AND 2020

(in thousands)	Six Months Ended June 30, 2019	2020
Cash flows from operating activities		
Net income	$ 31,202	$ 54,683
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	5,746	8,866
Amortization of debt issuance costs	1,682	1,596
Non-cash operating lease expense	920	2,232
Stock-based compensation	1,736	4,331
Deferred income taxes	—	2,292
Changes in operating assets and liabilities, net of effect of business acquisition		
Accounts receivable	(4,566)	(10,653)
Prepaid expenses and other assets	634	(3,952)
Accounts payable	5,252	753
Accrued expenses and other current liabilities	8,487	23,164
Operating lease liabilities	(861)	(224)
Other liabilities	42	737
Net cash provided by operating activities	50,274	83,825
Cash flows from investing activities		
Purchase of property and equipment	(670)	(1,779)
Acquisitions, net of cash acquired	(12,606)	—
Capitalized software	(2,029)	(6,540)
Net cash used in investing activities	(15,305)	(8,319)
Cash flows from financing activities		
Proceeds from line of credit	—	28,000
Payments on long-term debt	(8,725)	(3,515)
Payment of debt issuance costs	—	(1,306)
Proceeds from exercise of stock options	1,887	1,223
Proceeds from early exercise of stock options	—	667
Net cash (used in) provided by financing activities	(6,838)	25,069
Net change in cash	28,131	100,575
Cash		
Beginning of period	34,600	26,050
End of period	$ 62,731	$126,625
Supplemental disclosure of cash flow information		
Cash paid during the period for		
Income taxes	$ 318	$ 1,545
Interest	26,066	13,833
Non cash investing and financing activities		
Offering costs included in accounts payable and accrued expense and other current liabilities	$ —	$ 736
Right-of-use assets obtained in exchange for new operating lease liabilities	2,606	—
Stock-based compensation included in capitalized software development costs	208	610
Capitalized software development costs in accrued expenses and other current liabilities	298	269
Purchase of property and equipment included in accounts payable and accrued expenses and other current liabilties	—	2,125

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

GOODRX HOLDINGS, INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Business

GoodRx Holdings, Inc. (the "Company") was formed in September 2015. On October 7, 2015, the Company acquired 100% of the outstanding shares of GoodRx, Inc. ("GoodRx"). GoodRx was formed in September 2011. The Company offers information and tools to help consumers compare prices and save on their prescription drug purchases. The Company operates apps and websites that provide prices and discounts at local and mail-order pharmacies for both insured and uninsured Americans. The services are free to consumers and the Company primarily earns revenue from its core business from Pharmacy Benefit Managers ("PBMs") that manage formularies and prescription transactions including establishing pricing between consumers and pharmacies.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information. Certain information and disclosures normally included in consolidated financial statements prepared in accordance with GAAP have been condensed or omitted. Accordingly, these condensed consolidated financial statements should be read in conjunction with our audited consolidated financial statements for the year ended December 31, 2019 and the related notes. The December 31, 2019 condensed consolidated balance sheet was derived from our audited consolidated financial statements as of that date. Our unaudited interim condensed consolidated financial statements include, in the opinion of management, all adjustments, consisting of normal and recurring items, necessary for the fair statement of the condensed consolidated financial statements. There have been no significant changes in accounting policies during the six months ended June 30, 2020 from those disclosed in the annual consolidated financial statements for the year ended December 31, 2019 and the related notes.

The operating results for the six months ended June 30, 2020 are not necessarily indicative of the results expected for the full year ending December 31, 2020.

Principles of Consolidation

The consolidated financial statements include the financial statements of GoodRx Holdings, Inc., its wholly owned subsidiaries and variable interest entities ("VIEs") for which the Company is the primary beneficiary. Intercompany balances and transactions have been eliminated in consolidation. Results of businesses acquired are included in the Company's consolidated financial statements from their respective dates of acquisition.

Consolidation of VIEs

The Company evaluates whether an entity in which it has a variable interest is considered a variable interest entity ("VIE"). VIEs are generally entities that have either a total equity investment that is insufficient to permit the entity to finance its activities without additional subordinated financial support, or whose equity investors lack the characteristics of a controlling financial interest (i.e., ability to make significant decisions through voting rights and a right to receive the expected residual returns of the entity or an obligation to absorb the expected losses of the entity).

Under the provisions of Accounting Standards Codification ("ASC") 810, Consolidation, an entity consolidates a VIE if it is determined to be the primary beneficiary of the VIE. The primary beneficiary has both (a) the power to direct the activities of the VIE that most significantly impact the entity's economic

performance, and (b) the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE. The Company periodically reassesses whether it is the primary beneficiary of a VIE.

On April 18, 2019, the Company acquired Sappira, Inc. d.b.a. HeyDoctor ("HeyDoctor"). HeyDoctor provides management and other services to Professional Service Corporations ("PSCs"), which are owned by medical professionals in accordance with certain state laws which restrict the corporate practice of medicine and require medical practitioners to own such entities. The Company determined that the PSCs are VIEs. The Company also determined that it is able to direct the activities of the PSCs that most significantly impact their economic performance and it funds and absorbs all losses of these VIEs resulting in the Company being the primary beneficiary of the PSCs. Accordingly, the Company consolidates the VIEs. Total revenue and net loss for the VIEs were $3.7 million and $(0.6) million, respectively, for the six months ended June 30, 2020. Total revenue and net loss for the VIEs were $0.2 million and $(0.5) million, respectively, for the period from April 18, 2019 to June 30, 2019. The VIEs' total assets and liabilities were $3.5 million and $5.6 million, respectively, at June 30, 2020. The VIEs' total stockholders' deficit was $2.1 million at June 30, 2020. The VIEs' total assets and liabilities were $1.4 million and $2.9 million, respectively, at December 31, 2019. The VIEs' total stockholders' deficit was $1.5 million at December 31, 2019.

Unaudited pro forma information

In connection with a qualifying initial public offering contemplated by the Company, all shares of redeemable convertible preferred stock will automatically convert into shares of common stock on a one-for-one basis. The unaudited pro forma balance sheet information gives effect to the conversion of the redeemable convertible preferred stock as of June 30, 2020.

Unaudited pro forma basic and diluted earnings per share were computed to give effect to the automatic conversion of all outstanding redeemable convertible preferred stock into common stock in connection with a qualifying initial public offering as though the conversion had occurred as of January 1, 2019.

Segment Reporting and Geographic Information

Operating segments are defined as components of an enterprise for which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company's chief operating decision maker manages the Company on the basis of one operating segment. During the six months ended June 30, 2019 and 2020, all of the Company's revenue was from customers located in the United States. In addition, at December 31, 2019 and June 30, 2020, all of the Company's right-of-use assets and property and equipment was in the United States.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements, including the accompanying notes. The Company bases its estimates on historical factors, current circumstances, and the experience and judgment of management. The Company evaluates its estimates and assumptions on an ongoing basis. Actual results could differ from those estimates. Significant estimates reflected in the condensed consolidated financial statements include revenue recognition, valuation of intangible assets, useful lives of long-lived assets and capitalized software costs, recovery of long-lived assets and goodwill, assumptions used for purpose of determining stock-based compensation, and income tax reserves, among others.

Certain Risks and Concentrations

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash and accounts receivable. The Company maintains cash deposits with several

financial institutions in the United States which, at times, may exceed federally insured limits. Cash may be withdrawn or redeemed on demand. The Company believes that the financial institutions that hold its cash are financially sound and, accordingly, minimal credit risk exists with respect to these balances. The Company has not experienced any losses in such accounts.

The Company extends credit to its customers based on an evaluation of their ability to pay amounts due under contractual arrangements and generally does not obtain or require collateral.

For the six months ended June 30, 2020, three customers accounted for approximately 18%, 18% and 12% of the Company's revenue. At June 30, 2020, two customers accounted for 13% and 13% of the Company's accounts receivable balance. For the six months ended June 30, 2019, two customers accounted for approximately 26% and 23% of the Company's revenue. At December 31, 2019, two customers accounted for 17% and 16% of the Company's accounts receivable balance.

In March 2020, the World Health Organization declared the outbreak of the novel coronavirus disease ("COVID–19") a pandemic. COVID-19 has spread to almost every country in the world and all 50 states within the United States. Through June 30, 2020, the Company's prescription offering experienced a decline in activity as many consumers avoided visiting healthcare professionals and pharmacies in-person during the course of the pandemic, which the Company believes has had a similar effect across the industry. In addition, the Company has experienced a significant increase in demand for the telehealth offerings. The Company only commenced its telehealth offerings following the acquisition of HeyDoctor in April 2019. The full extent to which the outbreak of COVID-19 will impact the Company's business, results of operations and financial condition is still unknown and will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions to contain the virus or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume.

In light of the currently unknown ultimate duration and severity of COVID-19, the Company faces a greater degree of uncertainty than normal in making the judgments and estimates needed to apply significant accounting policies. The Company assessed certain accounting matters that generally require consideration of forecasted financial information in context with the information reasonably available to the Company and the unknown future impacts COVID-19 as of June 30, 2020 and through the date of this report. The accounting matters assessed included, but were not limited to, the Company's allowance for doubtful accounts, the carrying value of the goodwill and other long-lived assets, incentive-based compensation and income taxes.

As of the date of these condensed consolidated financial statements, management is not aware of any specific event or circumstance that would require an update to estimates or judgments or a revision to the carrying value of assets or liabilities. However, these estimates and judgments may change as new events occur and additional information is obtained, which may result in changes being recognized in our consolidated financial statements in future periods.

Income Taxes

The Company calculates income tax expense in interim periods by applying an estimated annual effective tax rate to income before income taxes and by calculating the tax effect of discrete items recognized during the period.

Deferred Offering Costs

Deferred offering costs of $0 and $0.7 million have been recorded as other assets on the condensed consolidated balance sheets as of December 31, 2019 and June 30, 2020, respectively, and consist of costs incurred in connection with the anticipated sale of the Company's common stock in its initial public offering ("IPO"), including certain legal, accounting, printing, and other IPO related costs. After completion of the

IPO, deferred offering costs are recorded in stockholders' deficit as a reduction from the proceeds of the offering. Should the Company terminate its planned IPO or if there is a significant delay, the deferred offering costs would be immediately expensed in the condensed consolidated statements of operations.

Revenue Recognition

For the six months ended June 30, 2019 and 2020, revenue comprises the following:

	Six Months Ended June 30,	
(in thousands)	**2019**	**2020**
Prescription transactions revenue	$164,318	$232,565
Other revenue	8,905	24,138
Total revenue	$173,223	$256,703

Stock-Based Compensation

Compensation cost is allocated to cost of revenue, product development and technology, sales and marketing, and general and administrative expense in the condensed consolidated statements of operations for stock options and restricted stock awards, based on the fair value of these awards at the date of grant. For awards that vest based on continued service, stock-based compensation cost is recognized on a straight-line basis over the requisite service period, which is generally the vesting period of the awards. For awards with performance vesting conditions, stock-based compensation cost is recognized on a graded vesting basis over the requisite service period when it is probable the performance condition will be achieved. The grant date fair value of stock options that contain service or performance conditions is estimated using the Black-Scholes option-pricing model and the grant date fair value of restricted stock awards that contain service or performance conditions is estimated based on the fair value of the Company's common stock. For awards with market vesting conditions, the fair value is estimated using a binomial lattice model that incorporates the likelihood of achieving the market condition. Stock-based compensation cost for awards that contain market vesting conditions is recognized on a graded vesting basis over the requisite service period, even if the market condition is not satisfied. Forfeitures are recognized when they occur.

Comprehensive Income

During the six months ended June 30, 2019 and 2020, other than net income, the Company did not have any other elements of comprehensive income.

Recent Accounting Pronouncements

Recently adopted accounting pronouncements

In August 2018, the FASB issued Accounting Standards Update ("ASU") 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement.* This ASU eliminates, modifies and adds disclosure requirements for fair value measurements. The Company adopted this guidance on January 1, 2020, and the adoption did not have any impact to the consolidated financial statements.

Recently issued accounting pronouncements - not yet adopted

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, to require the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and

reasonable and supportable forecasts. The ASU also amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration. In February 2020, the FASB issued ASU 2020-02, *Financial Instruments—Credit Losses (Topic 326) and Leases (Topic 842)—Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 119 and Update to SEC Section on Effective Date Related to Accounting Standards Update No. 2016-02, Leases (Topic 842) (SEC Update)*, which amends the language in Subtopic 326-20 and addresses questions primarily regarding documentation and company policies. The guidance in ASU 2016-13 and ASU 2020-02 related to credit losses is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early adoption is permitted. The Company is currently evaluating the impact of the new guidance on its consolidated financial statements.

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*. ASU 2018-15 requires implementation costs incurred by customers in cloud computing arrangements to be deferred over the noncancelable term of the cloud-computing arrangements plus any optional renewal periods (1) that are reasonably certain to be exercised by the customer or (2) for which exercise of the renewal option is controlled by the cloud service provider. This guidance is effective date for fiscal years beginning after December 15, 2020, and interim periods within annual periods beginning after December 15, 2021. Early adoption is permitted. This guidance can be adopted either using the prospective or retrospective transition approach. The Company is currently evaluating the impacts of this ASU on its consolidated financial statements.

In October 2018, the FASB issued ASU 2018-17, *Consolidation (Topic 810): Targeted Improvements to the Related Party Guidance for Variable Interest Entities*. ASU 2018-17 changes how entities evaluate decision-making fees under the variable interest entity guidance. To determine whether decision-making fees represent a variable interest, an entity considers indirect interests held through related parties under common control on a proportional basis, rather than in their entirety. This guidance is effective for fiscal years, beginning after December 15, 2020 and interim periods within fiscal years beginning after December 15, 2021, with early adoption permitted. All entities are required to apply the amendments in this ASU retrospectively with a cumulative-effect adjustment to retained earnings at the beginning of the earliest period presented. The Company is currently evaluating the impact of the adoption of this ASU on its consolidated financial statements.

In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*. The objective of the guidance is to simplify the accounting for income taxes by removing certain exceptions to the general principles in Topic 740 and to provide more consistent application to improve the comparability of financial statements. The guidance is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The Company is currently evaluating the impact of this ASU on its consolidated financial statements.

3. Prepaid expenses and other current assets

Prepaid expenses and other current assets consisted of the following:

(in thousands)	At December 31, 2019	At June 30, 2020
Prepaid expenses	$ 5,014	$ 8,309
Lease incentive receivable	7,389	6,718
Total prepaid expenses and other current assets	$ 12,403	$ 15,027

4. Accrued expenses and other current liabilities

Accrued expenses and other current liabilities consisted of the following:

(in thousands)	At December 31, 2019	At June 30, 2020
Accrued marketing	$ 5,820	$ 9,430
Deferred revenue	3,453	7,409
Income taxes payable	1,349	12,922
Accrued bonus and payroll	3,037	6,378
Other accrued expenses	1,897	4,975
Total accrued expenses and other current liabilities	$ 15,556	$ 41,114

Of the $3.5 million deferred revenue balance included in the balance sheet at December 31, 2019, $2.8 million was recognized as revenue during the six months ended June 30, 2020 and substantially all of the remainder is expected to be recognized as revenue during the six months ending December 31, 2020. The Company expects substantially all of the deferred revenue at June 30, 2020 will be recognized as revenue within the next twelve months.

5. Income Taxes

The effective income tax rate for the six months ended June 30, 2019 and 2020 was 21.4% and 22.0%, respectively and differs from the U.S. Federal statutory rate of 21% primarily due to effects of stock-based compensation, state income taxes and benefits from research and development tax credits.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) was signed into law, featuring significant tax provisions and other measures to assist individuals and businesses impacted by the economic effects of the COVID-19 pandemic. The CARES Act increased the Section 163(j) interest expense deduction limitation from 30% to 50% of adjusted taxable income, provided for the payment deferral of certain Social Security taxes, made a technical correction allowing Qualified Improvement Property to be treated as 15-year property, and included numerous other provisions. The CARES Act increased the Company’s interest expense deduction applicable to the 2019 tax year resulting in a reduction of deferred tax assets and a corresponding reduction in income taxes payable of approximately $2.3 million during the six months ended June 30, 2020.

In March 2020, the ownership of the HeyDoctor PSCs was transferred to different medical professionals. The Company’s deferred income taxes reflects carryover tax attributes generated by the VIEs available for future utilization. Section 382 of the Internal Revenue Code (“IRC”) limits the utilization of U.S. net operating loss carryforwards (“NOLs”) following a change of control. As the 2020 change in ownership in the PSCs constitutes a change of control, U.S. NOLs from the PSCs will be subject to an annual limitation under IRC Section 382. Any limitation would not be material to the financial statements as a full valuation allowance has been established against the NOLs from the PSCs due to uncertainty regarding their future realization.

6. Debt

The Company's debt balances at December 31, 2019 and June 30, 2020 were as follows:

(in thousands)	At December 31, 2019	At June 30, 2020
Principal balance under First Lien Credit Agreement	$ 688,155	$ 684,640
Less unamortized debt issuance costs and discounts	(17,233)	(15,719)
	$ 670,922	$ 668,921
Principal balance under Revolving Credit Facility	—	28,000
	$ 670,922	$ 696,921

In March 2020, the Company borrowed an aggregate of $28.0 million under its line of credit.

In May 2020, the Company entered into an amendment of the First Lien to increase the amount of the line of credit by $60 million to $100 million. The line of credit matures on October 11, 2024 and bears interest at a rate equal to the LIBO Screen Rate plus a variable margin based on the Company's most recently determined Net Leverage Ratio (as defined in the First Lien Credit Agreement), ranging from 2.50 to 3.00% on used amounts and 0.25 to 0.50% on unused amounts. The Company incurred lender and third-party costs of $1.3 million related to the amendment which are recorded in other assets.

7. Commitments and Contingencies

Operating Leases

The following table presents contractual obligations for the Company's non-cancellable operating leases at June 30, 2020:

(in thousands)	
Years ending December 31,	
2020 (remaining six months)	$ 1,460
2021	5,356
2022	5,254
2023	4,407
2024	4,562
2025 and thereafter	33,436
Total operating lease payments	54,475
Less: effects of discounting	(15,107)
Present value of operating lease liabilities	$ 39,368
Current portion of operating lease liabilities	$ 3,280
Long-term operating lease liabilities	$ 36,088

Legal Proceedings

During the normal course of business, the Company may become subject to legal proceedings, claims and litigation. Such matters are subject to many uncertainties and outcomes are not predictable with assurance. Accruals for loss contingencies are recorded when a loss is probable, and the amount of such loss can be reasonably estimated.

As of June 30, 2020, the Company is not subject to any currently pending legal matters or claims that could have a material adverse effect on its financial position, results of operations, or cash flows should such litigation be resolved unfavorably.

8. Stock-Based Compensation

Stock options

A summary of the stock option activity for the six months ended June 30, 2020 is as follows, in thousands, except per share amounts and term information:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2019	16,850	$ 3.82	8.2 years	$ 35,043	
Granted	9,138	6.45			$ 3.04
Exercised	(689)	2.74		2,355	
Expired/Cancelled/Forfeited	(1,258)	4.67			
Outstanding at June 30, 2020	24,041	4.81	8.4 years	47,750	
Exercisable at June 30, 2020	9,452	3.06	7.3 years	34,924	

The fair value of option awards issued with service and performance vesting conditions are estimated on the grant date using the Black-Scholes option pricing model. The following table summarizes the assumptions used:

	Six Months Ended June 30,	
	2019	2020
Risk-free interest rate	1.8% - 2.4%	0.4% - 1.4%
Expected term	5.9 - 6.3 years	5.3 - 6.3 years
Expected stock price volatility	50%	50% - 62%
Dividend yield	0%	0%
Fair value of common stock per share	$ 2.75 - $3.88	$ 5.94 - $ 6.84

For the six months ended June 30, 2019 and 2020, the stock-based compensation expense related to stock options was $1.4 million and $3.4 million, respectively. At June 30, 2020, there was $29.1 million of total unrecognized compensation cost related to stock options, excluding stock options which contain performance and market conditions described below, which is expected to be recognized over a weighted-average remaining service period of 3.3 years.

In June 2020, the Company granted stock options to purchase 0.6 million shares of common stock at an exercise price of $6.84 per share that vest upon continued service and the achievement of both performance and market conditions. For stock options to purchase 0.4 million shares of common stock, the service condition is satisfied monthly over a 4-year period and for stock options to purchase 0.2 million shares of common stock the service condition is satisfied on January 1, 2022. The performance condition is satisfied upon the closing of an IPO pursuant to an effective registration statement under the Securities Act of 1933, as amended, or a change in the control of the Company, as defined. The market condition is satisfied upon the Company's common stock achieving a per share price threshold in the IPO, an average trading price of the Company's stock for a period subsequent to the IPO, or a per share price in a change in control transaction. For stock options to purchase 0.2 million, 0.2 million and 0.2 million shares of common stock, the per share price thresholds for these market conditions are $17.82, $23.76 and $29.70, respectively, subject to adjustment for stock splits and other similar transactions. The Company estimated the grant date fair value of these awards to be $1.4 million using a binomial lattice model. No expense has been recognized for the six months ended June 30, 2020 as the performance condition is not probable of occurring for accounting purposes as of June 30, 2020. Upon the performance

condition becoming probable for accounting purposes, the Company will recognize cumulative stock-based compensation expense on a graded vesting basis for the portion of the service period completed prior to the satisfaction of the performance condition.

In June 2020, the Company modified the terms of an option to purchase 0.4 million shares of common stock. The original award that would otherwise have been cancelled upon the employee's departure from the Company was modified to permit the former employee to only exercise the award within 30 days after the completion of a performance condition, which are the Company completing its IPO or a change in control of the Company or a declaration of dividend payment, as defined. The fair value of this option of $2.4 million on the modification date will be recognized as compensation expense on the date the Company completes an IPO or there is a change in control, or when the declaration of a dividend is probable.

Restricted stock awards

The following table shows the activity of non-vested restricted shares for the six months ended June 30, 2020:

(in thousands, except per share amounts)	Shares	Weighted Average Grant Date Fair Value
Nonvested restricted shares at December 31, 2019	1,879	$ 3.88
Granted	—	—
Vested	(470)	3.88
Nonvested restricted shares at June 30, 2020	1,409	3.88

For the six months ended June 30, 2019 and 2020, total stock-based compensation expense related to restricted stock awards was $0.4 million and $0.9 million, respectively. At June 30, 2020, there was $5.1 million of total unrecognized compensation cost related to these restricted shares which is expected to be recognized over the remaining service period of 2.8 years.

Stock-based compensation expense

Stock-based compensation is included in the following components of expenses on the accompanying statement of operations.

	Six Months Ended June 30,	
(in thousands)	2019	2020
Cost of revenue	$ —	$ 41
Product development and technology	816	1,814
Sales and marketing	600	1,478
General and administrative	320	998
	$ 1,736	$ 4,331

9. Basic and diluted earnings per share

The computation of earnings per share for the six months ended June 30, 2019 and 2020 is as follows:

(in thousands, except per share data)	Six Months Ended June 30, 2019	Six Months Ended June 30, 2020
Numerator:		
Net income	$ 31,202	$ 54,683
Less: Undistributed earnings allocated to convertible preferred stock	(11,177)	(19,358)
Net income attributable to common stockholders - basic	$ 20,025	$ 35,325
Add: Undistributed earnings reallocated to holders of common stock	130	349
Net income attributable to common stockholders - diluted	20,155	35,674
Denominator:		
Weighted average shares - basic	225,841	230,020
Dilutive impact of stock options and restricted stock awards	4,133	6,537
Weighted average shares - diluted	229,974	236,557
Earnings per share		
Basic	$ 0.09	$ 0.15
Diluted	$ 0.09	$ 0.15

The following weighted-average potentially dilutive shares were excluded from the computation of diluted net income per share for the periods presented because including them would have been antidilutive:

(in thousands)	Six Months Ended June 30, 2019	Six Months Ended June 30, 2020
Redeemable convertible preferred stock	126,046	126,046
Stock options and restricted stock awards	7,114	11,309

Pro forma earnings per share

The computation of unaudited pro forma earnings per share for the six months ended June 30, 2020 is as follows:

(in thousands, except per share data)	
Numerator:	
Net income - basic and diluted	$ 54,683
Denominator:	
Weighted average shares - basic	230,020
Adjustment for assumed conversion of convertible preferred stock to common stock	126,046
Pro forma weighted-average shares - basic	356,066
Dilutive impact of stock options and restricted stock awards	6,537
Pro forma weighted-average shares - diluted	362,603
Pro forma earnings per share:	
Basic	$ 0.15
Diluted	$ 0.15

10. Subsequent Events

The Company has evaluated subsequent events through August 10, 2020, the date these condensed consolidated financial statements were available to be issued and has determined that there are no subsequent events that require disclosure in these condensed consolidated financial statements.

Through and including , 2020 (the 25th day after the date of this prospectus), all dealers effecting transactions in the Class A common stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

Shares

Class A Common Stock

, 2020

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 the underwriting discounts and commissions, all of which will be paid by us. All amounts are estimated except the Securities and Exchange Commission registration fee, the Financial Industry Regulatory Authority, Inc., or FINRA, filing fee and the listing fee.

	Amount
Securities and Exchange Commission registration fee	$ *
FINRA filing fee	*
Initial listing fee	*
Accountants' fees and expenses	*
Legal fees and expenses	*
Blue Sky fees and expenses	*
Transfer Agent's fees and expenses	*
Printing and engraving expenses	*
Miscellaneous	*
Total expenses	$ *

* To be filed by amendment.

Item 14. Indemnification of Directors and Officers.

The registrant is governed by the Delaware General Corporation Law, or DGCL. Section 145 of the DGCL provides that a corporation may indemnify any person, including an officer or director, who was or is, or is threatened to be made, a party to any threatened, pending or completed legal action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of such corporation), by reason of the fact that such person was or is an officer, director, employee or agent of such corporation or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, provided such officer, director, employee or agent acted in good faith and in a manner such person reasonably believed to be in, or not opposed to, the corporation's best interest and, for criminal proceedings, had no reasonable cause to believe that such person's conduct was unlawful. A Delaware corporation may indemnify any person, including an officer or director, who was or is, or is threatened to be made, a party to any threatened, pending or contemplated action or suit by or in the right of such corporation, under the same conditions, except that such indemnification is limited to expenses (including attorneys' fees) actually and reasonably incurred by such person, and except that no indemnification is permitted without judicial approval if such person is adjudged to be liable to such corporation. Where an officer or director of a corporation is successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to above, or any claim, issue or matter therein, the corporation must indemnify that person against the expenses (including attorneys' fees) which such officer or director actually and reasonably incurred in connection therewith.

The registrant's amended and restated certificate of incorporation will authorize the indemnification of its officers and directors, consistent with Section 145 of the DGCL.

Reference is made to Section 102(b)(7) of the DGCL, which enables a corporation in its original certificate of incorporation or an amendment thereto to eliminate or limit the personal liability of a director for violations of the director's fiduciary duty, except (i) for any breach of the director's duty of loyalty to the corporation or its

stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the DGCL, which provides for liability of directors for unlawful payments of dividends of unlawful stock purchase or redemptions or (iv) for any transaction from which a director derived an improper personal benefit.

We have entered into indemnification agreements with each of our directors and officers. These indemnification agreements may require us, among other things, to indemnify our directors and officers for some expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by a director or officer in any action or proceeding arising out of his or her service as one of our directors or officers, or any of our subsidiaries or any other company or enterprise to which the person provides services at our request.

We maintain a general liability insurance policy that covers certain liabilities of directors and officers of our corporation arising out of claims based on acts or omissions in their capacities as directors or officers.

In any underwriting agreement we enter into in connection with the sale of common stock being registered hereby, the underwriters will agree to indemnify, under certain conditions, us, our directors, our officers and persons who control us within the meaning of the Securities Act against certain liabilities.

Item 15. Recent Sales of Unregistered Securities.

Set forth below is information regarding all unregistered securities sold by us since January 1, 2017. Also included is the consideration received by us for such shares and information relating to the section of the Securities Act, or rule of the Securities and Exchange Commission, under which exemption from registration was claimed.

1. In October 2018, we completed the sale of an aggregate of 126,045,531 shares of our redeemable convertible preferred stock to SLP Geology Aggregator, L.P. for an aggregate purchase price of $748,778,829, or $5.94054 per share.
2. In October 2018, we issued 141,339,650 shares of our common stock upon conversion of 5,653,586 shares of preferred stock, which conversion was exempt under Section 3(a)(9) of the Securities Act.
3. Since January 1, 2017, we have granted stock options and stock awards to employees, directors and consultants, covering an aggregate of 28,497,739 shares of our common stock, having exercise prices ranging from $2.1808 to $6.84 per share, in connection with services provided to us by such parties.
4. Since January 1, 2017, we have sold an aggregate of 13,038,700 shares of our common stock to employees, directors and consultants upon their exercise of stock options and stock awards, for aggregate cash consideration of approximately $8,553,078.
5. In April 2019, we (i) granted stock options covering an aggregate of 757,504 shares of our common stock, having an exercise price of $5.94054 per share in connection with our acquisition of a company and as consideration to individuals who were employees and managers of such company, and (ii) issued 1,878,588 shares of restricted common stock in connection with the acquisition of such company.
6. In August 2019, we (i) granted stock options covering an aggregate of 841,675 shares of our common stock, having an exercise price of $5.94054 per share, and (ii) issued and sold 273,319 shares of our common stock for an aggregate purchase price of $1,623,664, or $5.94054 per share, in each case in connection with our acquisition of the assets of a company and as consideration to individuals who were employees and managers of such company.

Unless otherwise stated, the issuances of the above securities were deemed to be exempt from registration under the Securities Act in reliance upon Section 4(a)(2) of the Securities Act or Regulation D promulgated thereunder, or Rule 701 promulgated under Section 3(b) of the Securities Act as transactions by an issuer not involving any public offering or pursuant to benefit plans and contracts relating to compensation as provided under Rule 701. Individuals who purchased securities as described above represented their intention to acquire

the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were affixed to the share certificates issued in such transactions.

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions or any public offering.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits.

The following documents are filed as exhibits to this registration statement.

Exhibit Number	Description of Exhibit
1.1*	Form of Underwriting Agreement
3.1**	Fifth Amended and Restated Certificate of Incorporation of GoodRx Holdings, Inc., as currently in effect
3.1.1**	Certificate of Amendment of Fifth Amended and Restated Certificate of Incorporation of GoodRx Holdings, Inc., dated January 31, 2020
3.2*	Form of Sixth Amended and Restated Certificate of Incorporation of GoodRx Holdings, Inc., to be effective upon the closing of this offering
3.3	Amended and Restated Bylaws of GoodRx Holdings, Inc., as currently in effect
3.4*	Form of Second Amended and Restated Bylaws of GoodRx Holdings, Inc., to be effective upon the closing of this offering
4.1*	Form of Certificate of Class A Common Stock
4.2**	Amended and Restated Stockholders Agreement by and between GoodRx Holdings, Inc. and certain security holders of GoodRx Holdings, Inc., dated October 12, 2018
4.3**	Amended and Restated Investor Rights Agreement by and between GoodRx Holdings, Inc. and certain security holders of GoodRx Holdings, Inc., dated October 12, 2018
5.1*	Opinion of Latham & Watkins LLP
10.1*	Form of Indemnification Agreement between GoodRx Holdings, Inc. and its directors and officers
10.2#**	Fourth Amended and Restated 2015 Equity Incentive Plan and related form agreements
10.3#*	GoodRx Holdings, Inc. 2020 Incentive Award Plan and related form agreements
10.4#*	GoodRx Holdings, Inc. 2020 Employee Stock Purchase Plan and related form agreements
10.5#*	GoodRx Holdings, Inc. Director Compensation Program
10.6#**	Employment Agreement by and between GoodRx, Inc. and Douglas Hirsch, dated October 7, 2015
10.7#**	Employment Agreement by and between GoodRx, Inc. and Trevor Bezdek, dated October 7, 2015
10.8#**	Employment Agreement by and between GoodRx, Inc. and Andrew Slutsky, dated October 7, 2015
10.9#**	Offer of Employment Letter by and between GoodRx, Inc. and Babak Azad, dated October 3, 2019
10.10**	Board Service Continuation Letter Agreement for Agnes Rey-Giraud, dated June 10, 2020
10.11**	Board Service (New Term) Letter Agreement for Jacqueline Kosecoff, dated June 9, 2020
10.12**	First Lien Credit Agreement by and among GoodRx, Inc., GoodRx Intermediate Holdings, LLC, the lenders party thereto, Barclays Bank PLC and the joint lead arrangers and join lead bookrunners party thereto, dated October 12, 2018

Exhibit Number	Description of Exhibit
10.13**	First Incremental Amendment to First Lien Credit Agreement by and between GoodRx, Inc., GoodRx Intermediate Holdings, LLC, Iodine, Inc., HeyDoctor, LLC, the lenders party thereto and Barclays Bank PLC, dated November 1, 2019
10.14**	Second Incremental Amendment to First Lien Credit Agreement by and between GoodRx, Inc., GoodRx Intermediate Holdings, LLC, Iodine, Inc., HeyDoctor, LLC, Lighthouse Acquisition Corp., the lenders party thereto and Barclays Bank PLC, dated May 12, 2020
10.15**	First Lien Security Agreement by and among GoodRx, Inc., GoodRx Intermediate Holdings, LLC, Iodine, Inc. and Barclays Bank PLC, dated October 12, 2018
10.16**	First Lien Guaranty by and among GoodRx, Inc., GoodRx Intermediate Holdings, LLC, Iodine, Inc. and Barclays Bank PLC, dated October 12, 2018
10.17*	Office Lease Agreement by and between GoodRx, Inc. and DE Pacific 233, LLC, dated January 29, 2016, as amended as of January 27, 2017, June 12, 2017, February 14, 2018, October 2, 2018, December 14, 2018, September 17, 2019 and March 2, 2020
10.18*	Sub-lease by and between GoodRx, Inc. and Bliss Point Media, Inc., dated February 20, 2020
10.19†	Office Lease by and between GoodRx, Inc. and CSHV Pen Factory, LLC, dated September 6, 2019
16.1**	Letter regarding change in independent accountants
21.1**	List of subsidiaries of GoodRx Holdings, Inc.
23.1*	Consent of Latham & Watkins LLP (included in Exhibit 5.1)
23.2*	Consent of PricewaterhouseCoopers LLP
24.1*	Power of Attorney (included on signature page)

* To be filed by amendment.
** Previously filed.
† Portions of the exhibit, marked by brackets, have been omitted because the omitted information (i) is not material and (ii) would likely cause competitive harm if publicly disclosed.
# Indicates management contract or compensatory plan.

(b) Financial Statement Schedules. Schedules not listed above have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes thereto.

Item 17. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriter, at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Santa Monica, State of California, on this day of , 2020.

GOODRX HOLDINGS, INC.

By: _____
Karsten Voermann
Chief Financial Officer

SIGNATURES AND POWER OF ATTORNEY

We, the undersigned officers and directors of GoodRx Holdings, Inc., hereby severally constitute and appoint Douglas Hirsch, Trevor Bezdek and Karsten Voermann, and each of them singly (with full power to each of them to act alone), our true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution in each of them for him or her and in his or her name, place and stead, and in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement (or any other registration statement for the same offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933), and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as full to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement on Form S-1 has been signed by the following persons in the capacities held on the dates indicated.

Signature	Title	Date
Douglas Hirsch	Director and Co-Chief Executive Officer *(Principal Executive Officer)*	, 2020
Trevor Bezdek	Director and Co-Chief Executive Officer *(Principal Executive Officer)*	, 2020
Karsten Voermann	Chief Financial Officer (*Principal Financial And Accounting Officer*)	, 2020
Christopher Adams	Director	, 2020
Dipanjan Deb	Director	, 2020
Adam Karol	Director	, 2020
Jacqueline Kosecoff	Director	, 2020
Stephen LeSieur	Director	, 2020
Gregory Mondre	Director	, 2020
Agnes Rey-Giraud	Director	, 2020

Exhibit 3.3

Execution Version

AMENDED AND RESTATED BY-LAWS

OF

GOODRX HOLDINGS, INC.

A Delaware corporation

(Adopted as of October 12, 2018)

ARTICLE I
OFFICES

Section 1 Registered Office. The registered office of the corporation in the State of Delaware shall be located at 2711 Centerville Road, Suite 400, in the City of Wilmington, County of New Castle, Delaware, 19808. The name of the corporation's registered agent at such address shall be Corporation Service Company. The registered office and/or registered agent of the corporation may be changed from time to time by action of the board of directors.

Section 2 Other Offices. The corporation 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
MEETINGS OF STOCKHOLDERS

Section 1 Annual Meetings. An annual meeting of the stockholders shall be held each year within one hundred twenty (120) days after the close of the immediately preceding fiscal year of the corporation for the purpose of electing directors and conducting such other proper business as may come before the meeting. The date, time and place, if any, and/or the means of remote communication, of the annual meeting shall be determined by the president of the corporation; provided, however, that if the president does not act, the board of directors shall determine the date, time and place, if any, and/or the means of remote communication, of such meeting. No annual meeting of stockholders need be held if not required by the corporation's certificate of incorporation or by the General Corporation Law of the State of Delaware.

Section 2 Special Meetings. Special meetings of stockholders may be called for any purpose (including, without limitation, the filling of board vacancies and newly created directorships) and may be held at such time and place, within or without the State of Delaware, and/or by means of remote communication, as shall be stated in a written notice of meeting or in a duly executed waiver of notice thereof. Such meetings may be called at any time by the board of directors or the president and shall be called by the president upon the written request of holders of shares entitled to cast not less than a majority of the votes at the meeting, which written request shall state the purpose or purposes of the meeting and shall be delivered to the president. The date, time and place, if any, and/or remote communication, of any special meeting of stockholders shall be determined by the board of directors of the corporation. On such written request, the president shall fix a date and time for such meeting within 10 days after receipt of a request for such meeting in such written request.

Section 3 Place of Meetings. The board of directors may designate any place, either within or without the State of Delaware, and/or by means of remote communication, as the place of meeting for

any annual meeting or for any special meeting called by the board of directors. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal executive office of the corporation.

Section 4 Notice. Whenever stockholders are required or permitted to take any action at a meeting, written or printed notice stating the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, and, in the case of special meetings, the purpose or purposes, of such meeting, shall be given to each stockholder entitled to vote at such meeting and to each director not less than 10 nor more than 60 days before the date of the meeting. All such notices shall be delivered, either personally, by mail, or by a form of electronic transmission consented to by the stockholder to whom the notice is given, by or at the direction of the board of directors, the president or the secretary, and if mailed, such notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, addressed to the stockholder at his, her or its address as the same appears on the records of the corporation. If given by electronic transmission, such notice shall be deemed to be delivered (a) if by facsimile telecommunication, when directed to a number at which the stockholder has consented to receive notice, (b) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice, (c) if by a posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of (1) such posting and (2) the giving of such separate notice, and (3) if by any other form of electronic transmission, when directed to the stockholder. Any such consent shall be revocable by the stockholder by written notice to the corporation. Any such consent shall be deemed revoked if (1) the corporation is unable to deliver by electronic transmission two consecutive notices given by the corporation in accordance with such consent and (2) such inability becomes known to the secretary or an assistant secretary of the corporation or to the transfer agent. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends 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 5 Stockholders List. The officer who has charge of the stock ledger of the corporation shall make, at least 10 days before every meeting of the stockholders, a complete list of the stockholders entitled to vote at such meeting.

Section 6 Quorum. The holders of a majority of the issued and outstanding shares of capital stock, entitled to vote thereon, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders, except as otherwise provided by applicable law, by the corporation's certificate of incorporation, or by that certain Amended and Restated Stockholders Agreement of the corporation, dated as of the date hereof, as may be amended, modified or supplemented from time to time in accordance with its terms (the "Stockholders Agreement"). Except as set forth in the Stockholders Agreement, if a quorum is not present, the holders of a majority of the shares present in person or represented by proxy at the meeting, and entitled to vote at the meeting, may adjourn the meeting to another time and/or place.

Section 7 Adjourned Meetings. When a meeting is adjourned to another time and place, notice need not be given of the adjourned meeting if the time, place, if any, thereof, 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 such adjourned meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 8 Vote Required. When a quorum is present, the affirmative vote of the majority of votes represented by shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders, unless the question is one upon which by express provisions of applicable law, of the corporation's certificate of incorporation, or of the Stockholders Agreement a different vote is required, in which case, such express provision shall govern and control the decision of such question.

Section 9 Voting Rights. Except as otherwise provided by the General Corporation Law of the State of Delaware, the corporation's certificate of incorporation, or the Stockholders Agreement, and subject to Section 3 of Article VI hereof, every stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of capital stock held by such stockholder.

Section 10 Proxies. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A duly executed 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 proxy may be made irrevocable regardless of whether the interest with which it is coupled is an interest in the stock itself or an interest in the corporation generally. Any proxy is suspended when the person executing the proxy is present at a meeting of stockholders and elects to vote, except that when such proxy is coupled with an interest and the fact of the interest appears on the face of the proxy, the agent named in the proxy shall have all voting and other rights referred to in the proxy, notwithstanding the presence of the person executing the proxy. At each meeting of the stockholders, and before any voting commences, all proxies filed at or before the meeting shall be submitted to and examined by the secretary or a person designated by the secretary, and no shares may be represented or voted under a proxy that has been found to be invalid or irregular.

Section 11 Action by Written Consent Unless otherwise provided in the corporation's certificate of incorporation or the Stockholders Agreement, any action required to be taken at any annual or special meeting of stockholders of the corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken and bearing the dates of signature of the stockholders who signed the consent or consents, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the corporation by delivery to its registered office in the state of Delaware, or the corporation's principal place of business, or an officer or agent of the corporation having custody of the book or books in which proceedings of meetings of the stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested or by reputable overnight courier service. All consents properly delivered in accordance with this section shall be deemed to be recorded when so delivered. No written consent shall be effective to take the corporate action referred to therein unless, within 60 days after the earliest dated consent delivered to the corporation as required by this section, written consents signed by the holders of a sufficient number of shares to take such corporate action are so recorded. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing. Any action taken pursuant to such written consent or consents of the stockholders shall have the same force and effect as if taken by the stockholders at a meeting thereof. Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used; provided, that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing.

Section 12 Action by Facsimile, Email or Other Electronic Transmission Consent. A facsimile, email or other electronic transmission by a stockholder or proxyholder (or by any person authorized to act on such person's behalf) of a proxy or a written consent to an action to be taken (including the delivery of such a document in the .pdf, .tif, .gif, .peg or similar format attached to an email message) shall be deemed to be written, signed, dated and delivered to the corporation for the purposes of this Article II; provided, that any such facsimile, email or other electronic transmission sets forth or is delivered with information from which the corporation can determine (A) that the facsimile, email or other electronic transmission was transmitted by the stockholder or proxyholder or by a person authorized to act for the stockholder or proxyholder and (B) the date on which such stockholder or proxyholder or authorized person transmitted such facsimile, email or other electronic transmission. The date on which such facsimile, email or other electronic transmission is transmitted shall be deemed to be the date on which such consent or proxy was signed. Any such facsimile, email or other electronic transmission of a consent or proxy shall be treated in all respects as an original executed consent or proxy and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of the board of directors or the Secretary of the corporation, each stockholder, proxyholder or other authorized person who delivered a consent or proxy by facsimile, email or other electronic transmission shall re-execute the original form thereof and deliver such original to the corporation at its registered office in the State of Delaware, its principal place of business or to an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. No consent given by facsimile, email or other electronic transmission shall be deemed to have been delivered until such consent is reproduced in paper form and until such paper form shall be delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded.

ARTICLE III
DIRECTORS

Section 1 General Powers. The business and affairs of the corporation shall be managed by or under the direction of the board of directors who shall have, and may exercise, all of the powers of the corporation and do all such lawful acts as are not by applicable law, the corporation's certificate of incorporation, these by-laws or the Stockholders Agreement directs or requires to be exercised or done by the Stockholders.

Section 2 Number, Election and Term of Office. The number of directors which shall constitute the board shall be nine (9). Thereafter, the number of directors shall be established from time to time in accordance with the Stockholders Agreement. The directors shall be elected in accordance with the Stockholders Agreement. Each director elected shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as hereinafter provided.

Section 3 Removal and Resignation. Any director or the entire board of directors may be removed in accordance with the Stockholders Agreement. Any director may resign at any time upon notice given in writing or by electronic transmission to the corporation.

Section 4 Vacancies. Except as otherwise provided in the corporation's certificate of incorporation or the Stockholders Agreement, board vacancies and newly created directorships resulting from any increase in the authorized number of directors shall be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director. Each director so chosen shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as herein provided. Notwithstanding the foregoing, any such vacancy shall automatically reduce the authorized number of directors pro tanto, until such time as the holders of outstanding shares of

capital stock who are entitled to elect the director whose office is vacant shall have exercised their right to elect a director to fill such vacancy, whereupon the authorized number of directors shall be automatically increased pro tanto. Each director so chosen shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as herein provided.

Section 5 Annual Meetings. The annual meeting of each newly elected board of directors shall be held without notice (other than notice under these by-laws) immediately after, and at the same place, if any, as the annual meeting of stockholders.

Section 6 Other Meetings and Notice. Regular meetings, other than the annual meeting, of the board of directors may be held without notice at such time and at such place, if any, as shall from time to time be determined by resolution of the board of directors and promptly communicated to all directors then in office. Special meetings of the board of directors may be called by or at the request of the president or any director on at least 24 hours notice to each director, either personally, by telephone, by mail or by electronic transmission.

Section 7 Quorum, Required Vote and Adjournment. Except as otherwise provided by applicable law, the corporation's certificate of incorporation, or the Stockholders Agreement, a majority of the total number of directors then in office authorized shall constitute a quorum for the transaction of business. Except as otherwise provided by applicable law, the corporation's certificate of incorporation, or the Stockholders Agreement, the vote of a majority directors present at a meeting at which a quorum is present shall be the act of the board of directors. Except as otherwise provided in the Stockholders Agreement, if a quorum shall not be present at any meeting of the board of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 8 Committees. Except as otherwise provided in the Stockholders Agreement, the board of directors may, by resolution passed by a majority of the whole board, designate one or more committees, each committee to consist of one or more of the directors of the corporation, which to the extent provided in such resolution or these by-laws shall have and may exercise the powers of the board of directors in the management and affairs of the corporation, except as otherwise limited by law. Except as otherwise provided in the Stockholders Agreement, 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. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the board of directors. Each committee shall keep regular minutes of its meetings and report the same to the board of directors when required.

Section 9 Committee Rules. Except as otherwise provided in the Stockholders Agreement, each committee of the board of directors may fix its own rules of procedure and shall hold its meetings as provided by such rules, except as may otherwise be provided by a resolution of the board of directors designating such committee. Unless otherwise provided in such a resolution, the presence of a majority of the members of the committee then in office shall be necessary to constitute a quorum. Except as otherwise provided in the Stockholders Agreement, in the event that a member and that member's alternate, if alternates are designated by the board of directors as provided in Section 8 of this Article III, of such committee is or are absent or disqualified, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in place of any such absent or disqualified member.

Section 10 Communications Equipment. Members of the board of directors or any committee thereof may participate in and act at any meeting of such board or committee 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 the meeting pursuant to this section shall constitute presence in person at the meeting.

Section 11 Waiver of Notice and Presumption of Assent. Except as otherwise provided in the Stockholders Agreement, any member of the board of directors or any committee thereof who is present at a meeting shall be conclusively presumed to have waived notice of such meeting, except when such member attends 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. Such member shall be conclusively presumed to have assented to any action taken unless his or her dissent shall be entered in the minutes of the meeting or unless his or her written dissent to such action shall be filed with the person acting as the secretary of the meeting before the adjournment thereof or shall be forwarded by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to any member who voted in favor of such action.

Section 12 Action by Written Consent. Unless otherwise restricted by the corporation's certificate of incorporation or the Stockholders Agreement, 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 or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the board, or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

ARTICLE IV
OFFICERS

Section 1 Number. The officers of the corporation shall be elected by the board of directors and shall consist of a president, one or more vice-presidents, a secretary, and such other officers and assistant officers as may be deemed necessary or desirable by the board of directors. Any number of offices may be held by the same person. In its discretion, the board of directors may choose not to fill any office for any period as it may deem advisable.

Section 2 Election and Term of Office. Except as otherwise provided in the Stockholders Agreement, the officers of the corporation shall be elected annually by the board of directors at its first meeting held after each annual meeting of stockholders or as soon thereafter as conveniently may be. Vacancies may be filled or new offices created and filled at any meeting of the board of directors. Each officer shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as hereinafter provided.

Section 3 Removal. Any officer or agent elected by the board of directors may be removed by the board of directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 4 Vacancies. Any vacancy occurring in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the board of directors for the unexpired portion of the term by the board of directors then in office.

Section 5 Compensation. Compensation of all officers shall be fixed by the board of directors, and no officer shall be prevented from receiving such compensation by virtue of his or her also being a director of the corporation.

Section 6 President. The president shall be the chief executive officer of the corporation; in the absence of the chairman of the board, shall preside at all meetings of the stockholders and board of directors at which he is present; subject to the powers of the board of directors, shall have general charge of the business, affairs and property of the corporation, and control over its officers, agents and employees; and shall see that all orders and resolutions of the board of directors are carried into effect. The president shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the board of directors to some other officer or agent of the corporation. The president shall have such other powers and perform such other duties as may be prescribed by the board of directors or as may be provided in these by-laws.

Section 7 Vice-presidents. The vice-president, or if there shall be more than one, the vice-presidents in the order determined by the board of directors, shall, in the absence or disability of the president, act with all of the powers and be subject to all the restrictions of the president. The vice-presidents shall also perform such other duties and have such other powers as the board of directors, the president or these by-laws may, from time to time, prescribe.

Section 8 Secretary and Assistant Secretaries. The secretary shall attend all meetings of the board of directors, all meetings of the committees thereof and all meetings of the stockholders and record all the proceedings of the meetings in a book or books to be kept for that purpose. Under the president's supervision, the secretary shall give, or cause to be given, all notices required to be given by these by-laws or by law, shall have such powers and perform such duties as the board of directors, the president or these by-laws may, from time to time, prescribe, and shall have custody of the corporate seal of the corporation. The secretary, or an assistant secretary, shall have authority to affix the corporate seal to any instrument requiring it and when so affixed, it may be attested by his or her signature or by the signature of such assistant secretary. The board of directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his or her signature. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the board of directors, shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the board of directors, the president, or secretary may, from time to time, prescribe.

Section 9 Treasurer and Assistant Treasurer. The treasurer shall have the custody of the corporate funds and securities; shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation; shall deposit all monies and other valuable effects in the name and to the credit of the corporation as may be ordered by the board of directors; shall cause the funds of the corporation to be disbursed when such disbursements have been duly authorized, taking proper vouchers for such disbursements; and shall render to the president and the board of directors, at its regular meeting or when the board of directors so requires, an account of the corporation; shall have such powers and perform such duties as the board of directors, the president or these by-laws may, from time to time, prescribe. If required by the board of directors, the treasurer shall give the corporation a bond (which shall be rendered every six years) in such sums and with such surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of the office of treasurer and for the restoration to the corporation, in case of death, resignation, retirement, or removal from office, of all books, papers, vouchers, money, and other property of whatever kind in the possession or under the control of the treasurer belonging to the corporation. The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the board of directors, shall in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer. The assistant treasurers shall perform such other duties and have such other powers as the board of directors, the president or treasurer may, from time to time, prescribe.

Section 10 Other Officers, Assistant Officers and Agents. Officers, assistant officers and agents, if any, other than those whose duties are provided for in these by-laws, shall have such authority and perform such duties as may from time to time be prescribed by resolution of the board of directors.

Section 11 Absence or Disability of Officers. In the case of the absence or disability of any officer of the corporation and of any person hereby authorized to act in such officer's place during such officer's absence or disability, the board of directors may by resolution delegate the powers and duties of such officer to any other officer or to any director, or to any other person whom it may select.

ARTICLE V
INDEMNIFICATION OF OFFICERS, DIRECTORS AND OTHERS

Section 1 Nature of Indemnity. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether brought by or in the right of the corporation or any of its subsidiaries and whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), or any appeal of such proceeding, by reason of or arising out of the fact that such person, or any other person for whom such person is the legal representative, is or was a director or officer of the corporation or is or was serving at the request of the corporation as a director, officer, manager, general partner, employee, fiduciary, or agent of another corporation or of a partnership, limited liability company, joint venture, trust or other enterprise, shall be indemnified and held harmless by the corporation to the fullest extent which it is empowered to do so by the General Corporation Law of the State of Delaware, as the same exists or may hereafter be amended but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than said law permitted the corporation to provide prior to such amendment) against all expense, liability and loss (including attorneys' fees actually and reasonably incurred by such person in connection with such proceeding), and such indemnification shall inure to the benefit of his or her heirs, executors and administrators; provided that, except as provided in Section 2 of this Article V, the corporation shall indemnify any such person seeking indemnification in connection with a proceeding initiated by such person only if such proceeding was authorized by the board of directors of the corporation. The right to indemnification conferred in this Article V shall be a contract right and, subject to Sections 2 and 5 hereof, shall include the right to be paid by the corporation the expenses incurred in defending any such proceeding in advance of its final disposition. The corporation may, by action of its board of directors, provide indemnification to employees and agents of the corporation with the same scope and effect as the foregoing indemnification of directors and officers.

Section 2 Procedure for Indemnification of Directors and Officers. Any indemnification of a director or officer of the corporation provided for under Section 1 of this Article V or advance of expenses provided for under Section 5 of this Article V shall be made promptly, and in any event within 30 days, upon the written request of the director or officer. If a determination by the corporation that the director or officer is entitled to indemnification pursuant to this Article V is required, and the corporation fails to respond within 60 days to a written request for indemnity, the corporation shall be deemed to have approved the request. If the corporation wrongfully denies a written request for indemnification or advancing of expenses, in whole or in part, or if payment in full pursuant to such request is not properly made within 30 days, the right to indemnification or advances as granted by this Article V shall be enforceable by the director or officer in any court of competent jurisdiction. Such person's costs and expenses incurred in connection with successfully establishing his or her right to indemnification, in whole or in part, in any such action shall also be indemnified by the corporation. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any, has been tendered to the corporation) that the claimant has not met the standards of conduct which make it permissible under the General Corporation Law of the State of Delaware for the corporation to indemnify the claimant for

the amount claimed, but the burden of such defense shall be on the corporation. 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 or she has met the applicable standard of conduct set forth in the General Corporation Law of the State of Delaware, 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 the claimant has not met the applicable standard of conduct.

Section 3 Article Not Exclusive. The rights to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article V shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the corporation's certificate of incorporation, by-law, agreement, vote of stockholders or disinterested directors or otherwise.

Section 4 Insurance. The corporation may purchase and maintain insurance on its own behalf and on behalf of any person who is or was a director, officer, employee, fiduciary, or agent of the corporation or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, whether or not the corporation would have the power to indemnify such person against such liability under this Article V.

Section 5 Expenses. Expenses incurred by any person described in Section 1 of this Article V in defending a proceeding shall be paid by the corporation in advance of such proceeding's final disposition unless otherwise determined by the board of directors in the specific case upon receipt of an undertaking by or on behalf of the director or officer or other person to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the corporation. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the board of directors deems appropriate.

Section 6 Employees and Agents. Persons who are not covered by the foregoing provisions of this Article V and who are or were employees or agents of the corporation, or who are or were serving at the request of the corporation as employees or agents of another corporation, partnership, joint venture, trust or other enterprise, may be indemnified, and may be advanced expenses, to the extent authorized at any time or from time to time by the board of directors.

Section 7 Contract Rights. The provisions of this Article V shall be deemed to be a vested contract right between the corporation and each director and officer who serves in any such capacity at any time while this Article V and the relevant provisions of the General Corporation Law of the State of Delaware or other applicable law are in effect. Such contract right shall vest for each director and officer at the time such person is elected or appointed to such position, and no repeal or modification of this Article V or any such law shall affect any such vested rights or obligations of any current or former director or officer with respect to any state of facts or proceeding regardless of when occurring.

Section 8 Merger or Consolidation. For purposes of this Article V, references to "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 this Article V with respect to the resulting or surviving corporation as he or she would have with respect to such constituent corporation if its separate existence had continued.

Section 9 Primacy of Indemnification. The corporation hereby acknowledges that certain indemnitees have or may have in the future certain rights to indemnification, advancement of expenses and/or insurance provided by other entities and/or organizations (collectively, the "Fund Indemnitors"). The corporation hereby agrees (1) that it is the indemnitor of first resort (i.e., its obligations to any indemnitee are primary and any obligation of the Fund Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by any indemnitee are secondary), (2) that it shall be required to advance the full amount of expenses incurred by any indemnitee and shall be liable for the full amount of all expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by the terms of the corporation's certificate of incorporation or these by-laws (or any other agreement between the corporation and any indemnitee), without regard to any rights any indemnitee may have against the Fund Indemnitors, and, (3) that it irrevocably waives, relinquishes and releases the Fund Indemnitors from any and all claims against the Fund Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The corporation further agrees that no advancement or payment by the Fund Indemnitors on behalf of any indemnitee with respect to any claim for which such indemnitee has sought indemnification from the corporation shall affect the foregoing and the Fund Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of any indemnitee against the corporation.

ARTICLE VI
CERTIFICATES OF STOCK

Section 1 Form. Every holder of stock in the corporation shall be entitled to have a certificate, signed by, or in the name of the corporation by the chief executive officer, president, chief financial officer or a vice-president and the secretary, an assistant secretary, treasurer or an assistant treasurer of the corporation, certifying the number of shares owned by such holder in the corporation. If such a certificate is countersigned (1) by a transfer agent or an assistant transfer agent other than the corporation or its employee or (2) by a registrar, other than the corporation or its employee, the signature of any such president, vice-president, secretary, or assistant secretary may be facsimiles. In case any officer or officers who have signed, or whose facsimile signature or signatures have been used on, any such certificate or certificates shall cease to be such officer or officers of the corporation whether because of death, resignation or otherwise before such certificate or certificates have been delivered by the corporation, such certificate or certificates may nevertheless be issued and delivered as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures have been used thereon had not ceased to be such officer or officers of the corporation. All certificates for shares shall be consecutively numbered or otherwise identified. The name of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the books of the corporation. Shares of stock of the corporation shall only be transferred on the books of the corporation by the holder of record thereof or by such holder's attorney duly authorized in writing, upon surrender to the corporation of the certificate or certificates for such shares endorsed by the appropriate person or persons, with such evidence of the authenticity of such endorsement, transfer, authorization, and other matters as the corporation may reasonably require, and accompanied by all necessary stock transfer stamps. In that event, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate or certificates, and record the transaction on its books. The board of directors may appoint a bank or trust company organized under the laws of the United States or any state thereof to act as its transfer agent or registrar, or both in connection with the transfer of any class or series of securities of the corporation.

Section 2 Lost Certificates. The board of directors may direct a new certificate or certificates to be issued in place of any certificate or certificates previously 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. When authorizing such issue of a new certificate or certificates, the board of directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen, or destroyed certificate or certificates, or his or her legal representative, to give the corporation a bond sufficient to indemnify the corporation against any claim that may be made against the corporation on account of the loss, theft or destruction of any such certificate or the issuance of such new certificate.

Section 3 Fixing a Record Date for Stockholder Meetings. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the board of directors may fix 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 not be more than sixty nor less than 10 days before the date of such meeting. If no record date is fixed by the board of directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be the close of business on the next day 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 that the board of directors may fix a new record date for the adjourned meeting.

Section 4 Fixing a Record Date for Action by Written Consent. In order that the corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which date shall not be more than ten days after the date upon which the resolution fixing the record date is adopted by the board of directors. If no record date has been fixed by the board of directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the board of directors is required by statute, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the board of directors and prior action by the board of directors is required by statute, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the board of directors adopts the resolution taking such prior action.

Section 5 Fixing a Record Date for Other Purposes. In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment or any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purposes of any other lawful action, 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, and which record date shall be not more than sixty 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 6 Registered Stockholders. Prior to the surrender to the corporation of the certificate or certificates for a share or shares of stock with a request to record the transfer of such share or shares, the corporation may treat the registered owner as the person entitled to receive dividends, to vote,

to receive notifications, and otherwise to exercise all the rights and powers of an owner. The corporation 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.

Section 7 Subscriptions for Stock. Unless otherwise provided for in the subscription agreement, subscriptions for shares shall be paid in full at such time, or in such installments and at such times, as shall be determined by the board of directors. Any call made by the board of directors for payment on subscriptions shall be uniform as to all shares of the same class or as to all shares of the same series. In case of default in the payment of any installment or call when such payment is due, the corporation may proceed to collect the amount due in the same manner as any debt due the corporation.

ARTICLE VII
GENERAL PROVISIONS

Section 1 Dividends. Dividends upon the capital stock of the corporation, subject to the provisions of the corporation's certificate of incorporation and the Stockholders Agreement, if any, may be declared by the board of directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the corporation's certificate of incorporation and the Stockholders Agreement. 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 directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or any other purpose and the directors may modify or abolish any such reserve in the manner in which it was created.

Section 2 Checks, Drafts or Orders. All checks, drafts, or other orders for the payment of money by or to the corporation and all notes and other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation, and in such manner, as shall be determined by resolution of the board of directors or a duly authorized committee thereof.

Section 3 Contracts. The board of directors may authorize any officer or officers, or any agent or agents, of the corporation to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 4 Loans. 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 subsidiary, including any officer or employee who is a director of the corporation or its subsidiary, whenever, in the judgment of the directors, such loan, guaranty or assistance may reasonably be expected to benefit the corporation. The loan, guaranty 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 this section contained shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the corporation at common law or under any statute.

Section 5 Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the board of directors.

Section 6 Corporate Seal. The board of directors shall provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the corporation and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Section 7 Voting Securities Owned By Corporation. Voting securities in any other corporation or other entity (such as a limited liability company, limited partnership or trust) held by the corporation shall be voted as directed by the board of directors, unless the board of directors specifically confers authority to vote with respect thereto, which authority may be general or confined to specific instances, upon some other person or officer. Any person authorized to vote securities shall have the power to appoint proxies, with general power of substitution.

Section 8 Inspection of Books and Records. Any stockholder of record, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose the corporation's stock ledger, a list of its stockholders, and its other books and records, and to make copies or extracts therefrom. A proper purpose shall mean any purpose reasonably related to such person's interest as a stockholder. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the stockholder. The demand under oath shall be directed to the corporation at its registered office in the State of Delaware or at its principal place of business.

Section 9 Exclusive Jurisdiction. The Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director or officer of the corporation to the corporation or the corporation's stockholders, (iii) any action asserting a claim against the corporation arising pursuant to any provision of the General Corporation Law of the State of Delaware or the corporation's certificate of incorporation or by-laws or (iv) any action asserting a claim against the corporation governed by the internal affairs doctrine.

Section 10 Section Headings. Section headings in these by-laws are for convenience of reference only and shall not be given any substantive effect in limiting or otherwise construing any provision herein.

Section 11 Inconsistent Provisions. In the event that any provision of these by-laws is or becomes inconsistent with any provision of the corporation's certificate of incorporation, the Stockholders Agreement, the General Corporation Law of the State of Delaware or any other applicable law, the provision of these by-laws shall not be given any effect to the extent of such inconsistency but shall otherwise be given full force and effect.

ARTICLE VIII
AMENDMENTS

Except as otherwise provided in the Stockholders Agreement, these by-laws may be amended, altered, or repealed and new by-laws adopted at any meeting of the board of directors by a majority vote. The fact that the power to adopt, amend, alter, or repeal the by-laws has been conferred upon the board of directors shall not divest the stockholders of the same powers.

ARTICLE IX
LAW, CERTIFICATE OF INCORPORATION AND BY-LAWS

These by-laws are subject to the certificate of incorporation of the corporation. In these by-laws, references to law, the certificate of incorporation of the corporation and the by-laws of the corporation, respectively, mean the law, the provisions of the certificate of incorporation of the corporation and the by-laws of the corporation, respectively, as from time to time in effect.

Exhibit 10.19

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item 601(b)(10). Such excluded information is not material and would likely cause competitive harm to the registrant if publicly disclosed.

PEN FACTORY

2701 OLYMPIC BOULEVARD
WEST BUILDING

OFFICE LEASE

CSHV PEN FACTORY, LLC,
a Delaware limited liability company

as Landlord,

and

GOODRX, INC.,
a Delaware corporation

as Tenant

West Building

TABLE OF CONTENTS

TABLE OF DEFINED TERMS

SUMMARY OF BASIC LEASE INFORMATION

This Summary of Basic Lease Information ("**Summary**") is hereby incorporated into and made a part of the attached Office Lease (this Summary and the Office Lease to be known collectively as the "**Lease**"). Each reference in the Office Lease to any term of this Summary shall have the meaning as set forth in this Summary for such term. In the event of a conflict between the terms of this Summary and the Office Lease, the terms of the Office Lease shall prevail. Any capitalized terms used herein and not otherwise defined in this Summary shall have the meaning as set forth in the Office Lease.

TERMS OF LEASE (References are to the Office Lease)	DESCRIPTION
1. Date:	September ___, 2019
2. Landlord:	CSHV PEN FACTORY, LLC, a Delaware limited liability company
3. Address of Landlord for Notices (Section 26.18):	CSHV PEN FACTORY, LLC c/o Lincoln Property Company 915 Wilshire Blvd., Suite 2050 Los Angeles, CA 90017 Attn: Property Manager With copy to: [***] [***] [***] Attn: [***]
Address of Landlord for Rent (Section 3.1):	**Regular and Overnight Mail** CSHV PEN FACTORY, LLC c/o Lincoln Property Company 915 Wilshire Blvd., Suite 2050 Los Angeles, CA 90017 Attn: Property Manager
4. Tenant:	GOODRX, INC., a Delaware corporation

PEN FACTORY
2701 Olympic Blvd., West Building
[GoodRx]

5. Address of Tenant (Section 26.18):

Prior to Lease Commencement Date:
GOODRX, INC.
233 Wilshire Boulevard, Suite 300
Santa Monica, CA 90401
Attn: Trevor Bezdek, CEO,
Romin Nabiey, VP Finance and
Gracye Cheng, VP Legal (3 separate notices)

After Lease Commencement Date:

at the Premises

Attn: Trevor Bezdek, CEO,
Romin Nabiey, VP Finance and
Gracye Cheng, VP Legal (3 separate notices)

6. Premises, Building and Project (Article 1):

6.1 Premises: Approximately 73,869 rentable square feet (and 65,661 usable square feet) of space in the Building, as set forth in Exhibit A attached hereto, which includes both ground floor and mezzanine space.

6.2 Building: 2701 Olympic Boulevard, West Building, Santa Monica, California 90404, containing 131,749 rentable square feet.

6.3 Project: Pen Factory, consisting of two (2) buildings (2701 Olympic Boulevard, Buildings "West" (aka Building A) and "East" (aka Building B), Santa Monica, California 90404) and other elements as described in Section 1.1 of the Lease, containing 219,571 rentable square feet.

7. Term (Article 2):

7.1 Lease Term: Approximately one hundred twenty-eight (128) months.

7.2 Lease Commencement Date: The date which is two hundred seventy (270) days following the Delivery Date (as defined in Article 2 below), subject to Commencement Date Delays (as defined in Section 5 of the Tenant Work Letter attached hereto as **Exhibit B**).

7.3 Lease Expiration Date: The last day of the one hundred twenty-eighth (128th) full calendar month of the Lease Term; provided, however, that if the Lease Commencement Date is a date other than the first (1st) day of a month, the Lease Expiration Date shall be the last day of the month which is one hundred twenty-eight (128) months after the month in which the Lease Commencement Date falls, unless extended or earlier terminated pursuant to this Lease.

7.4 Memorandum regarding Commencement of Lease: Landlord and Tenant shall confirm the Lease Commencement Date and the Lease Expiration Date in a Memorandum of Commencement of Lease (Exhibit C) to be executed pursuant to Article 2 of the Office Lease.

8. Base Rent (Article 3):

Lease Year During Lease Term	Annual Base Rent	Monthly Installment of Base Rent*	Monthly Base Rental Rate per Rentable Square Foot**
1	$[***]	$[***]***	$[***]***
2	$[***]	$[***]	$[***]
3	$[***]	$[***]	$[***]
4	$[***]	$[***]	$[***]
5	$[***]	$[***]	$[***]
6	$[***]	$[***]	$[***]
7	$[***]	$[***]	$[***]
8	$[***]	$[***]	$[***]
9	$[***]	$[***]	$[***]
10	$[***]	$[***]	$[***]0
11	N/A	$[***]	$[***]

* The initial Monthly Installment of Base Rent amount was calculated by multiplying the initial Monthly Rental Rate per Rentable Square Foot amount by the number of rentable square feet of space in the Premises, and the initial Annual Base Rent amount was calculated by multiplying the initial Monthly Installment of Base Rent amount by twelve (12). In all subsequent Base Rent payment periods during the Lease Term commencing on the first (1st) day of Lease Year 2, the calculation of each Monthly Installment of Base Rent amount reflects an annual increase of four percent (4%), and each Annual Base Rent amount was calculated by multiplying the corresponding Monthly Installment of Base Rent amount by twelve (12).

** The amounts identified in the column entitled “Monthly Base Rental Rate per Rentable Square Foot” are rounded amounts and are provided for informational purposes only.

*** Subject to Section 3.2 below.

9. Permitted Use (Article 5): Creative office use and other legally permitted uses ancillary thereto, all in compliance with applicable Laws (as that term is defined in Article 22 of the Lease), including without limitation, the Bergamot Area Plan, and consistent with the character of the Project as a first class creative office project.

10. Additional Rent: Tenant's Share of Direct Expenses (Section 4.2.6)	56.07% with respect to Direct Expenses allocated to only the Building (subject, however, to Sections 4.2.6 and 4.3.4 below). 33.64% with respect Direct Expenses allocated to the Project (subject, however, to Sections 4.2.6 and 4.3.4 below).
11. Tenant Improvement Allowance: (Section 2.1 of the Tenant Work Letter)	$[***] (i.e., $[***] per rentable square foot of the Premises).
12. Parking (Article 24):	Prior to the first (1st) anniversary of the Lease Commencement Date, Tenant shall rent two (2) unreserved parking passes for each 1,000 usable square feet contained in the Premises, which equals one hundred thirty-one (131) unreserved parking passes, provided Tenant shall have the (A) obligation to convert three (3) of such one hundred thirty-one (131) unreserved parking passes into reserved parking passes and (B) right to convert up to five (5) of such one hundred thirty-one (131) unreserved parking passes, into reserved parking spaces in the locations, set forth on **Exhibit I** attached to this Lease, and Tenant shall have the right, but not the obligation, to rent an additional two (2) unreserved parking pass for each 1,000 usable square feet contained in the Premises, which equals one hundred thirty-one (131) unreserved parking passes, all upon the terms and conditions and at the rate provided in Article 24 hereof. Commencing on the first (1st) anniversary of the Lease Commencement Date, Tenant shall rent three (3) unreserved parking passes for each 1,000 usable square feet contained in the Premises, which equals one hundred ninety-seven (197) unreserved parking passes, provided Tenant shall have the (A) obligation to convert three (3) of such one hundred ninety-seven (197) unreserved parking passes into reserved parking passes and (B) right to convert up to eight (8) of such one hundred ninety-seven (197) unreserved parking passes, into reserved parking spaces in the locations, set forth on **Exhibit I** attached to this Lease (subject to the temporary relocation thereof by Landlord to elsewhere within the Parking Area), all upon the terms and conditions and at the rate provided in Article 24 hereof.
13. Letter of Credit (Article 25):	$9,000,000.00.

14. Brokers (Section 26.24):

LA Realty Partners, representing Landlord, and
Cushman & Wakefield, representing Tenant.

OFFICE LEASE

This Office Lease, which includes the preceding Summary attached hereto and incorporated herein by this reference (the Office Lease and Summary to be known sometimes collectively hereafter as the "**Lease**"), dated as of the date set forth in Section 1 of the Summary, is made by and between CSHV PEN FACTORY, LLC, a Delaware limited liability company ("**Landlord**"), and GOODRX, INC., a Delaware corporation ("**Tenant**").

ARTICLE 1

PROJECT, BUILDING AND PREMISES

1.1 Project, Building and Premises.

1.1.1 Building and Project. The Building defined in Section 6.2 of the Summary (the "**Building**") is part of a multi-building commercial project located on Olympic Boulevard between 26th Street and Stewart Street, Santa Monica, California. As used in this Lease, the term "**Project**" shall mean, collectively, the following: (A) the Building; (B) the other buildings located or to be located from time to time within the aforementioned Project, including without limitation, the building located at 2701 Olympic Boulevard, East Building (aka Building B), Santa Monica, California 90404 (collectively, the "**Other Buildings**"); (C) those certain related parking areas of the Building and Other Buildings (the "**Parking Areas**"); (D) any plaza areas, patios, decks, walkways, driveways, courtyards, transportation facilitation areas and other improvements and facilities now or hereafter constructed surrounding and/or servicing the Building, Other Buildings and the Parking Areas, which are reasonably designated from time to time by Landlord as common areas; (E) any additional buildings, improvements, facilities, parking areas and structures and common areas which Landlord may add thereto from time to time within or as part of the Project, provided, however, that any such additions shall not materially increase Tenant's monetary and/or non-monetary obligations under this Lease unless such additions are required by Laws (as that term is defined in Article 22 below), or intended to help improve the security and/or safety of the tenants of, or the visitors to, the Project; and (F) the land upon which any of the foregoing are situated. A depiction of the Project is set forth on the Site Plan attached to this Lease as **Exhibit A-1**. Notwithstanding any term or provision to the contrary contained in this Lease, the Buildings other than this Building shall only be a part of the Project to the extent owned by Landlord or an Affiliate thereof or subject to a cost sharing and reciprocal use agreement (or other similar agreement providing for the common management and use of certain common areas and other amenities of the Buildings). In addition, notwithstanding the foregoing or anything contained in this Lease to the contrary except as specifically set forth in the Tenant Work Letter attached hereto as Exhibit B (the "**Tenant Work Letter**"), (1) Landlord has no obligation to expand or otherwise make any improvements within the Project, and (2) Landlord shall have the right from time to time to include or exclude any improvements or facilities within the Project, at Landlord's sole election, as more particularly set forth in Section 1.1.3 below, provided such exclusion will not materially and adversely interfere with Tenant's permitted use of or access to the Premises (as defined below).

1.1.2 Premises. Upon and subject to the terms, covenants and conditions hereinafter set forth in this Lease, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the premises set forth in Section 6.1 of the Summary (the "**Premises**"), which Premises are located in the Building and located within the Project. The outline of the floor plan of the Premises is set forth in **Exhibit A-2** attached hereto.

1.1.3 Tenant's and Landlord's Rights. Tenant is hereby granted the right to the nonexclusive use by Tenant and Tenant's employees, agents, contractors and invitees, of the areas located on the Project designated by Landlord from time to time as common areas for the Project (the "**Common Areas**") (including the 10,000 square foot outdoor courtyard located between the West Building and East Building of the Project which shall remain a Common Area courtyard accessible by Tenant and Tenant's employees, agents, contractors and invitees and the other tenants of the Project); provided, however, that Tenant's use thereof shall be subject to (i) the provisions of any covenants, conditions and restrictions regarding the use thereof now or hereafter recorded against the Project, and (ii) such reasonable, non-discriminatory rules, regulations and restrictions as Landlord may make from time to time (which shall be provided in writing to Tenant). Except as otherwise provided in this Lease, the manner in which the Common Areas are maintained and operated shall be at the reasonable discretion of Landlord, provided that Landlord shall maintain and operate the same in a first class manner substantially consistent with that of Comparable Buildings (as defined below) and the use thereof shall be subject to the Rules and Regulations (as that term is defined in Section 5.1 below). Except when and where Tenant's right of access is specifically excluded as the result of (i) an emergency, (ii) a requirement by applicable Laws, or (iii) a specific provision set forth in this Lease, Tenant shall have the right of access to the Premises, the Building, and the Parking Areas twenty-four (24) hours per day, seven (7) days per week during the "Lease Term," as that term is defined in Article 2 of this Lease. Landlord reserves the right from time to time to use any of the common areas of the Project, and the roof, risers and conduits of the Building and Other Buildings for telecommunications and/or any other reasonable purposes, and to do any of the following, so long as such changes do not change the nature of the Project to something other than a first class creative office building project, and such acts are performed in accordance with all applicable Laws (as defined in Article 22 below) and do not materially and adversely interfere with Tenant's permitted use of or access to the Premises or materially increase Tenant's obligations under this Lease: (1) make any changes, additions, improvements, repairs and/or replacements in or to the Project or any portion or elements thereof, including, without limitation, (x) changes in the location, size, shape and number of driveways, addresses of the Building or any buildings in the Project, entrances, loading and unloading areas, ingress, egress, direction of traffic, landscaped areas, walkways, plazas, courtyards, transportation facilitation areas and common areas, and, subject to Article 24 below, parking spaces, parking structures and parking areas, and (y) expanding or decreasing the size of the Project and any common areas and other elements thereof; (2) close temporarily any of the common areas while engaged in making repairs, improvements or alterations to the Project; and (3) perform such other acts and make such other changes with respect to the Project as Landlord may, in the exercise of good faith business judgment, deem to be appropriate. "**Comparable Buildings**" shall mean 2600-2700 Colorado, 1740 Stewart Street (Red Bull headquarters), 1630 Stewart Street, the project known as the "Water Garden" (i.e., 1620 26th Street, 1601 Cloverfield Boulevard, 2450 Colorado Avenue and 2425 Olympic Boulevard), Colorado Center (i.e., 2425-2501, 2525 and 2401 Colorado Avenue, and 2400, 2450 and 2500 Broadway), 2220 Colorado Avenue, Santa Monica Gateway (i.e., 2834 Colorado Avenue), 12333 West Olympic Boulevard, and Westside Media Center (i.e., 12100, 12200 and 12333 West Olympic Boulevard).

1.1.4 **Deck Area**. Subject to the terms and conditions contained in this Section 1.1.4 and elsewhere in this Lease commencing as of the Lease Commencement Date, and continuing until the expiration or earlier termination of this Lease, Tenant shall have an exclusive license during the Lease Term to use that certain one (1) deck area (the "**Deck Area**") as set forth on **Exhibit G** attached hereto. The Deck Area shall not be included in the square footage of the Premises for purposes of this Lease during the initial Lease Term. Notwithstanding any provision to the contrary contained in this Lease, except as otherwise set forth in Section 1.1 of the Tenant Work Letter, Tenant shall accept the Deck Area in its "as-is" condition, and Landlord shall not be obligated to provide or pay for any work or services related to the improvement of the Deck Area. Tenant shall have no right to alter, change or make improvements to the Deck Area; provided, however, that Tenant shall be responsible, at its sole cost and expense, for the cleaning and maintenance of the Deck Area. Tenant shall have the exclusive right to place and maintain furniture

(including, without limitation, chairs, tables, heaters, and/or trash receptacles) (collectively, "**Deck Furniture**") in the Deck Area; provided that any Deck Furniture which is visible from outside of the Building shall be subject to Landlord's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed. Tenant's use of any Deck Furniture shall comply with all applicable Laws and shall be subject to receipt of any applicable governmental permit or approval required therefor. Tenant shall remain solely liable for any liability arising out of the placement of the Deck Furniture in the Deck Area, and Landlord shall have no liability in connection therewith. The exact location of the Deck Furniture within the Deck Area shall be determined by Tenant and shall conform to such Laws as may be applicable. Tenant shall keep the Deck Area clean of all trash and debris and shall also keep the surrounding areas clean of debris and trash arising from the use of the Deck Area. Tenant agrees, at its own expense, to pay for all water, electricity, telephone and all similar utilities used by Tenant in the Deck Area (including, without limitation, all sales, use and other taxes imposed thereon by any governmental authority). Tenant shall remove any Deck Furniture from the Deck Area upon the expiration or earlier termination of this Lease and shall return the affected portion of the Deck Area to the condition the Deck Area would have been in had no such Deck Furniture been installed, reasonable wear and tear and casualty excepted. Tenant's use of the Deck Area shall be subject to such additional reasonable, non-discriminatory rules, regulations and restrictions as Landlord may reasonably make from time to time concerning the Deck Area. Except as expressly set forth in this Section 1.1.4, all of the terms, conditions, limitations and restrictions contained in this Lease pertaining to the Premises and Tenant's use thereof (excluding Tenant's obligation to pay Base Rent (as that term is defined in Section 3.1 below) and Tenant's Share of Direct Expenses (as those terms are defined in Sections 4.2.6 and Section 4.2.4 below, respectively) shall apply equally to the Deck Area and Tenant's use thereof, including, without limitation, Landlord's and Tenant's respective repair obligations set forth in Article 7, below, Tenant's indemnity of Landlord set forth in Section 10.1, below, Tenant's insurance obligations set forth in Article 10, below, and Tenant's obligations to comply with applicable Laws set forth in Article 22, below. The license to use the Deck Area granted to Tenant hereby shall be revocable by Landlord for cause upon written notice to Tenant and failure of Tenant to cure the issue identified in such notice within the earlier of (1) thirty (30) days following Tenant's receipt of such notice and (2) the applicable cure periods set forth in Section 19.1 below regarding a Tenant default, and Landlord thereafter shall have the right to prevent Tenant's access thereto. As used in this Section 1.1.4, "cause" shall mean the following: (i) Landlord's good faith determination that the license granted hereby and/or the use of the Deck Area constitutes a nuisance relative to the use and occupancy of the Project by other tenants or occupants of the Project; (ii) the license granted hereby constitutes a violation of or otherwise conflicts with any applicable Law now in force or which may hereafter be enacted or promulgated, or directly results in a material increase in the rates of insurance for the Building or Project and Tenant has failed to reimburse Landlord for all costs associated with such increased rate of insurance within thirty (30) days of Tenant's receipt of an invoice therefor); or (iii) this Lease is terminated for any reason.

1.2 Rentable and Usable Square Feet. The "rentable square feet" ("**RSF**") and "usable square feet" ("**USF**") of the Premises, Building and Project have been determined in accordance with the Building Owners and Managers Association ("**BOMA**") International Standard Method for Measuring Floor Area in Office Building, ANSI Z65.1-2010 (the "**2010 BOMA**"), with a single-tenant floor load factor of 1.125, and, for purposes of this Lease, the "rentable square feet" and "usable square feet" of the Premises, Building and Project shall be deemed as set forth in Section 6 of the Summary, and the load factor shall be deemed as set forth above, and neither the Building, Project or load factor shall be subject to any remeasurement or modification, provided, Landlord may cause a licensed space planner to remeasure the RSF and USF of the Premises and/or the Building set forth in the Basic Lease Information from time to time utilizing either 2010 BOMA or the Standard Method for Measuring Floor Area in Office Buildings, ANSI Z65.1 – 2017 ("**2017 BOMA**"), or another more recent office standard adopted by BOMA, and Landlord will provide the results of such re-measurement to Tenant, provided in the event that the square footage of the Premises or

the Building shall be different from those set forth in the Summary as determined in accordance with the procedure described above, no amounts, percentages or figures appearing or referred to in this Lease based upon rentable square footage or usable square footage (including, without limitation, as applicable, Base Rent, Tenant's Share of Direct Expenses, parking pass ratios, occupancy thresholds, improvement or other allowances, and/or portions of allowances available for particular purposes) shall be modified in accordance with such determination (except in the case of a change in the physical dimensions of the Premises). If such determination is made, it will be confirmed in writing by Landlord to Tenant. In addition, Landlord may include the USF and RSF of the Deck Area(s) in the USF and RSF of the Premises during any Option Term or any extended Term of this Lease beyond the Lease Expiration Date if the then current BOMA standard for measuring creative office buildings includes private decks and balconies in its calculation of USF and RSF for creative office buildings.

1.3 Condition of the Premises. Except as specifically set forth in this Lease and in the Tenant Work Letter attached hereto as Exhibit B: (i) Landlord shall not be obligated to provide or pay for any improvement work or services related to the improvement of the Premises, the Building or the Project; (ii) Landlord has made no representation or warranty, express or implied, regarding the condition, suitability or usability of the Premises, the Building or the Project; and (iii) Tenant accepts the Premises, the Building and the Project in their current as-is condition.

ARTICLE 2

LEASE TERM

The terms and provisions of this Lease shall be effective as of the date of this Lease. The term of this Lease (the "**Lease Term**") shall be as set forth in Section 7.1 of the Summary and shall commence on the date (the "**Lease Commencement Date**") set forth in Section 7.2 of the Summary subject, however, to the terms of the Tenant Work Letter, and shall terminate on the date (the "**Lease Expiration Date**") set forth in Section 7.3 of the Summary, unless this Lease is sooner terminated as hereinafter provided. Landlord shall grant Tenant and "Tenant's Agents," as that term is defined in Exhibit B, access to the Premises for the purpose of constructing the "Tenant Improvements," as that term is defined in the Tenant Work Letter, in accordance with the Tenant Work Letter attached hereto on the business day immediately following the date upon which each of the following has occurred: (l) this Lease has been mutually executed by Landlord and Tenant; (2) Tenant has paid/delivered to Landlord all funds/security due to be paid/delivered by Tenant under this Lease including the Letter of Credit and; (3) Tenant has provided Landlord with a certificate evidencing the insurance required to be procured and maintained by Tenant under Article 10 of this Lease (the "**Delivery Date**"). It is anticipated that the Delivery Date will occur on the business day immediately following the satisfaction of all the requirements in items 1 through 3 above (the "**Anticipated Delivery Date**"). Tenant may access the Premises on the Delivery Date to construct the Tenant Improvements pursuant to Exhibit B and to install Tenant's furniture, fixtures and equipment, computer and telephone cabling. During said period of early access Tenant shall be subject to Landlord's reasonable administrative control and supervision and Tenant shall comply with all of the provisions and covenants contained herein. If for any reason Landlord is unable to grant Tenant access to the Premises to Tenant on the Anticipated Delivery Date, this Lease shall not be void or voidable, nor shall Landlord be liable to Tenant for any damage resulting from Landlord's inability to deliver such possession; provided, however, that given that it is a material part of Tenant's agreement to enter into this Lease that Tenant can complete the Tenant Improvements in the time and manner as set forth in Exhibit B hereto, in the event that the Landlord is unable to grant Tenant access to the Premises on the Anticipated Delivery Date, the Lease Commencement Date and the Lease Expiration Date, shall be delayed one day for each day of delay until the Delivery Date occurs. Except as otherwise provided herein, Landlord's failure to give possession on

the Anticipated Delivery Date shall in no way affect Tenant's obligations hereunder. For purposes of this Lease, the term "**Lease Year**" shall mean each consecutive twelve (12) month period during the Lease Term; provided, however, that the first Lease Year shall commence on the Lease Commencement Date and end on the last day of the month in which the first anniversary of the Lease Commencement Date occurs (or if the Lease Commencement Date is the first day of a calendar month, then the first Lease Year shall commence on the Lease Commencement Date and end on the day immediately preceding the first anniversary of the Lease Commencement Date), and the second and each succeeding Lease Year shall commence on the first day of the next calendar month, and further provided that the last Lease Year shall end on the Lease Expiration Date. Within six (6) months following the Lease Commencement Date, Landlord shall execute and deliver to Tenant a Memorandum of Commencement of Lease in the form as set forth in Exhibit C a "**Memorandum of Commencement of Lease**"), attached hereto, as a confirmation only of the information set forth therein, which Tenant shall execute and return to Landlord within fifteen (15) business days of receipt thereof (provided that if said Memorandum of Commencement of Lease is not factually correct, then Tenant shall make such changes as are necessary to make the notice factually correct and shall thereafter execute and return such Memorandum of Commencement of Lease to Landlord within such fifteen (15) business day period). If Landlord fails to respond to Tenant's revised Memorandum of Commencement of Lease within ten (10) days business days following Landlord's receipt thereof, then Tenant shall request Landlord's confirmation of Tenant's changes in writing (the "**Request for Confirmation of Lease Term Dates**"), which Request for Confirmation of Lease Term Dates shall state in bold print that Landlord's failure to respond within five (5) business days following Landlord's receipt thereof shall be deemed to be Landlord's approval of the Memorandum of Commencement of Lease as revised by Tenant. Such modified Memorandum of Commencement of Lease shall be binding unless Landlord within five (5) business days following receipt of the Request for Confirmation of Lease Term Dates sends a notice to Tenant rejecting Tenant's changes, whereupon this procedure shall be repeated until the parties either (a) mutually agree upon the contents of the Memorandum of Commencement of Lease, or (b) the contents are determined by arbitration pursuant to Section 26.37 of this Lease. In the event Landlord shall fail to send Tenant the Memorandum of Commencement of Lease within six (6) months following the Lease Commencement Date, Tenant may send to Landlord notice of the occurrence of the Lease Commencement Date substantially in the form of the Memorandum of Commencement of Lease, which Memorandum of Commencement of Lease shall be acknowledged by Landlord by executing a copy of the Memorandum of Commencement of Lease and returning it to Tenant (provided that if said Memorandum of Commencement of Lease is not factually correct, Landlord shall make such reasonable changes to the Memorandum of Commencement of Lease as are necessary to make such Memorandum of Commencement of Lease factually correct, which revised Memorandum of Commencement of Lease shall thereafter be subject to the procedure for finalization set forth in this Article 2). Once the Memorandum of Commencement of Lease is executed and delivered by Landlord and Tenant, the same shall be binding upon Landlord and Tenant.

ARTICLE 3

BASE RENT

3.1 Base Rent. Tenant shall pay, without prior notice or demand, to Landlord or Landlord's agent at the address for rent specified in Section 3 of the Summary, or at such other place as Landlord may from time to time designate in writing, in currency, by wire transfer or a check for currency which, at the time of payment, is legal tender for private or public debts in the United States of America, base rent ("**Base Rent**") as set forth in Section 8 of the Summary, payable in equal monthly installments as set forth in Section 8 of the Summary in advance on or before the first (1st) day of each and every month during the Lease Term, without any setoff or deduction except as otherwise expressly provided in this Lease. The

Base Rent for the first (1st) full month of the Lease Term shall be paid by Tenant to Landlord at the time of Tenant's execution of this Lease. If any Rent payment date (including the Lease Commencement Date) falls on a day of the month other than the first day of such month or if any payment of Rent is for a period which is shorter than one month, then the rental for any such fractional month shall be a proportionate amount of a full calendar month's rental based on the proportion that the number of days in such fractional month bears to the number of days in the calendar month during which such fractional month occurs. All other payments or adjustments required to be made under the terms of this Lease that require proration on a time basis shall be prorated on the same basis.

3.2 Base Rent Abatement. Notwithstanding the provision for the payment of Base Rent for the Premises as set forth in Section 3.1 above, and subject to the provisions of this Section 3.2, Tenant shall be entitled to the abatement of Base Rent for the Premises for the [***] month period (the "**Base Rent Abatement Period**") commencing on the [***] day of the [***] full calendar month of the initial Lease Term and ending on the last day of the [***] full calendar month of the initial Lease Term (collectively, the "**Abated Rent**"), provided that all other obligations of Tenant under the Lease shall remain in full force and effect, including, without limitation, Tenant's obligation to pay Additional Rent and parking charges. Landlord and Tenant acknowledge that the aggregate amount of the Base Rent Abatement equals [***] (*i.e.*, [***] per month).

3.3 Landlord's Right to Purchase the Abated Rent. Upon prior notice to Tenant, Landlord shall have the right, but not the obligation, to pay to Tenant, either via check or wire transfer, an amount equal to the Abated Rent Purchase Price (as that term is defined below) in connection with the amount of any Abated Rent which has not been applied ("**Remaining Abated Rent Amount**"). Upon such payment of the Abated Rent Purchase Price by Landlord to Tenant, the provisions of Section 3.2 of this Lease shall be deleted in their entirety and of no further force or effect, Tenant shall not be entitled to an abatement of Base Rent for the Premises pursuant to Section 3.2 above, and subject to the remaining terms and provisions of this Lease (specifically excluding Section 3.2 of this Lease), Tenant shall be required to pay Base Rent for the Premises during the Base Rent Abatement Period. As used herein, the "**Abated Rent Purchase Price**" shall mean the present value of the Remaining Abated Rent Amount (as calculated using a discount rate equal to four percent (4%) per annum on a cumulative, compounding basis).

ARTICLE 4

ADDITIONAL RENT

4.1 Additional Rent. In addition to paying the Base Rent specified in Article 3 of this Lease, Tenant shall pay to Landlord as additional rent the sum of the following: (i) Tenant's Share of the annual Direct Expenses allocated only to the Building (pursuant to Section 4.3.4 below); and (ii) Tenant's Share of the annual Direct Expenses allocated to the entire Project (pursuant to Section 4.3.4 below). Such additional rent, together with any and all other amounts payable by Tenant to Landlord pursuant to the terms of this Lease, shall be hereinafter collectively referred to as the "**Additional Rent**." The Base Rent and Additional Rent are herein collectively referred to as the "**Rent**." Except as specifically set forth herein, all amounts due under this Article 4 as Additional Rent shall be payable for the same periods and in the same manner, time and place as the Base Rent. Without limitation on other obligations of Landlord and Tenant which shall survive the expiration of the Lease Term, the obligations of Tenant to pay the Additional Rent provided for in this Article 4 attributable to the period of time prior to the Lease Expiration Date or earlier termination of this Lease (or, in the event of a holdover in the Premises by Tenant, the period of time prior to Tenant vacating and surrendering the Premises to Landlord), and Landlord's obligation to refund to Tenant any overpayments of such Additional Rent, shall survive the expiration of the Lease Term; provided, however, that any such payments made by Tenant of any Additional Rent or any refund to Tenant by Landlord of any overpayments of such Additional Rent shall not constitute a waiver by either Tenant or Landlord, as the case may be, of any amount that Tenant or Landlord (as the case may be) contend are in dispute to the extent that any such payments or refunds are made "under protest" whether or not designated as such concurrently with any such payment and/or refund.

4.2 Definitions. As used in this Article 4, the following terms shall have the meanings hereinafter set forth:

4.2.1 "**Calendar Year**" shall mean each calendar year in which any portion of the Lease Term falls, through and including the calendar year in which the Lease Term expires.

4.2.2 "**Expense Year**" shall mean each Calendar Year.

4.2.3 "**Operating Expenses**" shall mean all expenses, costs and amounts of every kind and nature which Landlord pays or accrues during any Expense Year because of or in connection with the ownership, management, maintenance, security, repair, replacement, restoration or operation of the Project, or any portion thereof, all as determined in accordance with sound real estate management practices consistently applied. Without limiting the generality of the foregoing, Operating Expenses shall specifically include any and all of the following: (i) the cost of supplying all utilities, the cost of operating, repairing, maintaining and renovating the utility, telephone, mechanical, sanitary, storm drainage, and elevator systems, and the cost of maintenance and service contracts in connection therewith; (ii) the cost of licenses, certificates, permits and inspections, the cost of contesting any governmental enactments (provided that such enactments being contested are reasonably anticipated to increase Operating Expenses), and the costs incurred in connection with a governmentally mandated transportation system management program or similar program; (iii) the cost of all insurance carried by Landlord in connection with the Project; (iv) the cost of landscaping, relamping, and all supplies, tools, equipment and materials used in the operation, repair and maintenance of the Project, or any portion thereof; (v) costs incurred in connection with the parking areas servicing the Project; (vi) fees and other costs reasonably incurred, including management fees, consulting fees, legal fees and accounting fees, of all contractors and consultants in connection with the management, operation, maintenance and repair of the Project; (vii) payments under any equipment rental agreements and, subject to item (rr) below, the fair rental value of any management office space; (viii) subject to items (c) and (nn) below, wages, salaries and other compensation and benefits, including taxes levied thereon, of all persons engaged in the operation, maintenance and security of the Project; (ix) costs under any instrument pertaining to the sharing of costs by the Project; (x) subject to item (n) below, the cost of operation, repair, maintenance and replacement of all Building Systems (as that term is defined in Section 7.1 below) and components thereof of the Project, including, without limitation, any repair and maintenance of the HVAC systems which comprise a portion of the Building Systems (as described on Exhibit B-1) (the "**Base Building HVAC")** to the extent necessary for such Base Building HVAC to achieve a useful life of fifteen (15) years; (xi) subject to item (o) below, the cost of janitorial, alarm, security and other services, repair of wall and floor coverings, ceiling tiles and fixtures in common areas, maintenance and repair of curbs and walkways and repair to roofs; (xii) amortization (including interest on the unamortized cost at a rate equal to the Interest Rate (as that term is defined in Section 4.5 below) of the cost of acquiring or the rental expense of personal property used in the maintenance, operation and repair of the Project, or any portion thereof; (xiii) the cost of capital repairs, replacements or other capital improvements or other capital costs incurred in connection with the Project to the extent not excluded below; provided, however, that any such permitted capital expenditure shall be amortized (with interest at the Interest Rate) over its reasonable useful life; (xiv) costs, fees, charges or assessments imposed by, or resulting from any mandate imposed on Landlord by, any federal, state or local government for fire and police protection, trash removal, community services, or other services which do not constitute "Tax Expenses" as that term is defined in Section 4.2.5, below; (xv) payments under any Underlying Documents (as that term is defined in Section 5.1 below); and (xvi) costs of providing Building standard maintenance and repairs to common areas exclusively utilized by other tenants of the Project.

If, during all or any part of any Expense Year, Landlord is not furnishing any particular work or service (the cost of which, if performed by Landlord, would be included in Operating Expenses) to a tenant who has undertaken to perform such work or service in lieu of the performance thereof by Landlord, Operating Expenses shall be deemed to be increased by an amount equal to the additional Operating Expenses which would reasonably have been incurred during such period by Landlord if it had at its own expense furnished such work or service to such tenant. If the Project is not at least ninety-five percent (95%) occupied during all or a portion of any Expense Year (with all tenants paying 100% of the rental due and owing by such tenants), Landlord shall make an appropriate adjustment to the variable components of Operating Expenses for such year by employing sound real estate accounting and management principles, consistently applied, to determine the amount of Operating Expenses that would have been incurred had the Project been ninety-five percent (95%) occupied; and the amount so determined shall be deemed to have been the amount of Operating Expenses for such year. Landlord shall (i) not make a profit by charging items to Operating Expenses that are otherwise also charged separately to others, and (ii) Landlord shall not collect Operating Expenses from Tenant and all other tenants/occupants in the Building in an amount in excess of what Landlord incurred for the items included in Operating Expenses. Any refunds or discounts actually received by Landlord for any category of Operating Expenses shall reduce Operating Expenses in the applicable Expense Year (pertaining to such category of Operating Expenses). In the event any facilities, services or utilities used in connection with the Project are provided from another building owned or operated by Landlord or vice versa, the costs incurred by Landlord in connection therewith shall be allocated to Operating Expenses by Landlord on a reasonably equitable basis. In addition, all assessments and premiums which are not specifically charged to Tenant because of what Tenant has done, which can be paid by Landlord in installments, shall be paid by Landlord in the maximum number of installments permitted by law (except to the extent inconsistent with the general practice of the Comparable Buildings in the vicinity of the Building) and shall be included as Operating Expenses in the year in which the assessment or premium installment is actually paid.

4.2.3.1 Notwithstanding the foregoing, for purposes of this Lease, Direct Expenses shall not, however, include:

(a) All costs and expenses of operation of any health club, restaurants and commercial space in the Project;

(b) Cost of above standard cleaning or other services provided selectively to one or more tenants (other than Tenant) without full reimbursement;

(c) Wages, salaries, fees, and fringe benefits paid to executive personnel or officers or partners of Landlord;

(d) Any charge for depreciation or amortization of the Building or equipment and any interest or other financing charge (except that interest and amortization shall be included with respect to permitted capital expenditures as provided herein);

(e) Any charge for Landlord’s income taxes, excess profit taxes, franchise taxes, or similar taxes on Landlord’s business;

(f) All costs relating to activities for the marketing, solicitation and execution or renewal of leases of space in the Project, including, without limitation, advertising, printing costs and brochures, space planning, tenant allowances, leasehold improvements and other tenant concessions;

(g) Costs associated with the sale or refinancing of the Project (provided that in no event shall the foregoing provide Tenant with any Proposition 13 protection), including, without limitation, consulting or brokerage commissions, origination fees or points, and interest cost or charges;

(h) Costs associated with the acquisition, sale or financing of the fee, ground lease, air rights or development rights with respect to the Project;

(i) Cost of decorating, redecorating, or tenant installations incurred in connection with preparing space for a new tenant (or retaining a tenant);

(j) All costs for which Tenant or any other tenant in the Project is being charged other than pursuant to the operating expense clauses;

(k) The cost of covering defects in Landlord's original construction (or renovation) of the Project or Landlord's installation of Project equipment;

(l) The cost of any capital repair made by Landlord because of the total or partial damage or destruction of the Project pursuant to Article 11 below, or the condemnation of a portion of the Project pursuant to Article 13 below;

(m) Any increase in insurance premium to the extent that such increase is caused or attributable to the particular use, occupancy or act of another tenant or Landlord;

(n) The cost of any items for which Landlord is reimbursed by insurance or otherwise compensated by parties other than tenants of the Project pursuant to clauses similar to this paragraph;

(o) The cost of any repairs, alterations, additions, changes, replacements, and other items which under sound real estate accounting principles are properly classified as capital expenditures (except that included in Operating Expenses shall be the cost of capital improvements or other capital costs incurred in connection with the Project (A) which are reasonably intended to reduce current or future Operating Expenses to the extent of cost savings reasonably anticipated by Landlord (based on reasonable supporting documentation) at the time of such expenditure to be incurred in connection therewith, or (B) that are required under any governmental law or regulation first enacted or enforced after the Lease Commencement Date; provided, however, that any capital expenditure shall be amortized (including reasonable interest on the amortized cost) over the reasonable useful life of such item (which shall be consistent with the amortization period utilized by landlords of Comparable Buildings for comparable capital improvements);

(p) The cost of structural repairs or replacement, including the roof, exterior walls and glass and subsurface/foundation work, except, subject to Section 6.10 of the Work Letter, to the extent necessitated by Tenant's penetrations or installations involving Tenant's HVAC System (as defined in Section 6.7) or other supplemental or additional equipment by or for Tenant (in which case such costs shall be at the sole expense of Tenant) or damage caused by Tenant's use, misuse or any Alterations by Tenant or other improvement work by or for Tenant.

(q) Any operating expense representing any amount paid to a related corporation, entity, or person which is in excess of the amount which would be paid to a qualified first class unaffiliated third party on a competitive basis;

(r) The cost of tools and equipment used initially in the construction, of the Project;

(s) The cost of any work or service performed for or facilities furnished to any tenant of the Project, without charge, to a greater extent or in a manner more favorable to such tenant than that performed for or furnished to Tenant;

(t) The cost of alterations of space in the Project leased to other tenants;

(u) The cost of overtime or other expense to Landlord in curing its defaults or performing work expressly provided in this Lease to be borne at Landlord's expense;

(v) Costs arising from the negligence or fault of Landlord;

(w) Costs incurred to comply with Laws relating to the removal of Hazardous Materials (as that term is defined in Section 5.2.1 below) which (A) was in existence in the Building or on the Project prior to the Lease Commencement Date (except to the extent that (i) the Hazardous Materials were brought onto the Premises by, or on behalf of Tenant, or (ii) the removal of which is triggered by Tenant's disturbance or exacerbation of such Hazardous Materials), and was of such a nature that a federal, State or municipal governmental authority, if it had then had knowledge of the presence of such Hazardous Materials, in the state, and under the conditions that it then existed in the Building or on the Project, would have then required the removal of such Hazardous Materials or other remedial or containment action with respect thereto; and costs incurred to remove, remedy, contain, or treat Hazardous Materials, which Hazardous Materials are brought into the Building or onto the Project after the date hereof by Landlord or any other tenant of the Project and is of such a nature, at that time, that a federal, State or municipal governmental authority, if it had then had knowledge of the presence of such Hazardous Materials, in the state, and under the conditions, that it then exists in the Building or on the Project, would have then required the removal of such Hazardous Materials or other remedial or containment action with respect thereto, or (B) is in existence in the Building or on the Project from and after the Lease Commencement Date from any source, including underground migration or caused by other tenants at the Project, except to the extent that the Hazardous Materials were brought onto the Building or on the Project by, or on behalf of Tenant,;

(x) Fees payable by Landlord for management of the Project in excess of [***] percent ([***]%) of Landlord's gross rental revenues, adjusted and grossed up to reflect a one hundred percent (100%) occupancy of the Project, including base rent, pass-throughs, and parking fees (but excluding the cost of after-hours services or utilities) from the Project for any calendar year or portion thereof;

(y) Penalties and interest charges as a result of not paying bills when due or within any grace period;

(z) Any incremental increase in real estate taxes from the lowest payment as a result of not paying real estate taxes within the month in which the highest discount is obtainable;

(aa) Ground rent or similar payments to a ground lessor;

(bb) Costs related to Landlord's charitable or political contributions;

(cc) Costs including attorney fees arising from claims, potential disputes or disputes between Landlord and tenants of the Project;

(dd) Any profit related to the excess collection of Direct Expenses or collection of Direct Expenses in excess of 100% of the actual Direct Expenses;

(ee) Accounting and legal fees related to construction, leasing, sale or litigation with respect to the Project;

(ff) Penalties and fines of any kind including for non-compliance with any applicable building or fire code;

(gg) Damage and repairs due to the negligence or willful misconduct of Landlord, its employees, servants or agents;

(hh) Cost of artwork or works of art for the decoration of any lobbies or common areas;

(ii) Any reserves;

(jj) principal payments on mortgages and other debt costs, if any;

(kk) brokerage fees incurred in connection with leasing of the Project;

(ll) any bad debt loss, rent loss, or reserves for bad debts or rent loss;

(mm) costs associated with the operation of the business of the partnership or entity which constitutes the Landlord, as the same are distinguished from the costs of operation of the Project, including partnership accounting and legal matters, costs of defending any lawsuits with any mortgagee (except as the actions of the Tenant may be in issue), costs of selling, syndicating, financing, mortgaging or hypothecating any of the Landlord's interest in the Project, and costs incurred in connection with any disputes between Landlord and its employees, between Landlord and Project management, or between Landlord and other tenants or occupants;

(nn) the wages and benefits of any employee who does not devote substantially all of his or her employed time to the Project unless such wages and benefits are prorated to reflect time spent on operating and managing the Project vis-à-vis time spent on matters unrelated to operating and managing the Project; provided, that in no event shall Operating Expenses for purposes of this Lease include wages and/or benefits attributable to personnel above the level of Project manager (provided that, subject to Section 4.2.3.1(c) above, for purposes of this Lease, an employee with generally the following job description shall not be deemed to be above the level of Project manager, regardless of job title: responsible for the coordination and supervision of all aspects of property management, including, but not limited to, personnel management, financial reporting, budget preparation, tenant relations, lease administration, construction management, negotiation of vendor contracts and supervision of vendors);

(oo) any compensation paid to clerks, attendants or other persons in commercial concessions operated by or on behalf of the Landlord;

(pp) subject to item (o) above, rentals and other related expenses incurred in leasing air conditioning systems, elevators or other equipment (i) which are not commercially reasonable either as to type or amount (based upon the practices of landlords of the Comparable Buildings), and (ii) which if purchased the cost of which would be excluded from Operating Expenses as a capital cost, except equipment not affixed to the Project which is used in providing janitorial or similar services and, further excepting from this exclusion such equipment rented or leased to remedy or ameliorate an emergency condition in the Project;

(qq) all items and services for which Tenant or any other tenant in the Project is obligated to reimburse Landlord (other than *de minimis* amounts), or which Landlord provides selectively to one or more tenants (other than Tenant) without reimbursement;

(rr) rent for any office space occupied by Project management personnel to the extent the size or rental rate of such office space exceeds the size or fair market rental value of office space occupied by management personnel of the Comparable Buildings, with adjustment where appropriate for the size of the applicable project, and if used for the management of other projects as well, such rent shall be appropriately pro-rated;

(ss) any finder's fees, brokerage commissions, job placement costs or job advertising cost, other than with respect to a receptionist or secretary in the Project office, once per year;

(tt) any above Project standard cleaning, including, but not limited to, construction cleanup;

(uu) the cost of any training or incentive programs, other than for tenant life safety information services;

(vv) legal fees and costs, settlements, judgments or awards paid or incurred because of disputes between Landlord and Tenant, Landlord and other tenants or prospective occupants or prospective tenants/occupants or providers of goods and services to the Project;

(ww) legal fees and costs concerning the negotiation and preparation of this Lease or any other lease in the Project or any litigation between Landlord and Tenant;

(xx) costs for extra or after-hours HVAC, utilities or services which are provided to Tenant and or any occupant of the Project and as to which either (x) Tenant is separately charged, or (y) the same is not offered or made available to Tenant at no charge;

(yy) insurance deductibles in excess of customary deductible amounts carried by landlords of the Comparable Buildings; provided, however, that in connection with any insurance deductible amounts included in Operating Expenses as a result of an earthquake which are for items otherwise classified as capital items, such amounts shall be amortized into Operating Expenses at the cost and over the term set forth in item (o) above;

(zz) costs associated with material portions of the Common Areas dedicated for the exclusive use of other tenants of the Project, except to the extent Tenant is given its pro-rata share (rentable square feet in the Premises in relation to rentable square feet in the Project) of comparable Common Areas;

(aaa) advertising and promotional expenses and costs of signs in or on the Building identifying the owner of the Building or other tenants' exclusive signs;

(bbb) costs due to violations of the Underlying Documents or to create any future Underlying Documents (as opposed to payments under any future Underlying Documents otherwise includable as an Operating Expense hereunder);

(ccc) the costs of any flowers, gifts, balloons, etc. provided to any prospective tenants, Tenant, other tenants, and occupants of the Building;

(ddd) costs reimbursed to Landlord under any warranty carried by Landlord for the Building and/or the Project, which warranties Landlord shall use commercially reasonable efforts to enforce;

(eee) costs of specialty clubs and services;

(fff) any "validated" parking for any entity;

(ggg) costs of parties or events not open to all tenants of the Building;

(hhh) any dining or travel expenses not directly related to the management functions of the Project;

(iii) costs of any "tap fees" or any sewer or water connection fees for the benefit of any particular tenant in the Building or the Project;

(jjj) costs of magazine and newspaper subscriptions;

(kkk) costs related to removal or treatment of asbestos or asbestos containing material and/or ground water contamination;

(lll) cost of providing janitorial services to the space occupied by other tenants of the Project; and

(mmm) cost of providing electricity to the Premises and the premises of other tenants of the Project [since Tenant is separately paying for the electricity pursuant to the last sentence of Section 6.6.1 or 6.6.2 below, as applicable]).

4.2.4 "**Direct Expenses**" shall mean Operating Expenses and Tax Expenses.

4.2.5 "**Tax Expenses**" shall mean all federal, state, county, or local governmental or municipal taxes, fees, charges or other impositions of every kind and nature, whether general, special, ordinary or extraordinary, (including, without limitation, real estate taxes, general and special assessments, transit taxes, leasehold taxes or taxes based upon the receipt of rent, including gross receipts or sales taxes applicable to the receipt of rent, unless required to be paid by Tenant, personal property taxes imposed upon the fixtures, machinery, equipment, apparatus, systems and equipment, appurtenances, furniture and other personal property used in connection with the Project, or any portion thereof), which shall be paid or accrued during any Expense Year (without regard to any different fiscal year used by such governmental or municipal authority, but subject to the provisions of this Section 4.2.5) because of or in connection with the ownership, leasing and operation of the Project, or any portion thereof.

4.2.5.1 Tax Expenses shall include, without limitation:

(i) Any tax on Landlord's rent, right to rent or other income from the Project or as against Landlord's business of leasing any of the Project;

(ii) Any assessment, tax, fee, levy or charge in addition to, or in substitution, partially or totally, of any assessment, tax, fee, levy or charge previously included within the definition of real property tax, it being acknowledged by Tenant and Landlord that Proposition 13 was adopted by the voters of the State of California in the June 1978 election ("**Proposition 13**") and that assessments, taxes, fees, levies and charges may be imposed by governmental agencies for such services as fire protection, street, sidewalk and road maintenance, refuse removal and for other governmental services formerly provided without charge to property owners or occupants; and, in further recognition of the decrease in the level and quality of governmental services and amenities as a result of Proposition 13, Tax Expenses shall, except as expressly provided below, also include any governmental or private assessments or the Project's contribution towards a governmental or private cost-sharing agreement for the purpose of augmenting or improving the quality of services and amenities normally provided by governmental agencies; and

(iii) Any assessment, tax, fee, levy, or charge allocable to or measured by the area of the Premises or the rent payable hereunder, including, without limitation, any gross income tax upon or with respect to the possession, leasing, operating, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises, or any portion thereof.

4.2.5.2 Subject to the terms hereof, any expenses incurred by Landlord in attempting to protest, reduce or minimize Tax Expenses, if Landlord has a reasonable expectation of achieving a reduction in excess of the expenses incurred, shall be included in Tax Expenses in the Expense Year such expenses are incurred. Except as set forth in Section 4.2.5.4, below, refunds of Tax Expenses shall be credited against Tax Expenses and refunded to Tenant regardless of when received, based on the Expense Year to which the refund is applicable, provided that in no event shall the amount to be refunded to Tenant for any such Expense Year exceed the total amount paid by Tenant as Tenant's Share of Tax Expenses under this Article 4 for such Expense Year. All special assessments which may be paid in installments shall be paid by Landlord in the maximum number of installments permitted by law and not included in Tax Expenses except in the year in which the assessment is actually paid; provided, however, that if the prevailing practice in Comparable Buildings is to pay such assessments on an early basis, and Landlord pays the same on such basis, such assessments shall be included in Tax Expenses in the year paid by Landlord. Subject to the terms of Section 4.2.5.4, if Tax Expenses for any period during the Lease Term or any extension thereof are increased or decreased after payment thereof for any reason, including, without limitation, error or reassessment by applicable governmental or municipal authorities, Tenant shall pay Landlord, within thirty (30) days following written demand by Landlord, Tenant's Share of any such increased Tax Expenses included by Landlord as Tax Expenses pursuant to the terms of this Lease, or Landlord shall provide Tenant with a credit against Rent next coming due under the Lease in the amount of Tenant's Share of any such decreased Tax Expenses included by Landlord as Tax Expenses pursuant to the terms of the Lease (until such amount has been fully credited to Tenant), as the case may be.

4.2.5.3 Notwithstanding anything to the contrary contained in this Section 4.2.5, there shall be excluded from Tax Expenses: (i) all excess profits taxes, franchise taxes, gift taxes, capital stock taxes, transfer taxes, excise taxes, special assessments levied against property other than real estate, inheritance and succession taxes, estate taxes, federal and state income taxes, and other taxes to the extent applicable to Landlord's general or net income (as opposed to rents, receipts or income attributable to operations at the Project), (ii) any items included as Operating Expenses, (iii) any items paid by Tenant under Section 4.4 of this Lease, (iv) tax penalties, interest or late charges attributable to Landlord's delinquent payment of any Tax Expenses, and (v) any amounts charged directly to Tenant or other tenants, including pursuant to Section 4.4 below.

4.2.5.4 The amount of Tax Expenses for any Expense Year shall be calculated after taking into account any decreases in real estate taxes obtained in connection with Proposition 8. Landlord shall be required to apply for and use commercially reasonable efforts to obtain Proposition 8 decreases in real estate taxes for each Expense Year unless Landlord reasonably determines such an application is not warranted. Any costs and expenses (including, without limitation, reasonable attorneys' and consultants' fees) incurred by Landlord in securing any Proposition 8 reduction shall be included in Tax Expenses in the Expense Year such expenses are incurred. Tax refunds under Proposition 8 shall, subject to the terms of this Lease, be credited against Tax Expenses and refunded to Tenant regardless of when received, based on the Expense Year to which the refund is applicable. Landlord and Tenant acknowledge that the preceding sentence is not intended to in any way affect the inclusion in Tax Expenses of the statutory two percent (2.0%) annual increase in Tax Expenses pursuant to Proposition 13 (as such statutory increase may be modified by subsequent legislation).

4.2.6 "**Tenant's Share**" shall mean, (i) with respect to the Building, the percentage calculated by dividing the number of rentable square feet of the Premises by the total rentable square feet in the Building, and (ii) with respect to the Project, the percentage calculated by dividing the number of rentable square feet of the Premises by the total rentable square feet in the Project.

4.3 Calculation and Payment of Tenant's Share of Direct Expenses. Tenant shall pay to Landlord, in the manner set forth in Section 4.3, below, and as Additional Rent, an amount equal to Tenant's Share of Direct Expenses.

4.3.1 Calculation of Excess. For any Expense Year ending or commencing within the Lease Term, Tenant shall pay to Landlord, in the manner set forth in Section 4.3.2, below, and as additional rent, an amount equal to (i) Tenant's Share of Direct Expenses allocated only to the Building pursuant to Section 4.3.4 below for such Expense Year, and (ii) Tenant's Share of Direct Expenses allocated to the entire Project pursuant to Section 4.3.4 below for such Expense Year.

4.3.2 Statement of Actual Direct Expenses and Payment by Tenant. On or before the last day of June following the end of each Expense Year, Landlord shall give to Tenant a statement (the "**Statement**") which shall state, in reasonable detail by major general categories, the Direct Expenses incurred or accrued for such Expense Year, and which shall indicate the amount, if any, of Tenant's Share of Direct Expenses or overpayment by Tenant, if any. Upon receipt of the Statement for each Expense Year commencing or ending during the Lease Term, Tenant shall pay within thirty (30) days following demand by Landlord, the full amount of Tenant's Share of Direct Expenses for such Expense Year, less the amounts, if any, paid during such Expense Year as "Estimated Direct Expenses," as that term is defined in Section 4.3.3, below, and if Tenant paid more as Estimated Direct Expenses than the actual Tenant's Share of Direct Expenses, Tenant shall receive a credit in the amount of Tenant's overpayment against Rent next due under this Lease. The failure of Landlord to timely furnish the Statement for any Expense Year shall not prejudice Landlord (provided that in the event that such failure continues for a period of three (3) months following receipt of notice from Tenant, Tenant may elect to seek specific performance) or Tenant from enforcing their rights under this Article 4. Even though the Lease Term has expired and Tenant has vacated

the Premises, when the final determination is made of Tenant's Share of Direct Expenses for the Expense Year in which this Lease terminates, Tenant shall pay to Landlord Tenant's Share of Direct Expenses within thirty (30) days of Tenant's receipt of an invoice therefor from Landlord, and if Tenant paid more as Estimated Direct Expenses than the actual Tenant's Share of Direct Expenses, Landlord shall, within thirty (30) days after Landlord's calculation thereof, deliver a check payable to Tenant in the amount of the overpayment. The provisions of this Section 4.3.2 shall survive the expiration or earlier termination of the Lease Term. Notwithstanding the immediately preceding sentence, Tenant shall not be responsible for Tenant's Share of any Direct Expenses attributable to any Expense Year which are first billed to Tenant more than two (2) calendar years after the earlier of the expiration of the applicable Expense Year or the Lease Expiration Date, provided that in any event Tenant shall be responsible for Tenant's Share of Direct Expenses levied by any governmental authority or by any public utility companies at any time following the Lease Expiration Date which are attributable to any Expense Year (provided that Landlord delivers Tenant a bill (a "**Supplemental Statement**") for such amounts within two (2) years following Landlord's receipt of the bill therefor).

4.3.3 Statement of Estimated Direct Expenses. In addition, Landlord shall use commercially reasonable efforts to give Tenant a yearly expense estimate statement (the "**Estimate Statement**") which shall set forth on a line-item by line-item basis Landlord's reasonable and good faith estimate (the "**Estimate**") of what the total amount of Direct Expenses for the then-current Expense Year shall be and the estimated Tenant's Share of Direct Expenses (the "**Estimated Direct Expenses**"). The failure of Landlord to timely furnish the Estimate Statement for any Expense Year shall not preclude Landlord from enforcing its rights to collect any Estimated Direct Expenses under this Article 4 (provided that in the event that such failure continues for a period of six (6) months following receipt of notice from Tenant, Tenant may elect to seek specific performance), nor shall Landlord be prohibited from revising any Estimate Statement or Estimated Direct Expenses theretofore delivered to the extent necessary; provided, however, any such subsequent revision shall set forth on a reasonably specific basis any particular expense increase. Thereafter, Tenant shall pay, upon the later to occur of its next installment of Base Rent due or thirty (30) days after receipt of the Estimate Statement, a fraction of the Estimated Direct Expenses for the then-current Expense Year (reduced by any amounts paid pursuant to the last sentence of this Section 4.3.3). Such fraction shall have as its numerator the number of months which have elapsed in such current Expense Year, including the month of such payment, and twelve (12) as its denominator. Until a new Estimate Statement is furnished (which Landlord shall have the right to deliver to Tenant at any time), Tenant shall pay monthly, with the monthly Base Rent installments, an amount equal to one-twelfth (1/12) of the total Estimated Direct Expenses set forth in the previous Estimate Statement delivered by Landlord to Tenant. The Estimated Direct Expenses for calendar year 2019 is $[***]per square foot per month.

4.3.4 Allocation of Direct Expenses to the Building. The parties acknowledge that the Building is part of a multi-building commercial project consisting of the Building and the Other Buildings and such other buildings as Landlord and/or any other owners of land within the Project may elect to construct and include as part of the Project from time to time (to be included within the definition of "Other Buildings" once constructed) and that certain of the costs and expenses incurred in connection with the Project (i.e. the Direct Expenses) as determined by Landlord shall be shared among the Building and such Other Buildings, while certain other costs and expenses which are solely attributable to the Building or any such Other Buildings, as applicable, shall be allocated directly to the Building or any such Other Buildings, respectively. Accordingly, as set forth in Sections 4.1 and 4.2, above and as determined by Landlord on an equitable basis, some Direct Expenses shall be allocated to the Project as a whole, and some Direct Expenses shall be allocated only to the Building (as opposed to being allocated collectively to the Building and the Other Buildings), and Tenant's Share shall be calculated for each such category of Direct Expenses. As an example of such allocation with respect to Operating Expenses, it is anticipated that Landlord (and/or

any other owners of the Project) may receive separate utilities bills from the utilities companies identifying the cost of utilities directly incurred by the Building and each Other Building (as measured by separate meters installed for each such building), and such separately metered or submetered utilities costs shall be calculated for and allocated separately to each such applicable buildings. In addition, in the event Landlord (and/or any other owners of the Project) elect to subdivide certain common area portions of the Project such as landscaping, public and private streets, driveways, walkways, courtyards, plazas, transportation facilitation areas and/or accessways into a separate parcel or parcels of land (and/or separately convey all or any of such parcels to a common area association to own, operate and/or maintain same), the Direct Expenses for such common area parcels of land may be aggregated and then reasonably allocated by Landlord to the Building and such Other Buildings on an equitable basis as Landlord (and/or any applicable covenants, conditions and restrictions for any such common area association) shall provide from time to time. Subject to the foregoing provisions of this Section 4.3.4, Landlord shall have the right, from time to time, to equitably allocate some or all of the Operating Expenses and/or Tax Expenses between the Building and the Other Buildings and/or among different tenants of the Project and/or among different buildings of the Project as and when such different buildings are constructed and added to (and/or excluded from) the Project or otherwise (the "**Cost Pools**"). Such Cost Pools may include, without limitation, the office space and/or retail space tenants of the Project or of a building or buildings within the Project. Such Cost Pools may also include an allocation of certain Operating Expenses and/or Tax Expenses within or under covenants, conditions and restrictions affecting the Project. In addition, Landlord shall have the right from time to time, in its reasonable discretion, to include or exclude existing or future buildings in the Project for purposes of determining Direct Expenses and/or the provision of various services and amenities thereto, including allocation of Direct Expenses in any such Cost Pools. The Direct Expenses within each Cost Pool shall be allocated and charged to the tenants within such Cost Pool in an equitable and consistent manner and shall not exceed, collectively between Cost Pools, one hundred percent (100%) of all such costs.

4.4 Taxes and Other Charges for Which Tenant Is Directly Responsible.

4.4.1 Tenant shall be liable for taxes levied against Tenant's equipment, furniture, fixtures and any other personal property located in or about the Premises and shall pay or dispute (to the extent lawful so to do) the same before delinquency. If any such taxes on Tenant's equipment, furniture, fixtures and any other personal property are levied against Landlord or Landlord's property or if the assessed value of Landlord's property is increased by the inclusion therein of a value placed upon such equipment, furniture, fixtures or any other personal property and if Landlord pays the taxes based upon such increased assessment, which Landlord shall have the right to do regardless of the validity thereof but only under proper protest if requested by Tenant, Tenant shall within thirty (30) days following demand by Landlord the taxes so levied against Landlord or the proportion of such taxes resulting from such increase in the assessment, as the case may be.

4.4.2 Notwithstanding any contrary provision herein, Tenant shall pay prior to delinquency any (i) rent tax or sales tax, service tax, transfer tax or value added tax, or any other applicable tax on the rent or services herein or otherwise respecting this Lease, and (ii) taxes assessed upon or with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion of the Project.

4.5 Late Charges. If any installment of Rent or any other sum due from Tenant shall not be received by Landlord or Landlord's designee within five (5) days after Tenant's receipt of written notice thereof from Landlord, then Tenant shall pay to Landlord a late charge equal to five percent (5%) of the amount due. The late charge shall be deemed Additional Rent and the right to require it shall be in addition to all of Landlord's other rights and remedies hereunder or at law and shall not be construed as liquidated

damages or as limiting Landlord's remedies in any manner. In addition to the late charge described above, any Rent or other amounts owing hereunder which are not paid when due shall bear interest from the date due until paid at a rate (the "**Interest Rate**") equal to the lower of (i) the then-current prime interest rate as such rate is announced by The Wall Street Journal plus two (2) percentage points, or (ii) the highest rate permitted by applicable law. In addition to the foregoing, if Tenant fails to pay three (3) or more Rent payments by their applicable due date, then Landlord shall have the right, at Landlord's sole option and without limitation of any other rights or remedies available to Landlord, to require that Tenant pay all future payments of Rent by cashier's check, wire transfer or other "good funds" acceptable to Landlord in Landlord's sole discretion. Certain individual items of cost or expense may, in the reasonable determination of Landlord, be separately charged and billed to Tenant by Landlord, either alone or in conjunction with another party or parties, if they are deemed in good faith and is customary for the Building or Project to apply solely to Tenant and/or such other party or parties and are nor otherwise normally recaptured by Landlord as part of Operating Expenses.

4.6 Landlord's Books and Records.

4.6.1 In General. In the event that Tenant disputes the amount of Additional Rent set forth in any annual Statement or Supplemental Statement delivered by Landlord, then subject to the terms of Section 4.6.2, below, Tenant shall have the right to cause an independent certified public accountant (which accountant is a member of an accounting firm and is working on a non-contingency fee basis) ("**Tenant's Auditor**"), to inspect, copy, review and audit Landlord's accounting records for the Expense Year covered by such Statement or Supplemental Statement during normal business hours ("**Tenant Review**"). As a condition precedent to any such inspection, Tenant shall cause such Tenant's Auditor to follow Landlord's reasonable rules and regulations relating to such inspection that do not adversely affect the ability of Tenant's Auditor to perform the audit in a reasonable manner, and, in any event, Tenant and the Tenant's Auditor shall maintain in strict confidence any and all information obtained in connection with the Tenant Review and shall not disclose such information to any person or entity other than to the management personnel, lawyers, accountants, assignees and/or subtenants of Tenant (subject to such parties' agreement to maintain such information confidential as set forth herein). Any Tenant Review shall take place in Landlord's office at the Project or at such other location in Los Angeles County as Landlord may reasonably designate, and Landlord will provide Tenant with reasonable access to personnel as is reasonably necessary for the Tenant Review, reasonable accommodations for such Tenant Review and reasonable use of such available office equipment, but may charge Tenant for telephone calls and photocopies at Landlord's actual cost. Tenant shall provide Landlord with not less than thirty (30) days' notice of its desire to conduct such Tenant Review. In connection with the foregoing review, Landlord shall furnish Tenant with such reasonable supporting documentation relating to the subject Statement or Supplemental Statement as Tenant may reasonably request, including any previous audit conducted by Landlord with respect to the Expense Year in question. In no event shall Tenant have the right to conduct such Tenant Review if Tenant is then in default under the Lease with respect to any of Tenant's monetary obligations, including, without limitation, the payment by Tenant of all Additional Rent amounts described in the Statement or Supplemental Statement which is the subject of Tenant's Review, which payment, at Tenant's election, may be made under dispute. In the event that following Tenant's Review, Tenant and Landlord continue to dispute the amounts of Additional Rent shown on Landlord's Statement or Supplemental Statement and Landlord and Tenant are unable to resolve such dispute, then either Landlord or Tenant may submit the matter to arbitration pursuant to Section 26.37 of this Lease and the proper amount of the disputed items and/or categories of Direct Expenses to be shown on such Statement or Supplemental Statement shall be determined by such proceeding producing an Arbitration Award (as defined in Section 26.37.3.2 below). The Arbitration Award shall be conclusive and binding upon both Landlord and Tenant. If the resolution of the parties' dispute with regard to the Additional Rent shown on the Statement or

Supplemental Statement, pursuant to the Arbitration Award reveals an error in the calculation of Tenant's Share of Direct Expenses to be paid for such Expense Year, the parties' sole remedy shall be for the parties to make appropriate payments or reimbursements, as the case may be, to each other as are determined to be owing. Any such payments shall be made within thirty (30) days following the resolution of such dispute; provided that if Landlord fails to make such payment within such time period, Tenant may treat any overpayments resulting from the foregoing resolution of such parties' dispute as a credit against Rent until such amounts are otherwise paid by Landlord. Tenant shall be responsible for all costs and expenses associated with Tenant's Review, and Tenant shall be responsible for all reasonable audit fees of Tenant, as well as attorney's fees and related costs of both Landlord and Tenant relating to an Arbitration Award (collectively, the "**Costs**"), provided that if the parties' final resolution of the dispute involves the overstatement by Landlord of Direct Expenses for such Expense Year in excess of [***] percent ([***]%), then Landlord shall be responsible for all Costs. Subject to the terms of Section 4.6.2, below, this provision shall survive the termination of this Lease to allow the parties to enforce their respective rights hereunder.

4.6.2 Termination of Rights. In the event that, within one (1) year following receipt of any particular Statement or Supplemental Statement, as applicable, Tenant or Landlord shall fail to either (i) fully and finally settle any dispute with respect to such Statement or Supplemental Statement, as applicable, or (ii) submit the dispute to arbitration in accordance with the terms of Section 4.6.1, above, then Tenant shall have no further right to conduct a Tenant Review with respect to the applicable Statement or Supplemental Statement, as the case may be, or to dispute the amount of Additional Rent set forth in the applicable Statement or Supplemental Statement, as applicable; provided, however, that, that in no event shall the foregoing constitute a waiver by Tenant to pursue any fraud claims against Landlord pertaining to Direct Expenses to the extent allowable under Laws. Additionally, if following Tenant's delivery to Landlord of a written request for a Tenant Review, Landlord fails to make its accounting records for the applicable Expense Year reasonably available for such purpose in accordance with the terms of Section 4.6.1 above, then the review period set forth in this Section 4.6.2 shall be extended one (1) day for each day that Tenant and/or Tenant's Auditor, as the case may be, is so prevented from accessing such accounting records. In no event shall the payment by Tenant of any Direct Expense payment, or any amount on account thereof, preclude Tenant from exercising its rights under this Section 4.6.

4.7 Triple Net Lease. Landlord and Tenant acknowledge that, except as otherwise provided to the contrary in this Lease, it is their intent and agreement that this Lease be a "**TRIPLE NET**" lease and that as such, the provisions contained in this Lease are intended to pass on to Tenant or reimburse Landlord for the costs and expenses reasonably associated with this Lease, the Building and the Project, and Tenant's operation therefrom. To the extent such costs and expenses payable by Tenant cannot be charged directly to, and paid by, Tenant, such costs and expenses shall be paid by Landlord but reimbursed by Tenant as Additional Rent subject to the terms of this Lease.

ARTICLE 5

USE OF PREMISES

5.1 Use. Tenant shall use the Premises solely for the purposes set forth in Section 9 of the Summary, consistent with the character of the Project as a first-class creative office building, and Tenant shall not use or permit the Premises to be used for any other purpose or purposes whatsoever, unless approved by Landlord in Landlord's sole discretion. Tenant acknowledges and agrees that the Project falls under the jurisdiction of the Bergamot Area Plan, and Tenant further covenants and agrees that it shall not use or suffer, or permit any person or persons to use, the Premises or any part thereof for any use or purpose contrary to the provisions of this Lease or in violation of applicable Laws, provided, however, the cost of such compliance shall be governed by Articles 4 and 22 of this Lease, and Tenant shall be bound and shall

comply with the non-discriminatory and reasonable rules and regulations adopted by Landlord from time to time (the "**Rules and Regulations**"), including, without limitation, the rules and regulations attached as **Exhibit E** hereto and incorporated herein by this reference. Landlord shall not be responsible to Tenant or to any other person for any violation, or failure to observe, the Rules and Regulations for the Project by any other tenant or other person; provided, however, Landlord shall use reasonable efforts to cause other tenants and persons within the Project to observe the Rules and Regulations. The Rules and Regulations shall not be unreasonably or discriminatorily modified or enforced in a manner which shall materially adversely interfere with the conduct of Tenant's Permitted Use from the Premises or Tenant's use of or access to the Premises or the Parking Areas. Tenant shall comply with all recorded covenants, conditions and restrictions currently existing or any future recorded covenants, conditions and restrictions of which Tenant has been provided written notice, and the provisions of all ground or underlying leases ("**Underlying Documents**"), now or hereafter affecting the Project; provided, however, no Underlying Documents or amendments thereto shall materially, adversely (i) affect Tenant's use of the Premises for general or creative office use or access to the Premises or the Parking Areas, or (ii) no amendment to any Underlying Document shall materially adversely increase Tenant's obligations under this Lease. As of the date hereof, to Landlord's knowledge, there are no Underlying Documents affecting the Project (specifically excluding any easements and oil and gas leases), which would materially increase Tenant's obligations or materially adversely impair Tenant's rights hereunder. The uses prohibited under this Lease shall include, without limitation, use of the Premises or a portion thereof for (i) offices of any agency or bureau of the United States or any state or political subdivision thereof which (a) is of a character or reputation, is engaged in a business, or is of, or is associated with, a political orientation or faction, which is inconsistent with the nature of a first-class office project or which would otherwise reasonably offend a landlord of a Comparable Building, (b) is capable of exercising the power of eminent domain or condemnation, or (c) would, in Landlord's reasonable judgment, materially increase the human and/or vehicular traffic in, or the security threat to, the Premises, the Building and/or the Project; (ii) offices or agencies of any foreign governmental or political subdivision thereof; (iii) medical uses, including, without limitation, offices of any health care professionals; (iv) schools or other training facilities which are not ancillary to corporate, executive or professional office use; (v) retail or restaurant uses; (vi) communications firms for broadcasting purposes such as radio and/or television stations; (vii) call centers or telemarketing uses; or (viii) adult video business operations. Notwithstanding the foregoing, Tenant shall have the right, subject to compliance with all applicable provisions of this Lease and applicable Laws, to use the Premises or portions thereof for the following specific purposes: (A) kitchens, pantries and dining rooms for the feeding of employees and guests of Tenant, but only to the extent consistent with typical general office use by office tenants in first-class creative office building projects; (B) recreation rooms for employees of Tenant; (C) vending machines and snack bars for the sale of food, confections, nonalcoholic beverages, newspapers and other convenience items to employees of Tenant; (D) business and mailroom machines, equipment for printing, producing and reproducing forms, circulars and other materials used in connection with the conduct of Tenant's business; (E) libraries for employees of Tenant; (F) computer and other electronic data processing; (G) boardrooms and conference rooms; (H) training and testing rooms for employees of Tenant; (I) facilities for storage of equipment and supplies in connection with the foregoing; and (J) safe and vault areas. Notwithstanding the foregoing, in no event shall any of the uses set forth in items (A) through (J), above, or any non-general office component of the Permitted Use, as set forth in Section 9 of the Summary, cause odors, sounds, sound-related vibrations or other odors, noise or vibrations to be smelled, heard or felt from outside the Premises to the extent as to materially and adversely affect the quiet enjoyment of other tenants or occupants of the Project. Tenant further covenants and agrees that Tenant shall not use, or suffer or permit any person or persons to use, the Premises or any part thereof for any use or purpose contrary to the provisions of the Rules and Regulations, or in violation of applicable Laws; provided, however, the cost of such compliance shall be governed by Section 5.2 and Articles 4 and 24 of this Lease.

5.2 Hazardous Materials.

5.2.1 Definitions of Hazardous Materials and Environmental Laws. As used in this Lease, the term "**Hazardous Materials**" shall mean and include any substance that is or contains petroleum, asbestos, polychlorinated biphenyls, lead, or any other substance, material or waste which is now or is hereafter classified or considered to be hazardous or toxic under any federal, state or local law, rule, regulation or ordinance relating to pollution or the protection or regulation of human health, natural resources or the environment (collectively, "**Environmental Laws**").

5.2.2 Covenants.

5.2.2.1 By Tenant. Tenant shall not use or allow another person or entity to use any part of the Premises for the storage, use, treatment, manufacture or sale of Hazardous Material. Landlord acknowledges, however, that Tenant will maintain products in the Premises which are incidental to the operation of its Permitted Use, including, without limitation, photocopy supplies, secretarial supplies and limited janitorial supplies, which products contain chemicals which are categorized as Hazardous Materials. Landlord agrees that the use of such products in the Premises in the manner in which such products are designed to be used and in compliance with applicable laws shall not be a violation by Tenant of this Article 5.

5.2.2.2 By Landlord. Tenant shall have no obligation to investigate or remediate any Hazardous Materials located in or as part of the Base Building (as that term is defined in Section 11.1 below) as of the Delivery Date or in any areas of the Project located outside the Premises that were not placed thereon or therein, or damaged, exacerbated (but only to the extent exacerbated) or disturbed by Tenant or any of Tenant's agents, contractors, employees, licensees or invitees. Landlord covenants that during the Lease Term, Landlord shall not cause any Hazardous Materials to be introduced in, on or under the Project by Landlord, its agents, employees or contractors in violation of applicable Laws in effect at the time of such introduction and Landlord shall comply with all applicable Laws with respect to Hazardous Materials in accordance with, and as required by, the terms of this Lease. In addition, Operating Expenses shall not include the cost of remediation of any Hazardous Materials to the extent (A) existing on, under or at the Project in violation of applicable Laws at such time (including asbestos) except as may be caused or exacerbated by Tenant or any Tenant Party, (B) resulting from asbestos except as may be caused or exacerbated by Tenant or any Tenant Party, and/or (C) resulting from Landlord's breach of its covenants set forth above in this Section 5.2. For purposes hereof, "costs of remediation" shall mean the costs associated with the investigation, testing, monitoring, containment, removal, remediation, cleanup and/or abatement of any release of any such Hazardous Materials described in the immediately preceding sentence as necessary to comply with any applicable Laws.

5.2.3 Indemnity.

5.2.3.1 By Tenant. Tenant agrees to indemnify, defend, protect and hold Landlord and the Landlord Parties (as defined in Section 10.1 below) harmless from and against any and all claims, actions, administrative proceedings (including informal proceedings), judgments, damages, punitive damages, penalties, fines, costs, liabilities, interest or losses, including reasonable attorneys' fees and expenses, consultant fees, and expert fees, together with all other costs and expenses of any kind or nature, resulting from actual or threatened claims by third parties that arise during or after the Lease Term directly or indirectly from or in connection with the presence, suspected presence, release or suspected release of any Hazardous Materials in or into the air, soil, surface water or groundwater at, on, about, under or within the Premises or Project or any portion thereof, caused, disturbed or exacerbated by Tenant, its assignees or subtenants and/or their respective agents, employees, contractors, licensees or invitees. The provisions set forth in this Section 5.2.3 shall survive the expiration or earlier termination of this Lease.

5.2.3.2 By Landlord. Landlord agrees to indemnify, defend, protect and hold Tenant and the Tenant Parties (as defined in Section 10.1 below) harmless from and against any and all claims, actions, administrative proceedings (including informal proceedings), judgments, damages, punitive damages, penalties, fines, costs, liabilities, interest or losses, including reasonable attorneys' fees and expenses, consultant fees, and expert fees, together with all other costs and expenses of any kind or nature, that arise during or after the Lease Term directly or indirectly from or in connection with the presence, suspected presence, release or suspected release of any Hazardous Materials in or into the air, soil, surface water or groundwater at, on, about, under or within the Premises or Project or any portion thereof, resulting from actual or threatened claims by third parties arising from (i) Hazardous Materials brought onto the Project by Landlord or any Landlord Party, and (ii) any Hazardous Materials existing on the Project prior to the Lease Commencement Date (except to the extent any such Hazardous Materials are disturbed and/or exacerbated by Tenant). For the avoidance of doubt, "third party claims" shall not include claims made by Tenant's employees, agents, contractors, principals, subtenants or assigns.

5.2.3.3 In General. Landlord and Tenant specifically agree that Tenant shall not be responsible or liable to Landlord (as part of Direct Expenses or otherwise) or to other parties for any of Hazardous Materials which are released or brought in, on, under or about the Project by Landlord or Landlord Party or by any non-Tenant Party (including without limitation, any other tenants or occupants of the Project and their agents, invitees, employees and contractors), except to the extent disturbed and/or exacerbated by Tenant. The provisions set forth in this Section 5.2.3 shall survive the expiration or earlier termination of this Lease.

5.2.3.4 Environmental Disclosure. Attached hereto as **Exhibit H** is a disclosure statement regarding the Premises, Buildings and Project.

5.3 Prohibited Drug Law Activities. Except to the extent possession or use of any of same by individuals, if prohibited from the Premises, would be a violation of applicable Laws, Tenant shall not bring upon the Premises or any portion of the Building or use the Premises or permit the Premises or any portion thereof to be used for the growing, manufacturing, administration, distribution (including without limitation, any retail sales), possession, use or consumption of any cannabis, marijuana or cannabinoid product or compound, regardless of the legality or illegality of the same. A breach of this Section 5.3 shall be deemed a material Default by Tenant under this Lease.

ARTICLE 6

SERVICES AND UTILITIES

6.1 Standard Tenant Services. Landlord shall operate and manage the Project in a first-class manner substantially consistent with that of first-class institutionally owned creative office building complexes in the Santa Monica area, including without limitation with the Comparable Buildings ("**Operations Standard**") and keep the Project in first class condition and repair and provide the following services on all days and at all times (unless otherwise stated below) during the Lease Term. For purposes of this Lease, "**Normal Business Hours**" shall mean Monday – Friday 8:00 a.m. – 6:00 p.m., local time, and Saturday 9:00 a.m. – 1:00 p.m., local time. For the purpose of this Lease, "**Holiday**" shall mean for the date of observation of New Year's Day, MLK Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day and any other nationally and locally recognized holidays recognized by landlords of Comparable Buildings.

6.1.1 Subject to reasonable changes implemented by Landlord and all governmental rules, regulations and guidelines applicable thereto, Landlord shall provide heating, ventilation and air-conditioning units ("**HVAC**") in accordance with the HVAC specifications attached as Exhibit B-1. Tenant shall have sole control of the hours of operation of the HVAC; provided, however, Landlord will maintain the HVAC units servicing the Premises and will bill back the Actual cost thereof directly to Tenant.

6.1.2 Subject to Section 6.6 below, Landlord shall provide electrical wiring and facilities and power in accordance with the electrical specifications attached as Exhibit B-1.

6.1.3 Landlord shall provide city water from the regular building outlets for drinking, lavatory and toilet purposes for normal office use, including use in any kitchen and other eating areas within the Premises for normal office use. Landlord shall provide exterior window washing services in a manner consistent with the Operations Standard.

6.1.4 Landlord shall provide non-attended automatic passenger elevator service.

6.1.5 Landlord shall provide reasonable access control services for the Parking Areas seven (7) days per week, twenty-four (24) hours per day, in a manner consistent with the Operations Standard. As of the date of this Lease, Landlord provides one site attendant for the Project from the hours of 3 PM to 7 AM on weekdays and 24 hours a day on weekends and Holidays. Tenant's employees shall be entitled to request such security personnel to escort them from the Premises to the Parking Areas based on such personnel's reasonable availability. Any additional access control and any security measures desired by Tenant for the benefit of the Premises shall be provided by Tenant, at Tenant's sole cost and expense. Notwithstanding the foregoing, Landlord shall in no case be liable for personal injury or property damage for any error with regard to the admission to or exclusion from the Building or Project of any person. Tenant may, at its own expense, install its own security system and/or its own security personnel ("**Tenant's Security System**") in the Premises; provided, however, that Tenant shall coordinate the installation and operation of Tenant's Security System with Landlord and, provided further that any such security personnel shall be reasonably approved by Landlord (provided that such security personnel need not be union). If Tenant installs a Tenant Security System, Tenant shall provide Landlord with card keys or other means of accessing the Premises at all times. Tenant shall be solely responsible, at Tenant's sole cost and expense, for the installation, monitoring, operation and removal of Tenant's Security System. Tenant's Security System shall be installed by Tenant in accordance with terms of Article 8 of this Lease. Landlord represents to Tenant that pathways currently exist for the provision of electricity to the entry door of the Premises.

6.1.6 Landlord shall provide Tenant with appropriate contact information that Tenant may contact in the event of an emergency at the Premises or Building twenty-four (24) hours per day, seven (7) days per week (whether or not during Normal Business Hours).

6.2 Overstandard Tenant Use of Water. If Tenant uses water in excess of that supplied by Landlord pursuant to Section 6.1.3 of this Lease, Tenant shall pay to Landlord, within thirty (30) days following billing, the Actual Cost (as that term is defined below) of such excess consumption, the Actual Cost of the installation, operation, and maintenance of equipment which is installed in order to supply such excess consumption, and the Actual Cost of installing, testing and maintaining of any metering or submetering devices in connection therewith, plus a ten percent (10%) surcharge payable to Landlord on such costs to cover Landlord's administrative costs in connection therewith. Notwithstanding the foregoing, Landlord may only charge such excess water costs to Tenant to the extent that Landlord also separately bills its other tenants in the Project for usage in excess of amounts set forth in Section 6.1.3 above, above, to the extent that such water is not separately metered and paid directly to the water utility. For purposes of this Lease, "**Actual Cost**" shall mean an amount equal to the actual incremental costs to Landlord to provide any such applicable work, services and/or utilities.

6.3 Interruption of Use. Tenant agrees that Landlord shall not be liable for damages, by abatement of Rent (except as provided in Section 19.8.2 of this Lease) or otherwise, for failure to furnish or delay in furnishing any service (including telephone and telecommunication services), or for any diminution in the quality or quantity thereof, when such failure or delay or diminution is occasioned, in whole or in part, by breakage, repairs, replacements, or improvements (and Landlord agrees to use commercially reasonable efforts to minimize interference with Tenant's business in the Premises in connection with the performance of any non-emergency work and further agree to provide Tenant with at least twenty-four (24) hours prior written notice of any planned shutdowns of electrical power within the Building or any planned shutdowns by the utility serving the Building (to the extent Landlord has notice thereof) excluding emergency shut downs for which Landlord is unable to provide such notice), by any strike, lockout or other labor trouble, by inability to secure electricity, gas, water, or other fuel at the Building or Project after reasonable effort to do so, by any riot or other dangerous condition, emergency, accident or casualty whatsoever, by act or default of Tenant or other parties, or by any other cause beyond Landlord's reasonable control; and such failures or delays or diminution shall never be deemed to constitute an eviction or disturbance of Tenant's use and possession of the Premises (subject, however, to Landlord's covenant of quiet enjoyment) or relieve Tenant from paying Rent (except as provided in Section 19.8.2 of this Lease) or performing any of its obligations under this Lease; provided, however, that Landlord shall use commercially reasonable and diligent efforts to restore such service to the extent the restoration of the same is not the obligation of Tenant, the utility company or other third party. Furthermore, Landlord shall not be liable under any circumstances for a loss of, or injury to, property, or any consequential damages, including, without limitation, or for injury to, or interference with, Tenant's business, including, without limitation, loss of profits, however occurring, through or in connection with or incidental to a failure to furnish any of the services or utilities as set forth in this Article 6; provided, however, that Landlord shall be responsible for any property damage or personal injury to the extent set forth in Section 10.1 of this Lease.

6.4 Additional Services. Landlord shall have the exclusive right, but not the obligation, to provide any additional services which may be required by Tenant, including, without limitation, locksmithing (and Landlord can require that Tenant employ Landlord's master key system for the Building), lamp replacement, and additional repairs and maintenance, provided that Tenant shall pay to Landlord within thirty (30) days after billing, the sum of all costs to Landlord of such additional services plus an administration fee equal to fifteen percent (15%) of such costs. Charges for any service for which Tenant is required to pay from time to time hereunder shall be deemed Additional Rent hereunder and shall be billed on a monthly basis.

6.5 Telecommunications Wiring and Cabling. Notwithstanding any other provision of this Lease, the terms of this Section 6.5 shall apply to any telecommunications wiring and cabling (including, without limitation, any supporting structure such as conduits, trenches, poles, backboards, slots, sleeves and riser systems) (collectively, the "**Non-Premises Wiring and Cabling**") at any time serving or intended to serve Tenant's telecommunications system serving the Premises between (a) the Minimum Point of Entry ("**MPOE**") for the Building (as defined by and determined in accordance with regulations of the California Public Utilities Commission in effect from time to time, intended to be the point where telecommunications wiring and cabling serving the Premises may connect to telecommunications wiring and cabling owned and operated by a telecommunications company serving tenants in the Building), and (b) the telecommunications equipment room or rooms from time to time designated by Landlord to serve as the starting point for Tenant's individual telecommunications system serving the Premises. Landlord has

heretofore caused to be installed conduit to the MPOE of the Building, which Tenant may utilize Tenant's Share thereof on as "AS IS" basis without representation or warranty. Tenant may install, maintain, replace, remove or use any Non-Premises Wiring and Cabling at the Building in or serving the Premises, provided that: (i) Tenant shall obtain Landlord's prior written consent, which consent shall not be unreasonably withheld or delayed; (ii) use an experienced and qualified contractor approved in writing by Landlord, and comply with all of the other provisions of Articles 7 and 8 of this Lease; (iii) subject to the terms of item (i), above, an acceptable amount of space in the riser for additional Non-Premises Wiring and Cabling shall be left available for existing and future occupants of the Premises, as determined in Landlord's reasonable opinion; (iv) the Non-Premises Wiring and Cabling therefor (including riser cables) shall be appropriately insulated to prevent excessive electromagnetic fields or radiation, and shall be surrounded by a protective conduit reasonably acceptable to Landlord; (v) any new or existing Non-Premises Wiring and Cabling servicing the Premises shall comply with all applicable governmental laws and regulations; (vi) as a condition to permitting the installation of new Non-Premises Wiring and Cabling, Landlord may, if Landlord reasonably determines it necessary for the proper installation of such new Lines, require that Tenant remove existing Non-Premises Wiring and Cabling located in or serving the Premises and repair any damage in connection with such removal; and (vii) Tenant shall pay all costs in connection therewith. Landlord reserves the right at any time during the Lease Term to require that Tenant remove any Non-Premises Wiring and Cabling located in or serving the Premises which are installed in violation of these provisions, or which are at any time in violation of any laws or represent a dangerous or potentially dangerous condition.

6.6 Use of Electrical Services by Tenant.

6.6.1 Landlord's Electrical Service. Landlord shall have and retain the sole right to select and/or change the provider of electrical services to the Building and/or the Property. All costs of electrical consumption from the Premises or for services furnished to the Premises shall be paid by Tenant within thirty (30) days of receipt of an invoice therefor.

6.6.2 Submetering. Notwithstanding any provision to the contrary contained in this Lease, Tenant shall pay directly to the utility company pursuant to the utility company's separate meters (or to Landlord in the event Landlord provides submeters instead of the utility company's meters), the cost of all electricity provided to and/or consumed in the Premises (including normal and excess consumption and including the cost of electricity to operate the HVAC air handlers); provided that Tenant shall remain obligated to pay Tenant's Share of the cost of electrical services as provided in Section 4.2.3 to the extent attributable to furnishing electrical service in the Common Areas generally. Tenant shall pay such cost of electricity consumed within the Premises within thirty (30) days after demand, to the extent not paid directly to the utility company, as Additional Rent under this Lease (and not as part of the Operating Expenses).

6.7 **Tenant HVAC System**. Tenant, at its sole cost and expense, may install a supplemental HVAC system in the Premises, for the purpose of servicing the Premises (the "**Tenant HVAC System**"). Tenant shall have no right to utilize any space outside the Premises for the Tenant HVAC System, other than an area of the roof of the Building reasonably designated by Landlord (but Landlord shall not charge Tenant any rent for Tenant's use of the roof of the Building for the Tenant HVAC System). Tenant acknowledges and agrees that Landlord shall have no obligation to structurally reinforce the roof (or to pay for or reimburse Tenant for costs thereof) which may be necessary to accommodate any of Tenant's HVAC System and distribution systems or to support Tenant Improvement HVAC/electrical/fire sprinkler loads, except to the extent expressly set forth in the Work Letter. Any such installation shall be made by Tenant in accordance with the terms of Article 8 of this Lease. Tenant shall coordinate the installation and operation of Tenant's HVAC System with Landlord to ensure that Tenant's HVAC System is compatible with the Building Systems, and to the extent that Tenant's HVAC System is not compatible with the

Building Systems, Tenant shall not be entitled to install or operate the same. Tenant shall be solely responsible, at Tenant's sole cost and expense, for the monitoring, operation, replacement and repair of Tenant's HVAC System. In connection with the Tenant HVAC System, (a) Tenant shall, at Tenant's sole cost and expense, separately meter the electricity utilized by the Tenant HVAC System (and Tenant, at Tenant's sole cost and expense, shall be responsible for the maintenance and repair thereof), and (b) Tenant shall be responsible for the cost of all electricity utilized by the Tenant HVAC System. At Landlord's sole option, Tenant shall remove the Tenant HVAC System prior to the expiration or earlier termination of this Lease, and repair any damage to the Building caused by such removal and restore the portion of the Building and Premises affected by such removal to the condition existing prior to the installation of such Tenant HVAC System, or leave same in the Premises, in which event the same shall become a part of the realty and belong to Landlord and shall be surrendered with the Premises upon the expiration or earlier termination of this Lease; provided, however, to the extent Tenant's request for approval of the installation of the Tenant HVAC System expressly requests Landlord's determination regarding such removal, repair and restoration, such removal option shall be exercised by Landlord (if at all) at the time Landlord grants its consent to Tenant's installation of the Tenant HVAC System.

6.8 Janitorial Services. Tenant shall be solely responsible for performing all janitorial services and other cleaning of the interior of Premises appropriate to maintain the Premises in a condition consistent with the Operations Standards. Such services to be provided by Tenant shall be performed by contractors and pursuant to service contracts approved by Landlord, which approval shall not be unreasonably withheld, conditioned, or delayed. Landlord shall have the right to inspect the Premises upon reasonable notice to Tenant in accordance with Article 23 below and to require Tenant to provide additional cleaning, if necessary to comply with the Operations Standard. If Tenant shall fail to provide any of the services described in this Section 6.7 to be performed by Tenant within ten (10) days after notice from Landlord or, in the event of an emergency, such notice as is reasonable under the circumstances, if any, Landlord shall have the right to provide such services and any charge or cost incurred by Landlord in connection therewith shall be deemed Additional Rent due and payable by Tenant within thirty (30) days following receipt by Tenant of a written statement of cost from Landlord.

ARTICLE 7

REPAIRS

7.1 Repair Obligations. Landlord shall maintain and keep in good repair and condition and operating order, in a manner substantially consistent with the Operations Standard, the structural portions of the Base Building, including the foundation, floor/ceiling slabs, roof, curtain wall (if applicable), sewer and water mains, exterior glass and mullions, columns, beams, shafts (including elevator shafts), parking areas, stairwells (excluding stairwells installed by Tenant only), elevator cabs and systems, plazas, pavement, sidewalks, curbs, entrances, landscaping, art work, sculptures, unexposed portions of the men's and women's public washrooms, Building mechanical, electrical and telephone closets. Landlord shall also maintain and keep in good repair and first-class condition and operating order, in a manner substantially consistent with the Operations Standard, the base building mechanical, electrical, life safety, plumbing, sprinkler systems and HVAC systems and other building systems and equipment which were not constructed by Tenant or Tenant Parties (collectively, the "**Building Systems**"). Notwithstanding anything in this Lease to the contrary, Tenant shall be required to repair the structural portions of the Base Building and/or the Building Systems to the extent required because of (i) Tenant's use of the Premises for other than normal and customary creative and general office operations, or (ii) the negligence or willful misconduct of Tenant or the Tenant Parties, unless and to the extent such damage is covered by insurance carried or required to be carried by Landlord pursuant to Article 10 and to which the waiver of subrogation is

applicable (such obligation to the extent applicable to Tenant as qualified and conditioned will hereinafter be defined as the "**BS/BS Exception**"). Except as provided as part of Landlord's obligations set forth above or elsewhere in the Lease, Tenant shall at Tenant's own expense, keep the non-structural, interior portions of the Premises, including all improvements, fixtures, furnishings, and systems and equipment therein (including, without limitation, any specialty or non-general office improvements and equipment, plumbing fixtures and equipment such as dishwashers, garbage disposals, and insta-hot dispensers), in reasonably good order, repair and condition at all times during the Lease Term (but such obligation shall not extend to the structural portions of the Base Building and the Building Systems, except pursuant to the BS/BS Exception). In addition, except as provided as part of Landlord's repair obligation set forth above or elsewhere in this Lease, Tenant shall, at Tenant's own expense, but under the supervision and subject to the prior approval of Landlord, and within any reasonable period of time specified by Landlord, pursuant to the terms of this Lease, including, without limitation, Article 8 hereof, promptly and adequately repair all damage to the Premises and replace or repair all damaged, broken, or worn fixtures and appurtenances, except for damage caused by ordinary wear and tear or beyond the reasonable control of Tenant (but such obligation shall not extend to the structural portions of the Base Building and the Building Systems, except pursuant to the BS/BS Exception); provided however, that, at Landlord's option, but only if Tenant fails to make such repairs and replacements, Landlord may, but need not, make such repairs and replacements within thirty (30) days after notice thereof from Landlord (or such sooner period in the case of an emergency), and Tenant shall pay Landlord an amount sufficient to reimburse Landlord for the Actual Cost thereof to reimburse Landlord for all overhead, general conditions, fees and other costs or expenses arising from Landlord's involvement with such repairs and replacements, to the extent not duplicative of Direct Expenses, forthwith upon being billed for same, plus a ten percent (10%) surcharge payable to Landlord on such costs to cover Landlord's administrative costs. Landlord may, but shall not be required to, enter the Premises (but, except during emergencies, Landlord may not enter "Secured Areas," as that term is defined in Article 27 of this Lease) at all reasonable times to make such repairs, alterations, improvements or additions to the Premises or to the Project or to any equipment located in the Project as Landlord shall desire or deem necessary or as Landlord may be required to do by applicable Laws; provided, however, except for emergencies, any such entry into the Premises by Landlord shall be performed in a manner so as to minimize any material, adverse effect upon Tenant's use of, or ingress or egress to, the Premises. Tenant hereby waives any and all rights under and benefits of subsection 1 of Section 1932 and Sections 1941 and 1942 of the California Civil Code or under any similar law, statute, or ordinance now or hereafter in effect.

7.2 Tenant's Right to Make Repairs. Notwithstanding any of the terms and conditions set forth in this Lease to the contrary, if Tenant provides Notice (as that term is defined in Section 26.18 below) (or oral notice delivered to an authorized representative of Landlord in the event of an Emergency) to Landlord of an event or circumstance which requires the action of Landlord with respect to repair and/or maintenance required to (i) the interior of the Premises (except as otherwise set forth in items (ii) and (iii) below), (ii) the Base Building (specifically excluding the Building structure) (but only to the extent that such Base Building does not affect other areas of the Project outside the Premises), and (iii) the Building Systems (but only to the extent that such Building Systems do not affect other areas of the Project outside the Premises) (collectively, the "**Landlord Repair Items**"), which event or circumstance with respect to the Landlord Repair Items materially or adversely affects the conduct of Tenant's business from the Premises, and Landlord fails to commence corrective action within a reasonable period of time, given the circumstances, after the receipt of such Notice, but in any event not later than thirty (30) days after receipt of such Notice, then Tenant may proceed to take the required action upon delivery of an additional ten (10) business days' Notice to Landlord (one (1) business day in the case of emergency as described above) specifying that Tenant is taking such required action and if such action was required under the terms and conditions of this Lease to be taken by Landlord and was not commenced by Landlord within such ten (10) business day period and thereafter diligently pursued to completion, then Tenant shall be entitled to take such action and

receive prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in taking such action (except to the extent Tenant would otherwise ultimately have been responsible for such costs under this Lease, whether through Operating Expenses or otherwise), plus interest thereon at the Interest Rate if Landlord fails to reimburse Tenant more than thirty (30) days after Tenant's delivery to Landlord of an invoice with reasonable documentation showing the costs and expenses incurred by Tenant. In the event Tenant takes such action, Tenant shall use only those contractors used by Landlord in the Building for work unless such contractors are unwilling or unable to perform, or timely perform, such work, in which event Tenant may utilize the services of any other qualified contractor which normally and regularly performs similar work in Comparable Buildings. Promptly following completion of any work taken by Tenant pursuant to the terms and conditions of this Section 7.2, Tenant shall deliver a detailed invoice of the work completed, the materials used and the costs relating thereto. If Landlord does not deliver a detailed written objection to Tenant within thirty (30) days after receipt of an invoice from Tenant, then Tenant shall be entitled to deduct from Rent payable by Tenant under this Lease, the amount set forth in such invoice. If, however, Landlord delivers to Tenant, within thirty (30) days after receipt of Tenant's invoice, a written objection to the payment of such invoice, setting forth with reasonable particularity Landlord's reasons for its claim that such action did not have to be taken by Landlord pursuant to the terms and conditions of this Lease or that the charges are excessive (in which case Landlord shall pay the amount it contends would not have been excessive), then Tenant shall not then be entitled to such deduction from Rent. If Landlord objects to any deduction from Rent, Tenant may proceed to claim a default by Landlord or, if elected by either Landlord or Tenant, the matter shall proceed to resolution by the selection of an arbitrator to resolve the dispute, which arbitrator shall be selected and qualified pursuant to the procedures set forth in Section 26.37 of this Lease. If Tenant prevails in the arbitration, the amount of the Arbitration Award (which shall include interest at the Interest Rate from the time any such amounts were payable by Landlord to Tenant pursuant to the terms of this Section 7.2 above until the date Tenant receives such amount by payment or offset) may be deducted by Tenant from the Rent next due and owing under this Lease. For purposes of this Section 7.2, an "**Emergency**" shall mean an event involving the likelihood of immediate and material danger to people located in the Premises or immediate, material damage to the Premises, Building Systems, Base Building, Tenant Improvements, or Alterations.

ARTICLE 8

ADDITIONS AND ALTERATIONS

8.1 Landlord's Consent to Alterations. Other than the Acceptable Changes (as defined below), Tenant may not make any improvements, alterations, additions or changes to the Premises (collectively, the "**Alterations**") without first procuring the prior written consent of Landlord to such Alterations, which consent shall be requested by Tenant not less than ten (10) business days prior to the commencement thereof. Landlord shall not unreasonably withhold or delay its consent for any Alterations, provided that it shall be deemed reasonable for Landlord to withhold its consent with respect to any Alterations which create, or would create, a Design Problem (as that term is defined below). A "**Design Problem**," individually or collectively, is defined as, and will be deemed to exist if such Alteration (or Tenant Improvement, as the case may be) will (A) adversely affect the structural integrity of the Building; (B) not comply with applicable Laws; (C) adversely affect the Building Systems; (D) adversely affect the Common Areas or the exterior appearance of the Building or Project; or (E) be inconsistent with the Base Building Plans. Tenant shall pay for all overhead, general conditions, fees and other costs and expenses of the Alterations; provided however, such fees and costs shall not exceed a supervision fee equal to [***] percent ([***]%) of the cost of the Alterations (specifically excluding, in connection with, any Acceptable Changes (as that term is defined below) which are cosmetic in nature), plus the Actual Cost incurred by Landlord for engaging third party engineers, architects or other consultants for reviewing any plans in connection

therewith. Notwithstanding anything to the contrary contained in this Section 8.1, Tenant may make non-structural, non-Building Systems interior alterations, additions or improvements to the interior of the Premises (collectively, the "**Acceptable Changes**") without Landlord's consent, provided that: (i) Tenant delivers to Landlord written notice of such Acceptable Changes at least ten (10) business days prior to the commencement thereof; (ii) such Acceptable Changes shall be performed by or on behalf of Tenant in compliance with the other provisions of this Article 8; (iii) such Acceptable Changes do not adversely affect the Base Building, and cannot be seen from outside the Premises; and (v) such Acceptable Changes shall be performed by qualified contractors and subcontractors which normally and regularly perform similar work in Comparable Buildings. The construction of the initial improvements to the Premises (and the Landlord supervision fee therefor) shall be governed by the terms of the Tenant Work Letter and not the terms of this Article 8.

8.1.1 Conceptual Pre-Approval of Future Alterations. Notwithstanding anything to the contrary contained in this Lease, Landlord conditionally approves the following work to be performed by Tenant (as part of the Tenant Improvements or as a future Alteration), subject to Landlord's review and reasonable approval of Tenant's plans and specifications therefor in accordance with Section 8.2 below, conformance with applicable Laws, and the other terms and conditions of the Work Letter and Sections 8.3-8.5 below: (i) skylights in the roof of the Premises ("**Skylights**"); (ii), subject to receipt of all approvals required therefor by any applicable governmental authority, the installation of a fence in a mutually agreeable location in the outdoor area adjacent to the western portion of the Premises on 26th Street ("**Fenced Area**") for Tenant's exclusive use, at no additional cost or charge hereunder (such Fenced Area, to the extent constructed in accordance with the terms hereof, shall be deemed a portion of the Deck Area for purposes of this Lease), and (iii) enlarging the current openings in the wall in the annex portion of the two story portion of the western side of the Premises. Tenant shall be required to utilize Landlord's roof contractor (who is currently Anning-Johnson Company) ("**Landlord's Roof Contractor**") to perform or oversee the installation of Skylights to ensure that the Building's roof warranty is not invalidated by any such installation or Alterations.

8.2 Manner of Construction. Landlord may impose, as a condition of its consent to any and all Alterations or repairs of the Premises or about the Premises, such requirements as Landlord in its reasonable discretion, consistent with landlords of Comparable Buildings, may deem desirable, including, but not limited to, (A) the requirement that Tenant utilize for such purposes only contractors, subcontractors, materials, mechanics and materialmen selected by Tenant and reasonably approved by Landlord (except that Landlord may designate the contractors and subcontractors to perform all work affecting the structural components of the Project and/or the Building Systems, (B) the requirement that, subject to the terms of Section 8.4 below, upon Landlord's request given at the time of any required consent, Tenant shall, at Tenant's expense, remove such Alterations upon the expiration or any early termination of the Lease Term, and (C) the requirement that all Alterations are of equal or greater quality as compared to the lesser of (i) the Building's standards established by Landlord or (ii) the then existing improvements located in the applicable portion of the Premises. If such Alterations will involve the use of or disturb Hazardous Materials or substances existing in the Premises, Tenant shall comply with Landlord's Rules and Regulations concerning such Hazardous Materials; provided, however, if such Hazardous Materials existed in the Premises prior to the date Tenant initially took possession thereof, and the same was not put there by, or on behalf of, any Tenant Party, Landlord shall pay any incremental extra costs incurred by Tenant in connection with the Alteration resulting from the presence of such pre-existing Hazardous Materials. Tenant shall construct such Alterations and perform such repairs in a good and workmanlike manner, in conformance with any and all applicable Laws and pursuant to a valid building permit (if applicable), issued by the City of Santa Monica, all in conformance with Landlord's reasonable written construction rules and regulations, but so long as Tenant is the sole occupant of the Building, Tenant may perform its construction

before, during and after Normal Business Hours so long as Tenant shall be in compliance with applicable Laws. In the event Tenant performs any Alterations in the Premises which require or give rise to governmentally required changes to the Base Building or the Building Systems, then Landlord shall, at Tenant's expense based on the Actual Cost thereof, make such changes to the Base Building and/or the Building Systems. Landlord's approval of the plans, specifications and working drawings for Tenant's Alterations shall create no responsibility or liability on the part of Landlord for their completeness, design sufficiency, or compliance with all laws, rules and regulations of governmental agencies or authorities. All work with respect to any Alterations must be done in a good and workmanlike manner and diligently prosecuted to completion. In performing the work of any such Alterations, Tenant shall have the work performed in such manner so as not to obstruct access to the Project or any portion thereof, by any other tenant of the Project, and so as not to obstruct the business of Landlord or other tenants in the Project or interfere with the labor force working on the Project. In the event that Tenant makes any Alterations, Tenant agrees to carry (or cause its contractor to carry) "Builder's All Risk" for insurance for the full replacement cost on a completed value basis covering the construction of such Alterations, and such other insurance as Landlord may reasonably require, it being understood and agreed that all of such Alterations shall be insured by Tenant pursuant to Article 10 of this Lease immediately upon completion thereof. In addition, in connection with Alterations that (i) require Landlord's consent thereto pursuant to the terms and provisions of Section 8.1 above and (ii) cost in excess of $15.00 per rentable square foot the Premises in the aggregate, Landlord may, in its discretion, require Tenant to obtain a lien and completion bond, or, at Tenant's option, some alternate form of security reasonably satisfactory to Landlord, in an amount sufficient to ensure the lien-free completion of such Alterations and naming Landlord as a co-obligee. Tenant shall in all cases comply with Landlord's "Responsible Contractor Policy" attached hereto as Exhibit B-2. Tenant shall not be required to engage union labor in connection with any Alterations, except to the extent reasonably required by a successor to the originally named Landlord herein. In addition to Tenant's obligations under Article 9 of this Lease, upon completion of any Alterations, at Landlord's request, Tenant agrees to prepare, and Landlord shall execute if factually correct, and Tenant shall cause a Notice of Completion to be recorded in the office of the Recorder of the County of Los Angeles in accordance with Section 8182 of the Civil Code of the State of California or any successor statute, and Tenant shall deliver to the Project management office a reproducible copy of the "as built" drawings of the Alterations as well as all permits, approvals and other documents issued by any governmental agency in connection with the Alterations. In the event Tenant fails to so record the Notice of Completion as required pursuant to this Section 8.2, then such failure shall not, in and of itself, constitute a default hereunder but Tenant shall indemnify, defend, protect and hold harmless Landlord and the Landlord Parties from any and all loss, cost, damage, expense and liability (including, without limitation, court costs and reasonable attorneys' fees) in connection with such failure by Tenant to so record the Notice of Completion as required hereunder.

8.3 Payment for Improvements. If payment is made by Tenant directly to contractors, Tenant shall (i) comply with Landlord's reasonable and non-discretionary requirements for final lien releases and waivers in connection with Tenant's payment for work to contractors, and (ii) sign Landlord's reasonable and non-discriminatory standard contractor's rules and regulations. Landlord shall not charge Tenant a supervision or similar fee in connection with Tenant's construction of Alterations, but Tenant shall reimburse Landlord for Landlord's reasonable, actual, out-of-pocket costs and expenses actually incurred in connection with Landlord's review of any Alterations to the extent such Alterations are not Acceptable Changes.

8.4 Landlord's Property. All Alterations, Tenant Improvements, fixtures and/or appurtenances which may be installed or placed in or about the Premises, from time to time, shall be at the sole cost of Tenant and shall be and become the property of Landlord, except that Tenant may remove any Alterations, Tenant Improvements and/or fixtures which Tenant can substantiate to Landlord have not been paid for

with any tenant improvement allowance funds provided to Tenant by Landlord (excepting any Generator and related accessories and components, which at Landlord's option, in its sole discretion, shall become the property of Landlord in all events), provided Tenant repairs any damage to the Premises and Building caused by such removal and returns the affected portion of the Premises to the condition existing prior to Tenant's installation of the subject Alteration, Tenant Improvement and/or fixture. Notwithstanding the foregoing, Tenant may not remove any Tenant Improvements or Alterations paid for by Landlord with Landlord's own funds or out of any tenant improvement allowances provided by Landlord (except as set forth below); provided that Landlord may, by written notice delivered to Tenant at the time of Landlord's consent to any Alterations and/or at the time of Landlord's approval of the Final Working Drawings (as that term is defined in Section 3.2 of the Tenant Work Letter), identify those Alterations and/or Tenant Improvements, as the case may be, which Tenant shall be required to remove at the expiration or earlier termination of this Lease; provided that in no event shall Tenant be required to remove any (i) cabling and wiring, (ii) Alterations or Tenant Improvements which are general office improvements and the supporting MEP and fire sprinkler installations, or (iii) one additional stairwell installed by Tenant which are included in the Construction Documents (as defined in Exhibit B) approved by Landlord. If Landlord requires Tenant to remove any such Alterations (or any such Tenant Improvements) which are constructed for the Premises, Tenant, at its sole cost and expense, shall remove the identified Alterations and Tenant Improvements on or before the expiration or earlier termination of this Lease and repair any damage to the Premises caused by such removal. If Tenant fails to complete such removal and/or to repair any damage caused by the removal of any Alterations or Tenant Improvements, Landlord may do so and may charge the cost thereof to Tenant.

ARTICLE 9

COVENANT AGAINST LIENS

Tenant shall keep the Project and Premises free from any liens or encumbrances arising out of the work performed, materials furnished or obligations incurred by or on behalf of Tenant, and shall protect, defend, indemnify and hold Landlord harmless from and against any claims, liabilities, judgments or costs (including, without limitation, reasonable attorneys' fees and costs) arising out of same or in connection therewith. Tenant shall give Landlord notice at least ten (10) business days prior to the commencement of any such work on the Premises (or such additional time as may be necessary under applicable laws) to afford Landlord the opportunity of posting and recording appropriate notices of non-responsibility. Tenant shall remove any such lien or encumbrance by bond or otherwise within fifteen (15) business days after notice by Landlord, and if Tenant shall fail to do so, Landlord may pay the amount necessary to remove such lien or encumbrance, without being responsible for investigating the validity thereof. The amount so paid shall be deemed Additional Rent under this Lease payable within thirty (30) days following demand, without limitation as to other remedies available to Landlord under this Lease. Nothing contained in this Lease shall authorize Tenant to do any act which shall subject Landlord's title to the Building or Premises to any liens or encumbrances whether claimed by operation of law or express or implied contract. Any claim to a lien or encumbrance upon the Building or Premises arising in connection with any such work or respecting the Premises not performed by or at the request of Landlord shall be null and void, or at Landlord's option shall attach only against Tenant's interest in the Premises and shall in all respects be subordinate to Landlord's title to the Project, Building and Premises.

ARTICLE 10

INSURANCE

10.1 Indemnification and Waiver. Because Tenant is required to insure all of its Tenant Improvements and Alterations and its furniture, fixtures and equipment and because of the requirements to provide waivers of subrogation, Tenant hereby assumes all risk of damage to property in its Premises, subject to the provisions of the waiver of subrogation set forth below. Tenant hereby assumes all risk of injury to persons in, upon or about the Premises from any cause whatsoever, except to the extent caused by the negligence or willful misconduct of the Landlord Parties. To the extent not prohibited by applicable Laws, Landlord, its partners, subpartners, members, trustees, ancillary trustees and their respective officers, directors, shareholders, beneficiaries, agents, servants, employees, property managers, and independent contractors (collectively, "**Landlord Parties**") shall not be liable for, and are hereby released from any responsibility for, any damage either to person or property or resulting from the loss of use thereof, which damage is sustained by Tenant or by other persons claiming through Tenant, except for damage to property which Landlord insures or is required to insure pursuant to the terms and conditions of this Lease and except for injury to persons to the extent caused by the negligence or willful misconduct of the Landlord Parties. Tenant shall indemnify, defend, protect, and hold harmless the Landlord Parties from any and all loss, cost, damage, expense and liability (including without limitation court costs and reasonable attorneys' fees) (collectively, "**Claims**") incurred in connection with or arising from any cause in, on or about the Premises (including but not limited to a slip and fall) any acts, omissions or negligence of Tenant or of any person claiming by, through or under Tenant, its partners, subpartners, parent organization, affiliates, subsidiaries and their respective officers, directors, contractors, agents, servants, employees, invitees, guests or licensees of Tenant and each of them (collectively, "**Tenant Parties**") or any such person, in, on or about the Project or any breach of the terms of this Lease, either prior to, during, or after the expiration of the Lease Term, provided that the terms of the foregoing indemnity shall not apply to the negligence or willful misconduct of Landlord or the Landlord Parties in connection with the Landlord Parties' activities in the Building or the Project (except for damage to the Tenant Improvements, Alterations, and/or Tenant's personal property, fixtures, furniture and equipment in the Premises, to the extent Tenant is required to obtain the requisite insurance coverage pursuant to this Lease for any such Tenant Improvements, Alterations or personal property, fixtures, furniture or equipment), and Landlord hereby so indemnifies, defends, protects and holds Tenant and Tenant Parties harmless from any such Claims and from Claims to the extent resulting from a breach of the terms of this Lease by Landlord; provided further that because Landlord is required to maintain insurance on the Building and the Project and Tenant compensates Landlord for such insurance as part of Tenant's Share of Direct Expenses and because of the existence of waivers of subrogation set forth in Section 10.5 below, Landlord hereby indemnifies, defends, protects and holds Tenant harmless from any Claim to any property to the extent such Claim is covered by such insurance (or would have been covered if Landlord had carried the insurance required hereunder), even if resulting from the negligent acts, omissions, or willful misconduct of the Tenant Parties. Similarly, since Tenant must carry insurance pursuant to this Article 10 to cover its personal property within the Premises, the Tenant Improvements, and the Alterations, Tenant hereby indemnifies and holds Landlord harmless from any Claim to any property within the Premises, to the extent such Claim is covered by such insurance (or would have been covered if Tenant had carried the insurance required hereunder), even if resulting from the negligent acts, omissions or willful misconduct of the Landlord Parties. Pursuant to this Article 10, Tenant's agreement to indemnify, defend, protect and hold Landlord harmless, and Landlord's agreement to indemnify, defend, protect and hold Tenant harmless are not intended to and shall not relieve any insurance carrier of its obligations under policies required to be carried by Landlord or Tenant, respectively, pursuant to this Lease to the extent such policies cover the results of such acts, omissions or willful misconduct. Should Landlord or Tenant be named as a defendant in connection with a Claim which the subject party is to be indemnified

by the other party pursuant to the terms hereof, the indemnifying party shall pay the indemnified party's actual and reasonable costs and expenses incurred in such suit, including without limitation, its actual professional fees such as reasonable appraisers', accountants' and attorneys' fees. The provisions of this Section 10.1 shall survive the expiration or sooner termination of this Lease with respect to any claims or liability arising in connection with any event occurring prior to such expiration or termination.

10.2 Landlord's Insurance and Tenant's Compliance with Insurance Requirements. Landlord shall, from and after the date hereof until the expiration of the Lease Term, maintain in effect the following insurance: (i) physical damage insurance (including a rental loss endorsement) providing coverage in the event of fire, vandalism, malicious mischief and all other risks normally covered under "special form" policies in the geographical area of the Project, covering the Project (excluding, at Landlord's option, the property required to be insured by Tenant pursuant to Section 10.3 below) in an amount not less than one hundred percent (100%) of the full replacement value of the Project, together with such other risks as Landlord may from time to time determine (provided, however, that Landlord shall have the right (but not the obligation), at Landlord's sole discretion, to obtain earthquake and/or flood insurance); and (ii) commercial general liability insurance including a Commercial Broad Form Endorsement or the equivalent in the amount of at least Two Million Dollars ($2,000,000.00), against claims of bodily injury, personal injury or property damage arising out of Landlord's operations, assumed liabilities (including the liabilities assumed by Landlord under this Lease), contractual liabilities, or use of the Project, common areas and Parking Areas. Such coverages may be carried under blanket insurance policies. The insurers providing such insurance shall be licensed or authorized to do business in the State of California. Tenant shall, at Tenant's expense, comply as to the Premises with all insurance company requirements pertaining to the use of the Premises. If Tenant's conduct or use of the Premises causes any increase in the premium for Landlord's insurance policies, then Tenant shall reimburse Landlord for any such increase. Tenant, at Tenant's expense, shall comply with all rules, orders, regulations or requirements of the American Insurance Association (formerly the National Board of Fire Underwriters) and with any similar body where applicable due to Tenant's Alterations or use of the Premises.

10.3 Tenant's Insurance.

10.3.1 Commercial general liability insurance which insures against claims for bodily injury, personal injury, advertising injury, and property damage based upon, involving, or arising out of the use, occupancy, or maintenance of the Premises and the Project. Such insurance shall afford, at a minimum, the following limits:

Each Occurrence	$1,000,000
General Aggregate	$2,000,000
Products/Completed Operations Aggregate	$1,000,000
Personal and Advertising Injury Liability	$5,000,000
Fire Damage Legal Liability	$ 100,000
Medical Payments	$ 5,000

Any general aggregate limit shall apply on a per location basis. Tenant's commercial general liability insurance shall include Landlord, its trustees, officers, directors, members, agents, and employees, Landlord's mortgagees, and Landlord's representatives, as additional insureds. This coverage shall be written on the most current ISO CGL form (or its equivalent), shall include contractual liability, premises-operations and products-completed operations and shall contain an exception to any pollution exclusion which insures damage or injury arising out of heat, smoke, or fumes from a hostile fire. Such insurance shall be written on an occurrence basis and contain a standard separation of insureds provision.

10.3.2 Business automobile liability insurance covering owned, hired and non-owned vehicles with minimum limits of $1,000,000 combined single limit each accident.

10.3.3 Employer's liability insurance in an amount not less than $1,000,000 each accident for bodily injury or disease.

10.3.4 Workers' compensation insurance in accordance with the laws of the state in which the Premises is located.

10.3.5 Tenant's insurance shall be "primary" insurance for the additional insureds and shall not look to any additional insureds' insurance coverage for contribution.

10.3.6 Umbrella/excess liability insurance, on an occurrence basis, that applies excess of the required commercial general liability, business automobile liability, and employer's liability policies with the following minimum limits:

Each Occurrence	$11,000,000
Annual Aggregate	$11,000,000

Umbrella/Excess liability policies shall contain an endorsement stating that any entity qualifying as an additional insured on the insurance stated in the Schedule of Underlying Insurance shall be an additional insured on the umbrella/excess liability policies, and that they apply immediately upon exhaustion of the insurance stated in the Schedule of Underlying Insurance as respects the coverage afforded to any additional insured. Tenant's insurance shall be "primary" insurance for the additional insureds and shall not look to any additional insureds' insurance coverage for contribution.

10.3.7 Property insurance "the equivalent of causes of loss – special form" including windstorm, theft, sprinkler leakage (but not earthquake sprinkler leakage) and boiler and machinery coverage on all of Tenant's (i) trade fixtures, furniture, inventory and other personal property in the Premises, and (ii) on any alterations, additions, or above building standard improvements, including without limitation, the Tenant Improvements and Alterations, made by or for Tenant upon the Premises all for the full replacement cost thereof that makes the Premises "customized" for Tenant's use. Tenant shall use the proceeds from such insurance for the replacement of trade fixtures, furniture, inventory and other personal property and for the restoration of Tenant's above building standard improvements, alterations, and additions to the Premises, whether or not initially installed and/or paid for by Tenant. Landlord shall be named as loss payee with respect to alterations, additions, or above building standard improvements of the Premises under item (ii) above, including with respect to "Builder's All Risk" coverage required under Section 8.2 above and/or Section 4.2.2.4.2 of the Work Letter where the tenant cannot remove at the end of the lease term wherein ownership then reverts to the landlord.

10.3.8 Business income and extra expense insurance with limits not less than one hundred percent (100%) of all income and charges payable by Tenant under this lease for a period of twelve (12) months.

10.4 Insurer Rating; Certificates of Insurance, etc. All policies required to be carried by Tenant hereunder shall be issued by an insurance company licensed or authorized to do business in California with a rating of at least "A-: VII" or better as set forth in the most current issue of Best's Insurance Reports, unless otherwise approved by Landlord. Tenant shall not do or permit anything to be done that would

invalidate the insurance policies required herein. Liability insurance maintained by Tenant shall be primary coverage on behalf of Landlord, its trustees, officers, directors, members, agents, and employees, Landlord's mortgagees, and Landlord's representatives and any policies of Landlord, its trustees, officers, directors, members, agents, and employees, Landlord's mortgagees, and Landlord's representatives shall be noncontributory. Certificates of insurance, acceptable to Landlord, evidencing the existence and amount of each insurance policy required hereunder shall be delivered to Landlord prior to delivery or possession of the Premises and ten (10) days following each renewal date. Certificates of insurance shall evidence that Landlord, its trustees, officers, directors, members, agents, and employees, Landlord's mortgagees, and Landlord's representatives are included as additional insureds on liability policies and that Landlord is included as loss payee on the property insurance as stated in Section 10.3.7 (iii) above.

10.4.1 In the event that Tenant fails to provide evidence of insurance required to be provided by Tenant in this Lease, prior to the Commencement Date and thereafter during the Lease Term, within ten (10) days following Landlord's request thereof, and ten (10) days following each renewal date, Landlord shall be authorized (but not required) to procure such coverage in the amount stated with all costs thereof to be chargeable to Tenant and payable within thirty (30) days of written invoice thereof.

10.4.2 The limits of insurance required by this Lease, or as carried by Tenant, shall not limit the liability of Tenant or relieve Tenant of any obligation thereunder, except to the extent provided for under Section 10.5 below. Any deductibles selected by Tenant shall be the sole responsibility of Tenant.

10.4.3 Tenant insurance requirements stipulated in Section 10.2 are based upon current industry standards. Tenant shall carry and maintain, at Tenant's sole cost and expense, increased amounts of the insurance required to be carried by Tenant pursuant to this Article 10, and such other reasonable types of insurance coverage and in such reasonable amounts covering the Premises and Tenant's operations therein, as may be reasonably requested by Landlord; provided, however, that in no event shall such increased coverage be in excess of that required by landlords of tenants leasing comparable-sized space in Comparable Buildings.

10.4.4 All policies required to be carried by Landlord and Tenant under this Lease shall in no event limit the liability of Tenant or Landlord under this Lease. At Tenant's option, Tenant may provide the coverages required under this Article 10 through blanket under/or umbrella policies of insurance covering Tenant's other properties pursuant to Section 10.6 below.

10.5 Subrogation; Failure to Carry Insurance. Landlord waives any and all rights of recovery against Tenant for or arising out of damage to, or destruction of the Premises to the extent that Landlord's property insurance policies then in force or required to be carried under this Lease, whichever is broader, insure against such damage or destruction. Tenant waives any and all rights of recovery against Landlord for or arising out of damage to or destruction of any property of Tenant to the extent that Tenant's property insurance policies then in force or the policies required by this Lease, whichever is broader, insure against such damage or destruction. The parties agree that their respective insurance policies are now, or shall be, endorsed such that the waiver of subrogation shall not affect the right of the insured to recover thereunder, so long as no material additional premium is charged therefor.

10.6 Blanket Policy. Notwithstanding anything contained herein to the contrary, the Original Tenant or its Permitted Transferee Assignee shall be permitted to insure with a blanket policy of insurance the insurance coverages required under this Article 10 to the extent permitted by applicable Laws. Should Tenant elect to provide the insurance coverage required under this Article 10 under one or more blanket policies covering the Premises and other locations of Tenant, such blanket policies shall in all respects comply with the requirements of this Article 10. Any blanket policy shall specify that the portion of the total coverage under such policy that is allocated to the Premises is in the amounts required under this Article 10. In no case shall the coverage provided by Tenant under any blanket policy be any less than that which could be provided under a separate policy insuring only the Tenant's operations at the Premises.

ARTICLE 11

DAMAGE AND DESTRUCTION

11.1 Repair of Damage to Premises by Landlord. To the extent Landlord does not have actual knowledge of same, Tenant shall promptly notify Landlord after Tenant becomes aware of any damage to the Premises resulting from fire or any other casualty. If the Premises or any common areas of the Building or Project serving or providing access to the Premises shall be damaged by fire or other casualty, Landlord shall promptly and diligently, subject to reasonable delays for insurance adjustment or other matters beyond Landlord's reasonable control, and subject to all other terms of this Article 11, restore the base building, as set forth on Schedule 2 attached to the Tenant Work Letter (the "**Base Building**") elements of the Premises and such common areas. Such restoration shall be to substantially the same condition of the Base Building of the Premises and common areas prior to the casualty, except for modifications required by Laws, or any other modifications to the common areas deemed reasonably desirable by Landlord which are consistent with the character of the Project, provided access to the Premises and any common restrooms serving the Premises shall not be materially impaired thereby. Notwithstanding any other provision of this Lease, upon the occurrence of any damage to the Premises, Landlord shall have the right, upon written notice (the "**Landlord Repair Notice**") to Tenant from Landlord, to require that Tenant assign to Landlord (or to any party designated by Landlord) all insurance proceeds payable to Tenant under Tenant's insurance required under Sections 10.2.6 (ii) of this Lease, in which event Landlord shall repair any injury or damage to the Tenant Improvements and Alterations installed in the Premises and shall return such Tenant Improvements and Alterations to their original condition; provided that if the Actual Cost of such repair by Landlord (based on competitive pricing without any profit or mark-up or supervision fee to Landlord or its Affiliates) exceeds the amount of insurance proceeds received by Landlord from Tenant's insurance carrier, as assigned by Tenant, the excess cost of such repairs shall be paid by Tenant to Landlord on a progress payment basis during Landlord's repair of the damage. Tenant's insurance proceeds shall be disbursed for all costs and expenses incurred by Landlord in connection with the repair of any such damage to the Tenant Improvements and Alterations pursuant to a disbursement procedure mutually approved by Landlord and Tenant. As long as the Tenant Improvements and Alterations in the Premises are rebuilt, Tenant shall be entitled to retain any portion of the proceeds of the insurance described in Sections 10.2.6 (ii) in excess of the cost of such restoration. Landlord shall use commercially reasonable efforts to minimize any such inconvenience, annoyance or interference to Tenant resulting from Landlord's repair of any damage pursuant to this Section 11.1. In the event that Landlord does not deliver the Landlord Repair Notice within sixty (60) days following the date the casualty becomes known to Landlord, if this Lease does not terminate pursuant to this Article 11, Tenant shall, at its sole cost and expense, repair any injury or damage to the Tenant Improvements and the Alterations installed in the Premises and shall return such Tenant Improvements and Alterations to their original condition. Whether or not Landlord delivers a Landlord Repair Notice, prior to the commencement of construction, if this Lease does not terminate pursuant to Section 11.2 below or for any other reason, Tenant shall, prior to the commencement of construction, submit to Landlord, for Landlord's reasonable review and approval, all plans, specifications and working drawings relating thereto, and Landlord shall select the non-affiliated independent third party contractors to perform such improvement work pursuant to Landlord's standard competitive bidding procedures. Landlord shall not be liable for any inconvenience or annoyance to Tenant or the Tenant Parties, or injury to Tenant's or any Tenant's Parties' business resulting in any way from such damage or the repair thereof; provided however, that if such fire or other casualty shall have damaged the Premises or Common Areas necessary

for Tenant to reasonably use the Premises for the same use(s) which Tenant was conducting from within the Premises immediately prior to such casualty, and the Premises (or a portion thereof) are not occupied by Tenant as a result thereof, then during the time and to the extent the Premises are unfit for the same use(s) which Tenant was conducting from within the Premises immediately prior to such casualty, the Rent shall be abated (including, in the event that Tenant performs such repairs, abatement during a commercially reasonable period of build-out time and a weekend to move-in) in proportion to the ratio that the amount of rentable square feet of the Premises which is unfit for the same use(s) which Tenant was conducting from within the Premises immediately prior to such casualty bears to the total rentable square feet of the Premises; provided, further, if the Premises is damaged such that the remaining portion thereof is not sufficient to allow Tenant to conduct its business operations from such remaining portion and Tenant does not conduct its business operations therefrom, Landlord shall allow Tenant a total abatement of Rent during the time and to the extent the Premises are unfit for occupancy for the same use(s) which Tenant was conducting from within the Premises immediately prior to such casualty, and not occupied by Tenant as a result of the subject damage (including, in the event that Tenant performs such repairs, abatement during a commercially reasonable period of build-out time and a weekend to move-in). In the event that Landlord shall not deliver the Landlord Repair Notice, Tenant's right to rent abatement pursuant to the preceding sentence shall terminate as of the date Tenant should have completed repairs to the Premises assuming Tenant used reasonable due diligence in connection therewith.

11.2 Landlord's Option to Repair. Notwithstanding the terms of Section 11.1 of this Lease, Landlord may elect not to rebuild and/or restore the Premises, Building and/or Project, and instead terminate this Lease, by notifying Tenant in writing of such termination within sixty (60) days after the date of discovery of the damage, such notice to include a termination date giving Tenant ninety (90) days to vacate the Premises, but Landlord may so elect only if (a) the Building or Project shall be damaged by fire or other casualty or cause, whether or not the Premises are affected, (b) Landlord elects to terminate the leases of all other tenants of the Project similarly affected by the damage and/or destruction and (c) one or more of the following conditions is present: (i) in Landlord's reasonable judgment, repairs cannot reasonably be completed within two hundred seventy (270) days after the date of discovery of the damage (when such repairs are made without the payment of overtime or other premiums); (ii) the holder of any mortgage on the Building or Project or ground lessor with respect to the Building or Project shall require that the insurance proceeds or any portion thereof in excess of the "Landlord Contribution," as that term is defined below, be used to retire the mortgage debt, or shall terminate the ground lease, as the case may be; or (iii) the damage is not fully covered, except for the Landlord Contribution, by Landlord's insurance policies (or by the insurance Landlord is required to carry under this Lease); provided, however, that if Landlord does not elect to terminate this Lease pursuant to Landlord's termination right as provided above, and the repairs cannot, in the reasonable opinion of a licensed architect or contractor reasonably selected by Landlord, be completed within two hundred seventy (270) days after the damage or destruction is discovered (which period shall be subject to extension for up to sixty (60) days as a result of an event of Force Majeure), Tenant may, within thirty (30) days following Landlord's election to rebuild and/or restore the Premises, Building and/or Project, elect to terminate this Lease by written notice to Landlord effective as of the date specified in the notice, which date shall not be less than thirty (30) days nor more than ninety (90) days after the date such notice is given by Tenant. Furthermore, if neither Landlord nor Tenant has terminated this Lease, and the repairs are not actually completed within three hundred (300) days following the date of discovery of the damage, Tenant shall have the right to terminate this Lease during the first five (5) business days of each calendar month following the end of such period until such time as the repairs are complete, by notice to Landlord (the "**Damage Termination Notice**"), effective as of a date set forth in the Damage Termination Notice (the "**Damage Termination Date**"), which Damage Termination Date shall not be less than ten (10) business days nor more than ninety (90) days following the end of each such month. At any time, from time to time, after the date occurring sixty (60) days after the date the damage is

discovered, Tenant may request that Landlord provide Tenant with a certificate from the architect or contractor described above setting forth such architect's or contractor's reasonable opinion of the date of completion of the repairs and Landlord shall respond to such request within five (5) business days. For purposes of this Section 11.2, the "**Landlord Contribution**" shall initially mean $[***]; provided, however, that such amount shall be reduced by an amount equal to $[***] on each anniversary of the Lease Commencement Date during the Lease Term. Further, in the event that the Premises or the Building is destroyed or damaged to any substantial extent during the last 2 years of the Lease Term, such damage is not due to the willful misconduct of Tenant and, in the reasonable judgment of Landlord, the damage or destruction to the Premises or Building cannot be repaired by the date which occurs fifty percent (50%) of the way through the then remaining Lease Term, then notwithstanding anything contained in this Article 11, either Landlord or Tenant shall have the option to terminate this Lease by giving written notice to the other party of the exercise of such option within thirty (30) days after such damage or destruction, in which event this Lease shall cease and terminate one hundred twenty (120) days after the date of such notice, Tenant shall pay the Base Rent and Additional Rent, properly apportioned up to such date of damage, and both parties hereto shall thereafter be freed and discharged of all further obligations hereunder, except as provided for in provisions of this Lease which by their terms survive the expiration or earlier termination of the Lease Term.

11.3 Waiver of Statutory Provisions. The provisions of this Lease, including this Article 11, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises, the Building or any other portion of the Project, and any statute or regulation of the state in which the Project is located, including, without limitation, Sections 1932(2) and 1933(4) of the California Civil Code, with respect to any rights or obligations concerning damage or destruction in the absence of an express agreement between the parties, and any other statute or regulation, now or hereafter in effect, shall have no application to this Lease or any damage or destruction to all or any part of the Premises, the Building or any other portion of the Project.

ARTICLE 12

NONWAIVER

No provision of this Lease shall be deemed waived by either party hereto unless expressly waived in a writing signed thereby. The waiver by either party hereto of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of same or any other term, covenant or condition herein contained. The subsequent acceptance of Rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent. Tenant's payment of any Rent hereunder shall not constitute a waiver by Tenant of any breach or default by Landlord under this Lease nor shall Landlord's payment of monies due Tenant hereunder constitute a waiver by Landlord of any breach or default by Tenant under this Lease. No acceptance of a lesser amount than the Rent herein stipulated shall be deemed a waiver of Landlord's right to receive the full amount due, nor shall any endorsement or statement on any check or payment of any letter accompanying such check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the full amount due. No receipt of monies by Landlord from Tenant after the termination of this Lease shall in any way alter the length of the Lease Term or of Tenant's right of possession hereunder or after the giving of any notice shall reinstate, continue or extend the Lease Term or affect any notice given Tenant prior to the receipt of such monies, it being agreed that after the service of notice or the commencement of a suit or after final judgment for possession of the Premises, Landlord may receive and collect any Rent due, and the payment of said Rent shall not waive or affect said notice, suit or judgment.

ARTICLE 13

CONDEMNATION

If the whole or any material part of the Premises, Building or Project shall be taken by power of eminent domain or condemned by any competent authority for any public or quasi-public use or purpose, or if Landlord shall grant a deed or other instrument in lieu of such taking by eminent domain or condemnation, Landlord shall have the option to terminate this Lease, within ninety (90) days following Landlord's receipt of notice of the taking, effective as of the date possession is required to be surrendered to the authority; provided, however, that (i) Landlord shall only have the right to terminate this Lease as provided herein if Landlord terminates the leases of all tenants in the Project similarly affected by the taking, and (ii) to the extent that the Premises are not adversely affected by such taking and Landlord continues to operate the Project as an office project, Landlord shall not terminate this Lease. If more than twenty-five percent (25%) of the rentable square feet of the Premises is taken, or if access to the Premises is substantially impaired or if Tenant cannot conduct its business operations in substantially the same manner such business operations were conducted prior to such taking while still retaining substantially the same material rights and benefits it bargained to receive under this Lease, in each case for a period in excess of one hundred eighty (180) days, Tenant shall have the option to terminate this Lease within such ninety (90) day period referenced above, effective as of the date possession is required to be surrendered to the authority. Tenant shall not because of such taking assert any claim against Landlord or the authority for any compensation because of such taking and Landlord shall be entitled to the entire award or payment in connection therewith, except that Tenant shall have the right to file any separate claim available to Tenant for any taking of Tenant's personal property and fixtures belonging to Tenant and removable by Tenant upon expiration of the Lease Term pursuant to the terms of this Lease, and for moving expenses, so long as such claim is payable separately to Tenant or is otherwise separately identifiable. [***]. All Rent shall be apportioned as of the date of such termination. If any part of the Premises shall be taken, and this Lease shall not be so terminated, the Rent shall be proportionately abated. Tenant hereby waives any and all rights it might otherwise have pursuant to Section 1265.130 of the California Code of Civil Procedure. Notwithstanding anything to the contrary contained in this Article 13, in the event of a temporary taking of all or any portion of the Premises for a period of one hundred and eighty (180) days or less, then this Lease shall not terminate but the Base Rent and the Additional Rent shall be abated for the period of such taking in proportion to the ratio that the amount of rentable square feet of the Premises taken bears to the total rentable square feet of the Premises; provided, further, that in such event, if a portion of the Premises is taken such that the remaining portion thereof is not sufficient to allow Tenant to conduct its business operations from such remaining portion and Tenant does not conduct its business operations therefrom, Landlord shall allow Tenant a total abatement of Rent during the time and to the extent the Premises are taken, and not occupied by Tenant as a result thereof. Tenant's abatement period shall continue until Tenant has been given reasonably sufficient time and reasonably sufficient access to the Premises, the parking facilities and/or the Building, to install its property, furniture, fixtures, and equipment, to the extent the same shall have been removed and/or damaged as a result of such eminent domain taking, and to move back into the Premises over one (1) weekend. Landlord shall be entitled to receive the entire award made in connection with any such temporary taking.

ARTICLE 14

ASSIGNMENT AND SUBLETTING

14.1 Transfers. Tenant shall not, without the prior written consent of Landlord (except as provided in Section 14.8 and 14.9, below), which consent shall not be unreasonably withheld or conditioned, assign, mortgage, pledge, hypothecate, encumber, or permit any lien to attach to, or otherwise transfer, this Lease or any interest hereunder, permit any assignment or other such foregoing transfer of this Lease or any interest hereunder by operation of law, sublet the Premises or any part thereof, or enter into any license or concession agreements or otherwise, or permit the use of the Premises by any persons other than Tenant and its employees (all of the foregoing are hereinafter sometimes referred to collectively as "**Transfers**" and any person to whom any Transfer is made or sought to be made is hereinafter sometimes referred to as a "**Transferee**"). If Tenant shall desire Landlord's consent to any Transfer, Tenant shall notify Landlord in writing, which notice (the "**Transfer Notice**") shall include (i) the proposed effective date of the Transfer, which shall not be less than ten (10) business days after the date of delivery of the Transfer Notice, (ii) a description of the portion of the Premises to be transferred (the "**Subject Space**"), (iii) all of the terms of the proposed Transfer and the consideration therefor, the name and address of the proposed Transferee, and a copy of all existing executed and/or proposed documentation pertaining to the proposed Transfer (but not any documentation relating solely to the sale (if any) of Tenant's business to such Transferee), including all existing operative documents to be executed to evidence such Transfer or the agreements incidental or related to such Transfer and, upon request from Landlord, Tenant's good faith estimated calculation of the "Transfer Premium," if any, as that term is defined in Section 14.3 below, in connection with such Transfer, (iv) current financial information of the proposed Transferee certified by an officer, partner or owner thereof, as reasonably necessary to determine if such Transferee is a party of reasonable financial worth and/or financial stability in light of the responsibilities to be undertaken in connection with the proposed Transfer on the date consent is requested, business credit, bank and personal references and history of the proposed Transferee, and (v) information with regard to the nature of the business such proposed Transferee intends to operate in the Subject Space and how long the proposed Transferee has operated such business. Landlord shall approve or disapprove of the proposed Transfer in accordance with Section 14.2, below, within ten (10) business days (the "**Transfer Request Review Period**") after Landlord's receipt of the applicable Transfer Notice. In the event that Landlord fails to notify Tenant in writing of such approval or disapproval within such Transfer Request Review Period, Tenant shall deliver written notice to Landlord (a "**Transfer Approval Notice**") stating in bold print that **LANDLORD'S FAILURE TO RESPOND TO SUCH REQUEST WITHIN THREE (3) BUSINESS DAYS FOLLOWING LANDLORD'S RECEIPT SUCH TRANSFER APPROVAL NOTICE SHALL BE DEEMED TO BE LANDLORD'S APPROVAL OF THE PROPOSED TRANSFER**. If Landlord fails to deliver notice of Landlord's consent to, or the withholding of Landlord's consent, to the proposed assignment or sublease within such three (3) business day period, Landlord shall be deemed to have approved the Transfer in question. Any Transfer made without Landlord's prior written consent shall, at Landlord's option, be null, void and of no effect. Whether or not Landlord consents to any proposed Transfer, Tenant shall, within thirty (30) days after written request by Landlord, reimburse Landlord for all reasonable and actual out of pocket costs and expenses incurred by Landlord in connection with its review of a proposed Transfer, provided that such cost and expenses shall not exceed $[***] in connection with an assignment of this Lease) for a Transfer in the ordinary course of business.

14.2 Landlord's Consent. Landlord shall not unreasonably withhold or condition its consent to any proposed Transfer of the Subject Space to the Transferee on the terms specified in the Transfer Notice. Without limitation as to other reasonable grounds for withholding consent, the parties hereby agree that it shall be reasonable under this Lease and under any applicable Laws for Landlord to withhold consent to any proposed Transfer where one or more of the following apply:

14.2.1 The Transferee is of a character or reputation or engaged in a business which is not consistent with the quality of the Building or the Project as reflected by the then-existing tenants of the Project;

14.2.2 The Transferee intends to use the Subject Space for purposes which are not permitted under this Lease or which would conflict with any exclusive use rights of other tenants or occupants of the Project;

14.2.3 The Transferee is either a governmental agency or instrumentality thereof which (i) is that of a foreign country, (ii) is of a character or reputation, is engaged in a business, or is of, or is associated with, a political orientation or faction, which is inconsistent with the quality of the Project, or which would otherwise reasonably offend a landlord of a Comparable Building, (iii) is capable of exercising the power of eminent domain or condemnation, or (iv) would significantly increase the human traffic in, or the security threat to, the Premises, the Building, and/or the Project;

14.2.4 The Transferee is not a party of reasonable financial worth and/or financial stability in light of the responsibilities involved under the Lease on the date consent is requested;

14.2.5 The Subject Space lacks appropriate means of ingress and egress and/or will not be in conformity with all applicable building and safety codes; or

14.2.6 Either the proposed Transferee, or any person or entity which directly or indirectly, controls, is controlled by, or is under common control with, the proposed Transferee, (i) is negotiating with Landlord to lease space in the Project at such time as evidenced by an exchange in correspondence during the four (4) month period immediately preceding the date Landlord receives the Transfer Notice and Landlord has space comparable in size in the Project to lease to such Transferee, or (ii) occupies space in the Project at the time of the request for consent.

If Landlord consents to any Transfer pursuant to the terms of this Section 14.2 (and does not exercise any recapture rights Landlord may have under Section 14.4 of this Lease), Tenant may, within nine (9) months after Landlord's consent, but not later than the expiration of said nine (9)-month period, enter into such Transfer of the Premises or portion thereof, upon substantially the same terms and conditions as are set forth in the Transfer Notice furnished by Tenant to Landlord pursuant to Section 14.1 of this Lease, provided that if there are any changes in the terms and conditions from those specified in the Transfer Notice (i) such that Landlord would initially have been entitled to refuse its consent to such Transfer under this Section 14.2, or (ii) which would cause the proposed Transfer to be materially more favorable to the Transferee than the terms set forth in Tenant's original Transfer Notice, Tenant shall again submit the Transfer to Landlord for its approval and other action under this Article 14 (including Landlord's right of recapture under Section 14.4 of this Lease). Notwithstanding anything to the contrary in this Lease, if Tenant or any proposed Transferee claims that Landlord has unreasonably withheld, conditioned or delayed its consent under this Section 14.2 or otherwise has breached or acted unreasonably under this Article 14, Tenant hereby waives any right at law or in equity to terminate this Lease, on its own behalf and, to the extent permitted under all applicable Laws, on behalf of the proposed Transferee but Tenant retains the right to sue Landlord for any damages suffered by Tenant and/or for specific performance if Landlord unreasonably withholds, conditions or delays it consent to a proposed Transfer (other than damages or injury to, or interference with, Tenant's business, including without limitation, loss of profits, however occurring, but not excluding loss of fifty percent (50%) of any Transfer Premium (as defined in Section 14.3 below)) that Tenant would have been able to claim pursuant to Section 14.3 of this Lease).

14.3 Transfer Premium. If Landlord consents to a Transfer (specifically excluding events under Section 14.8 and 14.9), as a condition thereto which the parties hereby agree is reasonable, Tenant shall pay to Landlord fifty percent (50%) of any "Transfer Premium," as that term is defined in this Section 14.3, actually received by Tenant from such Transferee. "**Transfer Premium**" shall mean all rent, additional rent, parking charges and other consideration payable (in lieu of or in addition to rent) by such Transferee in connection with the Transfer (as opposed to the sale of Tenant's business) in excess of the Rent and Additional Rent, parking charges and other consideration payable by Tenant under this Lease during the term of the Transfer on a per rentable square foot basis if less than all of the Premises is transferred, after deducting the actual, reasonable and documented expenses incurred by Tenant for (a) the gross revenue (exclusive of any such Transfer Premium) paid to Landlord by Tenant during the period of the sublease term or during the assignment for the Subject Space; (b) the gross revenue paid to Landlord by Tenant during the period (the "**Downtime Period**") prior to the commencement of the term of the Transfer during which Tenant does not occupy the Subject Space, commencing on and after the Downtime Start Date (as defined below); (c) any improvement allowance or other economic concession (space planning allowance, moving expenses, etc.,) paid to the sublessee or assignee or the cost of improvements constructed by Tenant in connection therewith; (d) any broker's commission incurred by Tenant in connection with the Transfer; (e) reasonable attorneys' fees incurred by Tenant in connection with the negotiation and documentation of the Transfer; (f) any lease takeover costs incurred by Tenant in connection with the Transfer; (g) the costs associated with any downtime incurred by Tenant in connection with the Transfer; (h) any fees charged by Landlord and incurred by Tenant in connection with the Transfer; and (i) costs of advertising and marketing such Subject Space incurred by Tenant in connection with the Transfer (collectively, "**Subleasing Costs**"). The "**Downtime Start Date**" shall mean the later of (A) the date which Tenant vacates and does not reoccupy the subject space and delivers notice of the same to Landlord, and (B) the date Tenant enters into a listing agreement for the subject space with a reputable broker, and provides Landlord with notice thereof; provided, however, in no event shall the Downtime Period occur for a period which is longer than an aggregate of twelve (12) months. "**Transfer Premium**" shall also include, but not be limited to, key money, bonus money or other cash consideration paid by Transferee to Tenant in connection with such Transfer (as opposed to the sale of Tenant's business), and any payment in excess of fair market value for services rendered by Tenant to Transferee or for assets, fixtures, inventory, equipment, or furniture transferred by Tenant to Transferee in connection with such Transfer. The determination of the amount of Landlord's applicable share of the Transfer Premium shall be made on a monthly basis as rent or other consideration is received by Tenant under the Transfer. Notwithstanding anything contained herein to the contrary, under no circumstances shall Landlord be paid any Transfer Premium until Tenant has recovered all Subleasing Costs for such Subject Space, it being understood that if in any year the gross revenues, less the deductions set forth and included in Subleasing Costs, are less than any and all costs actually paid in assigning or subletting the affected space (collectively, "**Transaction Costs**"), the amount of the excess Transaction Costs shall be carried over to the next year and then deducted from net revenues with the procedure repeated until a Transfer Premium is achieved.

14.4 Landlord's Option as to Subject Space. Notwithstanding anything to the contrary contained in this Article 14, if Tenant contemplates a Transfer which would, together with any prior Transfers then remaining in effect, cause fifty percent (50%) or more of the initial Premises, in the aggregate, to be subject to a Transfer or Transfers for substantially all of the balance of the Lease Term, then Tenant shall give Landlord notice (the "**Intention to Transfer Notice**") of such contemplated Transfer (whether or not the contemplated Transferee or the terms of such contemplated Transfer have been determined). The Intention to Transfer Notice shall specify the portion of and amount of rentable square feet of the Premises which

Tenant intends to Transfer (the "**Contemplated Transfer Space**") and the contemplated date of commencement of the contemplated Transfer (the "**Contemplated Effective Date**"), and the contemplated length of the term of such contemplated Transfer, and shall specify that such Intention to Transfer Notice is delivered to Landlord pursuant to this Section 14.4 in order to allow Landlord to elect to recapture the Premises. Thereafter, Landlord shall have the option, by giving written notice (the "**Recapture Notice**") to Tenant within thirty (30) days after receipt of any Intention to Transfer Notice, to recapture the Premises. The Intention to Transfer Notice shall not require the assignment or sublease document to be provided to Landlord. Such recapture shall cancel and terminate this Lease as of the Contemplated Effective Date (or the date of Tenant's receipt of the Recapture Notice, if received later than the Contemplated Effective Date). However, if Landlord delivers a Recapture Notice to Tenant, Tenant may, within thirty (30) days after Tenant's receipt of the Recapture Notice, deliver written notice to Landlord indicating that Tenant is rescinding its Intention to Transfer Notice, in which case Tenant shall again be required to submit a new Intention to Transfer Notice to Landlord with respect any contemplated Transfer of all or substantially all of the Premises, as provided above in this Section 14.4, and this Lease shall remain in full force and effect as to the Contemplated Transfer Space. Tenant's failure to so notify Landlord in writing within said thirty (30) day period shall be deemed to constitute Tenant's election to allow the Recapture Notice to be effective. If Landlord declines, or fails to elect in a timely manner to recapture the Premises under this Section 14.4, then, subject to the other terms of this Article 14, for a period of nine (9) months (the "**Nine Month Period**") commencing on the last day of such thirty (30) day period, Landlord shall not have any right to recapture the Contemplated Transfer Space with respect to any Transfer made during the Nine Month Period, provided that any such Transfer is substantially on the terms set forth in the Intention to Transfer Notice, and provided further that any such Transfer shall be subject to the remaining terms of this Article 14. If such a Transfer is not so consummated within the Nine Month Period (or if a Transfer is so consummated, then upon the expiration of the term of any Transfer of such Contemplated Transfer Space consummated within such Nine Month Period), Tenant shall again be required to submit a new Intention to Transfer Notice to Landlord with respect any contemplated Transfer, as provided above in this Section 14.4.

14.5 Effect of Transfer. If Landlord consents to a Transfer, (i) the terms and conditions of this Lease shall in no way be deemed to have been waived or modified, (ii) such consent shall not be deemed consent to any further Transfer by either Tenant or a Transferee, (iii) Tenant shall deliver to Landlord, promptly after execution, an original executed copy of all documentation pertaining to the Transfer in form reasonably acceptable to Landlord, (iv) Tenant shall furnish upon Landlord's request a complete statement, certified by an independent certified public accountant, or Tenant's chief financial officer, setting forth in detail the computation of any Transfer Premium Tenant has derived and shall derive from such Transfer, and (v) no Transfer relating to this Lease or agreement entered into with respect thereto, whether with or without Landlord's consent, shall relieve Tenant or any guarantor of the Lease from any liability under this Lease, including, without limitation, in connection with the Subject Space. Landlord or its authorized representatives shall have the right at all reasonable times to audit the books, records and papers of Tenant relating to any Transfer, and shall have the right to make copies thereof. If the Transfer Premium respecting any Transfer shall be found understated, Tenant shall, within thirty (30) days after demand, pay the deficiency together with interest thereon at the Interest Rate, and if understated by more than four percent (4%), Tenant shall pay Landlord's costs of such audit.

14.6 Additional Transfers. For purposes of this Lease, the term "**Transfer**" shall also include (i) if Tenant is a partnership (including a limited liability partnership) or limited liability company, the withdrawal or change, voluntary, involuntary or by operation of law, of fifty percent (50%) or more of the partners or members (as the case may be), or transfer of fifty percent (50%) or more of partnership interests or membership interests (as the case may be), within a twelve (12)-month period, or the dissolution of the partnership without immediate reconstitution thereof; and (ii) if Tenant is a closely held corporation or

limited liability company (*i.e.*, whose stock or membership interests are not publicly held and not traded through an exchange or over the counter), (A) the dissolution, merger, consolidation or other reorganization of Tenant or (B) the sale or other transfer of an aggregate of fifty percent (50%) or more of the voting shares or membership interests of Tenant (other than transfer of voting shares or membership interests to immediate family members by reason of gift or death), within a twelve (12)-month period, or (C) the sale, mortgage, hypothecation or pledge of an aggregate of fifty percent (50%) or more of the value of the unencumbered assets of Tenant within a twelve (12)-month period. Notwithstanding the foregoing, to the extent that the Transfer is of a type described in this Section 14.6, the terms and conditions of Section 14.3 shall not apply with respect thereto.

14.7 Occurrence of Default. Any Transfer hereunder shall be subordinate and subject to the provisions of this Lease, and if this Lease shall be terminated during the term of any Transfer, Landlord shall have the right to: (i) treat such Transfer as cancelled and repossess the Subject Space by any lawful means, or (ii) require that such Transferee attorn to and recognize Landlord as its landlord under any such Transfer. If Tenant shall be in default under this Lease beyond all applicable notice and cure periods, Landlord is hereby irrevocably authorized, as Tenant's agent and attorney-in-fact, to direct any Transferee to make all payments under or in connection with the Transfer directly to Landlord (which Landlord shall apply towards Tenant's obligations under this Lease) until such default is cured. Such Transferee shall rely on any representation by Landlord that Tenant is in default hereunder beyond all applicable notice and cure periods, without any need for confirmation thereof by Tenant. Upon any assignment, the assignee shall assume in writing all obligations and covenants of Tenant thereafter to be performed or observed under this Lease. No collection or acceptance of rent by Landlord from any Transferee shall be deemed a waiver of any provision of this Article 14 or the approval of any Transferee or a release of Tenant from any obligation under this Lease, whether theretofore or thereafter accruing. In no event shall Landlord's enforcement of any provision of this Lease against any Transferee be deemed a waiver of Landlord's right to enforce any term of this Lease against Tenant or any other person. If Tenant's obligations hereunder have been guaranteed, Landlord's consent to any Transfer shall not be effective unless the guarantor also consents to such Transfer.

14.8 Permitted Transfers. Notwithstanding anything to the contrary contained in this Lease, (A) an assignment or subletting of all or a portion of the Premises to an affiliate of Tenant (an entity which is controlled by, controls, or is under common control with, Tenant or Landlord, as applicable ("**Affiliate**")), (B) a sale of corporate shares of capital stock in Tenant in connection with an initial public offering of Tenant's stock on a nationally-recognized stock exchange, (C) an assignment of the Lease to an entity which acquires all or substantially all of the stock, interests or assets of Tenant, or (D) an assignment of the Lease to an entity which is the resulting entity of a merger, consolidation or other reorganization of Tenant during the Lease Term, shall not be deemed a Transfer requiring Landlord's consent under this Article 14 or be subject to Section 14.3 (any such assignee or sublessee described in items (A) through (D) of this Section 14.8 hereinafter referred to as a "**Permitted Transferee**"), provided that (i) Tenant notifies Landlord at least thirty (30) days following the effective date of any such assignment or sublease and promptly supplies Landlord with any documents or information reasonably requested by Landlord regarding such transfer or Permitted Transferee as set forth above, (ii) Tenant is not in monetary default, beyond any applicable notice and cure period, and such assignment or sublease is not a subterfuge by Tenant to avoid its obligations under this Lease, (iii) such Permitted Transferee shall be of a character and reputation consistent with the quality of the Building, (iv) such Permitted Transferee has a tangible net worth (not including good will as an asset, and as determined in accordance with generally accepted accounting principles, consistently applied ("**GAAP**")) ("**Net Worth**") at least equal to Tenant's net worth as of the date of this Lease, (v) no assignment or sublease relating to this Lease, whether with or without Landlord's consent, shall relieve Tenant from any liability under this Lease, and (vi) the liability of such Permitted Transferee under either

an assignment or sublease shall be joint and several with Tenant. An assignee of Tenant's entire interest in this Lease who qualifies as a Permitted Transferee may also be referred to herein as a "**Permitted Transferee Assignee**." "**Control**," as used in this Section 14.8, shall mean the ownership, directly or indirectly, of more than fifty percent (50%) of the voting securities of, or possession of the right to vote, in the ordinary direction of its affairs, of more than fifty percent (50%) of the voting interest in, any person or entity.

14.9 Permitted Occupants. Notwithstanding anything to the contrary contained in this Article 14, Tenant shall have the right, without being subject to Landlord's prior consent, or Landlord's right to receive a Transfer Premium pursuant to Section 14.3 above, to sublease, license or let or otherwise permit occupancy of, up to an aggregate of [***] percent ([***]%) of the Premises, to any individuals or entities (each a "**Permitted Occupant**") which sublease, license or occupancy agreement, as the case may be, to a Permitted Occupant shall be on and subject to all of the following conditions: (i) Tenant shall either have a business relationship (relating to the primary business of Tenant conducted in the Premises) with each such Business Affiliate or Tenant shall have at least a twenty percent (20%) voting or equity interest in such Business Affiliate; (ii) all such Permitted Occupants shall be of a character and reputation consistent with the quality of the Building and Project as a first-class multi-tenant creative office building project; (iii) all such Permitted Occupants shall use the Premises in conformity with the all applicable provisions of this Lease; (iv) no such Permitted Occupant shall be a governmental agency or instrumentality thereof described in Section 14.2.3 above which would permit Landlord to refuse consent to Tenant's proposed sublease, license or occupancy agreement pursuant to Section 14.2.3 if such sublease, license or occupancy agreement did not otherwise qualify under this Section 14.9; (v) such sublease, license or occupancy agreement is not a subterfuge by Tenant to avoid its obligations under this Article 14; (vi) there shall be no separate demising walls or entrances to the space which is the subject of such sublease, license or occupancy agreement; (vii) each such sublease, license and occupancy agreement shall be subject to and subordinate to all of the terms and provisions of this Lease, (viii) Tenant shall, upon request from Landlord, promptly supply Landlord with the name of any such Permitted Occupant who uses the Premises for more than a one (1) month period on a consecutive basis (including, without limitation, any individual names in connection therewith) and any documents or information reasonably requested by Landlord regarding any such Permitted Occupant and (viii) Tenant shall not operate or permit to be operated from the Premises a so-called "co-working" business or other flexible workplace center for purposes of providing office suites and shared office workplaces to members or third-parties. No such sublease, license or occupancy agreement, as the case may be, shall relieve Tenant from any liability under this Lease. The rights set forth in this Section 14.9 shall be personal to Original Tenant and any Permitted Transferee Assignee, and may not be assigned to or utilized by any assignee, sublessee, transferee or any other party.

14.10 No Release or Waiver. No Transfer to an Affiliate or otherwise shall ever be construed to constitute a waiver of any of Tenant's covenants contained in this Lease, a release of Tenant from any obligation or liability of Tenant under this Lease, or a waiver of any of Landlord's rights under this Lease.

ARTICLE 15

SURRENDER OF PREMISES; OWNERSHIP AND REMOVAL OF TRADE FIXTURES

15.1 Surrender of Premises. No act or thing done by Landlord or the Landlord Parties or Tenant or the Tenant Parties during the Lease Term shall be deemed to constitute an acceptance by Landlord of a surrender of the Premises unless such intent is specifically acknowledged in writing by Landlord. The delivery of keys to the Premises to Landlord Parties shall not constitute a surrender of the Premises or effect a termination of this Lease, whether or not the keys are thereafter retained by Landlord, and notwithstanding

such delivery Tenant shall be entitled to the return of such keys at any reasonable time upon request until this Lease shall have been properly terminated. The voluntary or other surrender of this Lease by Tenant, whether accepted by Landlord or not, or a mutual termination hereof, shall not work a merger, and at the option of Landlord shall operate as an assignment to Landlord of all subleases or subtenancies affecting the Premises or terminate any or all such sublessees or subtenancies.

15.2 Removal of Tenant Property by Tenant. Upon the expiration of the Lease Term, or upon any earlier termination of this Lease, Tenant shall, subject to the provisions of this Article 15, quit and surrender possession of the Premises to Landlord in as good order and condition as when Tenant took possession and as thereafter improved by Landlord and/or Tenant, reasonable wear and tear, damage by casualty, and repairs which are specifically made the responsibility of Landlord hereunder excepted. Upon such expiration or termination, Tenant shall, without expense to Landlord, remove or cause to be removed from the Premises all debris and rubbish, and such items of furniture, equipment, business and trade fixtures (excepting the Generator and related accessories and components to the extent Landlord elects in its sole discretion to remain at the Project) (but not permanently affixed to the Premises), free-standing cabinet work, movable partitions and other articles of personal property owned by Tenant or installed or placed by Tenant at its expense in the Premises, and Tenant shall repair at its own expense all damage to the Premises and Building resulting from such removal, except as otherwise set forth in Section 26.42 below. Landlord and Tenant acknowledge and agree that nothing in this Section 15.2 shall prohibit Tenant from removing any TVs, a/v equipment, furniture, equipment, free-standing cabinet work and other articles of personal property owned by Tenant or installed or placed by Tenant at its expense in the Premises, at any time throughout the Lease Term, including if attached to the wall or floor for stability purposes (provided that Tenant repairs any damage resulting therefrom).

ARTICLE 16

HOLDING OVER

If Tenant holds over after the expiration of the Lease Term or earlier termination thereof, such tenancy shall be from month-to-month only, and shall not constitute a renewal hereof or an extension for any further term, and in such case, for the first two (2) calendar months of holdover, Base Rent shall be payable at a monthly rate equal to [***]% of the Base Rent applicable during the last rental period of the Lease Term under this Lease (and [***]% of all Additional Rent due during such two (2) month period), and thereafter, Base Rent shall be payable at a monthly rate equal to [***]% of the Base Rent applicable during the last rental period of the Lease Term under this Lease (and [***]% of all Additional Rent due during such period). Such month-to-month tenancy shall be subject to every other applicable term, covenant and agreement contained herein. In the event Tenant timely vacates and surrenders possession of the Premises to Landlord following the expiration of the Lease Term or the earlier termination thereof, but fails to surrender possession of the Premises to Landlord in the condition required under Section 8.4 above, then Tenant shall be liable for any damages incurred by Landlord in connection therewith (but Tenant shall not responsible for the payment of any Rent (including holdover rent) in connection with the Premises following Tenant's timely vacation and surrender thereof). Landlord hereby expressly reserves the right to require Tenant to surrender possession of the Premises to Landlord as provided in this Lease upon the expiration or other termination of this Lease. The provisions of this Article 16 shall not be deemed to limit or constitute a waiver of any other rights or remedies of Landlord provided herein or at law. If Tenant fails to surrender the Premises upon later to occur of (i) the termination or expiration of this Lease, and (ii) the date that is forty-five (45) days following Tenant's receipt of written notice from Landlord stating that Landlord has entered into an agreement with a third-party for the occupancy of the Premises following the expiration or earlier termination of this Lease and may incur lost rents and/or other damages resulting from

Tenant's holdover therein, then, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from all loss, costs (including reasonable attorneys' fees) and liability resulting from such failure, and such indemnification by Tenant shall specifically include, without limitation, Rental Loss Damages (as hereinafter defined). As used in this Lease, "**Rental Loss Damages**" shall mean any claims made by any succeeding tenant founded upon such failure to surrender, any lost profits to Landlord resulting therefrom, any liability or loss Landlord may reasonably expect to incur in connection with the delay of the delivery of the Premises to the successor tenant, any other consequential damages that Landlord suffers as a result of Tenant's failure to surrender the Premises upon the termination or expiration of this Lease.

ARTICLE 17

ESTOPPEL CERTIFICATES

Within ten (10) business days following a request in writing by Landlord or Tenant, Tenant or Landlord, as the case may be, shall execute, acknowledge and deliver to the requesting party (the "**Requesting Party**") an estoppel certificate, which, as submitted by the Requesting Party, shall be substantially in the form of **Exhibit D** attached hereto, as modified appropriately if Tenant is the Requesting Party (or such other commercially reasonable form as may be required by any prospective mortgagee or purchaser of the Project, or any portion thereof, or any assignee), indicating therein any exceptions thereto that may exist at that time, and shall also contain any other information reasonably requested by the Requesting Party or Landlord's mortgagee or prospective mortgagee or Tenant's Transferee, as the case may be. Any such certificate may be relied upon by any prospective mortgagee or purchaser of all or any portion of the Project or any buyer, assignee or lender of Tenant. At any time during the Lease Term, but not more often than two (2) times during any twelve (12) month period in connection with the sale or refinance of the Project, Landlord may require Tenant to provide Landlord with a current financial statement prepared in the ordinary course of business (provided that such current financial statement shall, at a minimum, include a balance sheet, an income statement and a profit and loss statement) and financial statements prepared in the ordinary course of business of the two (2) years prior to the current financial statement year (provided that such current financial statements shall, at a minimum, include balance sheets, income statements and a profit and loss statements) (collectively, "**Financial Statements**"); provided, however, as a condition precedent to Tenant's delivery, Landlord or the Landlord Party requesting such information shall execute a commercially reasonable form of confidentiality agreement with respect thereto. Such statements shall be as prepared in Tenant's ordinary course of business and certified as true and correct by Tenant's chief financial officer.

ARTICLE 18

SUBORDINATION

18.1 Landlord acknowledges and agrees that, as of the date of this Lease, there is no mortgage or deed of trust encumbering the Project. In consideration of, and as a condition precedent to, Tenant's agreement to permit its interest pursuant to this Lease to be subordinated to any particular future ground or underlying lease of the Building or the Project or to the lien of any mortgage or trust deed, first encumbering the Building or the Project following the date of this Lease and to any renewals, extensions, modifications, consolidations and replacements thereof, Landlord shall deliver to Tenant a commercially reasonable non-disturbance agreement executed by the landlord under such ground lease or underlying lease or the holder of such mortgage or trust deed. Such commercially reasonable non-disturbance agreement(s), shall include the obligation of any such successor ground lessor, mortgage holder or deed of trust holder to recognize Tenant's rights specifically set forth in this Lease, including without limitation, Tenant's rights to offset

certain amounts against Rent due hereunder and to be bound by and responsible for all Landlord's obligations with respect to the L-C under the terms of Article 25, and Landlord's obligations to comply with the provisions of this Lease, or to otherwise receive certain credits against Rent as set forth herein. Subject to Tenant's receipt of the non-disturbance agreement(s) described above, Tenant covenants and agrees in the event any proceedings are brought for the foreclosure of any such mortgage or deed in lieu thereof (or if any ground lease is terminated), to attorn to the lienholder or purchaser or any successors thereto upon any such foreclosure sale or deed in lieu thereof (or to the ground lessor), if so reasonably requested to do so by such purchaser or lienholder or ground lessor, and to recognize such purchaser or lienholder or ground lessor as the lessor under this Lease, provided such lienholder or purchaser or ground lessor shall agree to accept this Lease and not disturb Tenant's occupancy, so long as Tenant timely pays the rent and observes and performs the terms, covenants and conditions of this Lease to be observed and performed by Tenant within all applicable notice and cure periods. Landlord's interest herein may be assigned as security at any time to any lienholder. Tenant shall, within ten (10) business days of request by Landlord, execute such further commercially reasonable instruments or assurances as Landlord may reasonably deem necessary to evidence or confirm the subordination or superiority of this Lease to any such mortgages, trust deeds, ground leases or underlying leases in accordance with this Article 18. Subject to the provisions of this Article 18, Tenant waives the provisions of any current or future statute, rule or law which may give or purport to give Tenant any right or election to terminate or otherwise adversely affect this Lease and the obligations of Tenant hereunder in the event of any foreclosure proceeding or sale. Tenant shall send to each mortgage holder or deed of trust holder (after notification of the identity of such mortgage holder or deed of trust holder and the mailing address thereof) copies of all notices that Tenant sends to Landlord pursuant to this Lease; such notices to such mortgage holder or deed of trust holder shall be sent concurrently with the sending of the notices to Landlord and in the same manner as notices are required to be sent pursuant to Section 26.18 below. Tenant will accept performance of any provision of this Lease by such mortgage holder or deed of trust holder as performance by, and with the same force and effect as though performed by, Landlord. If any act or omission of Landlord would give Tenant the right, immediately or after lapse of a period of time, to cancel or terminate this Lease, or to claim a partial or total eviction, Tenant shall not exercise such right until (A) Tenant gives notice of such act or omission to Landlord and to each such mortgage holder or deed of trust holder, and (B) a reasonable period of time for remedying such act or omission elapses following the time when such mortgage holder or deed of trust holder becomes entitled under such mortgage holder or deed of trust holder to remedy same (which reasonable period shall in no event be less than the period to which Landlord is entitled under this Lease or otherwise, after similar notice, to effect such remedy and which reasonable period shall take into account such time as shall be required to institute and complete any foreclosure proceedings).

ARTICLE 19

DEFAULTS; REMEDIES

19.1 Events of Default. The occurrence of any of the following shall constitute a "**Default**" or "**default**" of this Lease by Tenant:

19.1.1 Any failure by Tenant to pay any Rent or any other charge required to be paid under this Lease, or any part thereof, when due unless such failure is cured within five (5) business days after receipt of notice that the same was not paid when due; or

19.1.2 Except where a specific time period is otherwise set forth for Tenant's performance in this Lease, in which event the failure to perform by Tenant within such time period shall be a default by Tenant under this Section 19.1.2, any failure by Tenant to observe or perform any other provision, covenant or condition of this Lease to be observed or performed by Tenant where such failure continues for thirty (30) days after written notice thereof from Landlord to Tenant; provided that if the nature of such default is such that the same cannot reasonably be cured within a thirty (30) day period, Tenant shall not be deemed to be in default if it diligently commences such cure within such period and thereafter diligently proceeds to rectify and cure such default; or

19.1.3 The failure by Tenant to observe or perform according to the provisions of Articles 5, 17 or 18 of this Lease within the applicable time periods set forth therein where such failure continues for more than five (5) additional business days after actual receipt of notice from Landlord.

The notice periods provided herein are in lieu of, and not in addition to, any notice periods provided by Applicable Laws.

19.2 Remedies Upon Default. Upon the occurrence of any event of default by Tenant after the expiration of any applicable notice and cure periods, Landlord shall have, in addition to any other remedies available to Landlord at law or in equity (all of which remedies shall be distinct, separate and cumulative), the option to pursue any one or more of the following remedies, each and all of which shall be cumulative and, subject to the express terms hereof, nonexclusive, without any notice or demand whatsoever.

19.2.1 Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying the Premises or any part thereof, without being liable for prosecution or any claim or damages therefor; and Landlord may recover from Tenant the following:

(i) The worth at the time of award of any unpaid rent which has been earned at the time of such termination; plus

(ii) The worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(iii) The worth at the time of award of the amount by which the unpaid rent for the balance of the Lease Term after the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(iv) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom, as allowed under all applicable Laws; and

(v) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by applicable law.

The term "rent" as used in this Section 19.2 shall be deemed to be and to mean all sums of every nature required to be paid by Tenant pursuant to the terms of this Lease, whether to Landlord or to others. As used in subsections 19.2.1(i) and (ii), above, the "worth at the time of award" shall be computed by allowing interest at the Interest Rate, but in no event greater than the maximum amount of such interest permitted by Law. As used in subsection 19.2.1(iii) above, the "worth at the time of award" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

19.2.2 In the event this Lease has not been terminated, Landlord shall have the remedy described in California Civil Code Section 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations). Accordingly, if Landlord does not elect to terminate this Lease on account of any default by Tenant, Landlord may, from time to time, without terminating this Lease, enforce all of its rights and remedies under this Lease, including the right to recover all rent as it becomes due.

19.3 Sublessees of Tenant. If Landlord elects to terminate this Lease on account of any default by Tenant as set forth in this Article 19, Landlord shall have the right to terminate any and all subleases, licenses, concessions or other consensual arrangements for possession entered into by Tenant and affecting the Premises or may, in Landlord's sole discretion, succeed to Tenant's interest in such subleases, licenses, concessions or arrangements. In the event of Landlord's election to succeed to Tenant's interest in any such subleases, licenses, concessions or arrangements, Tenant shall, as of the date of notice by Landlord of such election, have no further right to or interest in the rent or other consideration receivable thereunder.

19.4 Waiver of Default. Forbearance by Landlord or Tenant in enforcement of one or more of the remedies herein provided upon an event of default shall not be deemed or construed to constitute a waiver of such default. The acceptance of any Rent hereunder by Landlord following the occurrence of any default, whether or not known to Landlord, shall not be deemed a waiver of any such default, except only a default in the payment of the Rent so accepted.

19.5 Efforts to Relet. Subject to applicable Law, no re-entry or repossession, repairs, maintenance, changes, alterations and additions, reletting, appointment of a receiver to protect Landlord's interests hereunder, or any other action or omission by Landlord shall be construed as an election by Landlord to terminate this Lease or Tenant's right to possession, or to accept a surrender of the Premises, nor shall same operate to release Tenant in whole or in part from any of Tenant's obligations under this Lease.

19.6 Landlord's Right to Cure Default; Payments by Tenant.

19.6.1 Landlord's Cure. All covenants and agreements to be kept or performed by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any reduction of Rent. If Tenant shall fail to perform any of its obligations under this Lease, and such failure shall continue in excess of the time allowed under Sections 19.1.1 or 19.1.2, above, except in the event of an emergency or as required by law in which case no notice shall be necessary, then upon three (3) additional days' notice from Landlord, Landlord may, but shall not be obligated to, make any such payment or perform any such act on Tenant's part without waiving its rights based upon any default of Tenant and without releasing Tenant from any obligations hereunder.

19.6.2 Tenant's Reimbursement. Except as may be specifically provided to the contrary in this Lease, Tenant shall pay to Landlord, within thirty (30) days after delivery by Landlord to Tenant of statements therefor, sums equal to expenditures reasonably made and obligations reasonably incurred by Landlord in connection with the remedying by Landlord of Tenant's defaults pursuant to the provisions of Section 19.6.1. Tenant's obligations under this Section 19.6.2 shall survive the expiration or sooner termination of the Lease Term.

19.7 Landlord Default.

19.7.1 In General. Notwithstanding anything to the contrary set forth in this Lease, Landlord shall be in default in the performance of any obligation required to be performed by Landlord pursuant to this Lease if (i) in the event a failure by Landlord is with respect to the payment of money, Landlord fails to pay such unpaid amounts within five (5) business days of notice from Tenant that the same was not paid when due; (ii) the failure of Landlord to perform according to the provisions of Article 17 of this Lease for more than fifteen (15) business days after notice from Tenant; or (iii) in the event a failure by Landlord is other than (i) and (ii) above, Landlord fails to perform such obligation within a reasonable time period with the expenditure of diligent efforts, but in no event more than thirty (30) days after the receipt of notice from Tenant specifying in detail Landlord's failure to perform; provided, however, if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be in default under this Lease if Landlord commences such performance within such thirty (30) day period and thereafter diligently pursue the same to completion. Upon any such default by Landlord under this Lease, Tenant may, except as otherwise specifically provided in this Lease to the contrary, exercise any of its rights provided at law or in equity.

19.7.2 Abatement of Rent. [***].

19.7.3 Landlord Bankruptcy Proceeding. [***].

19.7.4 No Waiver of Redemption by Tenant. Nothing herein shall be deemed to constitute a waiver of Tenant's right to redeem, by order or judgment of any court or by any legal process or writ, Tenant's right of occupancy of the Premises after any termination of this Lease.

ARTICLE 20

COVENANT OF QUIET ENJOYMENT

Landlord covenants that Tenant, on paying the Rent, charges for services and other payments herein reserved and on keeping, observing and performing all the other terms, covenants, conditions, provisions and agreements herein contained on the part of Tenant to be kept, observed and performed within all applicable notice and cure periods, shall, during the Lease Term, peaceably and quietly have, hold and enjoy the Premises subject to the terms, covenants, conditions, provisions and agreements hereof without interference by any persons lawfully claiming by or through Landlord. The foregoing covenant is in lieu of any other covenant express or implied.

ARTICLE 21

SIGNS

21.1 Interior Signage. Tenant, at its sole cost and expense, may install any signage anywhere within the interior of the Premises, provided that such signs are not visible from the exterior of the Building.

21.2 Building Directory/Entry Signage. At Tenant's cost (including administrative fee) (subject to the Tenant Improvement Allowance) and subject to Landlord's then Building and/or Project standard signage program, Landlord shall place Tenant's name in any Building or Project-wide directory (or its equivalent) and signage at any or all of the Premises' exterior entry doors.

21.3 Exterior Signage.

21.3.1 In General. In addition to the signage rights set forth above in this Article 21 above, and subject to the terms of Section 21.3.2 below, Tenant shall be entitled to install Tenant's name and/or logo on one (1) slot on (i) the existing monument sign (the "**26th Street Monument**") located on 26th Street, such slot to be in the highest slot (which shall be of equal size to the other slots on such monument) and (ii) the existing monument sign (the "**Olympic Monument**" and with the 26th Street Monument, the "**Monuments**") located on Olympic Boulevard, such slot to be in the middle slot (which shall be of equal size to the other slots on such monument) (collectively, "**Tenant's Signage**"). The location of Tenant's Signage is shown on **Exhibit J** attached hereto. Tenant's rights to Tenant's Signage shall be subordinate to the rights granted with respect to any leases with all presently existing monument rights of any tenant of the Project ("**Superior Monument Rights**"), and further, the right to place identification signage on the 26th Street Monument and the Olympic Monument shall be nonexclusive and Landlord shall have the reasonable right to grant others the right to install identification signage on the 26th Street Monument below Tenant's Signage and on the Olympic Monument both above and below Tenant's Signage. To the extent Landlord receives approval thereof from any applicable governmental authority and the sizing thereof is reasonably practical, as determined by Landlord in its sole discretion, if the Monument signs (or either of them) are redesigned to accommodate three (3) vertical slots rather than the currently existing two (2) vertical slots, Tenant shall be entitled to the left slot for the 26th Street Monument and the middle slot for the Olympic Monument, but subject to the Superior Monument Rights.

21.3.2 Tenant's Signage Specifications and Permits. Tenant's Signage shall set forth Tenant's name and/or logo as determined by Tenant; provided, however, in no event shall Tenant's Signage include an Objectionable Name or Logo (as that term is defined in Section 21.3.3 below). The graphics, materials, color, design, lettering, lighting, size, illumination (if any, as determined by Landlord in its sole discretion), specifications and exact location of Tenant's Signage shall be subject to the prior written approval of Landlord, which approval shall not be unreasonably withheld, conditioned or delayed, and shall be consistent and compatible with the quality and nature of the Project and Tenant's signage program for the Project. In addition, Tenant's Signage shall be subject to Tenant's receipt of all required governmental permits and approvals and shall be subject to all applicable Laws and the Underlying Documents. Landlord shall use commercially reasonable efforts to assist Tenant in obtaining all necessary governmental permits and approvals for Tenant's Signage. Tenant hereby acknowledges that, notwithstanding Landlord's approval of Tenant's Signage, Landlord has made no representation or warranty to Tenant with respect to the probability of obtaining all necessary governmental approvals and permits for Tenant's Signage, and notwithstanding any provision to the contrary contained herein, Tenant acknowledges that Landlord shall have no obligation to provide, install or designate any additional monument signs or directional signs within the Project. In the event Tenant does not receive the necessary governmental approvals and permits for Tenant's Signage, and/or if Landlord does not provide, install or designate any additional monument signs or directional signs within the Project, then Tenant's and Landlord's rights and obligations under the remaining terms and conditions of this Lease shall be unaffected.

21.3.3 Objectionable Name or Logo. In no event shall Tenant's Signage include, identify or otherwise refer to a name and/or logo which relates to an entity which is of a character or reputation, or is associated with a political faction or orientation, which is inconsistent with the quality of the Project, or which would otherwise reasonably offend a landlord of a Comparable Building (an "**Objectionable Name or Logo**"). The parties hereby agree that the name "GoodRx" or any reasonable derivation thereof, shall not be deemed an Objectionable Name or Logo.

21.3.4 Cost and Maintenance of Tenant's Signage. The costs of the actual sign comprising Tenant's Signage and the installation, design, construction, and any and all other costs associated with Tenant's Signage, including, without limitation, utility charges and hook-up fees, permits, and maintenance and repairs, shall be the sole responsibility of Tenant, at Tenant's sole cost and expense (subject to the Tenant Improvement Allowance); provided, however, all monument signs shall be installed, designed, constructed, maintained, and repaired by Landlord, and the maintenance and repair costs shall be an

Operating Expense. Should Tenant's Signage require repairs and/or maintenance, as determined in Landlord's reasonable judgment, Landlord shall have the right to provide notice thereof to Tenant, and Tenant (except as set forth below) shall cause such repairs and/or maintenance to be performed within thirty (30) days after receipt of such notice from Landlord, at Tenant's sole cost and expense; provided, however, if such repairs and/or maintenance are reasonably expected to require longer than thirty (30) days to perform, Tenant shall commence such repairs and/or maintenance within such thirty (30) day period and shall diligently prosecute such repairs and maintenance to completion. Should Tenant fail to perform such repairs and/or maintenance within the periods described in the immediately preceding sentence, Landlord shall, upon the delivery of an additional five (5) business days' prior written notice, have the right to cause such work to be performed and to charge Tenant, as Additional Rent, for the Actual Cost of such work, plus a ten percent (10%) surcharge payable to Landlord on such costs to cover Landlord's administrative costs. Upon the expiration or earlier termination of the Lease, and/or upon any earlier termination of Tenant's rights to all or any portion of Tenant's Signage as set forth in Section 21.3.4, above, Tenant shall, at Tenant's sole cost and expense, cause Tenant's Signage to be removed and shall cause the areas in which such Tenant's Signage was located to be restored to the condition existing immediately prior to the placement of such Tenant's Signage (reasonable wear and tear and casualty excepted). If Tenant fails to timely remove such Tenant's Signage or to restore the areas in which such Tenant's Signage was located, as provided in the immediately preceding sentence, then Landlord may perform such work, and all Actual Costs incurred by Landlord in so performing, plus a ten percent (10%) surcharge payable to Landlord on such costs to cover Landlord's administrative costs, shall be reimbursed by Tenant to Landlord within thirty (30) days after Tenant's receipt of an invoice therefor. The terms and conditions of this Section 21.3.5 shall survive the expiration or earlier termination of this Lease.

21.4 Prohibited Signage and Other Items. Except as expressly provided in this Article 21, Tenant may not install any signs, notices, logos, pictures, names or advertisements on the exterior or roof of the Building, the Other Buildings or the common areas of the Building or the Project or anywhere (including, without limitation, the Deck Area) which can be seen from outside the Premises. Any signs, window coverings, or blinds (even if the same are located behind the Landlord approved window coverings for the Building), or other items visible from the exterior of the Premises or Building are subject to the prior approval of Landlord, in its sole discretion.

ARTICLE 22

COMPLIANCE WITH LAWS

Tenant shall not do anything or suffer anything to be done in or about the Premises, Building or Project which will in any way conflict with any federal, state or local laws, statutes, ordinances or other governmental rules, regulations or requirements now in force or which may hereafter be enacted or promulgated, including, without limitation the Americans with Disabilities Act of 1990, the Bergamot Area Plan and other zoning codes and regulations (collectively, the "**Laws**"). At its sole cost and expense, Tenant shall, except as otherwise expressly provided in this Lease or in the Tenant Work Letter, promptly comply with all such applicable Laws and make all alterations (structural or otherwise) to (A) the Premises, which alterations relate to (i) Tenant's use of the Premises for other than the Permitted Use or (ii) the Tenant Improvements located in the Premises or any Alterations, and (B) the Base Building and Building Systems, but as to the Base Building and Building Systems, only to the extent such alterations are triggered by non-general office Alterations made by Tenant to the Premises, or non-general office Tenant Improvements, or Tenant's use of the Premises for a non-general office use. The judgment of any court of competent jurisdiction or the admission of either party hereto in any judicial action, regardless of whether the other party is a party thereto, that such party has violated any of said governmental measures, shall be conclusive

of that fact as between Landlord and Tenant. Landlord shall comply with all applicable Laws relating to the Project and Base Building and Building Systems, provided that compliance with such applicable Laws is not the responsibility of Tenant under this Lease, and provided further that Landlord's failure to comply therewith would prohibit Tenant from obtaining or maintaining a certificate of occupancy for the Premises, or would unreasonably and materially affect the safety of Tenant's Parties or create a significant health hazard for Tenant's Parties or otherwise materially adversely interfere with or materially adversely affect Tenant's use of the Premises for creative office use and enjoyment of the Premises, or the Parking Areas. Landlord shall be permitted to include in Operating Expenses any costs or expenses incurred by Landlord under this Article 22 to the extent consistent with, and amortized to the extent required by, the provisions of Section 4.2.3 of this Lease. For purposes of Section 1938(a) of the California Civil Code, Landlord hereby discloses to Tenant, and Tenant hereby acknowledges, that the Premises have not undergone inspection by a Certified Access Specialist (CASp). As required by Section 1938(e) of the California Civil Code, Landlord hereby states as follows: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises." In furtherance of the foregoing, Landlord and Tenant hereby agree as follows: (a) any CASp inspection requested by Tenant shall be conducted, at Tenant's sole cost and expense, by a CASp reasonably approved by Landlord, subject to Landlord's reasonable rules and requirements; and (b) Tenant, at its sole cost and expense, shall be responsible for making any improvements or repairs to correct violations of construction-related accessibility standards identified by the Tenant requested CASp inspection.

ARTICLE 23

ENTRY BY LANDLORD

Landlord reserves the right at all reasonable times and upon twenty-four (24) hours prior written notice to Tenant (or oral notice to Tenant's office manager), except in the case of an Emergency in which case no notice shall be required, to enter the Premises to (i) inspect them; (ii) show the Premises to prospective purchasers, or to current or prospective mortgagees, ground or underlying lessors or insurers or, during the last twelve (12) months of the Lease Term, to prospective tenants; (iii) post notices of non-responsibility; or (iv) alter, improve or repair the Premises or the Building, or for structural alterations, repairs or improvements to the Building or the Building Systems. Notwithstanding anything to the contrary contained in this Article 23, Landlord may enter the Premises at any time to (A) perform standard services required of Landlord, including janitorial service; (B) take possession due to a default by Tenant in the manner provided herein; and (C) subject to the terms of Section 19.7, above, perform any covenants of Tenant which Tenant fails to perform. Landlord may make any such entries without the abatement of Rent, except as otherwise provided in this Lease, and may take such reasonable steps as required to accomplish the stated purposes; provided, however, except for emergencies, any such entry shall be performed in an expeditious manner so as not to unreasonably interfere with Tenant's use of the Premises. Landlord shall use commercially reasonable efforts to schedule entries into the Premises under this Article 23 with Tenant (except entries under items (A) and (B), above) so that Tenant, at Tenant's option, may provide a representative to accompany Landlord. Landlord agrees to take no photographs of any active work areas in the Premises without Tenant's prior consent and agrees that any information obtained by any entry into the Premises by Landlord or its employees, agents or contractors shall be kept strictly confidential. Even

in an Emergency situation, Landlord shall use commercially reasonable efforts to minimize any disruption to Tenant's business operations. Except as otherwise provided in this Lease, Tenant hereby waives any claims for damages or for any injuries or inconvenience to or interference with Tenant's business, lost profits, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby. For each of the above purposes, Landlord shall at all times have a key with which to unlock all the doors in the Premises, excluding Tenant's vaults, safes and special security areas designated in advance by Tenant. In an emergency, Landlord shall have the right to use any means that Landlord may deem proper to open the doors in and to the Premises; provided, however, that Landlord shall, subject to Section 10.1 of this Lease and to the extent that such damage is not covered by insurance required to be carried by Tenant under this Lease or caused by any governmental agencies, repair any damage to the Premises caused by any such emergency entry into the Premises by Landlord. Notwithstanding anything to the contrary set forth in this Article 23, Tenant may designate certain areas of the Premises as "**Secured Areas**" should Tenant require such areas for the purpose of securing certain valuable property or confidential information. In connection with the foregoing, Landlord shall not enter such Secured Areas except in the event of an Emergency. Landlord shall only maintain or repair such secured areas to the extent (i) such repair or maintenance is required in order to maintain and repair the Base Building; (ii) as required by applicable Laws, or (iii) in response to specific requests by Tenant and in accordance with a schedule reasonably designated by Tenant, subject to Landlord's reasonable approval. Any entry into the Premises by Landlord in the manner hereinbefore described shall not be deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an actual or constructive eviction of Tenant from any portion of the Premises. No provision of this Lease shall be construed as obligating Landlord to perform any repairs, alterations or decorations except as otherwise expressly agreed to be performed by Landlord herein.

ARTICLE 24

TENANT PARKING

24.1 Tenant's Parking Passes. Commencing on the Lease Commencement Date and continuing through the date which immediately precedes the first (1st) anniversary of the Lease Commencement Date, Tenant shall (A) rent two (2) unreserved parking passes for each 1,000 usable square feet contained in the Premises, which equals one hundred thirty-one (131) unreserved parking passes provided that Tenant, of which Tenant shall be required to convert to three (3) reserved parking passes, and upon not less than thirty (30) days prior written notice to Landlord, may convert up to five (5) of such unreserved parking passes into reserved parking spaces, and the location of any such reserved parking spaces shall be as set forth on **Exhibit I** attached to this Lease, and (B) have the right, but not the obligation to rent, up to an additional two (2) unreserved parking pass for each 1,000 usable square feet contained in the Premises, which equals one hundred thirty-one (131) unreserved parking passes, all for parking by Tenant's employees and Permitted Occupants in the Parking Areas; provided that Tenant may increase or decrease the amount of such unreserved parking passes which Tenant is entitled to rent pursuant to item (B) above upon not less than thirty (30) days prior written notice to Landlord, up to the amount of unreserved parking passes provided for in item (B) above. Notwithstanding the foregoing, commencing on the first (1st) anniversary of the Lease Commencement Date, and continuing throughout the remainder of the Lease Term, Tenant shall rent (i) three (3) unreserved parking passes for each 1,000 usable square feet contained in the Premises, which equals one hundred ninety-seven (197) unreserved parking passes, of which Tenant shall be required to convert to three (3) reserved parking passes, and provided that Tenant, upon not less than thirty (30) days prior written notice to Landlord, may convert up to eight (8) of such unreserved parking passes into reserved parking spaces, and the location of any such reserved parking spaces shall be as set forth on **Exhibit I** attached to this Lease, and Tenant shall have the right, but not the obligation, to rent up to an additional one (1) unreserved parking pass for each 1,000 usable square feet contained in the Premises, which equals sixty-

six (66) unreserved parking passes, all for parking by Tenant's employees and Permitted Occupants in the Parking Areas. Tenant may increase or decrease the amount of unreserved and/or reserved parking passes rented by Tenant hereunder, subject to the above minimums and maximums upon not less than thirty (30) days prior written notice to Landlord. Subject to all of the terms and conditions of this Lease, including all applicable Laws and the reasonable and non-discriminatory rules and regulations established from time to time by Landlord, Tenant shall have access to Tenant's allotted parking passes described in this Section 24.1 rented by Tenant twenty-four (24) hours per day, seven (7) days per week.

24.2 Parking Charges. Tenant shall be charged for the use of Tenant's parking passes set forth in Section 12 of the Summary the prevailing parking rates charged by Landlord and/or Landlord's parking operator from time-to-time for parking in the Parking Areas; provided, however, that the monthly rate for Tenant's parking passes shall not increase by more than [***] percent ([***]%) per annum on a cumulative, compounding basis; provided further, however, that in no event shall such monthly rates charged for the use of Tenant's parking passes hereunder exceed that which are charged by the landlords of Comparable Buildings for similarly situated parking passes. For reference purposes only, the prevailing parking rates to be charged by Landlord for the first Lease Year shall be: $[***] per month for an unreserved parking pass and $[***] per month for a reserved parking pass. In addition, Tenant shall be responsible for any taxes imposed by any governmental authority in connection with the renting of parking passes by Tenant pursuant to this Article 24 or the use of the parking facility by Tenant.

24.3 Limitations on Tenant's Parking Rights. Tenant shall abide, and cause its employees, Permitted Occupants and visitors who utilize the Parking Areas to abide, by the reasonable and non-discriminatory rules and regulations established from time to time by Landlord and/or the Parking Areas operator. Landlord specifically reserves the right to change the location, size, configuration, design, layout and all other aspects of the Parking Areas at any time (including without limitation, implementing paid visitor parking) and Tenant acknowledges and agrees that Landlord may, without incurring any liability to Tenant and without any abatement of Rent under this Lease, from time to time, close-off or restrict access to the Parking Areas for purposes of permitting or facilitating any such construction, alteration or improvements. Landlord may, at any time, institute valet assisted parking, tandem parking stalls, "stack" parking, or other parking program within the Parking Areas, the cost of which shall be included in Operating Expenses; provided that any valet assisted parking instituted by Landlord at the Project shall be operated in a manner consistent with the Operations Standard. Landlord may totally or partially delegate its responsibilities hereunder to a parking operator in which case such parking operator shall have all the rights of control delegated by Landlord. Notwithstanding the foregoing or any provision to the contrary contained in this Lease, Tenant acknowledges and agrees that it shall not have access to any "stack" parking or "stackers" twenty-four (24) hours per day, seven (7) days per week. Landlord may totally or partially delegate its responsibilities hereunder to a parking operator in which case such parking operator shall have all the rights of control delegated by Landlord. The parking rights provided to Tenant pursuant to this Article 24 are provided solely for use by Tenant's own personnel and such rights may not be transferred, assigned, subleased or otherwise alienated by Tenant without Landlord's prior approval, except in connection with an assignment of this Lease or sublease of the Premises made in accordance with Article 14 above. All visitor parking by Tenant's visitors shall be subject to availability, as reasonably determined by Landlord, parking in such visitor parking areas as may be designated by Landlord from time to time during the times as may be designated by Landlord from time to time, and payment by such visitors of the prevailing visitor parking rate charged by Landlord from time to time.

ARTICLE 25

LETTER OF CREDIT

25.1 Delivery of Letter of Credit. Tenant shall deliver to Landlord, within five (5) business days following Tenant's and Landlord's execution and delivery of this Lease, an unconditional, clean, irrevocable letter of credit (the "**L-C**") in the amount set forth in Section 25.3 below (the "**L-C Amount**"), which L-C shall be issued by Barclays or any other money-center, solvent and nationally recognized bank (a bank which accepts deposits, maintains accounts, has a local Los Angeles office which will negotiate a letter of credit, and whose deposits are insured by the FDIC) reasonably acceptable to Landlord (Barclays, or such other approved, issuing bank being referred to herein as the "**Bank**"), which Bank must have a "Short Term Issuer Default" Fitch Rating which is not less than "F1", and a "Long Term Issuer Default" Fitch Rating which is not less than "A"(or in the event such Fitch Ratings are no longer available, a comparable rating from Standard and Poor's Professional Rating Service or Moody's Professional Rating Service) (collectively, the **Bank's Credit Rating Threshold**"), and which L-C shall be in the form of **Exhibit F**, attached hereto, or in such other form which is substantially consistent with the form of **Exhibit F** attached hereto and approved by Landlord (which approval shall not be unreasonably withheld and shall be granted or denied within five (5) business days). Tenant shall pay all expenses, points and/or fees incurred by Tenant in obtaining the L-C. The L-C shall (i) be "callable" at sight, irrevocable and unconditional, (ii) be maintained in effect, whether through renewal or extension, for the period commencing on the date of this Lease and continuing until the date (the "**L-C Expiration Date**") that is no less than ninety (90) days after the expiration of the Lease Term, and Tenant shall deliver a new L-C or certificate of renewal or extension to Landlord at least thirty (30) days prior to the expiration of the L-C then held by Landlord, without any action whatsoever on the part of Landlord, (iii) be fully assignable by Landlord, its successors and assigns, (iv) permit partial draws and multiple presentations and drawings, and (v) be otherwise subject to the International Standby Practices-ISP 98, International Chamber of Commerce Publication #590. Landlord, or its then managing agent, shall have the right to draw down an amount up to the face amount of the L-C if any of the following shall have occurred or be applicable: (A) such amount is due to Landlord under the terms and conditions of this Lease, or (B) Tenant has filed a voluntary petition under the U. S. Bankruptcy Code or any state bankruptcy code (collectively, **Bankruptcy Code**"), or (C) an involuntary petition has been filed against Tenant under the Bankruptcy Code, or (D) the Lease has been rejected, or is deemed rejected, under Section 365 of the U.S. Bankruptcy Code, following the filing of a voluntary petition by Tenant under the Bankruptcy Code, or the filing of an involuntary petition against Tenant under the Bankruptcy Code, or (E) the Bank has notified Landlord that the L-C will not be renewed or extended through the L-C Expiration Date, or (F) Tenant is placed into receivership or conservatorship, or becomes subject to similar proceedings under Federal or State law, or (G) Tenant executes an assignment for the benefit of creditors, or (H) if (1) any of the Bank's Fitch Ratings (or other comparable ratings to the extent the Fitch Ratings are no longer available) have been reduced below the Bank's Credit Rating Threshold, or (2) there is otherwise a material adverse change in the financial condition of the Bank, and Tenant has failed to provide Landlord with a replacement letter of credit, conforming in all respects to the requirements of this Article 25 (including, but not limited to, the requirements placed on the issuing Bank more particularly set forth in this Section 25.1 above), in the amount of the applicable L-C Amount, within ten (10) days following Landlord's written demand therefor (with no other notice or cure or grace period being applicable thereto, notwithstanding anything in this Lease to the contrary) (each of the foregoing being an "**L-C Draw Event**"). The L-C shall be honored by the Bank regardless of whether Tenant disputes Landlord's right to draw upon the L-C. In addition, in the event the Bank is placed into receivership or conservatorship by the Federal Deposit Insurance Corporation or any successor or similar entity, then, effective as of the date such receivership or conservatorship occurs, said L-C shall be deemed to fail to meet the requirements of this Article 25, and, within ten (10) days following Landlord's notice to Tenant of such receivership or

conservatorship (the **L-C FDIC Replacement Notice**"), Tenant shall replace such L-C with a substitute letter of credit from a different issuer (which issuer shall meet or exceed the Bank's Credit Rating Threshold and shall otherwise be acceptable to Landlord in its reasonable discretion) and that complies in all respects with the requirements of this Article 25, and Landlord shall promptly return such replaced L-C to Tenant following Landlord's receipt of such replacement L-C. If Tenant fails to replace such L-C with such conforming, substitute letter of credit pursuant to the terms and conditions of this Section 25.1, then, notwithstanding anything in this Lease to the contrary, Landlord shall have the right to declare Tenant in default of this Lease for which there shall be no notice or grace or cure periods being applicable thereto (other than the aforesaid ten (10) day period). Tenant shall be responsible for the payment of any and all costs incurred with the review of any replacement L-C (including without limitation Landlord's reasonable attorneys' fees), which replacement is required pursuant to this Section or is otherwise requested by Tenant. In the event of an assignment by Tenant of its interest in the Lease (and irrespective of whether Landlord's consent is required for such assignment), the acceptance of any replacement or substitute letter of credit by Landlord from the assignee shall be subject to Landlord's prior written approval pursuant to this Section 25.1 above, and the attorney's fees incurred by Landlord in connection with such determination shall be payable by Tenant to Landlord within thirty (30) days of billing.

25.2 Application of L-C. Tenant hereby acknowledges and agrees that Landlord is entering into this Lease in material reliance upon the ability of Landlord to draw upon the L-C upon the occurrence of any L-C Draw Event. In the event of any L-C Draw Event, Landlord may, but without obligation to do so, and without notice to Tenant (except in connection with an L-C Draw Event under Section 25.1(H) above), draw upon the L-C, in part or in whole, to cure any such L-C Draw Event and/or to compensate Landlord for any and all damages recoverable from Tenant under this Lease and applicable Laws of any kind or nature sustained or which Landlord reasonably estimates that it will sustain resulting from Tenant's breach or default of the Lease or other L-C Draw Event and/or to compensate Landlord for any and all damages arising out of, or incurred in connection with, the termination of this Lease, including, without limitation, those specifically identified in Section 1951.2 of the California Civil Code. The use, application or retention of the L-C, or any portion thereof, by Landlord shall not prevent Landlord from exercising any other right or remedy provided by this Lease or by any applicable Law (except as otherwise expressly provided herein), it being intended that Landlord shall not first be required to proceed against the L-C, and such L-C shall not operate as a limitation on any recovery to which Landlord may otherwise be entitled. Tenant agrees not to interfere in any way with payment to Landlord of the proceeds of the L-C, either prior to or following a "draw" by Landlord of any portion of the L-C, regardless of whether any dispute exists between Tenant and Landlord as to Landlord's right to draw upon the L-C. No condition or term of this Lease shall be deemed to render the L-C conditional to justify the issuer of the L-C in failing to honor a drawing upon such L-C in a timely manner. Tenant agrees and acknowledges that (i) the L-C constitutes a separate and independent contract between Landlord and the Bank, (ii) Tenant is not a third party beneficiary of such contract, (iii) Tenant has no property interest whatsoever in the L-C or the proceeds thereof, and (iv) in the event Tenant becomes a debtor under any chapter of the Bankruptcy Code, Tenant is placed into receivership or conservatorship, and/or there is an event of a receivership, conservatorship or a bankruptcy filing by, or on behalf of, Tenant, neither Tenant, any trustee, nor Tenant's bankruptcy estate shall have any right to restrict or limit Landlord's claim and/or rights to the L-C and/or the proceeds thereof by application of Section 502(b)(6) of the U. S. Bankruptcy Code or otherwise.

25.3 L-C Amount; Maintenance of L-C by Tenant.

25.3.1 L-C Amount. The L-C Amount shall be equal to Nine Million and 00/100 Dollars ($9,000,000.00).

25.3.1.1 Reduction of L-C Amount. To the extent that Tenant is not in default under this Lease (beyond the applicable notice and cure period set forth in this Lease), the L-C Amount shall be reduced commencing on the third anniversary of the Lease Commencement Date and thereafter on each successive anniversary of the Lease Commencement Date (each, a "**Reduction Date**") by either (i) 10% of its then existing face amount, if, as of the applicable Reduction Date, Tenant has satisfied the 10% Reduction Threshold (as defined below) (i.e., if, as of the applicable Reduction Date, Tenant is then in satisfaction of the 10% Reduction Threshold for the preceding Lease Year, then, subject to the terms and provisions of this Section 25.3 the L-C Amount shall be decreased by 10% of its then existing amount (e.g. if the then face amount of the Letter of Credit is $9,000,000, the reduction shall be $900,000 (i.e., $9,000,000 less [$9,000,000 x 10%]), or (ii) 7% of its then existing amount if, as of the applicable Reduction Date, Tenant is not then in satisfaction of the 10% Reduction Threshold (i.e., if, as of the applicable Reduction Date, Tenant has not satisfied the 10% Reduction Threshold for the preceding Lease Year, then, subject to the terms and provisions of this Section 25.3 the L-C Amount shall be decreased by 7% of its then existing amount (e.g. if the then face amount of the Letter of Credit is $9,000,000, the reduction shall be $630,000 (i.e., $9,000,000 less [$9,000,000 x 7%]), which reduction amount in either case of (i) or (ii) shall be independent of whether or not Tenant has previously met the 10% Reduction Threshold in connection with any prior Reduction Dates; provided, however, once the L-C Amount has decreased to Four Million Three Hundred Four Thousand Six Hundred Seventy-Two and No/100 Dollars ($4,304,672.00) or less, then on the next applicable Reduction Date, the L-C Amount shall decrease to the Minimum L-C Amount (as defined below). Notwithstanding anything to the contrary set forth in this Section 25.3.2, in no event shall the L-C Amount as set forth above decrease (A) in the event that Tenant is in default under this Lease beyond any applicable notice and cure periods, but such decrease shall take place after such default is cured, provided that no such decrease shall thereafter take effect in the event this Lease is terminated early due to such default by Tenant, and (B) except as specifically set forth in Section 25.8 below, in no event shall the L-C Amount ever decrease below an amount equal to Two Million Dollars ($2,000,000) ("**Minimum L-C Amount**").

25.3.1.2 10% Reduction Threshold. As used herein, Tenant shall satisfy the "**10% Reduction Threshold**" as of any particular Reduction Date, if and only if, prior to such Reduction Date, Tenant delivers to Landlord supporting financial documentation reasonably acceptable to Landlord evidencing that, as of the date which occurs no more than thirty (30) days prior to the applicable Reduction Date, all of the following are true (as certified by the CEO, CFO, or President of Tenant): (i) either (A) Tenant is then a publicly traded company, with its shares traded on a nationally recognized stock exchange, and Tenant then has a "market capitalization" (i.e., the number Tenant's shares of stock outstanding multiplied by the then current price of one share of Tenant's stock) of at least Two Billion and 00/100 Dollars ($2,000,000,000.00), or (B) Tenant then has a Net Worth (as defined in Section 14.8 above) of at least Two Billion and 00/100 Dollars ($2,000,000,000.00), and (ii) Tenant then has, and for each of the then two (2) most recently completed fiscal years, Tenant had an annual leverage ratio (i.e., the amount of Tenant's third party debt divided by EBITDA) equal to four (4) or less. For purposes of this Lease, "**EBITDA**," shall mean Tenant's Operating Income plus Depreciation and Amortization, stock based compensation, debt extinguishment charges and amortization on debt issuance. In each event that the L-C Amount is reduced pursuant to this Section 25.3.1, then Tenant shall deliver to Landlord an amendment to the L-C properly reducing the L-C Amount. Tenant shall pay all expenses, points and fees incurred by Tenant or Landlord in connection with such amendment to the L-C.

25.3.1.3 In General. If, as a result of any drawing by Landlord of all or any portion of the L-C, the amount of the L-C shall be less than the L-C Amount, Tenant shall, within ten (10) business days thereafter, provide Landlord with additional letter(s) of credit or an amendment to the L-C in an amount equal to the deficiency, and any such additional letter(s) of credit or an amendment to the L-C

shall comply with all of the provisions of this Article 25. Tenant further covenants and warrants that it will neither assign nor encumber the L-C or any part thereof and that neither Landlord nor its successors or assigns will be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance. Without limiting the generality of the foregoing, if the L-C expires earlier than the L-C Expiration Date, Landlord will accept a renewal thereof (such renewal letter of credit to be in effect and delivered to Landlord, as applicable, not later than thirty (30) days prior to the expiration of the L-C), which shall be irrevocable and automatically renewable as above provided through the L-C Expiration Date upon the same terms as the expiring L-C or such other terms as may be acceptable to Landlord in its reasonable discretion. However, if the L-C is not timely renewed, or if Tenant fails to maintain the L-C in the amount and in accordance with the terms set forth in this Article 25, Landlord shall have the right to present the L-C to the Bank in accordance with the terms of this Article 25, and the proceeds of the L-C may be applied by Landlord against any amounts recoverable from Tenant under this Lease and applicable Laws and/or to pay for all losses and damages that Landlord has suffered or that Landlord reasonably estimates that it will suffer as a result of any breach or default by Tenant under this Lease. In the event Landlord elects to exercise its rights under the foregoing sentence, (I) any unused proceeds shall constitute the property of Landlord (and not Tenant's property or, in the event of a receivership, conservatorship, or a bankruptcy filing by, or on behalf of, Tenant, property of such receivership, conservatorship or Tenant's bankruptcy estate) and need not be segregated from Landlord's other assets, and (II) Landlord agrees to pay to Tenant within thirty (30) days after the L-C Expiration Date the amount of any proceeds of the L-C received by Landlord and not applied against any Rent payable by Tenant under this Lease that was not paid when due or used to pay for any losses and/or damages suffered by Landlord (or reasonably estimated by Landlord that it will suffer) as a result of any breach or default by Tenant under this Lease; provided, however, that if prior to the L-C Expiration Date a voluntary petition is filed by Tenant, or an involuntary petition is filed against Tenant by any of Tenant's creditors, under the Bankruptcy Code, then Landlord shall not be obligated to make such payment in the amount of the unused L-C proceeds until either all preference issues relating to payments under this Lease have been resolved in such bankruptcy or reorganization case or such bankruptcy or reorganization case has been dismissed.

25.4 Transfer and Encumbrance. The L-C shall also provide that Landlord may, at any time and without notice to Tenant and without first obtaining Tenant's consent thereto, transfer (one or more times) its entire interest in and to the L-C to another party, person or entity that has an interest in the Project or this Lease (including any lender in connection with the Project). In the event of a transfer of Landlord's interest in under this Lease, Landlord shall transfer the L-C, in whole and not in part, to the transferee and thereupon Landlord shall, without any further agreement between the parties, be released by Tenant from all liability therefor, and it is agreed that the provisions hereof shall apply to every transfer or assignment of the whole of said L-C to a new landlord. In connection with any such transfer of the L-C by Landlord, Tenant shall, at Tenant's sole cost and expense, execute and submit to the Bank such applications, documents and instruments as may be necessary to effectuate such transfer and, Tenant shall be responsible for paying the Bank's transfer and processing fees in connection with the first transfer during the Lease Term, and Landlord shall be responsible for paying the Bank's transfer and processing fees in connection with any transfer thereafter; provided that, if Tenant does not timely pay any such transfer and/or processing fees, then Landlord shall have the right (in its sole discretion), but not the obligation, to pay such fees on behalf of Tenant, in which case Tenant shall reimburse Landlord within ten (10) days after Tenant's receipt of an invoice from Landlord therefor.

25.5 L-C Not a Security Deposit. Landlord and Tenant (1) acknowledge and agree that in no event or circumstance shall the L-C or any renewal thereof or substitute therefor or any proceeds thereof be deemed to be or treated as a "security deposit" under any law applicable to security deposits in the commercial context, including, but not limited to, Section 1950.7 of the California Civil Code, as such

Section now exists or as it may be hereafter amended or succeeded (the "**Security Deposit Laws**"), (2) acknowledge and agree that the L-C (including any renewal thereof or substitute therefor or any proceeds thereof) is not intended to serve as a security deposit, and the Security Deposit Laws shall have no applicability or relevancy thereto, and (3) waive any and all rights, duties and obligations that any such party may now, or in the future will, have relating to or arising from the Security Deposit Laws. Tenant hereby irrevocably waives and relinquishes the provisions of Section 1950.7 of the California Civil Code and any successor statute, and all other provisions of law, now or hereafter in effect, which (x) establish the time frame by which a landlord must refund a security deposit under a lease, and/or (y) provide that a landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by a tenant or to clean the premises, it being agreed that Landlord may, in addition, claim those sums specified in this Article 25 and/or those sums reasonably necessary to (a) compensate Landlord for any loss or damage caused by Tenant's breach of this Lease, including any damages Landlord suffers following termination of this Lease, and/or (b) compensate Landlord for any and all damages arising out of, or incurred in connection with, the termination of this Lease, including, without limitation, those specifically identified in Section 1951.2 of the California Civil Code.

25.6 Non-Interference By Tenant. Tenant agrees not to interfere in any way with any payment to Landlord of the proceeds of the L-C, either prior to or following a "draw" by Landlord of all or any portion of the L-C, regardless of whether any dispute exists between Tenant and Landlord as to Landlord's right to draw down all or any portion of the L-C. No condition or term of this Lease shall be deemed to render the L-C conditional and thereby afford the Bank a justification for failing to honor a drawing upon such L-C in a timely manner. Tenant shall not request or instruct the Bank of any L-C to refrain from paying sight draft(s) drawn under such L-C.

25.7 Waiver of Certain Relief. Tenant unconditionally and irrevocably waives (and as an independent covenant hereunder, covenants not to assert) any right to claim or obtain any of the following relief in connection with the L-C:

25.7.1 A temporary restraining order, temporary injunction, permanent injunction, or other order that would prevent, restrain or restrict the presentment of sight drafts drawn under any L-C or the Bank's honoring or payment of sight draft(s); or

25.7.2 Any attachment, garnishment, or levy in any manner upon either the proceeds of any L-C or the obligations of the Bank (either before or after the presentment to the Bank of sight drafts drawn under such L-C) based on any theory whatever.

25.8 Security Deposit in Lieu of Letter of Credit. Notwithstanding any provision to the contrary contained herein, if the then L-C Amount has been decreased to the Minimum L-C Amount pursuant to the terms and provisions of Section 25.3.2 above, then Tenant shall have the one-time right, to deposit with Landlord a security deposit (the "**Security Deposit**") in an amount equal to the Minimum L-C Amount, as security for the faithful performance by Tenant of all the terms, covenants, and conditions of this Lease, in lieu of the L-C. If Tenant elects to deliver to Landlord the Security Deposit pursuant to the foregoing sentence, then (i) within ten (10) business days of Landlord's receipt of the Security Deposit and written notice thereof from Tenant, Landlord and Tenant shall take those actions required to cancel the L-C (or any portion thereof remaining after any draw by Landlord pursuant to the terms of this Lease), (ii) Landlord and Tenant shall execute an amendment to this Lease to memorialize Tenant's election to provide Landlord with the Security Deposit in lieu of the L-C pursuant to the terms and provisions of this Section 25.8, and (iii) the following language shall be incorporated into this Lease, as amended, and made a part hereof:

"Landlord shall hold the Security Deposit as security for the faithful performance by Tenant of all the terms, covenants, and conditions of this Lease to be kept and performed by Tenant during the Lease Term. If Tenant defaults with respect to any provisions of this Lease, including, but not limited to, the provisions relating to the payment of Rent, Landlord may, but shall not be required to, use, apply or retain all or any part of the Security Deposit for the payment of any Rent or any other sum in default, or for the payment of any amount that Landlord may spend or become obligated to spend by reason of Tenant's default, or to compensate Landlord for any other loss or damage that Landlord may suffer by reason of Tenant's default. If any portion of the Security Deposit is so used or applied, Tenant shall, within five (5) days after written demand therefor, deposit cash with Landlord in an amount sufficient to restore the Security Deposit to its original amount, and Tenant's failure to do so shall be a default under this Lease. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, the Security Deposit, or any balance thereof, shall be returned to Tenant, or, at Landlord's option, to the last assignee of Tenant's interest hereunder, within thirty (30) days following the expiration of the Lease Term and Tenant's surrender of the Premises to Landlord in the condition required hereby. Tenant shall not be entitled to any interest on the Security Deposit. Tenant hereby waives the provisions of Section 1950.7 of the California Civil Code, and all other provisions of law, now or hereafter in force, which provide that Landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of rent, to repair damage caused by Tenant or to clean the Premises, it being agreed that Landlord may, in addition, claim those sums reasonably necessary to compensate Landlord for any other loss or damage, foreseeable or unforeseeable, caused by the act or omission of Tenant or any officer, employee, agent or invitee of Tenant."

ARTICLE 26

MISCELLANEOUS PROVISIONS

26.1 Terms. The words "Landlord" and "Tenant" as used herein shall include the plural as well as the singular. The necessary grammatical changes required to make the provisions hereof apply either to corporations or partnerships or individuals, men or women, as the case may require, shall in all cases be assumed as though in each case fully expressed.

26.2 Binding Effect. Subject to all other provisions specifically set forth in this Lease, each of the covenants, conditions and provisions of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit not only of Landlord and of Tenant, but also of their respective successors or assigns, provided this clause shall not permit any assignment by Tenant contrary to the provisions of Article 14 of this Lease.

26.3 No Air Rights. No rights to any view or to light or air over any property, whether belonging to Landlord or any other person, are granted to Tenant by this Lease. If at any time any windows of the Premises are temporarily darkened or the light or view therefrom is obstructed by reason of any repairs, improvements, maintenance or cleaning in or about the Project, the same shall be without liability to Landlord and without any reduction or diminution of Tenant's obligations under this Lease.

26.4 Modification of Lease. Should any current or prospective mortgagee or ground lessor for the Building or Project require a modification of this Lease, which modification will not cause an increased cost or expense to Tenant or (other than in a *de minimis* manner) adversely change the rights and obligations of Tenant hereunder, then and in such event, Tenant agrees that this Lease may be so modified and agrees to execute whatever documents are reasonably required therefor and to deliver the same to Landlord within ten (10) business days following a request therefor. Landlord shall reimburse to Tenant the actual,

documented and reasonable attorneys' fees incurred by Tenant in reviewing such documents, not to exceed $2,000.00. At the request of Landlord or any mortgagee or ground lessor, Tenant agrees to execute a short form of Lease for recording and deliver the same to Landlord within ten (10) business days following the request therefor, the recordation of which shall be at the sole cost and expense of Landlord.

26.5 Transfer of Landlord's Interest. Tenant acknowledges that Landlord has the right to transfer all or any portion of its interest in the Project or Building and in this Lease, and Tenant agrees that in the event of any such transfer (to the extent such obligations are assumed by the transferee), if the transferee assumes the Landlord's obligations, Landlord shall automatically be released from all liability under this Lease not accrued as of the date of the transfer and Tenant agrees to look solely to such transferee for the performance of Landlord's obligations hereunder after the date of transfer and such transferee shall be deemed to have fully assumed and be liable for all obligations of this Lease to be performed by Landlord, including the return of the L-C, arising after the date of such transfer, and Tenant shall attorn to such transferee. Tenant further acknowledges that Landlord may assign its interest in this Lease to a mortgage lender as additional security and agrees that such an assignment shall not release Landlord from its obligations hereunder and that Tenant shall continue to look to Landlord for the performance of its obligations hereunder.

26.6 Prohibition Against Recording. Except as provided in Section 26.4 above, neither this Lease, nor any memorandum, affidavit or other writing with respect thereto, shall be recorded by Tenant or by anyone acting through, under or on behalf of Tenant.

26.7 Landlord's Title. Landlord's title is and always shall be paramount to the title of Tenant. Nothing herein contained shall empower Tenant to do any act which can, shall or may encumber the title of Landlord.

26.8 Captions. The captions of Articles and Sections are for convenience only and shall not be deemed to limit, construe, affect or alter the meaning of such Articles and Sections.

26.9 Relationship of Parties. Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venturer or any association between Landlord and Tenant, it being expressly understood and agreed that neither the method of computation of Rent nor any act of the parties hereto shall be deemed to create any relationship between Landlord and Tenant other than the relationship of landlord and tenant.

26.10 Application of Payments. Landlord shall have the right to apply payments received from Tenant pursuant to this Lease, regardless of Tenant's designation of such payments, to satisfy any obligations of Tenant hereunder, in such order and amounts as Landlord, in its sole discretion, may elect.

26.11 Time of Essence. Time is of the essence of this Lease and each of its provisions. Whenever in this Lease a payment is required to be made by one party to the other, but a specific date for payment is not set forth or a specific number of days within which payment is to be made is not set forth, or the words "immediately," "promptly," and/or "on demand," or their equivalent, are used to specify when such payment is due, then such payment shall be due thirty (30) days after the date that the party which is entitled to such payment sends notice to the other party demanding such payment.

26.12 Partial Invalidity. If any term, provision or condition contained in this Lease shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, provision or condition to persons or circumstances other than those with respect to which it is invalid or unenforceable, shall not be affected thereby, and each and every other term, provision and condition of this Lease shall be valid and enforceable to the fullest extent possible permitted by law.

26.13 No Warranty. In executing and delivering this Lease, Tenant has not relied on any representations, including, but not limited to, any representation as to the amount of any item comprising Additional Rent or the amount of the Additional Rent in the aggregate or that Landlord is furnishing the same services to other tenants, at all, on the same level or on the same basis, or any warranty or any statement of Landlord which is not set forth herein or in one or more of the exhibits attached hereto.

26.14 Exculpation. It is expressly understood and agreed that notwithstanding anything in this Lease to the contrary, the liability of Landlord and the Landlord Parties to Tenant for any default by Landlord under this Lease or arising in connection herewith or with Landlord's operation, management, leasing, repair, renovation, alteration or any other matter relating to the Project or the Premises shall be limited solely and exclusively to an amount which is equal to the interest of Landlord in the Building and Project, together with any sales, condemnation or insurance proceeds received by Landlord or the Landlord Parties in connection with the Project, Building or Premises. Neither Landlord, nor any of the Landlord Parties shall have any personal liability therefor, and Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant. The limitations of liability contained in this Section 26.14 shall inure to the benefit of Landlord's and the Landlord Parties' present and future partners, beneficiaries, members, officers, directors, trustees, shareholders, agents and employees, and their respective partners, heirs, successors and assigns. Under no circumstances shall any present or future partner or member of Landlord (if Landlord is a partnership or limited liability company, as applicable), or trustee or beneficiary (if Landlord or any partner of Landlord is a trust), have any liability for the performance of Landlord's obligations under this Lease. Notwithstanding any contrary provision herein, neither Landlord nor the Landlord Parties shall be liable under any circumstances for consequential damages, which shall include, without limitation, injury or damage to, or interference with, Tenant's business (including, but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use), in each case, however occurring (including, without limitation, if occurring as a result of the negligent acts or omissions of Landlord or any Landlord Parties). In addition, neither Tenant nor the Tenant Parties shall be liable under any circumstances for consequential damages, which shall include, without limitation, injury or damage to, or interference with, Landlord's business (including, but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use), in each case, however occurring (including, without limitation, if occurring as a result of the negligent acts or omissions of Tenant or any Tenant Parties), except in connection with (i) a holdover of the Premises by Tenant after the expiration or earlier termination of this Lease pursuant to Article 16 above, or (ii) the disturbance or exacerbation of Hazardous Materials by Tenant. Notwithstanding the foregoing, Landlord and Tenant agree and acknowledge that the damages recoverable by Landlord under Section 1951.2 of the California Civil Code (or any similar or successor law) following a default by Tenant under this Lease are not consequential damages and remain recoverable by Landlord notwithstanding the preceding sentence.

26.15 Entire Agreement. It is understood and acknowledged that there are no oral agreements between the parties hereto affecting this Lease and this Lease constitutes the parties' entire agreement with respect to the leasing of the Premises and supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed by Landlord to Tenant with respect to the subject matter thereof, and none thereof shall be used to interpret or construe this Lease. This Lease (including the exhibits and riders which are attached hereto and constitute an integral part of this Lease) contains all of the terms, covenants, conditions, warranties and agreements of the parties relating in any manner to the rental, use and occupancy of the Premises, shall be

considered to be the only agreement between the parties hereto and their representatives and agents, and none of the terms, covenants, conditions or provisions of this Lease can be modified, deleted or added to except in writing signed by the parties hereto. All negotiations and oral agreements acceptable to both parties have been merged into and are included herein. There are no other representations or warranties between the parties, and all reliance with respect to representations is based totally upon the representations and agreements contained in this Lease.

26.16 Right to Lease. Landlord reserves the absolute right to effect such other tenancies in the Building, Other Buildings and/or any other portion of the Project as Landlord in the exercise of its sole business judgment shall determine to best promote the interests of the Project. Tenant does not rely on the fact, nor does Landlord represent, that any specific tenant or type or number of tenants shall, during the Lease Term, occupy any space in the Project.

26.17 Force Majeure. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, rain or other inclement weather, acts of God, acts of war, terrorist acts, inability to obtain services, labor, or materials or reasonable substitutes therefor, governmental actions or inactions, including, without limitation, any delays in obtaining permits or approvals from the applicable governmental authorities, civil commotions, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, except with respect to the obligations imposed upon Tenant under the Tenant Work Letter (except to the extent specifically set forth in the Tenant Work Letter) or with regard to Rent and other charges to be paid by Tenant or Landlord pursuant to this Lease (collectively, a "**Force Majeure**"), notwithstanding anything to the contrary contained in this Lease, shall excuse the performance of such party for a period equal to any such prevention, delay or stoppage and, therefore, if this Lease specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure.

26.18 Notices. All notices, demands, statements or communications (collectively, "**Notices**") given or required to be given by either party to the other hereunder shall be in writing, shall be sent by United States certified or registered mail, postage prepaid, return receipt requested, or delivered personally or sent by nationally recognized overnight courier (i) to Tenant at the appropriate address set forth in Section 5 of the Summary, or to such other place as Tenant may from time to time designate in a Notice to Landlord; or (ii) to Landlord at the addresses set forth in Section 3 of the Summary, or to such other firm or to such other place as Landlord may from time to time designate in a Notice to Tenant. Any Notice will be deemed given the date that it is received or rejected, (ii) the date the overnight courier delivery is made or attempted to be made, or (iii) upon the date personal delivery is made or attempted to be made. If Tenant is notified of the identity and address of Landlord's mortgagee or ground or underlying lessor, Tenant shall give to such mortgagee or ground or underlying lessor written notice of any default by Landlord under the terms of this Lease by registered or certified mail, and such mortgagee or ground or underlying lessor shall be given a reasonable opportunity to cure such default prior to Tenant's exercising any remedy available to Tenant to terminate this Lease.

26.19 Joint and Several. If there is more than one Tenant, the obligations imposed upon Tenant under this Lease shall be joint and several.

26.20 Authority. Each party hereby represents and warrants to the other party that: (i) the representing party is a duly formed and existing entity that is qualified to do business in the State of California; (ii) the representing party has full right and authority to execute and deliver this Lease; and (iii) each person signing on behalf of the representing party is authorized to do so. Each party is making the foregoing representations knowing that the other party will rely thereon.

26.21 Attorneys' Fees. In the event that either Landlord or Tenant should bring suit for the possession of the Premises, for the recovery of any sum due under this Lease, or because of the breach of any provision of this Lease or for any other relief against the other, then all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party therein shall be paid by the other party, which obligation on the part of the other party shall be deemed to have accrued on the date of the commencement of such action and shall be enforceable by the prevailing party whether or not the action is prosecuted to judgment.

26.22 Governing Law. This Lease shall be construed and enforced in accordance with the laws of the State of California, without resort to choice of law principles.

26.23 Submission of Lease. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of, an option for, and offer to lease, and this instrument shall not be effective as a lease or otherwise until execution and delivery by both Landlord and Tenant.

26.24 Brokers. Landlord and Tenant hereby warrant to each other that they have had no dealings with any real estate broker or agent in connection with the negotiation of this Lease, excepting only the real estate brokers or agents specified in Section 13 of the Summary (the "**Brokers**"), and that they know of no other real estate broker or agent who is entitled to a commission in connection with this Lease. Landlord shall pay the Brokers a commission in connection with the execution of this Lease pursuant to a separate agreement between and/or among Landlord and the Brokers. Each party agrees to indemnify and defend the other party against and hold the other party harmless from any and all claims, demands, losses, liabilities, lawsuits, judgments, and costs and expenses (including without limitation reasonable attorneys' fees) with respect to any leasing commission or equivalent compensation alleged to be owing on account of the indemnifying party's dealings with any real estate broker or agent other than the Brokers. The terms of this Section 26.24 shall survive the expiration or earlier termination of this Lease.

26.25 Independent Covenants. Except as otherwise expressly provided herein, this Lease shall be construed as though the covenants herein between Landlord and Tenant are independent and not dependent and Tenant hereby expressly waives the benefit of any statute to the contrary and agrees that if Landlord fails to perform its obligations set forth herein, Tenant shall not, except as otherwise expressly provided in this Lease, be entitled to make any repairs or perform any acts hereunder at Landlord's expense or to any setoff of the Rent or other amounts owing hereunder against Landlord, except as otherwise expressly provided herein; provided, however, that the foregoing shall in no way impair Tenant's express rights as stated elsewhere in this Lease; provided, further, however, that the foregoing shall also not impair the right of Tenant to commence a separate action against Landlord for any violation by Landlord of the provisions hereof so long as notice is first given to Landlord and any holder of a mortgage or deed of trust covering the Building, Project or any portion thereof, of whose address Tenant has theretofore been notified, and an opportunity is granted to Landlord and such holder to correct such violations as provided above.

26.26 Building Name and Signage. Landlord shall have the right at any time to change or designate the name of the Building, Other Buildings and/or the Project, and to install, affix and maintain any and all signs on the exterior of the Building, Other Buildings and/or the Project and in the interior of the Building. Tenant shall not use the name of the Project or use pictures or illustrations of the Project in advertising or other publicity or for any purpose other than as the address of the business to be conducted by Tenant at the Premises, without the prior written consent of Landlord.

26.27 Transportation Management. In addition to Tenant's obligations set forth in Section 5.1 above, if required by Law, Landlord and Tenant shall fully comply with all present or future programs intended to manage parking, transportation or traffic in and around the Project, and in connection therewith, Tenant shall take reasonable action for the transportation planning and management of all employees located at the Premises by working directly with Landlord, any governmental transportation management organization or any other transportation-related committees or entities.

26.28 Landlord Renovations. It is specifically understood and agreed that Landlord has no obligation and has made no promises to alter, remodel, improve, renovate, repair or decorate the Premises, Project, or any part thereof and that no representations respecting the condition of the Premises or the Project have been made by Landlord to Tenant, except as specifically set forth herein or in the Tenant Work Letter. However, Tenant acknowledges that Landlord or other occupants and tenants of the Project may during the Lease Term renovate, improve, alter, or modify (collectively, the "**Renovations**") the Project and/or Premises including, without limitation, the Parking Areas, common areas, tenant occupied spaces, systems and equipment, roof, and structural portions of the same which work may create noise, dust, vibrations or leave debris in the Project or Building; provided, however, that such Renovations shall not substantially interfere with Tenant's ability to access the Premises and Landlord shall use commercially reasonable efforts to minimize any adverse interference with Tenant's use and occupancy of the Premises. Tenant hereby agrees that such Renovations and Landlord's actions in connection with such Renovations, including without limitation, noise, dust and vibrations, shall in no way constitute a constructive eviction of Tenant nor entitle Tenant to any abatement of Rent, except as specifically set forth in Section 19.8.2 of this Lease. Landlord shall have no responsibility or for any reason be liable to Tenant for any direct or indirect injury to or interference with Tenant's business arising from the Renovations, nor shall Tenant be entitled to any compensation or damages from Landlord for loss of the use of the whole or any part of the Premises or of Tenant's personal property or improvements resulting from the Renovations or Landlord's actions in connection with such Renovations, or for any inconvenience or annoyance occasioned by such Renovations or Landlord's actions in connection with such Renovations. Landlord shall use commercially reasonable efforts to minimize any interference with Tenant's use of, and access to, the Premises and the Parking Areas servicing the same, in connection with any Renovations undertaken by Landlord.

26.29 Intentionally Omitted.

26.30 No Violation. Landlord and Tenant each hereby warrant and represent to the other party that neither its execution of nor performance under this Lease shall cause the subject party to be in violation of any agreement, instrument, contract, law, rule or regulation by which the subject party is bound, and each party shall protect, defend, indemnify and hold the other party harmless against any claims, demands, losses, damages, liabilities, costs and expenses including, without limitation, reasonable attorneys' fees and costs, arising from the subject party's breach of this warranty and representation.

26.31 Intentionally Omitted.

26.32 Counterparts/Electronic Delivery. Landlord or Tenant may deliver executed signature pages to this Lease by PDF transmission to the other party, which PDF copy shall be deemed to be an original executed signature page. This Lease may be executed in any number of counterparts, each of which shall be deemed an original and all of which counterparts together shall constitute one agreement with the same effect as if the parties had signed the same signature page. The parties hereby acknowledge and agree that counterpart signature pages distributed electronically by facsimile or e-mail, may be used in connection with the execution of this Lease and shall be legal and binding and shall have the same full force and effect as if an a paper original of this Lease had been delivered had been signed using a handwritten signature. Landlord and Tenant (i) intend to be bound by the signatures (whether original, faxed or electronic) on any document sent or delivered by facsimile or, electronic mail, or other electronic means, (ii) are aware that the other party will rely on such signatures, and (iii) hereby waive any defenses to the enforcement of the terms of this Lease based on the foregoing forms of signature. If this Lease has been executed by electronic

signature, all parties executing this document are expressly consenting under the Electronic Signatures in Global and National Commerce Act ("**E-SIGN**"), and Uniform Electronic Transactions Act ("**UETA**"), that a signature by fax, email or other electronic means shall constitute an Electronic Signature to an Electronic Record under both E-SIGN and UETA with respect to this specific transaction.

26.33 Confidentiality. Landlord and Tenant acknowledge that the economic terms of this Lease are confidential information. Landlord and Tenant shall keep such confidential information strictly confidential and shall not disclose such confidential information to any person or entity other than (i) to their and their parent's and affiliate's financial, legal and space planning consultants, brokers, property managers and potential subtenants, assignees, buyers or investors, and such other similarly interested parties, (ii) as may be required to enforce the provisions of this Lease, or (iii) as may be required by applicable Laws.

26.34 Non-Discrimination. Tenant covenants by and for itself, its successors and assigns, and all persons claiming under or through them, and this Lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of sex, marital status, race, color, religion, creed, national origin or ancestry, in the leasing, subleasing, renting, transferring, use, occupancy, tenure or enjoyment of the Premises, nor shall Tenant itself, or any person claiming under or through it, establish or permit such practice or practices of discrimination or segregation with reference to the selection, location, number, use of occupancy of tenants, lessees, sublessee, subtenants or vendees in the Premises. Notwithstanding the foregoing, a violation of this Section 26.34 by Tenant shall not constitute a Default under the Lease.

26.35 No Conflicts. [***].

26.36 Jurisdiction; Waiver of Jury Trial. IN ANY ACTION OR PROCEEDING ARISING HEREFROM, LANDLORD AND TENANT HEREBY CONSENT TO (I) THE JURISDICTION OF ANY COMPETENT COURT WITHIN THE STATE OF CALIFORNIA, (II) SERVICE OR PROCESS BY ANY MEANS AUTHORIZED BY CALIFORNIA LAW, AND (III) IN THE INTEREST OF SAVING TIME AND EXPENSE AND TO THE FULLEST EXTENT PERMITTED BY LAW, TRIAL WITHOUT A JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER OR THEIR SUCCESSOR IN RESPECT OF ANY MATTER ARISING OUT OF OR IN CONNECTION WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES AND/OR ANY CLAIM FOR INJURY OR DAMAGE, OR ANY EMERGENCY OR STATUTORY REMEDY.

26.37 Arbitration.

26.37.1 General Submittals to Arbitration. The submittal of all matters to arbitration in accordance with the terms and conditions of this Section 26.37 is the sole and exclusive method, means and procedure to resolve any and all claims, disputes or disagreements arising under this Lease, including, but not limited to any matter relating to Landlord's failure to approve an assignment, sublease or other transfer of Tenant's interest in the Lease under Article 14 of this Lease, any other defaults by Landlord, or any Tenant default, except for (i) all claims by either party which (A) seek anything other than enforcement of rights under this Lease, (B) seek injunctive relief, or (C) are primarily founded upon matters of fraud, willful misconduct, bad faith or any other allegations of tortious action, and seek the award of punitive or exemplary damages, (ii) all claims by either party arising from the determination of Fair Market Rental Rate (as that term is defined in Section 2 of the Extension Option Rider attached hereto), and (iii) claims relating to Landlord's exercise of any unlawful detainer rights pursuant to California law or rights or

remedies used by Landlord to gain possession of the Premises or terminate Tenant's right of possession to the Premises, which disputes shall be resolved by suit filed in the Superior Court of Los Angeles County, California, the decision of which court shall be subject to appeal pursuant to applicable Laws. The parties hereby irrevocably waive any and all rights to the contrary and shall at all times conduct themselves in strict, full, complete and timely accordance with the terms and conditions of this Section 26.37 and all attempts to circumvent the terms and conditions of this Section 26.37 shall be absolutely null and void and of no force or effect whatsoever. As to any matter submitted to arbitration (except with respect to the payment of money) to determine whether a matter would, with the passage of time, constitute a default, such passage of time shall not commence to run until any such affirmative arbitrated determination, as long as it is simultaneously determined in such arbitration that the challenge of such matter as a potential Tenant default or Landlord default was made in good faith. As to any matter submitted to arbitration with respect to the payment of money, to determine whether a matter would, with the passage of time, constitute a default, such passage of time shall not commence to run in the event that the party which is obligated to make the payment does in fact make the payment to the other party. Such payment can be made "under protest," which shall occur when such payment is accompanied by a good faith notice stating the reasons that the party has elected to make a payment under protest. Such protest will be deemed waived unless the subject matter identified in the protest is submitted to arbitration as set forth in this Section 26.37.

26.37.2 JAMS. Any dispute to be arbitrated pursuant to the provisions of this Section 26.37 shall be determined by binding arbitration before a retired judge of the Superior Court of the State of California (the "**Arbitrator**") under the auspices of Judicial Arbitration & Mediation Services, Inc. ("**JAMS**"). Such arbitration shall be initiated by the parties, or either of them, within ten (10) days after either party sends Notice (the "**Arbitration Notice**") of a demand to arbitrate to the other party and to JAMS. The Arbitration Notice shall contain a description of the subject matter of the arbitration, the dispute with respect thereto, the amount involved, if any, and the remedy or determination sought. The parties may agree on a retired judge from the JAMS panel. If they are unable to promptly agree, JAMS will provide a list of three available judges and each party may strike one. The remaining judge (or if there are two, the one selected by JAMS) will serve as the Arbitrator. In the event that JAMS shall no longer exist or if JAMS fails or refuses to accept submission of such dispute, then the dispute shall be resolved by binding arbitration before the American Arbitration Association ("**AAA**") under the AAA's commercial arbitration rules then in effect.

26.37.3 Arbitration Procedure.

26.37.3.1 Pre-Decision Actions. The Arbitrator shall schedule a pre-hearing conference to resolve procedural matters, arrange for the exchange of information, obtain stipulations, and narrow the issues. The parties will submit proposed discovery schedules to the Arbitrator at the pre-hearing conference. The scope and duration of discovery will be within the sole discretion of the Arbitrator. The Arbitrator shall have the discretion to order a pre-hearing exchange of information by the parties, including, without limitation, production of requested documents, exchange of summaries of testimony of proposed witnesses, and examination by deposition of parties and third-party witnesses. This discretion shall be exercised in favor of discovery reasonable under the circumstances.

26.37.3.2 The Decision. The arbitration shall be conducted in Los Angeles, California. Any party may be represented by counsel or other authorized representative. In rendering a decision(s), the Arbitrator shall determine the rights and obligations of the parties according to the substantive and procedural laws of the State of California and the terms and conditions of this Lease. The Arbitrator's decision shall be based on the evidence introduced at the hearing, including all logical and reasonable inferences therefrom. The Arbitrator may make any determination, and/or grant any remedy or relief (an "**Arbitration Award**") that is just and equitable. The decision must be based on, and

accompanied by, a written statement of decision explaining the factual and legal basis for the decision as to each of the principal controverted issues. The decision shall be conclusive and binding, and it may thereafter be confirmed as a judgment by the Superior Court of the State of California, subject only to challenge on the grounds set forth in the California Code of Civil Procedure Section 1286.2. The validity and enforceability of the Arbitrator's decision is to be determined exclusively by the California courts pursuant to the terms and conditions of this Lease. The Arbitrator shall award costs, including without limitation attorneys' fees, and expert and witness costs, to the prevailing party as defined in California Code of Civil Procedure Section 1032 ("**Prevailing Party**"), if any, as determined by the Arbitrator in his discretion. The Arbitrator's fees and costs shall be paid by the non-prevailing party as determined by the Arbitrator in his discretion. A party shall be determined by the Arbitrator to be the prevailing party if its proposal for the resolution of dispute is the closer to that adopted by the Arbitrator.

26.38 Calendar Days. All references made in this Lease to the word "days," whether for notices, schedules or other miscellaneous time limits, shall at all times herein be deemed to mean calendar days, unless specifically references as "business" or "working" days. Business or working days shall mean the days Monday-Friday, excluding Holidays.

26.39 Good Faith. Except (i) for matters for which there is a standard of consent or discretion specifically set forth in this Lease; (ii) matters which could have an adverse effect on the Base Building (other than in a *de minimis* manner), or which could affect the exterior appearance of the Building, or (iii) matters covered by Article 4 (Additional Rent), Article 10 (Insurance), or Article 19 (Defaults; Remedies) of this Lease (collectively, the "**Excepted Matters**"), any time the consent of Landlord or Tenant is required under this Lease, such consent shall not be unreasonably withheld, conditioned or delayed, and, except with regard to the Excepted Matters, whenever this Lease grants Landlord or Tenant the right to take action, exercise discretion, establish Rules and Regulations or make an allocation or other determination, Landlord and Tenant shall act reasonably and in good faith.

26.40 Executive Order 13224. Tenant and all persons or entities holding any equity ownership interest whatsoever in Tenant are not included in, owned by, controlled by, acting for or on behalf of, providing assistance, support, sponsorship, or services of any kind to, or otherwise associated with any of the persons or entities referred to or described in Executive Order 13224 – Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, as amended. Neither Tenant nor any persons holding equity interest whatsoever in Tenant shall at any time during the term of the Lease be described in, covered by or specially designated pursuant to or be affiliated with any person described in, covered by or specially designated pursuant to Executive Order 13224, as amended, or any similar list issued by the Office of Foreign Asset Control ("**OFAC**") or any other department or agency of the United States of America. Notwithstanding the foregoing, Tenant hereby confirms that if it becomes aware or receives any notice of any violation of the foregoing covenant and agreement (an **"OFAC Violation"**), Tenant will immediately (i) give notice to Landlord of such OFAC Violation, and (ii) comply with all laws applicable to such OFAC Violation, including, without limitation, Executive Order 13224; the International Emergency Economic Powers Act, 50 U.S.C. Sections 1701-06; the Iraqi Sanctions Act, Pub. L. 101-513, 104 Stat. 2047-55; the United Nations Participation Act, 22 U.S.C. Section 287c; the Antiterrorism and Effective Death Penalty Act, (enacting 8 U.S.C. Section 219, 18 U.S.C. Section 2332d, and 18 U.S.C. Section 2339b); the International Security and Development Cooperation Act, 22 U.S.C. Section 2349 aa-9; the Terrorism Sanctions Regulations, 31 C.F.R. Part 595; the Terrorism List Governments Sanctions Regulations, 31 C.F.R. Part 596; and the Foreign Terrorist Organizations Sanctions Regulations, 31 C.F.R. Part 597 (collectively, the "**Anti-Terrorism Regulations**"), and Tenant hereby authorizes and consents to Landlord taking any and all reasonable steps Landlord deems necessary, in its sole discretion, to comply with all laws applicable to any such OFAC Violation, including the requirements of the Anti-Terrorism Regulations. Failure to comply with the Anti-Terrorism Regulations will be an event of default under this Lease. Tenant will provide such reasonable evidence as Landlord may request from time to time to evidence compliance with the foregoing.

26.41 Telecommunications Equipment. At any time during the Lease Term, subject to the terms of this Lease, including this Section 26.41, Tenant may install, at Tenant's sole cost and expense, telecommunication devices to meet Tenant's telecommunication needs at the Premises (the "**Telecommunications Equipment**") upon the roof of the Building. Tenant shall not be obligated to pay any rent or fee to Landlord for its use of the roof pursuant to this Section 26.41. Notwithstanding the foregoing, Tenant shall also pay all costs incurred by Landlord or Tenant for Tenant's use of the Building utilities in connection with the Telecommunications Equipment (including the cost of any separate metering requested by Landlord), including, without limitation, any electricity, water, gas, or heating, ventilation, or air conditioning. In addition, Tenant shall directly pay for all costs in connection with the construction, installation, operation, maintenance, repair, replacement, and insurance of the Telecommunication Equipment. Tenant's right to utilize the roof of the Building pursuant to the terms hereof shall be non-exclusive; provided that any telecommunications equipment installed by Landlord on the roof of the Building shall (i) be reasonably screened by Landlord, (ii) in no event unreasonably interfere with Tenant's view from the Premises through any skylights located on the roof of the Building, (iii) in no event contain third party branding which is visible from the exterior of the Building, and (iv) be proportionally and reasonably allocated between the Building and the Other Building if more than two (2) telecommunication devices are installed by Landlord in the Project which are not for the benefit of the tenants of the Project. The physical appearance and all specifications of the Telecommunications Equipment shall be subject to Landlord's reasonable approval, the location of any such installation of the Telecommunications Equipment shall be designated by Landlord, and Landlord may require Tenant to install screening around such Telecommunications Equipment, at Tenant's sole cost and expense, as reasonably designated by Landlord. Further, Tenant hereby agrees to attach the Telecommunications Equipment to the roof in accordance with Landlord's Project standard method therefor. Tenant shall be responsible, at Tenant's sole cost and expense, for (i) obtaining all permits or other governmental approvals required for or in connection with the Telecommunications Equipment, (ii) repairing and maintaining and causing the Telecommunications Equipment to comply with all Laws, and (iii) prior to the expiration or earlier termination of this Lease, removal of the Telecommunications Equipment and all associated wiring (and the restoration of all affected areas to the condition existing prior to the installation thereof). In no event shall Tenant permit the Telecommunications Equipment to interfere with the systems of the Project or any other communications or other equipment at or servicing the Building or Project. Tenant shall indemnify, defend, protect, and hold harmless the Landlord Parties from any and all loss, cost, damage, expense and liability (including, without limitation, court costs and reasonable attorneys' fees) incurred in connection with or arising from any cause related to Tenant's installation, use, repair or maintenance or any other matter relating to or in connection with the Telecommunications Equipment. Subject to Landlord's reasonable and non-discriminatory rules and regulations (including, without limitation, Landlord's reasonable notice requirements), Tenant shall be permitted to access the roof of the Building in order to install, repair and maintain its Telecommunications Equipment. The rights set forth in this Section 26.41 shall be personal to Original Tenant and any Permitted Transferee Assignee, and may not be assigned to or utilized by any assignee, sublessee, transferee or any other party.

26.42 Emergency Generator. Subject to the terms hereof and applicable Laws, Tenant shall have the right to install one (1) emergency electrical generator (the "**Generator**") to service the Premises in an area adjacent to the Building (the specific location of the Generator shall be reasonably designated by Landlord [the "**Generator Area**"]). Except as specifically set forth in this Section 26.42 below, Tenant shall not be charged any Rent for the use of the Generator Area. All connections (cables, cable trays, etc.)

from such Generator to the Premises shall be located in areas reasonably approved by Landlord. The Generator shall be screened by Tenant, at Tenant's sole cost and expense, which screening shall be aesthetically consistent with the overall design, architecture, construction and aesthetics of the Project and a first class creative office complex (evaluated relative to the Comparable Buildings). In no event shall Tenant permit the Generator to interfere with normal and customary use or operation of the Project by Landlord or other tenants and/or occupants (including, without limitation, by means of noise or odor). Tenant shall be responsible for any and all costs, if any, incurred by Landlord as a result of or in connection with Tenant's installation, operation, use and/or removal of the Generator. In the event that Landlord shall incur any costs as a result of or in connection with the rights granted to Tenant herein, Tenant shall reimburse Landlord for the same within thirty (30) days following billing therefor. Subject to Landlord's prior approval of all plans and specifications, which approval shall not be unreasonably withheld, and at Tenant's sole cost and expense, Landlord shall permit Tenant to install and maintain the Generator in the Generator Area, and connections between the Generator and Landlord's electrical systems in the Building, all in compliance with all applicable Laws. Without limitation of the foregoing, all conditions relating to the installation, connection, use, repair and removal of the Generator (including, without limitation, the manner and means of Tenant's connection of the Generator to the Building Systems) shall be subject to the prior approval of Landlord, which approval shall not be unreasonably withheld, conditioned or delayed. Tenant shall be responsible for all maintenance and repairs and compliance with Laws obligations related to the Generator and acknowledges and that Landlord shall have no responsibility in connection therewith and that Landlord shall not be liable for any damage that may occur with respect to the Generator. The Generator shall be used by Tenant only during (i) testing and regular maintenance, and (ii) the period of any electrical power outage in the Building. Tenant shall be entitled to operate the Generator and such connections to the Building for testing and regular maintenance only upon notice to Landlord and at times reasonably approved by Landlord. Tenant shall submit the specifications for design, operation, installation and maintenance of the connections to the Generator and facilities related thereto to Landlord for Landlord's consent, which consent will not be unreasonably withheld or delayed, and may be conditioned on Tenant complying with such reasonable requirements imposed by Landlord, based on the advice of Landlord's engineers, so that the Building's Systems or other components of the Building and Project are not adversely affected by the installation and operation of the Generator and/or based upon other reasonable factors as determined by Landlord. The cost of design (including engineering costs) and installation of the Generator and the costs of the Generator itself shall be Tenant's sole responsibility. All repairs and maintenance and compliance with Laws with respect to the Generator shall be the sole responsibility of Tenant (at Tenant's sole cost and expense), and Landlord makes no representation or warranty of any kind with respect to such Generator. At Landlord's option, Landlord may require that Tenant upon the expiration or earlier termination of the Lease, as amended (or upon any earlier termination of Tenant's rights with respect to the Generator as provided hereunder), either (i) leave in place the Generator, and all related facilities and equipment, or (ii) remove the Generator and all related facilities and equipment and repair all damage to the Building and/or Project resulting from such removal and restore all affected areas to their condition existing prior to Tenant's installation of the Generator, all at Tenant's sole cost and expense. The terms of the preceding sentence as well as the indemnity set forth below shall survive the termination or earlier expiration of the Lease, as amended. Tenant shall indemnify, defend, protect, and hold harmless Landlord, and the Landlord Parties from any and all loss, cost, damage, expense and liability (including, without limitation, court costs and reasonable attorneys' fees) incurred in connection with or arising from any cause related to or connected with the installation, use, operation, repair and/or removal of the Generator and/or any acts, omissions or negligence of Tenant or of any person claiming by, through or under Tenant, or of the contractors, agents, servants, employees, invitees, guests or licensees of Tenant or any such person, in connection with the Generator. In the event that Tenant shall fail to comply with the requirements set forth herein, without limitation of Landlord's other remedies, (A) Landlord shall have the right to terminate Tenant's rights with respect to the Generator, and/or (B) Landlord shall have the right, at Tenant's sole cost

and expense, to cure such breach, in which event Tenant shall be obligated to pay to Landlord, within thirty (30) days following demand by Landlord, the Actual Cost expended by Landlord, plus a ten percent (10%) surcharge payable to Landlord on such costs to cover Landlord's administrative costs. Tenant shall pay, as Additional Rent, all costs of Tenant's use of Project utilities in connection with the Generator, which use, at Landlord's option, shall be separately metered (and Tenant shall pay to Landlord the cost of such separate metering), including, without limitation, any electricity, water, gas, or heating, ventilation or air conditioning. Tenant shall immediately cause the removal of any Hazardous Materials released by, or on behalf of, Tenant (including, without limitation, in connection with the Generator) and return the Generator and/or Project to the environmental condition as it existed prior to the installation of the Generator. Landlord has made no warranty or representation that the Generator is permitted by applicable Law nor that the Generator Area is suitable for the Generator, and Tenant assumes all liability and risk in obtaining all permits and approvals necessary for the installation and use of the Generator. Further, during the entire portion of the Lease Term in which the Generator is located within the Project, Tenant shall (a) obtain and maintain all applicable permits in connection with the use and operation of the Generator and (b) keep the Generator in good working order and certified. Landlord may, upon at least fifteen (15) days' prior written notice to Tenant, require Tenant to relocate the Generator Area, or a portion thereof, to another location designated by Landlord and reasonably acceptable to Tenant; provided, however, that a substitute location will not result in permanent loss or loss over an extended period of functionality of the Generator and so long as Landlord shall provide temporary back-up generator power during any such relocation. In such event, Landlord shall relocate the Generator to such substitute location at Landlord's sole cost and expense at such time and in such manner as to inconvenience Tenant as little as reasonably practicable. All applicable provisions of this Lease shall apply to the Generator Area and Generator and Tenant's use thereof, in the same manner as those provisions apply to the Premises. In the event of any conflicts between the provisions of this Section 26.42 and the remainder of this Lease, in connection with the interpretation of this Section 26.42 only, the provisions of this Section 26.42 shall govern. Accordingly, the Generator and the Generator Area shall be deemed to be a part of the Premises for purposes of the indemnity and insurance provisions of this Lease, and, in addition, Tenant shall maintain, at Tenant's cost, industry standard "boiler and machinery" insurance coverage with respect thereto.

26.43 Dogs. Subject to applicable Laws and further subject to any additional reasonable rules and regulations as may be promulgated by Landlord from time to time, Tenant shall be permitted to bring up to a maximum of one (1) non-aggressive, fully-domesticated, fully-vaccinated, neutered/spayed and trained dog into the Premises per 5,000 rentable square feet of the Premises (which dogs are currently owned by Tenant's employees, Permitted Transferees, or Permitted Occupants) (individually or collectively, "**Tenant's Dogs**"). Tenant agrees all of Tenant's Dogs shall be less than eighty (80) pounds in weight each. Tenant represents and warrants that none of Tenant's Dogs are of the following breeds of dog (or a mix comprised of one or more of the following): Pit Bull, Chow Chow, Alaskan Malamutes, Rottweiler, Doberman, Huskies, or Presa Canario. Tenant's Dogs shall be strictly controlled and supervised at all times by its owner. Tenant's Dogs shall only be allowed within the Premises and under no circumstances shall Tenant's Dogs be permitted in the Parking Structure or the Common Areas within the Project other than to access the Premises or other outdoor Common Areas. Tenant's Dogs shall utilize the service exit that leads directly to the dog park within the Project. Tenant's Dogs must be leashed and attended to by Tenant or a Tenant employee at all times in the outdoor Common Areas. Within five (5) days following Tenant's receipt of Landlord's request therefor, Tenant shall provide Landlord with satisfactory evidence showing that all current vaccinations, flea treatments and certifications have been received by Tenant's Dogs. Tenant's Dogs must have both heartworm and frontline vaccinations on an annual basis, and none of Tenant's Dogs shall be brought to the Premises in the event one (1) of Tenant's Dogs becomes ill or contracts a disease that could potentially threaten the health or wellbeing of any occupants of the Project (which diseases may include, but shall not be limited to, rabies, leptospirosis and

Lyme disease). Tenant shall not permit any objectionable dog related noises or odors to emanate from the Premises, and in no event shall Tenant's Dogs be kept in the Premises overnight. Tenant's Dogs shall not bark excessively or otherwise create a nuisance at the Project. All bodily waste generated by Tenant's Dogs in or about the Premises shall be immediately removed and disposed of in trash receptacles designated by Landlord, and any areas of the Premises affected by such waste shall be cleaned and otherwise sanitized to a condition consistent with Landlord's commercially reasonable standards applicable thereto. Landlord shall have the right to cause Tenant to hire, at Tenant's sole cost and expense, a professional cleaning service or flea and pest control service designated by Landlord to sanitize the Premises (including the Deck) in the event Landlord reasonably determines such services are necessary. Tenant's Dogs shall not be permitted to enter the Premises if Tenant's Dogs previously exhibited dangerous or aggressive behavior. Tenant's Dogs shall not interfere with other tenants, licensees, invitees or those having business in the Project. Notwithstanding any provision to the contrary contained in the Lease, Landlord shall have the right at any time to rescind Tenant's right to have any particular Tenant's Dog in the Premises or outdoor Common Areas if, in Landlord's sole but reasonable discretion, there is a legitimate reason not to continue to allow any of Tenant's Dogs into the Premises, including, but not limited to, if (i) any of Tenant's Dogs are, in Landlord's reasonable judgment, found to be a substantial nuisance to the Project (for purposes hereof, Tenant's Dogs may found to be a "substantial nuisance" if, without limitation, any of Tenant's Dogs enters or defecates in the Common Areas and Tenant does not promptly dispose of such waste, or damages the Common Areas); (ii) Landlord receives complaints from any other tenants or third parties as a result of any unreasonable noise or nuisance caused by Tenant's Dogs; (iii) Landlord receives any notice of violation or default of any applicable Laws or any Underlying Documents affecting the Project or (iv) Tenant's failure to comply with the provisions of this paragraph. Without limiting the provisions of Section 10.1 above, Tenant hereby agrees to protect, defend, indemnify and hold the Indemnified Parties, harmless from and against any and all Claims arising from or connected in any way with Tenant's Dogs, including (i) all damages arising or resulting from Tenant's Dogs being present at the Premises, (ii) any violation of any applicable laws, regulations, ordinances or any covenants, conditions, restrictions or matters of record affecting the Project, and (iii) any personal injuries or property damage. The foregoing indemnity shall survive the expiration or earlier termination of the Lease.

[remainder of page intentionally left blank; signatures on next page]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be executed the day and date first above written.

LANDLORD:

CSHV PEN FACTORY, LLC,
a Delaware limited liability company

By: [***]

By: [***],

Its authorized agent

By: /s/ [***]
Name: [***]
Its: Authorized Signatory

TENANT:

GOODRX, INC.,
a Delaware corporation

By: /s/ Doug Hirsch
Name: Doug Hirsch
Its: Co-CEO

By: /s/ Trevor Bezdek
Name: Trevor Bezdek
Its: Co-CEO